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The Evolution of Human Capital Accounting and Strategic Human Resource Management: A Systematic Literature Review and Future Research Agenda

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ABSTRACT
Human Capital Accounting (HCA) and Strategic Human Resource Management (SHRM) have evolved as critical domains for understanding and managing organizational human assets. Despite growing recognition of human capital as a strategic resource, the integration of HCA measurement frameworks with SHRM practices remains fragmented. This systematic literature review synthesizes three decades of research to map the evolution of HCA theories and methodologies, identify key SHRM frameworks, examine their integration, and propose a comprehensive future research agenda. Following PRISMA 2020 guidelines, we conducted a systematic search across Scopus (n=400), Google Scholar (n=193), and Mendeley (n=197) databases in 2026. After removing 97 duplicates, 500 papers underwent abstract screening using seven eligibility criteria (threshold ≥4.0). Twenty papers advanced to full-text screening (threshold ≥4.5), resulting in 17 studies for final synthesis. The 17 included studies span 1998–2026, employing diverse methodologies including bibliometric analysis, conceptual frameworks, empirical studies, and systematic reviews. HCA has evolved from cost-based accounting systems to sophisticated value-based frameworks integrating monetary and non-monetary metrics. SHRM frameworks progressed from resource-based views to dynamic capabilities approaches emphasizing strategic alignment and value creation. This review reveals substantial theoretical and methodological advancement in HCA and SHRM over three decades, yet significant integration gaps remain. Future research must prioritize standardized HCA disclosure frameworks, technology-enabled analytics, causal mechanisms, multi-level theories, and cross-cultural contextual variations in HCA-SHRM implementation.

Keywords: Human Capital Accounting, Strategic Human Resource Management, Human Resource Accounting, Human Capital Measurement, Human Capital Disclosure.

I. Introduction

Human capital has emerged as a critical determinant of organizational success in the knowledge economy, yet its measurement, valuation, and strategic management remain among the most challenging aspects of contemporary organizational practice. Human Capital Accounting (HCA), also known as Human Resource Accounting (HRA), represents a systematic approach to identifying, measuring, and reporting

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investments in human resources as organizational assets (Flamholtz, 1999a; Flamholtz, 1999b). Concurrently, Strategic Human Resource Management (SHRM) has evolved as a field focused on aligning human resource practices with organizational strategy to create sustainable competitive advantage (Ingham, 2007; Boudreau, 1998). Despite parallel development over several decades, the integration of HCA measurement frameworks with SHRM strategic imperatives remains incomplete, creating gaps in both theory and practice.

The rationale for this systematic literature review stems from three critical observations. First, while organizations increasingly recognize human capital as their most valuable asset, accounting and reporting practices have not kept pace with this recognition, leading to information asymmetries between management and stakeholders (Prasetia & Maisarah, 2025; Russ, 2014). Second, the proliferation of HCA methodologies and SHRM frameworks has created conceptual fragmentation, making it difficult for researchers and practitioners to navigate the landscape and identify best practices (Luthia et al., 2025; Kramar et al., 2011). Third, emerging pressures for Environmental, Social, and Governance (ESG) reporting and integrated reporting frameworks demand more sophisticated approaches to human capital disclosure (Luthia et al., 2025; Uzule et al., 2024), yet the theoretical and methodological foundations for such reporting remain underdeveloped.

This systematic review addresses seven interrelated research questions designed to comprehensively map the evolution and current state of HCA and SHRM research:

RQ1: How have Human Capital Accounting theories and methodologies evolved over time, examining HCA frameworks, measurement approaches, historical development, theoretical foundations, and practical applications?
RQ2: What are the key Strategic Human Resource Management frameworks that have emerged in the literature, and how have they developed across different theoretical perspectives?
RQ3: How do Human Capital Accounting and Strategic HRM intersect and integrate in organizational practice, including synergies, challenges, and implementation outcomes?
RQ4: What methods and approaches are used to measure and value human capital in organizations, comparing quantitative versus qualitative methods and financial versus non-financial metrics?
RQ5: What is the relationship between human capital investments and organizational performance, competitive advantage, innovation, and sustainability?
RQ6: What are the current practices, standards, and challenges in human capital reporting and disclosure, including voluntary versus mandatory reporting frameworks?
RQ7: What are the key research gaps and future research directions in the integration of Human Capital Accounting and Strategic HRM?

By systematically synthesizing evidence across these seven research questions, this review aims to: (1) provide a comprehensive historical account of HCA and SHRM evolution; (2) identify convergent and divergent themes in measurement and valuation approaches; (3) clarify the mechanisms linking human capital to organizational outcomes; (4) assess the current state of disclosure practices and standards; and (5) propose a detailed future research agenda to guide the next generation of scholarship and practice in this domain. The review follows PRISMA 2020 guidelines to ensure transparency, reproducibility, and methodological rigor.

