
CHAPTER - 5 - ANALYSIS OF RESPONDENTS PERCEPTION

Summary

In this chapter, the perceptions of the respondents have been analysed. These perceptions have been collected through the well-structured questionnaire. In addition to this, view point of officials of selected companies has also been analysed, which is collected through personal interviews and online questionnaire. It has been found that there is no difference in valuation of their human assets. And, there is lack of awareness regarding benefits of HRA among the stakeholder expect shareholder.

5.1 ANALYSIS AND FINDINGS

HRA is a managerial tool, and its information can be useful for decision making areas. Correct decisions at the right time save any organization from any loss and risk in future or make risk and loss bit lesser for any purpose, whether HR or its finance.

The present study was undertaken to assert, whether there is significant awareness and benefit from HRA practices in selected companies (ONGC Ltd, NTPC Ltd, BHEL Ltd, HPC Ltd, BPC Ltd, Reliance Industries Limited, Tata consultancy services, Infosys technologies Ltd, Ranbaxy Limited, Hindustan Unilever Limited.). In this chapter, the researcher has analysed the data, collected from executives, managers, and investors through questionnaire regarding their views on the possible impact of human resource valuation on internal management as well as profitability of companies.

For achieving the objective of the study, the analysis has been divided into three parts. The first part investigates the managerial perception towards HRA benefits, and second part investigates the investors' perception on human resource accounting and disclosure in annual report, third part is related to shareholder perception and awareness regarding human resource accounting.

5.1.1. Target Respondents in the Questionnaire

To collect the views about HRA from the different stakeholders, the researcher contacted personally and through the mail. The purpose of such questionnaire was to get first-hand information about HRA. The stakeholders include the Top executives, Investors and the shareholders.

Types of Stakeholders	Number of respondents	Methods of data collection
Top Executives		
Directors	5	Personal source and online questionnaire
General Managers	10	
Executives	15	
Total	30	
Investors		
State Bank of India	8	Personal /Direct Interviews / Structure Interview
Punjab National Bank	4	
Bank of Baroda	8	
Total	20	
Shareholder		
Ranbaxy Limited	29	Data have been collected through the leading share brokers of the city. The brokers denied giving the names and information regarding the identification of shareholders. But they did the favor of researcher to forward the questionnaire on behalf of researcher.
Hindustan Unilever Limited	61	
Infosys technologies Ltd.	43	
Reliance Industries Limited	64	
Tata Consultancy services	53	
Total	250	
Overall	300	

Source: Analysis work

5.2. ANALYSIS OF TOP EXECUTIVES

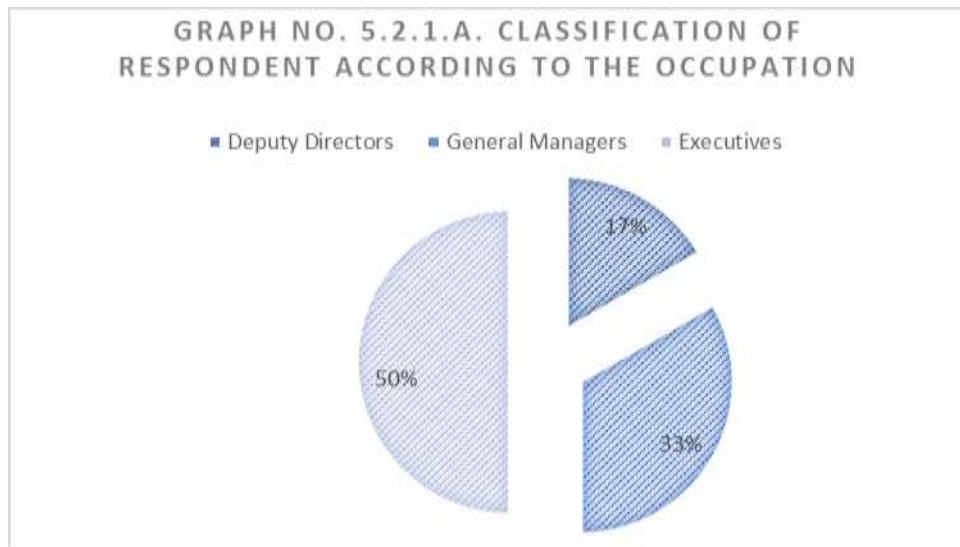
For achieving the objective of the study, the researcher has collected the information from Directors, General Managers and Executives through schedules and direct interviews. These interviews were taken in their suitable or convenient place where they feel most comfortable along with this information has been collected from various personal sources.

