

The Effect of Profitability and Company Age on Human Resource Accounting Disclosure in IDX-Listed Banking Companies

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Abstract

This study aims to examine the effect of profitability and firm age on human resource accounting disclosure (HRAD) in banking companies listed on the Indonesia Stock Exchange (IDX) from 2022 to 2024. This study employs a quantitative approach, utilizing multiple linear regression analysis based on secondary data collected from company annual reports. The analysis results indicate that profitability does not significantly affect HRAD, while company age has a significant positive effect on HRAD. Simultaneously, both independent variables significantly affect HRAD, although their contributions in explaining HRAD variations remain limited. These findings suggest that the operational age of a company is more significant in encouraging human resource information disclosure than its financial performance. This study also highlights the importance of a company's experience and maturity in establishing more transparent non-financial reporting practices. However, the low coefficient of determination value indicates the need to include additional variables in future research to develop a more comprehensive model.

Keywords: Profitability, Company Age, Human Resource Accounting Disclosure

Classification:
Empirical Paper

History:
Submitted:
July 30, 2025

Revised:
August 10, 2025
Accepted:
September 17,
2025

Luthfiyanti, D. & Sulistyowati, E. (2025). The Effect of Profitability and Company Age on Human Resource Accounting Disclosure in IDX-Listed Banking Companies. *SAR (Soedirman Accounting Review): Journal of Accounting and Business*. 10(2):95-107

INTRODUCTION

The swift evolution and transformation of the business world, especially in the era of the knowledge-based economy, has made human resources a key component in achieving a company's strategic goals (Rohman & Kawedar, 2024). Human resources are no longer viewed merely as supplementary factors but as intangible assets that are instrumental in managing technology, fostering innovation, and creating sustainable value (Rubianto, 2022). Unlike physical assets such as machinery or buildings, humans possess adaptive capabilities, creativity, and the potential to contribute to long-term competitive advantage.

However, in conventional accounting practices, human resource-related expenses tend to be classified as operating costs rather than capital investments, so information related to human contributions to company value is not adequately reflected in financial statements (Saputri et al., 2024). This information is crucial for stakeholders, such as investors and creditors, in evaluating the performance and sustainability of business operations. Therefore, Human Resource Accounting Disclosure (HRAD) has emerged as an approach that bridges the need for transparency and accountability of human resource information in company annual reports.

Although HRAD has attracted the attention of academics and practitioners, research findings related to its determinants, particularly profitability and company age, show inconsistent results. Some studies have found significant positive effects, while others have reported opposite results. This inconsistency suggests the existence of a research gap that requires further exploration, particularly within the context of the banking sector in Indonesia.

In addition to the differences in findings from previous studies, various contemporary phenomena also strengthen the importance of HRAD. For example, the enactment of the revised Job Creation Law, the increasing of hybrid and remote work practices, and growing attention to employee mental health issues indicate that companies need to adapt their HR reporting to be more transparent and humane (Admin, 2024; Medianana, 2024; Talenta, 2024). In this context, the banking sector is a fascinating subject for research due to its labor-intensive characteristics and heavy reliance on the standard of service delivered through its human resources. The 2022–2024 research period was chosen to capture post-pandemic dynamics, labor regulation adjustments, and developments in non-financial reporting in Indonesia's financial services sector.

The research problem raised is the lack of consistent conclusions regarding the effect of profitability and company age on HRAD in the Indonesian banking sector, even though these factors have the potential to affect the level of transparency in HR reporting. The theoretical contribution of this research is to expand the literature on the determinants of HRAD in developing countries by strengthening the relevance of stakeholder theory in explaining HR disclosure in the banking sector. The practical contribution is to provide recommendations to banking companies to integrate HRAD into their reporting strategies, as well as to provide input to regulators to develop more explicit and standardized HRAD reporting guidelines.

