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Human Resource Accounting and Financial Performance: Evidence from Indonesia's Health Sector (2018–2023)

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ABSTRACT

Purpose: *This study aims to examine the effect of Human Resource Accounting (HRA), proxied by employee training costs, salary costs, and pension costs, on financial performance, proxied by Return on Assets (ROA), in healthcare companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2023.* ***Methodology:*** *A quantitative approach with purposive sampling resulted in a final sample of 8 companies. Data were obtained through secondary documentation and analyzed using panel data regression with EViews 13.* ***Results:*** *The results show that employee salary costs have a significant positive effect on ROA ($p < 0.05$), while training and pension costs do not significantly impact financial performance ($p > 0.05$).* ***Findings:*** *The result underlines the strategic importance of competitive compensation, whereas the impact of training and pensions may be hindered by inconsistent implementation.* ***Novelty:*** *he study contributes new insights by applying panel data regression in the underexplored Indonesian healthcare sector and incorporating three HR cost indicators over a six-year period.* ***Originality:*** *This research uniquely focuses on post-pandemic financial performance in relation to HR cost efficiency in the healthcare sector. It also integrates Resource-Based Theory to interpret the strategic role of human capital in enhancing firm performance.* ***Conclusion:*** *Employee salary expenses significantly contribute to ROA, suggesting the importance of competitive compensation in improving financial outcomes. However, training and pension costs lack a direct and significant impact, implying that their effectiveness may depend on better alignment with corporate strategy and performance measurement systems. Future studies are encouraged to explore broader sectors and incorporate variables like HR accounting disclosure and wage dynamics.* ***Type of Paper:*** *Research Article.*

INTRODUCTION

Financial performance is an important indicator that shows the success or failure of a company in achieving its financial goals. Financial performance is measured through various financial ratios, one of which is Return on Assets (ROA), which shows the efficiency of a company in utilizing its assets to generate profits (Sholahudin & Sudarmawan, 2024). The financial performance of companies in the healthcare sector is greatly influenced by the quality and management of their human resources. In service industries such as healthcare, medical personnel and support staff are the main assets that determine the operational success of a company (Premananda, 2025) . The efficiency of asset utilization depends not only on medical equipment and facilities, but also on the ability of the workforce to carry out service processes optimally (Fitriatin & Yustini, 2023).

Various companies in the healthcare sector have experienced fluctuations in financial performance, as seen in the Return on Assets (ROA) indicator over the past few years. The COVID-19 pandemic (Coronavirus Disease 2019) has been a significant factor driving a surge in demand for healthcare services. However, as the pandemic subsided, some healthcare companies began to experience a decline in financial performance. The following are some healthcare companies that have been listed since 2018-2023.

Table 1. ROA of Publicly Listed Companies in the Healthcare Sector 2018-2023

Company Name	ROA					
	2018	2019	2020	2021	2022	2023
Darya-Varia Laboratoria Tbk.	0,119	0,121	0,082	0,070	0,074	0,072
Medikaloka Hermina Tbk.	0,046	0,068	0,102	0,171	0,050	0,064
Kalbe Farma Tbk.	0,138	0,125	0,124	0,126	0,127	0,103
Mitra Keluarga Karyasehat Tbk.	0,129	0,142	0,145	0,198	0,158	0,136
Prodia Widyahusada Tbk.	0,091	0,105	0,120	0,229	0,139	0,096
Pyridam Farma Tbk	0,045	0,049	0,097	0,007	0,181	-0,056
Siloam International Hospitals	0,003	-0,043	0,015	0,075	0,073	0,114
Tempo Scan Pacific Tbk.	0,069	0,071	0,092	0,091	0,092	0,110

Source: idx.co.id (2025)

The healthcare sector is an interesting area to study because it is highly dependent on the quality and management of human resources. Unlike the manufacturing or technology sectors, which rely more on machines and systems, the healthcare industry is heavily dependent on the role of medical personnel, paramedics, and support staff in providing direct services to the community. In addition, the COVID-19 pandemic has tested the resilience and efficiency of human resource management in this sector, demonstrating that investment in human resources is a crucial factor in maintaining the sustainability and financial performance of companies. In the post-pandemic era, healthcare companies face new challenges, such as increased demand for healthcare services, changes in patient behavior, and demands for faster and more efficient services, all of which are closely related to workforce performance. Therefore, this sector is representative and relevant for research in the context of the influence of human resource accounting on company financial performance.

Human resources (HR) are one of the key elements influencing an organization's financial performance. Without competent and motivated HR, companies will struggle to achieve their strategic goals. Through training, education, and employee welfare programs, companies can enhance their HR capabilities. Well-trained employees tend to be more productive, innovative, and have higher loyalty to the company (Hidayat et al., 2024).