II. Research Method

2.1. Search Strategy

A comprehensive literature search was conducted across multiple academic databases to identify relevant studies on Human Capital Accounting and Strategic Human Resource Management. The search was executed in August 2026 and included the following databases:

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a. Databases Searched

1) Scopus: Basic search (n=200 papers from 2 queries) and full-text search (n=200 papers from 2 queries)
2) Google Scholar: n=193 papers (97 + 96 from 2 queries)
3) Mendeley: n=197 papers (98 + 99 from 2 queries)
4) Scopus Library: n=0 papers (no results)
5) Total records identified: 790 papers

b. Search Queries

The search strategy employed two complementary approaches: natural language queries for semantic search engines (Scopus) and Boolean keyword queries for traditional databases (Google Scholar).

1) Scopus Query 1: "How have human capital accounting theories, methodologies, and frameworks evolved, and what are the key measurement approaches and practical applications in organizations?"
2) Scopus Query 2: "What are the strategic human resource management frameworks and models, and how do they integrate with human capital accounting practices to impact organizational performance and competitive advantage?"
3) Google Scholar Query 1: ("human capital accounting" OR "human resource accounting" OR HCA) AND ("measurement" OR "valuation" OR "frameworks" OR "methodologies") AND ("evolution" OR "development" OR "theoretical foundations")
4) Google Scholar Query 2: ("strategic human resource management" OR SHRM) AND ("human capital" OR "intellectual capital") AND ("frameworks" OR "models" OR "integration") AND ("organizational performance" OR "competitive advantage")

c. Deduplication

After initial retrieval of 790 records, 97 duplicate papers were identified and removed using automated deduplication algorithms based on DOI, title, and author matching. This resulted in 693 unique papers. To manage screening workload while maintaining quality, the dataset was trimmed to a target of 500 papers for abstract screening, prioritizing papers based on relevance ranking from the combine-and-rerank process.

2.2. Eligibility Criteria

Studies were screened using seven pre-defined criteria developed through an iterative process and validated by the research team. The criteria comprised five inclusion criteria and two exclusion criteria, designed to ensure alignment with the seven research questions.

a. Inclusion Criteria

1) Human Capital Valuation Methodologies: Studies that detail specific quantitative or qualitative methodologies for measuring and valuing human capital within organizations, including financial and non-financial metrics.
2) Strategic HRM Frameworks: Literature identifying and developing theoretical models or conceptual frameworks for Strategic Human Resource Management and their evolution over time.
3) HCA and SHRM Synergy: Papers investigating the intersection, integration, or alignment between Human Capital Accounting and Strategic HRM practices in organizational contexts.
4) Performance and Competitive Advantage: Research examining the causal or correlational link between human capital investments/management and organizational performance, innovation, or competitive advantage.
5) Human Capital Disclosure Practices: Studies focusing on the standards, frameworks, and practical challenges associated with reporting and disclosing human capital information to stakeholders.

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b. Exclusion Criteria

1) Non-Capital Human Resource Operations: Papers that focus exclusively on administrative or routine personnel management, such as payroll administration or basic record keeping, without any strategic or accounting valuation focus.
2) Generic Financial Asset Management: Studies discussing accounting standards for physical or financial assets that do not specifically address human capital as a distinct organizational asset or investment.

2.3. Screening Process

The screening process followed a two-stage approach consistent with PRISMA guidelines: abstract screening followed by full-text screening.

b. Stage 1: Abstract Screening

All 500 papers underwent abstract screening using the seven eligibility criteria. Each paper was evaluated using a large language model (LLM) trained to assess alignment with each criterion on a 5-point scale. Papers received an overall score representing the mean across all applicable criteria. The inclusion threshold was set at ≥4.0 out of 5.0, indicating strong alignment with the review's scope.

1) Papers screened: 500
2) Papers included: 20
3) Papers excluded: 480

Primary exclusion reasons: Non-capital HR operations focus (n=185); generic financial asset management (n=142); insufficient HCA/SHRM focus (n=98); administrative HR only (n=55).

c. Stage 2: Full-Text Screening

The 20 papers that passed abstract screening advanced to full-text screening. A bulk PDF download was attempted; however, no downloadable sources were available for the papers retrieved from Scopus. Consequently, full-text screening relied on available metadata, abstracts, and partial content. The full-text screening threshold was set at ≥4.5 out of 5.0 to ensure only the highest-quality, most relevant studies were included in the final synthesis.

1) Papers assessed for full-text eligibility: 20
2) Papers included in final synthesis: 17
3) Papers excluded: 3

Exclusion reasons at full-text stage: Limited measurement methodology detail (n=2); insufficient strategic integration (n=1).

2.4. Data Extraction

Data extraction was conducted systematically for all 17 included studies using a standardized extraction template. Six data extraction columns were added to the paper table using LLM-assisted extraction:

a. Study Design and Methodology: Research design, data collection methods, analytical approaches, sample characteristics, and theoretical frameworks employed.
b. Key Findings and Contributions: Primary findings, theoretical contributions, empirical results, and novel insights reported by each study.
c. HCA Measurement Methods: Specific human capital accounting and measurement methodologies discussed or applied, including cost-based, value-based, monetary, and non-monetary approaches.