The novelty of this research lies in its combination of focus on the banking sector, the current post-pandemic period, and the simultaneous testing of the effect of profitability and company age on HRAD. This combination has not been widely explored in the Indonesian context. This approach is expected to provide a new perspective that is more relevant to the current conditions of the banking industry.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Stakeholder Theory

The stakeholder theory was first proposed by Freeman in 1984, who stated that the success of a company does not depend only on shareholders, but also on parties who have an interest in the company, such as employees, consumers, the government, and the wider community (Hörisch et

[al., 2020](#)). In this context, companies need to convey relevant information to stakeholders as a form of social responsibility and transparency. This theory forms the basis for the development of HRAD, as providing insights into human capital aligns with non-mandatory disclosure undertaken to meet stakeholder expectations ([Andini, 2020](#)). According to [Rahman \(2021\)](#), stakeholder theory encourages companies to expand disclosure in order to build trust with the public and create a good reputation. The relevance of this theory to the variables in the study is also evident in the encouragement for profitable and experienced companies to be more open about HR information.

Based on stakeholder theory, companies are required to provide comprehensive information to stakeholders, including information that is not required to be disclosed by regulation. The main objective of this theory is to minimize potential losses to stakeholders and encourage increased value from business activities. HRAD, as part of voluntary disclosure, reflects how companies fulfill stakeholders' rights to information, particularly regarding human resources, which are key to organizational sustainability. Profitability and company longevity are closely correlated with this theory. High profitability can strengthen stakeholder trust and encourage companies to present more transparent information ([Rorong & Lasdi, 2020](#)). The age of a company reflects the accumulation of experience in managing information and building long-term relationships with stakeholders ([Widiartini et al., 2020](#)).

Human Resource Accounting Disclosure

Human Resource Accounting Disclosure (HRAD) is the process of identifying, measuring, and disclosing information about human resources to stakeholders ([Tulbro, 2024](#)). The Human Resource Accounting Committee of the American Accounting Association in 1973 stated that HRAD includes reporting on recruitment, training, development, and other benefits provided to employees. According to [Eksandy & Sari \(2020\)](#), HRAD enhances transparency and the quality of decision-making by management and investors. [Priyadi \(2020\)](#) emphasizes that human resources have significant economic value, yet are often not explicitly recognized in conventional financial statements. Therefore, HRAD serves as a means to bridge relevant non-financial information with business sustainability.

HRA is defined as a process that includes measuring and reporting the costs and value of human resources, both for internal users such as management and for external users such as investors and creditors ([Pham et al., 2022](#)). HRA contributes to improved strategic decision-making, particularly in designing training, compensation, and recruitment strategies. Transparent HRAD reflects the organization's dedication to accountability and the fairness of information. HRAD can enhance stakeholders' favorable views toward the organization, thereby supporting the company's reputation and long-term value in the eyes of the public ([Kumari et al., 2024](#)).

Profitability

Profitability represents a financial metric that measures how effectively a company utilizes its assets to produce earnings and generate returns on equity ([Maharani, 2023](#)). This ratio is an important indicator in assessing operational efficiency and company performance. In the banking context, one of the commonly used profitability indicators is the Net Interest Margin (NIM), which reflects the efficiency of interest income relative to productive assets ([Arthamevia & Husin, 2023](#)). Several studies have shown a positive influence of profitability on HRAD. [Istiawan & Kartika \(2022\)](#) state that companies with higher profitability are generally more active in disclosing HR information. This is because profitability allows companies to allocate a larger budget for reporting practices and demonstrate commitment to stakeholders. Conversely, research by [Yunita & Mauliza \(2020\)](#) states that profitability does not always correlate with HRAD, so its influence remains debated and constitutes a research gap.

Profitability also reflects management's ability to manage and optimize human resources, as company profits are closely related to labor productivity ([Anggraini & Fransiska, 2021](#)). According to [Andini \(2020\)](#), profitability ratios can reflect the economic value generated by human resources and be considered in HRAD reporting. In this study, profitability is measured using NIM as a measure of bank interest income efficiency. The higher the NIM, the greater the company's potential to allocate resources for voluntary reporting practices such as HRAD.

Based on stakeholder theory, companies have a responsibility to provide relevant information to all interested parties, including non-financial information regarding human resources. High profitability reflects a company's ability to manage resources and performance, thereby encouraging greater disclosure of human resource information as a form of accountability and fulfillment of stakeholder expectations.