Human resource accounting involves the identification and measurement of HR-related costs, such as training, salaries, and pensions, as part of financial reporting. Training costs reflect a

company's investment in employee development, which can enhance skills and productivity (Yahaya et al., 2022) . Salary costs represent compensation for employee contributions, which can impact motivation and performance (Moin & Qureshi, 2023) . Pension costs are long-term obligations that can influence employee loyalty and stability (Yahaya et al., 2022) . These elements, when effectively managed, are expected to influence financial performance positively.

While several previous studies have analyzed the relationship between HRA and financial performance, most are focused on banking, manufacturing, or multinational corporations, and are often limited to cross-sectional data. Research examining this relationship in Indonesia's healthcare sector using panel data is still limited. Furthermore, studies rarely consider the post-pandemic context, where the alignment of HR investment and financial outcomes is especially crucial. This study fills that gap by examining the effect of training costs, salary costs, and pension costs on ROA in IDX-listed healthcare companies from 2018 to 2023.

Resource-Based Theory (RBT) states that human resources (HR) have the potential to become a sustainable competitive advantage if they meet four main criteria known as VRIO: value, rarity, imitability, and organization. Valuable HR can create cost efficiencies and increase revenue. Rare HR will be difficult to find in competing companies, making it a strategic asset. Additionally, the unique and specific characteristics of HR will be difficult to imitate, thereby providing long-term advantages for the company (Onyekwelu & Akani, 2021).

For these characteristics to function optimally, organizations need systems and structures that can manage and maximize human resource potential. This includes involving employees in decision-making processes, providing opportunities to demonstrate competencies, and creating a work environment that supports innovation. In the era of automation and a service-based economy, human resources are becoming increasingly difficult to replace with technology, making their strategic management crucial. Therefore, Resource-Based Theory is relevant to explain that the proper development and utilization of human resources will have both direct and indirect effects on company performance (Onyekwelu & Ironkwe, 2021).

Employee training and development are important strategies for improving human resource quality, which in turn positively impacts the company's financial performance (Hrp & Iskandar, 2024). Allocating funds for training not only enhances employees' skills and work effectiveness but also supports the company in responding to evolving business changes and challenges (Flamholtz, 1999). This perspective aligns with the Resource-Based Theory, which states that training can produce human resources with high value, are difficult to find, and hard to replicate, thereby forming the foundation for sustainable competitive advantage (Onyekwelu & Ironkwe, 2021) . Empirical support is also demonstrated in the research by Onyekwelu and Ironkwe (2021), which found that training costs have a positive effect on Return on Assets (ROA) in insurance companies in Nigeria. Similar results were found by Yahaya et al. (2022), who showed that spending on staff training has a positive impact on the profitability of conglomerate companies in Nigeria. Referring to the explanation presented earlier, the hypothesis formulation in this study is:

H1: Employee training costs affect financial performance.

Providing appropriate salaries is an important element in implementing optimal human resource management, as competitive compensation can increase work motivation, focus on achieving company goals, and employee satisfaction and loyalty (Dessler (2020); Ludin et al. (2023)). Employees who receive adequate compensation generally feel recognized and tend to be more productive and dedicated, which ultimately impacts improved company performance. This aligns with the Resource-Based Theory, which emphasizes that fair wages can create valuable and rare human resources, as employee loyalty and job satisfaction are characteristics that are difficult for competitors to replicate. These findings are supported by research conducted by Onyekwelu & Akani (2021) , which revealed that compensation in the form of salaries and wages affects the recorded income of companies in Nigeria, as well as research by Yahaya et al. (2022) , which found that changes in salaries contribute to the profitability of conglomerate companies in Nigeria. Based on the above discussion, the hypotheses in this study are:

H2: Employee salary costs affect financial performance.

In an effort to maintain long-term employee loyalty, companies generally provide pension programs as a form of appreciation for contributions during their tenure. A carefully designed pension program can increase employee retention and reduce turnover rates, as employees feel valued and have a long-term attachment to the company (Fausia & Kuswinarno, 2024) . The workforce stability created by this program contributes to increased productivity and overall company performance. From the perspective of Resource-Based Theory, pension programs support companies in retaining human resources that are highly valued, rare, and difficult to replicate, making employee loyalty a strategic asset that provides sustainable competitive advantage. These results are consistent with the study conducted by Yahaya et al. (2022), which showed that pension costs contribute to the profitability of conglomerate companies in Nigeria. Referring to the explanation presented earlier, the hypothesis formulation in this study is:

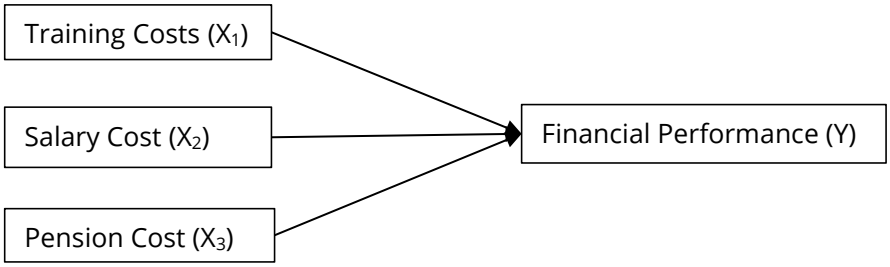
H3: Employee pension costs affect financial performance

METHOD

A quantitative approach was used in this study to prove the effect of hr accounting on company financial performance. This study focused on companies in the health sector listed on the indonesia stock exchange (IDX) between 2018 and 2023. Of the 35 companies, eight were selected as samples using purposive sampling techniques. Data was collected through company annual reports. Operational definitions of variables were developed to measure and represent the concepts used in concrete terms. Return on assets (ROA) was obtained by dividing net income after tax by total assets and was used as the primary indicator to measure the effectiveness of asset utilization. Training costs, salary costs, and pension costs were each measured based on the company's total annual expenditures for each component.

Data were analyzed using panel regression methods with the support of eviews 13 software. Several model estimation techniques were compared, including the Common Effect Model (CEM), Random Effect Model (REM), and Fixed Effect Model (FEM). Chow and Hausman tests were used to determine the best-fit model. Based on these tests, the Fixed Effect Model was selected due to both statistical significance and theoretical rationale. FEM was chosen because it accounts for individual heterogeneity by controlling for time-invariant characteristics within each company—making it suitable for datasets where unobserved firm-specific factors could influence financial performance.

Figure 1. Conceptual Framework Diagram



Source: Author, 2025

RESULTS AND DISCUSSION

RESULTS

Descriptive Statistics

Table 2. Descriptive Statistics Results

	Y_W	X1	X2	X3
Mean	0.095604	9.80E+09	1.16E+17	7.58E+14
Median	0.096233	6.48E+09	8.83E+16	3.67E+10
Maximum	0.182892	3.56E+10	4.18E+17	1.55E+16
Minimum	-0.001214	0.000000	5.17E+10	-2.33E+10
Std. Dev.	0.047535	8.95E+09	1.10E+17	3.03E+15
Skewness	-0.229459	1.048831	0.990455	3.871524
Kurtosis	2.646154	3.182776	3.017187	16.72965
Jarque-Bera	0.671625	8.867190	7.848593	496.9163
Probability	0.714757	0.011872	0.019756	0.000000
Sum	4.588977	4.71E+11	5.59E+18	3.64E+16
Sum Sq. Dev.	0.106200	3.76E+21	5.67E+35	4.31E+32
Observations	48	48	48	48

Source: Processed Data, 2025

The mean value of the ROA variable (Y_W) is 0.0956, with a maximum value of 0.1829 and a minimum value of -0.0012. The standard deviation value of 0.0475 indicates a moderate level of variation in this data.

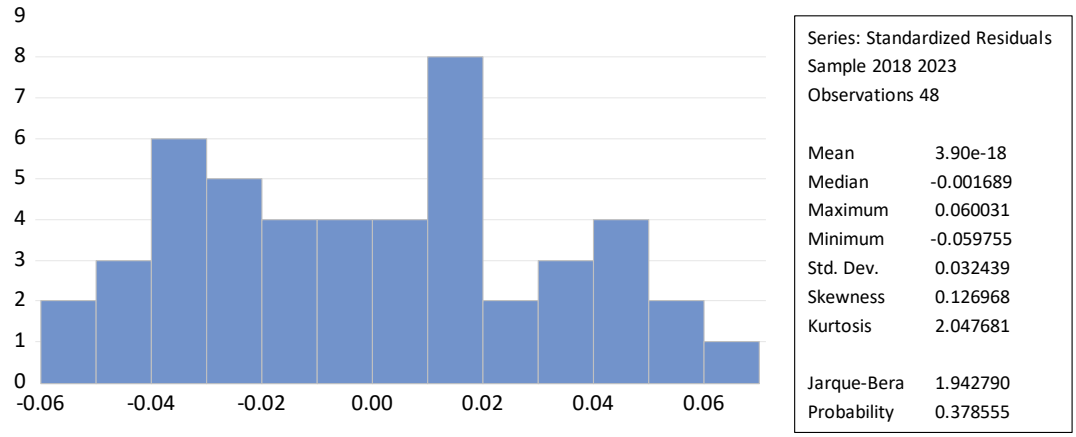
The employee training cost variable (X1) has an average of Rp9.80 billion with a standard deviation of around Rp8.95 billion, indicating significant data variation. The maximum value of employee training costs (X1) reaches Rp35.6 billion, while the minimum value is Rp0.