5.2.1. General profile of the respondent

The study has been confined to 30 employees whose profile as follows:

5.2.1.a. Classification of respondent according to the Occupation	
Occupation of the respondent	% of respondent
Directors	17
General Managers	33
Executives	50

Source: Analysis work

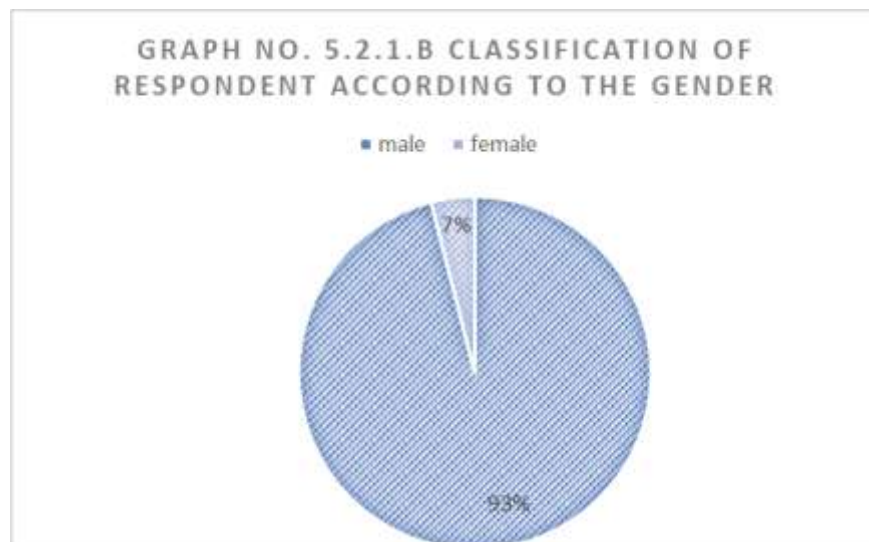


Source: Analysis work

The table and graph 5.2.1. A is showing the occupation of respondents. It has defined three parts. The first part includes 17% are Directors, second part includes 33% general managers and the third part involves 50% executives of companies.

Table No. 5.2.1.b.: Classification of respondent according to the gender	
Gender of respondent	% of respondent
Male	93
Female	7

Source: Analysis work



Source: Analysis work

From the graph 5.2.1.b it is easily visible that most of the respondents were male as only 7 % female.

5.2.2. Perception of top executive and manager towards disclosure practices of human resource accounting

In this part discusses the perception of top executive and manager towards practices of human resource accounting. For this purpose, researchers has developed the questionnaires and from that the question 1 to 13 are based on knowledge of respondents about functions and importance of human resource accounting for which the “five-point likert scale” has been applied to analyse the results. From the question 14 to 18 are based on human resource accounting model and its practices.

Table No. 5.2.2.a.: Perception of Top Executive and Manager Towards Disclosure Practices of HRA

S.No	QUESTIONS	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Average agreed (mean-1 / 5-1)*100	Mean	SD	Rank
1.	Human resource is the most important assets of concern.	66.67	23.33	10	0	0	89.25	4.57	0.67	1
2.	Human resource accounting helps in resource allocation among various HR development programs	0	63.33	23.33	13.34	0	62.5	3.5	0.72	11
3.	Does Human resource accounting provide any contribution in enhancing profitability.	36.67	30	33.33	0	0	77.5	4.1	0.84	3
4.	Human resource accounting highlights the loss due to turnover of employees	10	56.67	23.33	10	0	66.75	3.67	0.79	8.5
5.	Human resource accounting helps in utilization of HR's effectively & efficiently	20	56.67	23.33	0	0	74.25	3.97	0.66	4
6.	Human resource accounting help in evaluation of performance of personnel	30	56.67	13.33	0	0	79.25	4.17	0.67	2
7.	It is essential to good human resource accounting to attract efficient human resource.	10	43.33	46.67	0	0	65.75	3.63	0.66	10
8.	It is the measurement of cost and value of people as organization resource.	10	76.67	13.33	0	0	66.75	3.67	0.48	8.5
9.	Human resource accounting helps in taking managerial decision.	16.67	43.33	33.33	6.67	0	67.5	3.7	0.82	7
10.	Whether Human resource accounting is useful for all the concern in your opinion.	0	23.33	46.67	30	0	48.25	2.93	0.73	13
11.	The stakeholders also affect by showing HR as an asset by Indian company.	20	40	40	0	0	70	3.8	0.75	6
12.	Human resource accounting helps to enhance reputation of employees.	6.67	30	46.67	16.6	0	56.75	3.27	0.81	12
13.	HRA Should continue in future.	23.33	43.33	33.34	0	0	72.5	3.9	0.77	5
Reliability test (α value)		0.651								