Company Age

The age of a company refers to the length of time it has been operating since its establishment to the present ([Eksandy & Sari, 2020](#)). According to [Rahman \(2021\)](#), age reflects a company's resilience in facing business challenges. Firms with a lengthy operational history are considered more established and experienced in reporting practices. Research by [Setiabudhi & Pamikatsih \(2023\)](#) found that companies with a longer age tend to have higher HRAD levels because they have experience in meeting stakeholder expectations. However, [Sari & Widodo \(2023\)](#) stated that there is no significant effect of age on HRAD because new companies can also adapt quickly to reporting standards. This inconsistency opens up room for further research, particularly in the Indonesian banking sector.

The age of a company indicates its adaptive capacity and ability to manage financial and nonfinancial information ([Anggraini & Fransiska, 2021](#)). The longer a company survives, the greater the stakeholders' expectations of the quality of reporting, including HRAD. Age reflects the level of institutionalization within an organization, namely the extent to which practices, values, and internal systems are firmly embedded ([Saputri et al., 2024](#)). Therefore, firms with a long-standing presence tend to have better and more credible reporting systems. This study measures company age based on the duration of the company's listing on the Indonesia Stock Exchange since its IPO, as a public company status reflects higher reporting and information disclosure obligations ([Pulungan et al., 2022](#)).

Based on stakeholder theory, companies have a responsibility to provide relevant information to all interested parties, including non-financial information regarding human resources. A longer company age reflects accumulated experience, operational stability, and maturity in building relationships with stakeholders, which is expected to encourage greater disclosure of human resource information as a form of accountability and fulfillment of stakeholder expectations.

The Effect of Profitability on Human Resource Accounting Disclosure

Previous studies have shown that profitability has an important influence on encouraging HRAD practices. Research by [Adila & Wahyuningrum \(2021\)](#) found that profitability has a significant effect on HRAD. Comparable findings were obtained in a study conducted by [Dewi & Putra \(2024\)](#), which stated that profitability has a positive effect on HRAD. This finding is reinforced by a study by [Istiawan & Kartika \(2022\)](#), which shows a positive and significant effect of profitability on HRAD. In addition, a recent research by [Rohman & Kawedar \(2024\)](#) also concluded that profitability has a positive and significant effect on HRAD. The consistency of the results from these various studies indicates that highly profitable companies have a greater capacity to disclose human resources more broadly and transparently.

H1: Profitability affects Human Resource Accounting Disclosure

Based on stakeholder theory, companies with high profitability tend to disclose human resource information more extensively as a strategy to build reputation and meet stakeholder expectations.

The Effect of Company Age on Human Resource Accounting Disclosure

Previous research has also shown a strong correlation between company age and HRAD. A study conducted by [Setiabudhi & Pamikatsih \(2023\)](#) indicates that firm age plays a role in the effect on HRAD. This finding is reinforced by research by [Istiawan & Kartika \(2022\)](#), suggesting that company age significantly and positively affects HRAD. These findings indicate that companies that have been operating for an extended operational duration tend to have more experience and stability, making them more capable of compiling and disclosing human resource information in a transparent and accountable manner.

H2: Company age affects Human Resource Accounting Disclosure

Companies with a longer operational age possess the experience and stability that enable more comprehensive human resource disclosure, in line with stakeholder expectations. Drawing from the formulation of the hypothesis, the conceptual framework can be outlined as follows:

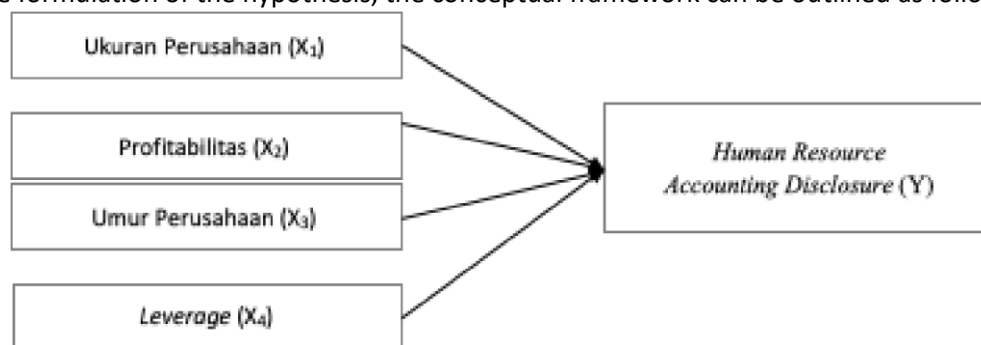


Figure 1. Conceptual Framework

The conceptual framework of this study illustrates the relationship between the independent variables namely profitability (measured by NIM) and company age (measured by the length of time the company has been listed on the IDX) and the dependent variable, namely HRAD. Based on stakeholder theory, both independent variables are expected to positively effect the level of HRAD, as they are associated with the company's capacity, experience, and motivation to meet stakeholders' information needs.

RESEARCH METHOD

Research Design

This research adopts a quantitative methodology with statistical analysis techniques. This study adopts a causal-comparative design intended to how the independent variables (profitability and company age) affects the dependent variable, namely Human Resource Accounting Disclosure (HRAD). This approach is used to test previously formulated hypotheses by analyzing numerical data from company annual reports.

Population and Sample

This study targets all firms in the banking sector registered on the IDX between 2022 and 2024 as its population, totaling 47 companies. The observation period is limited to three years (2022–2024), selected to capture post-pandemic reporting dynamics. However, this relatively short time span may limit the ability to identify long-term trends and is susceptible to the effect of temporary economic conditions.

The research utilized a purposive sampling approach, focusing on units that fulfill specific selection standards, namely: (1) banking companies listed on the IDX from 2022 to 2024, and (2) companies that did not incur losses during the observation period. The reason for selecting purposive sampling is to ensure that all samples possess characteristics relevant to the research object, thereby enabling more valid comparisons across companies. Following the selection criteria, the study obtained a sample of 30 companies, amounting to 90 total observations (30 companies x 3 years).

Data Collection Techniques and Instrument Development

The research relies on secondary sources, with data collected through the examination of annual and financial reports published on both the IDX official site and the companies' respective websites. The research instruments were developed in the form of measurement indicators for the following variables:

1. HRAD is measured using the Human Resource Accounting Disclosure Index (HRADI), which consists of 16 disclosure items based on [Yani et al. \(2024\)](#). These items cover information on recruitment, training, compensation, employee welfare, and other aspects of human resource development. Each item is assessed using a dichotomous scale: a score of 1 if disclosed and zero if not disclosed. The index is calculated using the formula:

$$HRADI = \frac{n}{k}$$

The validity and reliability of the HRAD index were tested in the study by [Yani et al. \(2024\)](#) using content validity assessed by experts in accounting and human resource management, and it demonstrated a Cronbach's Alpha value above 0.7, indicating good reliability.

2. Profitability is measured using the Net Interest Margin (NIM) ratio with the formula ([Arthamevia & Husin, 2023](#)):

$$NIM = \frac{\text{Net Interest Income}}{\text{Average Productive Assets}} \times 100\%$$

3. Company age is measured by the difference between the observation year and the Initial Public Offering (IPO) year ([Pulungan et al., 2022](#)), using the formula:

$$\text{Company Age} = \text{Year of Observation} - \text{Year of IPO}$$

Data Analysis Techniques

The analytical process in this research was carried out using a quantitative approach with the help of the latest version of SPSS software as the primary tool for managing data and performing various statistical procedures, including multiple linear regression analysis. The analytical material used was derived from the annual disclosures of the banking companies that were the research sample.

The analytical phase commences with a descriptive statistics assessment intended to summarize the dataset, including measures such as average, highest and lowest values, and the standard deviation for each variable. Next, tests of classical assumptions are performed to verify that the regression model satisfies the necessary statistical requirements. The process of testing classical assumptions covers normality tests (using the Kolmogorov-Smirnov test), multicollinearity tests (using Tolerance and VIF values), autocorrelation tests (using the Durbin-Watson test), and heteroscedasticity tests (using the Glejser test).

After ensuring that the data met the classical assumptions, the analysis continued with multiple linear regression analysis was conducted to assess how profitability and company age, both

collectively and separately, influence the dependent variable. The testing was conducted using an Ftest to determine the simultaneous effect and a t-test to examine the partial effect of each variable. Additionally, the coefficient of determination (R^2) was used to measure the extent to which the independent variables could explain the variation in the dependent variable. Through this process, it is hoped that the research will provide valid and objective results in testing the previously formulated hypotheses.