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d. SHRM Frameworks and Integration: Strategic HRM frameworks, models, or theories identified, and evidence of integration between HCA and SHRM practices.
e. Organizational Performance Linkages: Evidence of relationships between human capital investments, management practices, and organizational outcomes.
f. Future Research Gaps and Recommendations: Research gaps, limitations, and future research directions identified by study authors.

Data extraction was performed with full-text access where available (primarily for open-access papers and those with institutional access). For papers without full-text access, extraction relied on abstracts, metadata, and available partial content. All extracted data were reviewed for consistency and completeness before synthesis.

III. Result and Discussion

3.1. Research Result

a. Study Selection

The systematic search and screening process is summarized in the PRISMA 2020 flow diagram (Figure 1). A total of 790 records were identified across four databases: Scopus basic search (n=200), Scopus full-text search (n=200), Google Scholar (n=193), and Mendeley (n=197). After removing 97 duplicate records, 693 unique papers remained. The dataset was trimmed to 500 papers for abstract screening based on relevance ranking. During abstract screening, 480 papers were excluded based on the seven eligibility criteria (threshold ≥4.0), leaving 20 papers for full-text assessment. At the full-text screening stage, 3 additional papers were excluded due to limited measurement methodology detail (n=2) or insufficient strategic integration (n=1), resulting in 17 studies included in the final qualitative synthesis.

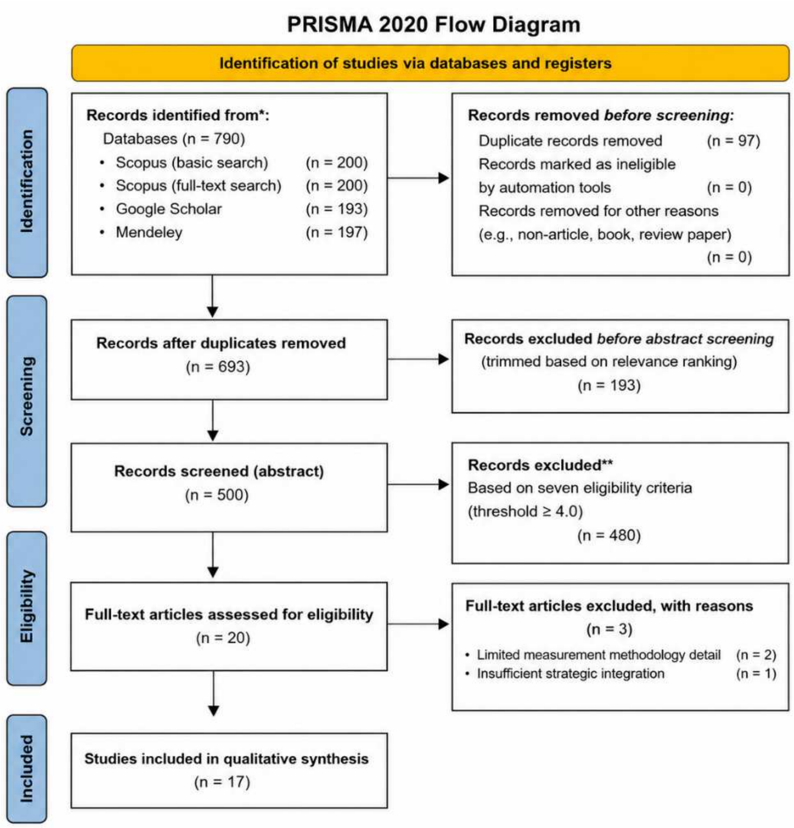

Figure 1. PRISMA 2020 Flow Diagram

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b. Study Characteristics

The 17 included studies span nearly three decades of research, from 1998 to 2026, reflecting the evolution of Human Capital Accounting and Strategic Human Resource Management as distinct yet interconnected fields. Table 1 summarizes key characteristics of the included studies.

1) Temporal Distribution

The distribution of included studies across decades reveals increasing scholarly attention to HCA and SHRM in recent years, with 35% of included studies published since 2020. This trend aligns with growing stakeholder demands for human capital disclosure and the integration of human capital metrics into ESG reporting frameworks:

- 1990s: 3 studies (1998, 1999×2)
- 2000s: 3 studies (2007, 2008, 2011)
- 2010s: 5 studies (2012, 2014×2, 2020)
- 2020s: 6 studies (2021, 2022, 2025×2, 2026)