Source: Analysis work

- When the respondents were questioned that Human resource is the most important assets of concern or not, 66.67 % respondents were strongly agreed and 23.33% were agreed at this statement. While, only 10% managers were neutral with this. Mean score and SD are 4.57 and 0.67 respectively. Thus, the average 89.25 % respondents were totally agreed with that.
- Another question related to help in resource allocation among various HR development programs. On this 63.33% respondent agreed and 23.33% respondents were neutral. While only 13.34 % respondents were disagreed with this. Overall the weighted average score and SD of this 3.5 and 0.72 respectively. that mean 62.5 % respondents were agreed that
- Next question related to contribution in profitability. 36.67 % respondents were strongly agreed and 30% respondents were agreed with this but only 33.33 % respondents which are neutral about that. Overall mean score and SD 4.1 and 0.84 respectively that mean 77.5 % respondents were agreed that HRA provide contribution in enhancing profitability.
- Another question related to highlights of the loss due to turnover of employees. At this 10% respondents were strongly agreed and 56.67% respondents were agreed with this point, but 23.33% respondents which were neutral about this statement. While only 10% respondents were disagreed with this point. The weighted average score of the parameter is 3.67 which reveal that 66.75 % respondents were in positive zone.
- Next question related to utilization of HR's effectively & efficiently. In this 20% respondents were strongly agreed and 56.67% respondents agreed with this statement but some percentages of respondents (23.33%) were neutral about that. Overall mean score and SD 3.97 and 0.66 respectively that mean 74.25 % respondents were agreed that human resource accounting helps in utilization of HR's effectively & personnel.
- Next question which was asked to the respondents that Human resource accounting help in evaluation of performance of personnel. 30% of the respondents were strongly agreed and 56.67 % respondents were agreed. While only 13.33% of respondents were neutral with this statement. The overall mean score is 4.17 which reveal that 79.25 % respondents were agreed

that Human resource accounting help in evaluation of performance of personnel.

- As the respondents were asked that good human resource accounting is to attract efficient human resource, 10% respondents were strongly agreed and 43.33% respondents were agreed while 46.67 % respondents were neutral about this. The overall mean are 3.63 which are indicate that 65.75 % respondents were agreed with this statement.
- Next question related to the measurement of cost and value of people as organizational resource, 10% respondents were strongly agreed and 76.67% respondents were agreed while 13.33 % respondents were neutral about this. The overall mean is 3.67 which show that 66.75 % respondents were agreed with this statement.
- Another question related to helps in taking managerial decision, 16.67% respondents were strongly agreed and 43.33% respondents were agreed while 33.33 % respondents were neutral about this but some respondents (6.67%) were there which were disagreed this statement. The overall mean is 3.7 which reveal that 67.5 % respondents were agreed with this statement.
- Next question related to usefulness of HRA for all the concern in your opinion, 23.33% of respondents were agreed and 46.7% respondents were neutral. While 30% respondents were disagreed with that Human resource accounting is useful for all the concern in your opinion. The overall weighted mean is 2.93 which are indicated that 48.25 % respondents were agreed with this.
- 11th question related to stakeholders is also affected by showing HRA as an asset by Indian company, 20% respondents were strongly agreed and 40% respondents were agreed. While 40% respondents were neutral with this statement. The overall mean 3.8 which concludes 70% respondents were agreed.
- Next question related to helps to enhance reputation of employees, 6.67% respondents were strongly agreed and 30% respondents were agreed while 46.67 % respondents were neutral about this but same respondents (16.67%) who were not agreed this statement. The overall mean are 3.27 which are indicate that 56.75 % respondents were agreed with this statement.