RESULT AND DISCUSSION

Descriptive Statistical Analysis

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PROFITABILITY	90	-10	.69	.0873	.11572
FIRM AGE	90	2.00	43.00	18.6333	10.44563
HRAD	90	.56	.94	.8074	.08313
Valid N (listwise)	90				

Source: Data processed by the author

Descriptive statistics serve to present a general picture of the data for each variable in the study. The statistics presented include number of observations (N), lowest and highest values, average, and variability as measured by the standard deviation. The three variables analyzed in this section are profitability, company age, and HRAD.

Profitability is measured by Net Interest Margin (NIM), which shows an average value of 0.0873. The minimum value of -0.10 indicates that there are banking companies in the sample that experience negative interest margins, while the maximum value of 0.69 shows very high profitability in some companies. The standard deviation of 0.11572 indicates a fairly wide variation in profitability levels among banking companies.

The age of the company is measured as the gap between the observation year and the year of Initial Public Offering (IPO). The minimum value is 2.00 and the maximum is 43.00. The average value of 18.63 years with a standard deviation of 10.45 indicates that the companies in the sample have a wide age range, from newly listed companies to those that have been operating for a long time.

Human Resource Accounting Disclosure (HRAD) as the dependent variable has an average value of 0.8074. The minimum value of 0.56 and the maximum value of 0.94 indicate that the level of human resource accounting disclosure is in the medium to high category. The standard deviation of 0.08313 indicates that HRAD practices are relatively even among the banking companies studied, with variations in disclosure that are not too extreme.

Classical Assumption Test

Table 2. Recap of Classical Assumption Testing Outcomes

Type of Test	Test Method	Indicator/Criteria	Test Result	Conclusion
Normality	One-Sample Kolmogorov-Smirnov	Sig. (2-tailed) > 0.05	Sig. = 0.083	Data are normally distributed
Multicollinearity	VIF and Tolerance	Tolerance > 0.10 and VIF < 10	Profitability: Tolerance = 0.919; VIF = 1.088 Firm Age: Tolerance = 0.919, VIF = 1.088	No multicollinearity detected
Autocorrelation	Durbin-Watson (after Cochrane-Orcutt transformation)	DW value lies between dU and 4-dU (1.702 < DW < 2.298)	DW = 1.945 (after transformation)	No autocorrelation after transformation
Heteroscedasticity	Glejser Test	Sig. > 0.05	Profitability: Sig. = 0.734 Firm Age: Sig. = 0.819	No heteroskedasticity detected

Source: Data processed by the author

Normality Test

The purpose of the normality test is to assess if the residuals are normally distributed (Ghozal, 2021). In this study, the test was conducted using the Kolmogorov-Smirnov statistical approach. Residuals are regarded as normally distributed when the significance level exceeds 0.05.

Based on the test results shown in Table 2, a significance value of 0.083 was obtained, which is more than 0.05. This suggests that the residuals within the regression model follow a normal distribution. Thus, the assumption of normality is fulfilled, and the data are deemed suitable for further analysis using linear regression.

This finding supports the fundamental assumption in classical regression analysis, which states that residuals must follow a normal distribution in order for parameter estimation results to be unbiased and efficient. In the context of this study, which examines the effect of profitability and company age on HRAD, the fulfillment of the normality assumption strengthens the validity of the model used. In addition, a normal residual distribution also indicates that there are no extreme deviations in the data that could interfere with the outcome of the regression model.

Multicollinearity Test

Multicollinearity testing is conducted to determine whether there is a high linear relationship among the explanatory variables included in the regression analysis (Ghozali, 2021). The presence of multicollinearity can disrupt the stability of regression coefficient estimates, as it causes the independent variables to overlap statistically. Multicollinearity can be identified through the Tolerance and Variance Inflation Factor (VIF) values, where the indicators of multicollinearity are Tolerance < 0.10 or VIF > 10.