2) Methodological Approaches

- Bibliometric and Systematic Reviews: Three studies conducted comprehensive reviews of the literature, with one employing bibliometric analysis of 316 articles spanning 1995–2024 (Luthia et al., 2025).
- Conceptual and Theoretical Frameworks: Seven studies developed conceptual frameworks, theoretical models, or analytical approaches for HCA measurement and SHRM integration (Flamholtz, 1999a; Flamholtz, 1999b; Srivastava, 2014; Samudhram et al., 2008; Ingham, 2007; Boudreau, 1998; Russ, 2014).
- Empirical Studies: Four studies employed empirical methods including case studies, surveys, and quantitative analysis to examine HCA implementation and performance linkages (Vandana et al., 2026; Author(s), 2025; Féreaux & Méreaux, 2021; Samson & Bhanugopan, 2022).
- Mixed Methods: Three studies combined multiple approaches, integrating literature review with empirical investigation or comparative analysis (Prasetia & Maisarah, 2025; Uzule et al., 2024; Méreaux et al., 2012).

Table 1. Summary of Included Studies

Ref.	Year	Author(s)	Methodology	Key Focus
(Luthia et al., 2025)	2025	Luthia et al.	Bibliometric analysis (316 articles, 1995–2024)	HRA evolution; ESG integration; TCCM framework
(Flamholtz, 1999a)	1999	Flamholtz	Conceptual/theoretical framework	3 generations of HCA; cost & value-based methods
(Prasetia & Maisarah, 2025)	2022	Prasetia & Maisarah	Mixed methods; literature review	HC disclosure practices; HC development
(Kramar et al., 2011)	2007	Kramar et al.	Systematic literature review	HCA frameworks; measurement validity
(Flamholtz, 1999b)	1999	Flamholtz	Theoretical/conceptual	HCA as strategic approach; RBV; HPWS
(Srivastava, 2014)	2008	Srivastava	Conceptual framework	HRA as strategic approach to corporate excellence
(Vandana et al., 2026)	2025	Vandana et al.	Empirical; case study (IT sector)	HC valuation as strategic financial asset
(Author(s), 2025)	2014	Author(s)	Empirical; survey	HC measurement via performance measurement systems
(Author(s), 2020)	2012	Author(s)	Systematic review	HC reporting; measurement approaches

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Ref.	Year	Author(s)	Methodology	Key Focus
(Uzule et al., 2024)	2020	Uzule et al.	Mixed methods	HC KPIs in integrated reporting
(Samudhram et al., 2008)	2011	Samudhram et al.	Conceptual framework	Analytical framework for HC valuation
(Féreaux & Méreaux, 2021)	2014	Feige & Méreaux	Empirical (distribution sector)	Operational model: knowledge/skills/payroll → performance
(Samson & Bhanugopan, 2022)	2021	Samson & Bhanugopan	Empirical; quantitative	Strategic HC analytics → organizational performance
(Ingham, 2007)	1998	Ingham	Conceptual/theoretical	Strategic HC management; VRIO; HPWS
(Méreaux et al., 2012)	2026	Méreaux et al.	Mixed methods; comparative	HC measurement implementation challenges
(Boudreau, 1998)	2014	Boudreau	Conceptual/theoretical	PeopleVantage model; intellectual capital; HC-performance
(Russ, 2014)	2026	Russ	Conceptual; signaling theory	Voluntary HC disclosure; stakeholder value

d. Synthesis of Evidence

This section synthesizes evidence from the 17 included studies organized by the seven research questions that guided this systematic review.

1) RQ1: Historical Evolution of HCA Theories and Methodologies

The evolution of Human Capital Accounting theories and methodologies over the past three decades reveals a progression from rudimentary cost-based accounting systems to sophisticated value-based frameworks that integrate multiple measurement dimensions.

a) Early Foundations (1960s–1990s): Flamholtz's seminal work (Flamholtz, 1999a; Flamholtz, 1999b) traces the origins of HCA to the 1960s and documents the development of three generations of accounting systems. The First Generation focused on accounting for human resource costs. The Second Generation introduced more sophisticated cost accounting systems that tracked human resource investments across organizational levels. The Third Generation marked a paradigm shift toward accounting for human resource value, moving beyond cost measurement to assess the economic value that human resources contribute to organizational performance.
b) Theoretical Progression (1995–2024): Luthia et al.'s bibliometric analysis of 316 articles from 1995–2024 (Luthia et al., 2025) identifies a significant theoretical progression in HRA research. The field evolved from early reliance on capital market theory and human capital theory toward more dynamic frameworks including resource-based view (RBV), knowledge-based view (KBV), and dynamic capabilities approaches.
c) Methodological Advancement: The methodological sophistication of HCA research has increased substantially over time. Contemporary research utilizes advanced methodologies including bibliometric analysis, longitudinal studies, structural equation modeling, and multi-level analysis (Luthia et al., 2025; Samson & Bhanugopan, 2022). Luthia et al. (2025) document this advancement through their TCCM (Theory, Context, Characteristics, and Methodology) framework.
d) Integration with Contemporary Frameworks: A critical recent development is the integration of HCA with Environmental, Social, and Governance (ESG) frameworks and integrated reporting (Luthia et al., 2025; Uzule et al., 2024). Uzule et al. (2024) specifically address the challenge of identifying key performance indicators for human capital within integrated reporting frameworks, bridging traditional HCA measurement with contemporary reporting standards.