The employee salary cost variable (X2) has an average of Rp116,000 trillion with a standard deviation of Rp110,000 trillion, indicating significant data fluctuations. The maximum value of employee salary costs (X2) is Rp418,000 trillion, while the minimum value is Rp51.7 billion.

The employee pension cost variable (X3) has an average of Rp758 trillion with a standard deviation of Rp3,030 trillion, indicating a very high data spread. The maximum value of employee pension costs (X3) is Rp15,500 trillion, while the minimum value is -Rp23.3 billion.

Normality Test

Figure 2. Normality Test Results



Source: Processed Data, 2025

Based on the normality test results in Figure 2, it is known that the Jarque-Bera value is 1.942790 with a probability of 0.378555. This probability value is greater than the significance level of 5%, so it can be concluded that the residual data is normally distributed.

Multicollinearity Test

Table 1. Multicollinearity Test Results

	X1	X2	X3
X1	1.000000	0.738727	0.300989
X2	0.738727	1.000000	0.179028
X3	0.300989	0.179028	1.000000

Source: Processed Data, 2025

Based on Table 3, the multicollinearity test conducted through the correlation matrix between independent variables after the winsorizing process shows that all independent variables in the model do not exhibit multicollinearity. Based on the correlation matrix, the highest correlation value was recorded between the employee training cost variable (X1) and the employee salary cost variable (X2) at 0.738727, which is still below the 0.80 threshold used in the study to detect multicollinearity. Meanwhile, the correlation between employee training costs (X1) and employee pension costs (X3) is 0.300989, and between employee salary costs (X2) and employee pension costs (X3) is 0.179028, both of which are considered low. With these results, the regression model is deemed free from multicollinearity, as indicated by the correlations between independent variables.

Heteroscedasticity Test

Table 2. Heteroscedasticity Test Results

Dependent Variable: RESABS_W
Method: Panel Least Squares
Date: 04/25/25 Time: 15:09
Sample: 2018 2023
Periods included: 6
Cross-sections included: 8
Total panel (balanced) observations: 48

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.029920	0.004735	6.319154	0.0000
X1	-2.75E-13	5.33E-13	-0.516545	0.6081
X2	-2.70E-20	4.21E-20	-0.641247	0.5247
X3	3.46E-19	1.08E-18	0.320343	0.7502

R-squared	0.053591	Mean dependent var	0.024343
Adjusted R-squared	-0.010937	S.D. dependent var	0.021191
S.E. of regression	0.021307	Akaike info criterion	-4.779942
Sum squared resid	0.019975	Schwarz criterion	-4.624008
Log likelihood	118.7186	Hannan-Quinn criter.	-4.721014
F-statistic	0.830514	Durbin-Watson stat	1.352469
Prob(F-statistic)	0.484265		

Source: Processed Data, 2025

Based on Table 4, the heteroscedasticity test in this study was conducted using the Glejser method, which involves regressing the absolute value of the residuals against the independent variables after winsorizing. Based on the regression results, it can be seen that the p-values for each independent variable are greater than 0.05, namely employee training costs (X1) at 0.6081, employee salary costs (X2) at 0.5247, and employee pension costs (X3) at 0.7502. Additionally, the p-value of the F-test is 0.4843, which is higher than 0.05. Therefore, it can be concluded that this model does not exhibit heteroskedasticity.

Autocorrelation Test

Table 5. Heteroscedasticity Test Results

Dependent Variable: RESID02
Method: Panel Least Squares
Date: 04/25/25 Time: 15:09
Sample (adjusted): 2020 2023
Periods included: 4
Cross-sections included: 8
Total panel (balanced) observations: 32

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.010179	0.008936	1.139184	0.2650
RESID02(-2)	-0.046859	0.230484	-0.203306	0.8405
RESID02(-1)	-0.576250	0.186295	-3.093212	0.0047
X1	-7.13E-13	9.46E-13	-0.753975	0.4576
X2	5.39E-20	7.65E-20	0.705105	0.4870
X3	-4.37E-18	3.26E-18	-1.340409	0.1917