According to the outcomes displayed in Table 2, it is apparent that the two independent variables in the model, namely profitability and company age, each have Tolerance values of 0.919

and VIF values of 1.088. These values are within reasonable limits and far from the indicative threshold for multicollinearity. These findings suggest the absence of a strong linear relationship among the independent variables, implying that the regression model does not suffer from multicollinearity.

This finding reinforces the validity of the regression approach structure in this research, particularly in testing the effect of profitability and company age on HRAD. With no multicollinearity found, the interpretation of each independent variable can be done more accurately, and the regression coefficient estimation results can be trusted. This condition also reinforces that the data used has met one of the important assumptions in multiple linear regression.

Autocorrelation Test

The autocorrelation test evaluates whether a dependency exists among residuals in a linear regression model, both between observations at one point in time and between different points in time ([Ghozali, 2021](#)). Untreated autocorrelation can cause estimation results to be inefficient. One of the most commonly used methods for detecting autocorrelation is the Durbin-Watson (DW) test.

Based on the preliminary test results, the Durbin-Watson value obtained was 0.734, well below the lower limit (dL) of 1.611 for a sample size (n) of 90 and several independent variables (k) of 2. This indicates the presence of positive autocorrelation in the initial regression model. The presence of autocorrelation means that the errors or residuals are not independent, so the model does not meet the classical assumptions of regression.

To overcome this issue, model transformation was performed using the Cochrane-Orcutt method, which is an iterative approach that regresses the model again by taking into account the autocorrelation pattern in the error term. The transformation results shown in Table 2 indicate an increase in the Durbin-Watson value to 1.945. Since this value is within the range between dU and 4-dU ($1.702 < 1.945 < 2.298$), it can indicate that neither positive nor negative autocorrelation, in the transformed model.

Thus, the corrective measures taken through Cochrane-Orcutt transformation were successful. The improved regression model now satisfies the assumption of residual independence, making it valid for use in subsequent analysis processes. This finding highlights the importance of testing and adjusting for autocorrelation, particularly in studies involving panel data or crosscompany data, as demonstrated in this research that explores how profitability and the age of firms affect HRAD disclosure in the banking sector.

Heteroscedasticity Test

A heteroscedasticity test was conducted to identify whether the regression model exhibits unequal variance of residual variance inequality, which can cause estimation results to be inefficient and biased ([Ghozali, 2021](#)). In this study, the Glejser method was used as a statistical approach to detect symptoms of heteroscedasticity. The procedure involved regressing the residuals' absolute values on the individual independent variables. If the significance value (Sig.) > 0.05 , the model is considered free of heteroscedasticity. Conversely, if Sig. < 0.05 , there is an indication of heteroscedasticity.

The test results shown in Table 2 indicate that the profitability variable has a significance value of 0.734, while the company age variable has a significance value of 0.819. Both values exceed the threshold of 0.05. These findings confirm that variance in the residuals is consistent, suggesting no heteroscedasticity issue. The residuals from the model are consistently distributed (homoscedastic) across observations, without showing any particular pattern in their error variance.

This condition indicates that the regression model used has fulfilled an important assumption in classical regression, namely, homoscedasticity. With this assumption fulfilled, the regression results can be interpreted with greater confidence, and the research conclusions produced have

greater validity. Furthermore, the absence of heteroscedasticity reinforces the reliability of the relationship between profitability and company age with the level of HRAD in the banking sector.

Hypothesis Test

Table 3. Recap of the Results from Hypothesis Testing

Variable	B	Std. Error	Beta	t	Sig.	R	R ₂	Adj. R ₂	F	Sig. F
(Constant)	0.748	0.020	-	36.588	<0.001	0.331	0.109	0.089	5.339	0.006
Profitability	0.106	0.076	0.147	1.393	0.167					
Firm Age	0.003	0.001	0.341	3.230	0.002					