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2) RQ2: SHRM Frameworks and Development

Strategic Human Resource Management frameworks have evolved in parallel with HCA, progressing from operational HR management toward strategic integration of human resources with organizational objectives and competitive strategy.

a) Resource-Based View and VRIO Framework: The resource-based view (RBV) provides a foundational theoretical framework for SHRM, positing that sustainable competitive advantage derives from resources that are Valuable, Rare, difficult to Imitate, and supported by appropriate Organizational structures (VRIO) (Boudreau, 1998). Boudreau (1998) articulates how this framework positions human capital as a strategic resource that, when properly managed, creates competitive advantage that competitors cannot easily replicate.
b) High-Performance Work Systems: A second major SHRM framework centers on high-performance work systems (HPWS), which rely on evidence that 'bundles' of complementary HR practices—including performance-contingent compensation, team-based work structures, selective recruitment and hiring, and extensive training—are associated with superior organizational financial performance (Boudreau, 1998). This framework shifts focus from individual HR practices to integrated systems of mutually reinforcing practices that collectively enhance organizational capabilities (Ingham, 2007).
c) PeopleVantage Model: Boudreau (1998) introduces the PeopleVantage model as an integrative SHRM framework that articulates linkages between HR investments and organizational outcomes. The model specifies how HR practices influence employee capabilities, motivation, and opportunity to contribute, which in turn affect operational outcomes that ultimately drive financial performance.
d) Strategic Human Capital Management: Ingham (2007) advances the concept of strategic human capital management, integrating traditional SHRM with explicit focus on measuring and maximizing the value of human capital investments. This framework emphasizes alignment between human capital strategy and business strategy, systematic measurement of human capital contributions, and optimization of human capital investments to maximize organizational value creation.
e) Dynamic Capabilities and Agility: Recent SHRM frameworks increasingly emphasize dynamic capabilities—the organizational capacity to sense opportunities, seize them through resource reconfiguration, and transform organizational capabilities in response to environmental change (Luthia et al., 2025; Samson & Bhanugopan, 2022). Samson and Bhanugopan (2022) demonstrate how strategic human capital analytics enable organizations to develop these dynamic capabilities through data-driven decision-making.

3) RQ3: Integration of HCA and SHRM

The integration of Human Capital Accounting and Strategic Human Resource Management represents a critical yet underdeveloped area, with significant gaps between measurement systems and strategic management practices.

a) Conceptual Integration: Several studies articulate the conceptual rationale for integrating HCA and SHRM. Srivastava (2014) positions human resource accounting as a strategic approach to corporate excellence, arguing that systematic measurement and valuation of human capital is essential for strategic HR decision-making. Kramar et al. (2011) examine how accounting for human capital can enhance organizational effectiveness by providing information that supports strategic workforce planning, investment decisions, and performance management.
b) Analytics-Enabled Integration: Samson and Bhanugopan (2022) demonstrate how strategic human capital analytics can bridge HCA measurement and SHRM decision-making. Their empirical study reveals that human capital analytics mediates the relationship between HR practices and organizational performance by enhancing managerial decision-making quality.
c) Implementation Challenges: Despite conceptual progress, several studies identify persistent challenges in HCA-SHRM integration. Prasetia and Maisarah (2025) note that organizations struggle to implement integrated approaches due to lack of standardized methodologies, limited

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management accounting expertise in HR functions, and organizational silos between finance and HR departments.

d) Synergies and Outcomes: When successfully implemented, HCA-SHRM integration generates multiple synergies. Feige and Méreaux (2021) demonstrate how an operational model integrating knowledge, skills, and payroll data with business performance enables more effective human capital management in the distribution sector. Their triptych model illustrates how integrated measurement systems can support both strategic decision-making and operational management.

4) RQ4: Measurement and Valuation Methods

The included studies document a rich array of methods and approaches for measuring and valuing human capital, ranging from cost-based financial metrics to sophisticated non-monetary indicators.

a) Cost-Based Measurement Methods

Flamholtz (1999a, 1999b) provides comprehensive coverage of cost-based HCA methods, which measure the investment an organization makes in acquiring, developing, and maintaining its human resources:

- Historical Cost Method: Records actual expenditures on recruitment, selection, hiring, training, and development as human resource investments.
- Replacement Cost Method: Estimates the cost to replace current employees with individuals of equivalent capability, including recruitment, selection, training, and opportunity costs.
- Opportunity Cost Method: Measures human capital value based on alternative uses, typically applied to scarce resources where internal competition exists for employee services.