R-squared	0.302783	Mean dependent var	0.004540

Adjusted R-squared	0.168703	S.D. dependent var	0.036242
S.E. of regression	0.033044	Akaike info criterion	-3.814623
Sum squared resid	0.028389	Schwarz criterion	-3.539797
Log likelihood	67.03396	Hannan-Quinn criter.	-3.723526
F-statistic	2.258221	Durbin-Watson stat	2.536299
Prob(F-statistic)	0.078401		

Source: Processed Data, 2025

Based on Table 5, the autocorrelation test in this study was conducted using the Breusch-Godfrey LM Test for serial correlation after the data was winsorized. Based on the test results, the probability value (p-value) of the F-statistic was 0.0784, which is greater than the significance level of 0.05. Therefore, it can be concluded that this regression model does not have an autocorrelation problem.

Panel Data Regression Model

Table 6. Fixed Effect Model (FEM)

Dependent Variable: Y_W
Method: Panel EGLS (Cross-section weights)
Date: 04/25/25 Time: 15:10
Sample: 2018 2023
Periods included: 6
Cross-sections included: 8
Total panel (balanced) observations: 48
Linear estimation after one-step weighting matrix
Cross-section weights (PCSE) standard errors & covariance (d.f. corrected)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.041633	0.015224	2.734771	0.0095
X1	8.43E-13	9.12E-13	0.924396	0.3613
X2	3.95E-19	1.33E-19	2.976981	0.0051
X3	-3.47E-19	1.21E-18	-0.286727	0.7759

Effects Specification

Cross-section fixed (dummy variables)

Weighted Statistics

R-squared	0.711264	Mean dependent var	0.133510
Adjusted R-squared	0.633227	S.D. dependent var	0.079872
S.E. of regression	0.036560	Sum squared resid	0.049457
F-statistic	9.114467	Durbin-Watson stat	1.574554
Prob(F-statistic)	0.000000		

Unweighted Statistics

R-squared	0.532797	Mean dependent var	0.095604
Sum squared resid	0.049617	Durbin-Watson stat	2.633332

Source: Processed Data, 2025

The Chow and Hausman tests indicate that the use of the Fixed Effect Model (FEM) is the most appropriate, as shown by the p-values of 0.0000 and 0.0079, respectively.

Individual Effects

Individual effects describe the fixed characteristics of each company that cannot be explained by the independent variables used in the model. The following table shows the individual effects.

Table 7. Individual Effect Ressults

CROSSID	Effect
1	0.034051
2	-0.010217
3	-0.031318
4	0.073117
5	0.056298
6	0.017335
7	-0.141189
8	0.001924

Source: Processed Data, 2025

Partial Test (t-test)

Based on Table 6, it is known that the employee training cost variable (X1) has a coefficient value of 8.43 x 10-13 with a t-statistic of 0.924396 and a p-value of 0.3613. Since the p-value is greater than 0.05, H1 is rejected, and it can be concluded that the employee training cost variable has a positive but insignificant effect on the ROA variable (Y_W).

The employee salary cost variable (X2) has a coefficient value of 3.95 x 10-19 with a t-statistic of 2.976981 and a p-value of 0.0051. Since the p-value is < 0.05, H2 is accepted, and it can be concluded that the employee salary cost variable has a significant positive effect on the ROA variable (Y_W).

The employee pension cost variable (X3) has a coefficient value of -3.47 x 10-19 with a t-statistic of -0.286727 and a p-value of 0.7759. Since the p-value is > 0.05, H3 is rejected, and it can be concluded that the employee pension cost variable has a negative but insignificant effect on the ROA variable (Y_W).

Simultaneous Test (F-test)

Based on Table 6, the F-statistic value of 9.114467 with a probability (p-value) of 0.000000, it can be concluded that the variables of employee training costs, employee salary costs, and employee pension costs together have a significant effect on the ROA variable (Y_W).

Coefficient Determination (R^2)

Based on Table 6, the R-squared value of 0.711264 indicates that approximately 71.13% of the variation in the dependent variable can be explained by the variation of the three independent variables in the model. The remaining 28.87% is explained by other factors outside the model, including employee acquisition costs, human resource accounting disclosures, and changes in employee salaries.

The adjusted R-squared value of 0.633227 indicates that after adjusting for the number of variables in the model, the model's explanatory power is good, at 63.32%. This adjusted value is important because it adjusts for the possibility of overfitting due to the addition of independent variables.