Source: Data processed by the author

Multiple Linier Regression Analysis

Multiple linear regression analysis was conducted to determine the effect of independent variables, namely profitability (X1) and company age (X2), on the dependent variable, namely Human Resource Accounting Disclosure (HRAD). Based on Table 3, the following multiple linear regression equation was obtained:

$$Y = 0,748 + 0,106X_1 + 0,003X_2 + e$$

The interpretation of the multiple linear regression results shows that a constant value of 0.748 indicates that if the profitability and age of the company are at zero, the resulting Human Resource Accounting Disclosure (HRAD) value is 0.748. This means that in the absence of the effect of the two independent variables, the company still has a fundamental tendency to disclose human resource accounting information at that level. Furthermore, the regression coefficient for the profitability variable is 0.106. This indicates that every one-unit increase in company profitability will cause an increase in HRAD of 0.106, assuming that the company age variable remains constant. Meanwhile, the regression coefficient for the company age variable is 0.003, indicating that each additional year of company age will increase HRAD by 0.003, assuming that the profitability variable remains unchanged. Thus, it can be concluded that both profitability and company age have a positive effect on HRAD, although the level of significance still needs to be considered according to the findings from the partial regression test.

Coefficient of Determination (R²)

The coefficient of determination (R²) reflects the proportion of variance in the dependent variable that can be attributed to the influence of the independent variables within a regression framework (Ghozali, 2021). R² scores fall between 0 and 1, with figures approaching 1 signifying that the model has better predictive ability. However, because the quantity of predictors included in the model can affect the R² value, the Adjusted R² is used to provide a more accurate measure of the model's predictive ability, especially in models with several independent variables.

In this study, as shown in Table 3, the Adjusted R Square value of 0.089 indicates that the variables of profitability and company age together can only explain approximately 8.9% of the variation in HRAD. The low explanatory power indicates the presence of other factors, such as corporate governance mechanisms, ownership structure, CSR intensity, or regulatory pressure, that are likely to play a greater role in influencing HRAD. In addition, the relatively short three-year observation period (2022–2024) may also limit the ability to capture long-term trends. Although the model is statistically significant (F = 5.339; p = 0.006), these limitations underscore the need to incorporate additional explanatory variables in future research. Furthermore, the differences between findings in Indonesia and those in several other countries highlight the important role of institutional and regulatory contexts in shaping HRAD practices.

Partial Test (t-test)

The t-test, or partial significance test, serves to assess the individual impact of each independent variable on the dependent variable within a multiple linear regression framework (Ghozali, 2021). Interpretation is based on the significance value (Sig.), with the condition that if Sig. < 0.05, then the variable has a significant partial effect on the dependent variable. Conversely, if Sig. > 0.05, then there is no significant partial effect.

Based on Table 3, the profitability result has a significance value of 0.167, which is more than 0.05. The result implies that, on its own, profitability does not significantly affect HRAD. Thus, in the context of this study, an increase in profitability is not necessarily followed by an increase in the level of human resource information disclosure by banking companies. This phenomenon can be explained from the stakeholder theory perspective, that companies may not yet consider HRAD as a key strategic instrument in building relationships with stakeholders, even in good financial conditions.

The age of the company shows a significance value of 0.002, which is less than 0.05. The results imply that company age contributes significantly to HRAD as an individual variable. This implies that the longer a longer period, the more likely it is to disclose human resource information more broadly and accountably. This is consistent with stakeholder theory, which states that more established companies have greater social responsibility to stakeholders because they have established longterm relationships and face higher public expectations regarding transparency and accountability.

These findings indicate that only company age is significant in partially explaining HRAD variation, while profitability has not yet demonstrated a meaningful role. Therefore, to improve HRAD disclosure, strategies that focus on organizational experience and the accumulation of longterm reporting practices may be more relevant than simply increasing profitability.

Simultaneous Test (F-test)

The simultaneous test or F-test is used to assess whether all independent variables collectively have a significant effect on the dependent variable, in this case Human Resource Accounting Disclosure (HRAD) (Ghozali, 2021). Based on the analysis results in Table 3, the calculated F value is 5.339 with a significance level of 0.006. Since the significance level is less than 0.05, it can be concluded that the regression model consisting of profitability and firm age variables simultaneously has a significant effect on HRAD. These findings suggest that the combined contribution of the two independent variables has meaningful predictive power over the level of HRAD. Thus, the regression model used is deemed valid and relevant in the context of this study, particularly for explaining the connection between company characteristics and non-financial reporting practices in the banking sector.