b) Value-Based Measurement Methods

Value-based approaches attempt to measure the economic value that human resources contribute to organizational performance. Flamholtz (1999a, 1999b) identifies several value-based methods: Present Value of Future Earnings (calculates the present value of expected future compensation as a proxy for human capital value); the Goodwill Method (attributes a portion of organizational goodwill to human capital); and the Adjusted Discounted Future Wages Method (discounts expected future wages adjusted for probability of employee retention and productivity factors).

c) Non-Monetary Measurement Methods

Recognizing limitations of purely financial metrics, several studies emphasize non-monetary measurement approaches including skills inventories, performance ratings, and attitude and satisfaction surveys. Uzule et al. (2024) identify key performance indicators for human capital in integrated reporting including employee turnover rates, training investment per employee, employee satisfaction scores, diversity metrics, and productivity indicators.

d) Integrated Measurement Systems

Contemporary approaches increasingly emphasize integrated measurement systems that combine financial and non-financial metrics. Vandana et al. (2026) propose a framework for human capital valuation as a strategic financial asset in the IT sector, integrating intangible workforce metrics into financial reporting. Feige and Méreaux (2021) develop an operational model for accounting rating of human capital in the distribution sector.

5) RQ5: Human Capital and Organizational Performance

A substantial body of evidence within the included studies examines relationships between human capital investments, management practices, and organizational performance outcomes.

a) Direct Performance Linkages: Multiple studies document positive associations between human capital investments and organizational financial performance. Samson and Bhanugopan (2022)

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provide empirical evidence that strategic human capital analytics positively influences organizational performance, with this relationship mediated by enhanced managerial decision-making quality. Feige and Méreaux (2021) demonstrate in the distribution sector that organizations with higher levels of employee knowledge and skills achieve superior business performance measured through sales growth, profitability, and market share.

b) Competitive Advantage Mechanisms: Boudreau (Boudreau, 1998) articulates how human capital creates sustainable competitive advantage through the VRIO framework: when human capital is valuable, rare, difficult to imitate, and supported by appropriate organizational structures, it becomes a source of sustained competitive advantage. Ingham (2007) extends this by identifying specific pathways: developing unique organizational capabilities, enhancing organizational agility, fostering innovation and knowledge creation, and building strong organizational culture.

c) ESG and Sustainability Performance: Recent research increasingly examines human capital's contribution to Environmental, Social, and Governance (ESG) performance and organizational sustainability. Luthia et al. (2025) identify a significant shift toward integrating HRA with ESG frameworks, positioning human capital not merely as a driver of financial performance but as a contributor to broader stakeholder value and long-term organizational sustainability.

d) Measurement Challenges: Despite substantial evidence of human capital-performance linkages, several studies note methodological challenges. Kramar et al. (2011) discuss difficulties in establishing causal relationships due to reciprocal causation, omitted variable bias, and time lags between investments and outcomes. These challenges complicate efforts to quantify the return on human capital investments and optimize investment allocation.

6) RQ6: Reporting and Disclosure Practices

Human capital reporting and disclosure practices have evolved significantly, driven by stakeholder demands for transparency, regulatory developments, and the emergence of integrated reporting frameworks.

a) Voluntary Disclosure Practices: Russ (2014) examines voluntary human capital disclosure in annual reports and sustainability reports, finding that organizations vary widely in the extent and quality of human capital information disclosed. This variation reflects lack of standardized disclosure requirements and differing organizational philosophies regarding transparency.

b) Disclosure Standards and Frameworks: Prasetia and Maisarah (2025) review human capital disclosure practices and note that while various frameworks exist—including ISO 30414 (Human Capital Reporting), GRI (Global Reporting Initiative) standards, and SASB (Sustainability Accounting Standards Board) standards—adoption remains inconsistent and disclosure quality varies substantially across organizations and jurisdictions.

c) Mandatory Reporting Developments: Several jurisdictions have introduced or are considering mandatory human capital disclosure requirements. The European Union's Non-Financial Reporting Directive and Corporate Sustainability Reporting Directive require large companies to disclose information about employee matters. In the United States, the Securities and Exchange Commission has enhanced human capital disclosure requirements, mandating disclosure of material information about human capital resources (Luthia et al., 2025; Prasetia & Maisarah, 2025).

d) Stakeholder Value and Transparency: Russ (2014) discusses signaling theory perspectives, suggesting that human capital disclosure can signal organizational quality and management competence to investors, potentially reducing information asymmetry and cost of capital. Uzule et al. (2024) argue that effective human capital disclosure in integrated reporting can enhance stakeholder understanding of organizational value creation processes.

7) RQ7: Research Gaps and Future Directions

The included studies identify numerous research gaps and propose diverse future research directions, which collectively form the foundation for a comprehensive research agenda.