DISCUSSION

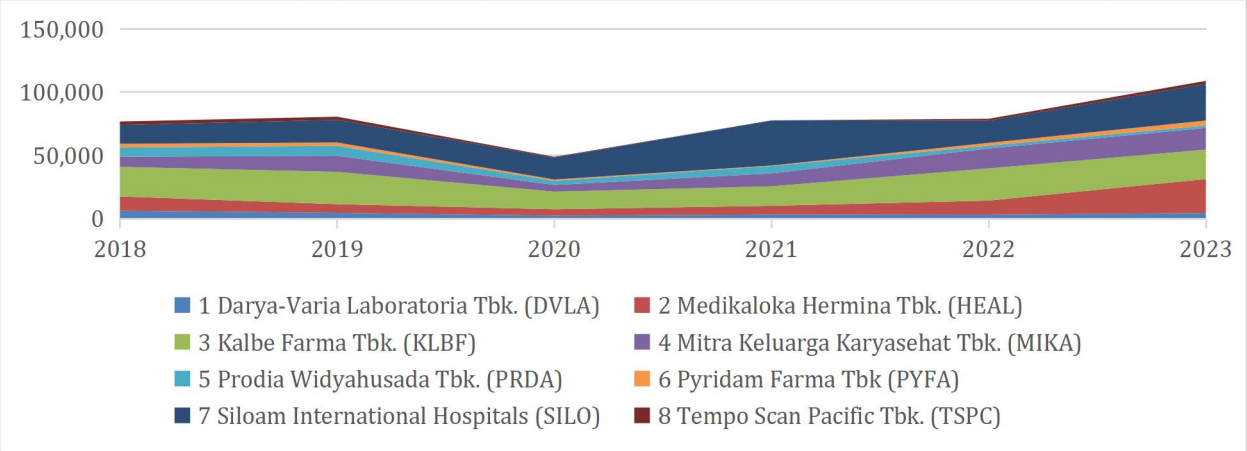
The Effect of Employee Training Costs on Financial Performance

This study found that employee training costs contribute positively to the financial performance of companies in the healthcare sector, but this effect has not yet shown strong results in terms of actual performance improvement. This means that while the direction of the relationship aligns with initial assumptions—that is, the higher the training costs incurred, the better the expected financial performance of the company—in practice, expenditures on training have not fully yielded visible results in improving financial performance. This indicates that the training conducted by healthcare sector companies during the 2018–2023 period has not been sufficiently optimal in enhancing productivity or financial efficiency.

Theoretically, this finding contradicts the Resource-Based Theory, if training is conducted in a planned, sustainable manner aligned with organizational needs, human resource competencies should improve and ultimately positively impact profitability (Onyekwelu & Ironkwe, 2021). However, in the context of this study, this has not been achieved.

One of the causes may stem from uneven allocation of training costs across years, lack of targeting, or merely being an administrative formality. In many companies, training is conducted merely to fulfill obligations without accompanying evaluations of effectiveness or its relevance to improved work performance. On the other hand, the benefits of training often have a long-term nature, so they are not yet directly reflected in annual financial performance such as Return on Assets (ROA).

Figure 3. Employee Training Costs of Indonesia's Health Sector (2018–2023)



Source: Processed Data, 2025

The trend in employee training costs in the healthcare sector from 2018 to 2023 shows an inconsistent and fluctuating pattern. Some companies, such as Kalbe Farma (KLBF) and Siloam (SILO), demonstrate relatively high and sustained commitment to training, while others, such as Prodia (PRDA) and Tempo Scan (TSPC), have recorded decreases or minimal training allocations in recent years. This inconsistency reflects that training has not yet become an integral part of long-term strategies in most companies. As a result, while employee training theoretically has the potential to enhance competencies and productivity, leading to improved financial performance, its contribution to financial performance has not yet been fully realized in practice. This is due to its implementation being unstructured, uneven, and not yet optimally integrated into the company's human resource management system.

Logically, the relationship between training costs and financial performance is indirect. Training can enhance knowledge and skills, which in turn have the potential to increase productivity. If productivity improves and is supported by a good management system, then the company's financial performance will also improve. However, in reality, increased competence does not always immediately result in improved financial outcomes, especially if training is not combined with