The Effect of Profitability on Human Resource Accounting Disclosure

The analysis results show that profitability does not have a significant effect on HRAD, as indicated by a significance value of 0.167 (> 0.05). This means that the company's profit level, in this case measured by Net Interest Margin (NIM), cannot be used as a reliable predictor in determining the level of human resource information disclosure in the banking sector.

Theoretically, these results appear to be inconsistent with the basic assumptions of stakeholder theory. Within this framework, companies with good financial performance should have more resources and incentives to meet stakeholder expectations through more extensive reporting practices, including in non-financial aspects such as HRAD. However, empirical results show the opposite, indicating that profitability is not necessarily the top priority in promoting HR information transparency.

The interpretation of these findings can be viewed from two perspectives. First, highly regulated banking companies may be more focused on compliance with mandatory and financial reporting than voluntary reporting such as HRAD. Second, HRAD is not yet considered a strategic instrument in building or maintaining legitimacy in the eyes of external stakeholders. This suggests that the motivation for non-financial disclosure is likely to be influenced more by institutional pressure, regulation, or social reputation than by internal profitability conditions.

In the context of Indonesia's highly regulated banking sector, profitability does not appear to be a primary driver of voluntary disclosure. Previous studies in Indonesia by [Setiabudhi & Pamikatsih \(2023\)](#) and [Yunita & Mauliza \(2020\)](#) have also reported similar findings. In contrast, several international studies, such as [Khan et al. \(2023\)](#) in India and [Pham et al. \(2022\)](#) in Vietnam, found a positive influence in markets with more relaxed regulations. This disparity is likely attributable to institutional environments; in highly regulated markets, disclosure variation tends to be limited, and profitability is more often directed toward meeting mandatory reporting requirements rather than voluntary disclosures.

The Effect of Company Age on Human Resource Accounting Disclosure

In contrast to profitability, the results show that company age has a significant positive effect on HRAD, with a significance value of 0.002 (< 0.05). This means that the longer a company has been operating since its IPO, the greater the tendency for it to disclose information about human resources more comprehensively and systematically.

These findings can be interpreted from several dimensions. From an operational perspective, companies that have been established for more extended periods of time generally have more established organizational structures, more stable reporting systems, and experience in meeting stakeholder needs. This allows them to make HRAD part of a policy of transparency and accountability that has been internalized in the organizational culture. From a stakeholder theory perspective, companies with a long operational history have a higher incentive to maintain long-term legitimacy, making HR information disclosure part of their public relations and social trust strategies.

These results are consistent with studies in Indonesia by [Setiabudhi & Pamikatsih \(2023\)](#) and [Istiawan & Kartika \(2022\)](#), as well as several international studies by [Pham et al. \(2022\)](#) in Vietnam and [Aggarwal \(2023\)](#) in India. However, in several developed countries, the effect of company age is weaker due to the existence of standardized reporting frameworks, which reduce the differences between younger and older firms. In Indonesia, where voluntary disclosure practices remain varied, company age continues to be a significant determinant.

CONCLUSION

This study investigates the effect of profitability and firm age on Human Resource Accounting Disclosure (HRAD) in IDX-listed banking companies during 2022–2024. The results reveal that profitability does not significantly influence HRAD, while firm age has a positive and statistically significant effect. Although both variables jointly affect HRAD, the model explains only 8.9% of the variance, indicating that other factors such as governance mechanisms, ownership structure, CSR intensity, or regulatory pressure likely play a greater role.

The novelty of this study lies in its empirical evidence from Indonesia's highly regulated banking sector, showing that firm age, rather than profitability, is the stronger driver of HRAD. This highlights the importance of organizational maturity and long-term stakeholder relationships in shaping voluntary disclosure practices.

Practically, the findings call for banking companies to integrate HRAD into broader transparency and sustainability strategies, independent of short-term financial performance.

Regulators and capital market authorities could consider developing minimum HRAD disclosure standards to ensure more balanced integration of financial and non-financial reporting.

Future research should incorporate additional explanatory variables, extend the observation period, and combine quantitative with qualitative approaches to capture both external and internal drivers of HRAD. Such efforts would strengthen the theoretical contribution of HRAD studies while offering actionable insights for policy and practice in emerging markets.

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