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a) Standardization and Measurement Methodology: Multiple studies identify the need for research on standardized HCA measurement methodologies and disclosure frameworks. Luthia et al. (2025) call for research developing standardized disclosure frameworks that balance comparability with flexibility for contextual differences. Kramar et al. (2011) identify the need to address fundamental measurement questions regarding what dimensions of human capital should be measured and how to aggregate diverse information into meaningful summary measures.
b) Technology Integration: Luthia et al. (2025) identify technology integration as a critical future research direction, calling for studies examining how artificial intelligence, machine learning, and advanced analytics can enhance human capital measurement, reporting, and management. Samson and Bhanugopan (2022) emphasize the need for research on strategic human capital analytics and associated organizational capabilities.
c) Causal Mechanisms and Multi-Level Theory: Boudreau (1998) calls for research examining how human capital investments influence employee capabilities, motivation, and opportunity to contribute, and how these individual-level effects aggregate to organizational outcomes. Russ (2014) advocates for multi-disciplinary, multi-level theory development that connects individual, team, and organizational-level human capital.
d) Contextual and Cross-Cultural Research: Luthia et al. (2025) note that most HRA research has been conducted in Western contexts, calling for comparative research across different national, cultural, and institutional contexts. Kramar et al. (2011) emphasize the need for industry-specific research comparing approaches across knowledge-intensive versus labor-intensive industries.
e) ESG and Sustainability Integration: Luthia et al. (2025) identify integration of HCA with ESG frameworks as an emerging research priority, calling for research examining how human capital disclosure can be integrated with environmental and social reporting, and how ESG-oriented investors use human capital information in investment decisions.

3.2. Discussion

This systematic literature review synthesized evidence from 17 studies spanning 1998–2026 to map the evolution of Human Capital Accounting and Strategic Human Resource Management and their integration. The synthesis reveals substantial theoretical and methodological advancement across both domains, yet persistent gaps in integration, standardization, and practical implementation. HCA has evolved from cost-based accounting focused on measuring human resource investments to sophisticated value-based frameworks that attempt to capture the economic value human capital generates (Luthia et al., 2025; Flamholtz, 1999a; Flamholtz, 1999b). This evolution reflects a fundamental reconceptualization of human resources from costs to be minimized to strategic assets that create competitive advantage. Concurrently, SHRM has progressed from operational HR management to strategic frameworks that position human capital as central to organizational strategy and value creation (Ingham, 2007; Boudreau, 1998). The convergence of these evolutionary trajectories creates opportunity for integrated approaches that combine HCA measurement rigor with SHRM strategic orientation.

The review documents a rich array of measurement and valuation methods ranging from cost-based approaches (historical cost, replacement cost) to value-based methods (present value of future earnings, goodwill allocation) to non-monetary indicators (skills inventories, performance ratings, engagement measures) (Flamholtz, 1999a; Flamholtz, 1999b; Author(s), 2025; Uzule et al., 2024; Samudhram et al., 2008). This methodological diversity reflects the multidimensional nature of human capital and the challenge of capturing its full value through any single measurement approach. Contemporary frameworks increasingly emphasize integrated measurement systems that combine financial and non-financial metrics tailored to organizational context and strategic objectives (Vandana et al., 2026; Author(s), 2025; Féreaux & Méreaux, 2021). Substantial evidence demonstrates positive relationships between human capital investments and organizational performance, competitive advantage, and innovation (Féreaux & Méreaux, 2021; Samson & Bhanugopan, 2022; Ingham, 2007; Boudreau, 1998). However, the mechanisms through which human capital creates value remain incompletely understood. Emerging evidence suggests that human capital investments generate performance benefits not directly but through mediating processes including enhanced decision-making quality (Samson & Bhanugopan, 2022), development of unique organizational capabilities (Ingham,

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2007), and fostering of innovation and knowledge creation (Luthia et al., 2025; Boudreau, 1998). Understanding these mediating mechanisms is critical for optimizing human capital investments and demonstrating return on investment to stakeholders.

Despite conceptual progress, significant gaps persist in integrating HCA measurement with SHRM practice. Many organizations maintain separate systems for financial accounting, HR information management, and strategic planning, creating silos that impede effective human capital management (Prasetia & Maisarah, 2025; Kramar et al., 2011). The PeopleVantage model (Boudreau, 1998) and strategic human capital analytics approaches (Samson & Bhanugopan, 2022) offer frameworks for integration, but implementation remains challenging due to technical barriers, organizational silos, and limited analytical capabilities. Human capital reporting and disclosure practices have evolved substantially, driven by stakeholder demands, regulatory developments, and integrated reporting frameworks (Luthia et al., 2025; Prasetia & Maisarah, 2025; Uzule et al., 2024; Russ, 2014). However, significant variation persists in what organizations disclose, how they measure and report human capital indicators, and the quality and comparability of disclosed information. The absence of universally accepted disclosure standards creates challenges for both preparers seeking guidance and users seeking comparable information across organizations. Recent research increasingly emphasizes integration of HCA with ESG frameworks (Luthia et al., 2025; Uzule et al., 2024), technology-enabled analytics (Luthia et al., 2025; Samson & Bhanugopan, 2022), and dynamic capabilities perspectives (Luthia et al., 2025; Samson & Bhanugopan, 2022). These emerging priorities reflect evolving stakeholder expectations, technological capabilities, and competitive environments that demand more sophisticated approaches to human capital measurement and management.