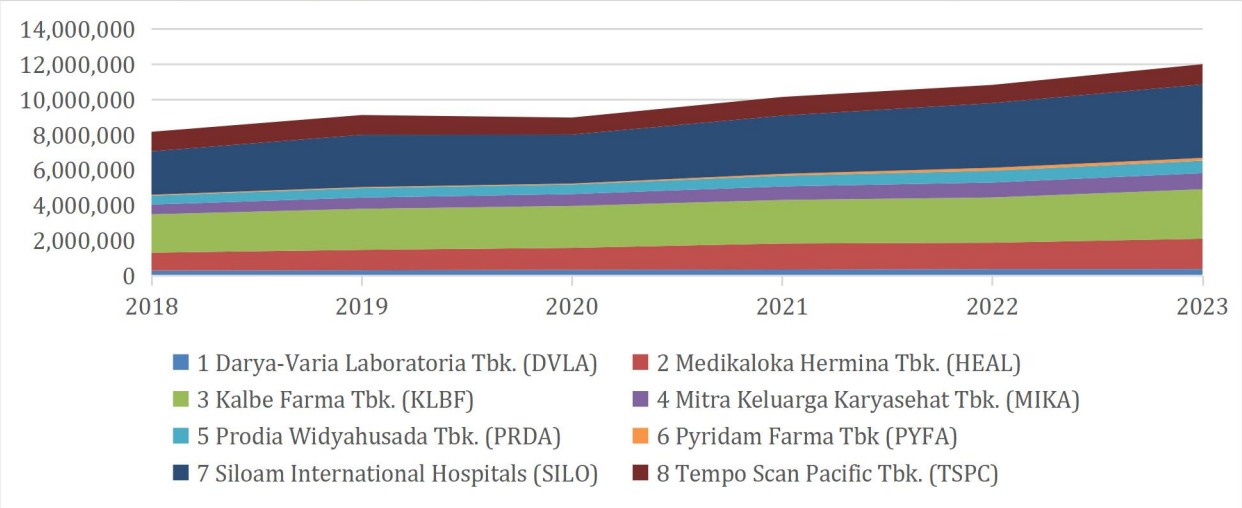
performance measurement systems, work motivation, or managerial system improvements. Therefore, these results highlight the importance of a more targeted training strategy that is relevant to operational needs and integrated with a clear performance evaluation system to ensure that human resource investments can truly enhance the company's financial performance.

These results differ from the findings of previous studies conducted by Onyekwelu & Akani (2021), Onyekwelu & Ironkwe (2021), Yahaya et al. (2022), Abraham et al. (2022), and Nopita & Saputra (2023), which stated that employee training costs contribute to financial performance.

The Effect of Employee Salary Costs on Financial Performance

Based on the results of the study, it was found that employee salary costs have a direct relationship with a company's financial performance, where the greater the salary costs allocated, the more a company's financial performance tends to improve. This reflects that adequate compensation can increase employee motivation and productivity, which ultimately strengthens the achievement of a company's financial goals.

Figure 4. Employee Salary Cost of Indonesia's Health Sector (2018–2023)



Source: Processed Data, 2025

This finding aligns with the Resource-Based Theory. Providing appropriate wages not only fosters loyalty and work enthusiasm but also creates long-term competitive advantages. However, wage increases do not necessarily lead to improved financial performance if they are not accompanied by the development of performance management systems, a conducive work environment, or a fair reward system. Nevertheless, in the data from the healthcare sector analyzed between 2018 and 2023, the trend of rising salary costs is generally followed by an increase in ROA, indicating that investments in human capital through compensation contribute significantly to a company's financial performance.

These findings are consistent with previous research conducted by Onyekwelu & Akani (2021), Yahaya et al. (2022), Moin & Qureshi (2023), and Nopita & Saputra (2023), which all show that employee salary costs contribute to financial performance. However, these results contradict the research of Onyekwelu & Ironkwe (2021) and Korolo & Korolo (2024), which state that employee salary costs do not contribute to financial performance.

The Effect of Employee Pension Costs on Financial Performance

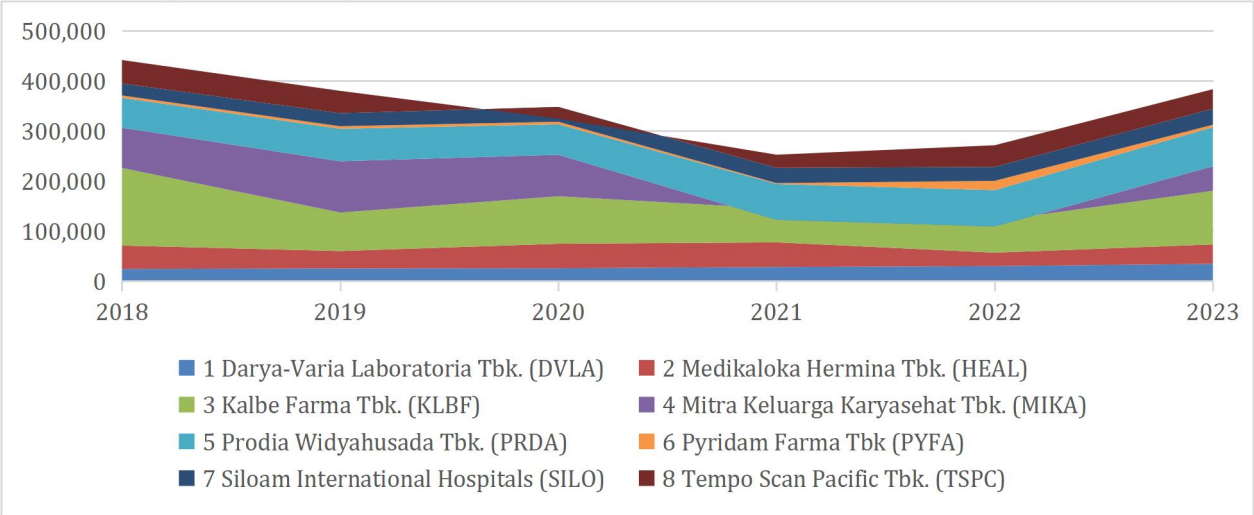
The results of this study indicate that employee pension costs do not contribute to a company's financial performance. In other words, when pension costs increase, the company's financial performance actually declines. However, this relationship is not strong enough to have a significant impact on Return on Assets (ROA). Theoretically, this finding contradicts the Resource-

Based Theory, which states that investments in human resources, including pension benefits, should create long-term value and improve organizational performance through employee loyalty and retention (Onyekwelu & Ironkwe, 2021).

One reason why pension costs do not contribute strongly to improved financial performance is their passive nature, as opposed to active investments such as training or direct compensation. Pension costs typically only provide benefits after an employee's tenure ends, so they do not directly impact current productivity.

Logically, the relationship between pension costs and financial performance is indirect and long-term. When a company allocates significant funds to pensions, this can reduce funding for operational or more productive investments in the short term. If pension fund management is inefficient, this can even become a burden that weakens the company's competitiveness. Therefore, although providing pensions is a form of appreciation for employees, companies need to balance long-term obligations with efficiency needs in order to maintain their current financial performance.

Figure 5. Employee Pension Costs of Indonesia's Health Sector (2018–2023)



Source: Processed Data, 2025

The trend in employee pension costs per company for the 2018–2023 period shows that pension fund allocations tend to be volatile and uneven across companies. Some companies, such as Darya-Varia (DVLA), Prodia (PRDA), and Siloam (SILO), show a fairly stable upward trend, reflecting a long-term commitment to employee welfare. However, other companies like Kalbe Farma (KLBF) and Medikaloka Hermina (HEAL) have experienced sharp fluctuations, which may indicate inconsistencies in managing post-employment obligations. Meanwhile, Mitra Keluarga (MIKA) even recorded negative values in 2021 and 2022, which may reflect accounting adjustments or revisions to pension liability estimates. Tempo Scan (TSPC) and Pyridam Farma (PYFA) also exhibit unstable trends, with extreme values such as negative figures or sharp declines followed by sudden increases. Overall, this inconsistent trend explains why pension costs do not contribute significantly to financial performance, as their benefits are long-term and not directly felt in annual financial performance metrics like ROA. This underscores the need for a more planned and integrated pension fund management strategy to prevent it from becoming a burden that hinders company performance.

The findings in this study align with the results obtained by Korolo & Korolo (2024), Olabode et al. (2023) , and Nopita & Saputra (2023) , who concluded that employee pension costs do not contribute to financial performance. However, these results contradict the research by Yahaya et al. (2022), which states that employee pension costs contribute to financial performance.

CONCLUSION

Based on the results of research on healthcare companies listed on the Indonesia Stock Exchange (IDX) during the period 2018–2023, it was concluded that employee salary costs contribute to an increase in Return on Assets (ROA), indicating that employee compensation plays an important role in supporting the company's financial performance. Meanwhile, employee training costs and pension costs have not shown a strong contribution to ROA, indicating that the effectiveness of these two components in improving financial performance still needs to be further reviewed from the perspective of implementation and company strategy.

Further research is recommended to expand the scope of the study by involving different industrial sectors to obtain more representative results and strengthen the generalization of findings. Additionally, the use of additional variables such as human resource accounting disclosures and changes in employee salaries is expected to provide deeper insights into the strategic role of human resources in influencing a company's financial performance.

This study is limited to the healthcare sector and does not account for other intangible HR factors such as employee engagement or turnover rates. The exclusion of HR accounting disclosures may also reduce explanatory power. Healthcare managers are advised to align HR investments, particularly in training and pensions, with measurable performance targets. Establishing feedback loops and cost-effectiveness assessments is essential.

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