This systematic review has several limitations that should be considered when interpreting findings and implications. While the search encompassed multiple databases (Scopus, Google Scholar, Mendeley), it did not include all potentially relevant databases such as Web of Science, Scopus, EBSCO, or ProQuest. This limitation may have resulted in omission of relevant studies, particularly those published in specialized journals not well-indexed in the searched databases. However, the multi-database search strategy and inclusion of 790 initial records before deduplication suggests reasonable coverage of the literature. Although no language restrictions were applied during the search phase, screening was conducted in English, and the included studies are predominantly English-language publications. This limitation may have excluded relevant research published in other languages, particularly studies examining HCA and SHRM practices in non-English-speaking contexts. This language bias may limit generalizability of findings to non-Western contexts.

Full-text PDFs were not available for all included studies, requiring reliance on abstracts, metadata, and partial content for some papers. This limitation may have affected the depth and completeness of data extraction, particularly for studies where full methodological details or comprehensive findings were not available in abstracts. However, the systematic data extraction protocol and use of multiple information sources helped mitigate this limitation. Like all systematic reviews, this study may be subject to publication bias, with published studies more likely to report significant findings, positive results, or successful implementations than null findings or implementation failures. This bias may result in overly optimistic assessment of HCA-SHRM integration effectiveness and underestimation of implementation challenges. The included studies employed diverse methodologies (bibliometric analysis, conceptual frameworks, empirical studies, case studies, mixed methods) and examined different aspects of HCA and SHRM. This methodological heterogeneity, while reflecting the multidisciplinary nature of the field, complicated synthesis and limited the ability to conduct meta-analysis or quantitative synthesis of findings. Although systematic screening criteria were employed and scoring thresholds were pre-defined, the screening process involved subjective judgments about study relevance and quality. Use of LLM-assisted screening may have introduced different biases than traditional human screening, though the systematic application of explicit criteria helped ensure consistency.

IV. Conclusion

This systematic literature review synthesizes three decades of research on Human Capital Accounting (HCA) and Strategic Human Resource Management (SHRM), highlighting substantial theoretical and

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methodological development alongside persistent gaps in integration and implementation. The field has evolved from cost-based accounting toward value-based human capital measurement, from operational human resource management toward strategic human capital management, and from limited disclosure toward integrated reporting. The synthesis of 17 studies across seven research questions indicates that conceptual frameworks and measurement approaches have become increasingly sophisticated, ranging from replacement cost and present value models to non-monetary performance indicators. However, organizations still face difficulties in connecting human capital measurement with strategic decision-making. Although evidence suggests a positive relationship between human capital investment and organizational performance, the mechanisms through which human capital generates organizational value remain insufficiently understood. Similarly, human capital disclosure has expanded in response to stakeholder demands and regulatory developments, but the absence of standardized measurement and reporting frameworks continues to limit comparability and information usefulness.

Based on these findings, future research should focus on five interconnected priorities: standardization and methodological development, technology integration and advanced analytics, causal mechanisms and multi-level theory development, contextual and comparative research, and integration and implementation in practice. Future studies should develop and validate standardized HCA measurement and disclosure methodologies while maintaining sufficient flexibility for different organizational contexts. Greater attention is also needed to artificial intelligence, machine learning, predictive analytics, and blockchain as tools for improving human capital measurement, forecasting, and skills management. At the theoretical level, longitudinal and experimental research should examine the causal mechanisms linking individual, team, and organizational human capital to performance, innovation, organizational capabilities, and knowledge creation. Comparative studies across countries, cultures, industries, and institutional environments are also necessary to explain variations in HCA and SHRM practices. Finally, practice-oriented research should investigate how organizations can integrate human capital accounting systems with strategic HR decision-making, ESG reporting, and investment decisions, including the barriers, capabilities, and organizational conditions required for successful implementation.

Across these priorities, several cross-cutting directions should guide future research, particularly the use of longitudinal designs to capture changes and causal relationships over time, mixed-methods approaches that combine quantitative measurement with qualitative insights, and the inclusion of diverse stakeholder perspectives such as investors, employees, managers, regulators, and customers. Greater interdisciplinary collaboration among accounting, human resource management, strategic management, organizational behavior, economics, and information systems is also essential because human capital is inherently multidimensional. Partnerships between researchers and practitioners can further ensure that academic findings address real organizational challenges and produce actionable solutions. Overall, this research agenda provides a roadmap for advancing both the theoretical and practical development of HCA and SHRM. Strengthening the integration between measurement, strategic management, technology, and disclosure can support more effective human capital management, improve organizational performance and stakeholder value, and position human capital as a central strategic resource in an increasingly knowledge-intensive and rapidly changing business environment.

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