- As the respondents were asked that HRA should continue in future, 23.33% respondents were strongly agreed and 43.33% respondents were agreed, while 33.34% respondents were neutral with this statement. The overall mean 3.9 which indicate that 72.5% respondents were agreed with this statement.
- Lastly, these questions were related to the awareness regarding human resource accounting and benefits from this among the employees. The scale of these questions has a quit high level of internal consistency as determined by a Cronbach's alpha of 0.651. Thus it can be concluded that the measures used in this study are valid and reliable.

Table no. 5.2.2.b.: Question for HRA Model				
Question	Yes	No	Can't say	Mean
Is your company adopting HRA model?	43.3	56.6	0	2.43
Are the different concerns showing the human assets in different manner in their annual report	73.33	26.67	0	2.73
As per your opinion there should be a single universal and standard method of valuing human assets in India.	83.33	16.67	0	2.83
As per your opinion the companies adopt same method for valuation of human resource	86.67	13.33	0	2.867

Source: Analysis work

For the purpose to find out the present trend and perception of manager toward HRA model researcher has been asked same question from manager.

- First question is related to adoption of the HRA model, mean score of the statement is 2.43 which indicate that 43.33 % manager/ top executive say that his company is adopting HRA model.
- Second question is related to the different concerns showing the human assets in different manner in their annual report, mean score of this question is 2.73 which is indicate that 73.33 % respondents agreed that his company is showing the human assets in different manner in their annual report.
- Third question is related to respondent opinion for a single universal and standard method of valuing human assets in India. Mean score is 2.83 that mean 83.33 % respondents agreed with this statement.
- Last question is related to opinion of respondents for adoption of same method for valuation of human resource, mean score is 2.86 which indicate that 86.67 % respondents agreed for adopt same method for valuation human resource.

5.3. ANALAYSIS OF INVESTORS' (BANKS)

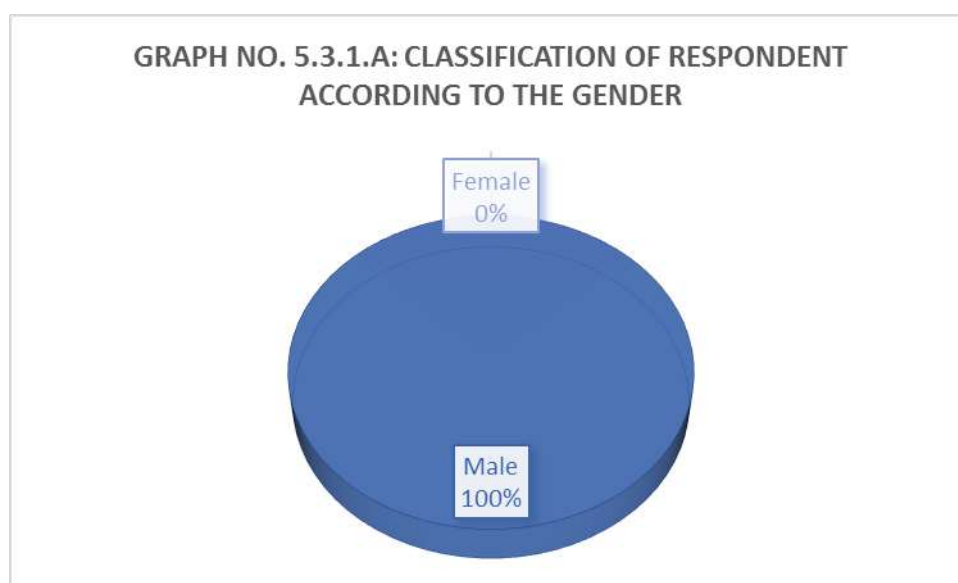
In this part the researcher has been analysed the perception of investors towards practices of human resource accounting. For this purpose, information has been collected through direct interviews from the Managers of the banks of the different grades at regional level. The study has been confined to 20 managers of 3 “banks i.e. (State Bank of India, Punjab National Bank and Bank of Baroda).” The profiles of interviewed executives are as follows:

5.3.1. General profile of the investors

The study has been confined to 3 Banks’s employees whose profile is as follows:

Table No. 5.3.1.a.: Classification of respondent according to the gender	
Gender of respondent	% of respondent
Male	100
Female	0

Source: Analysis work



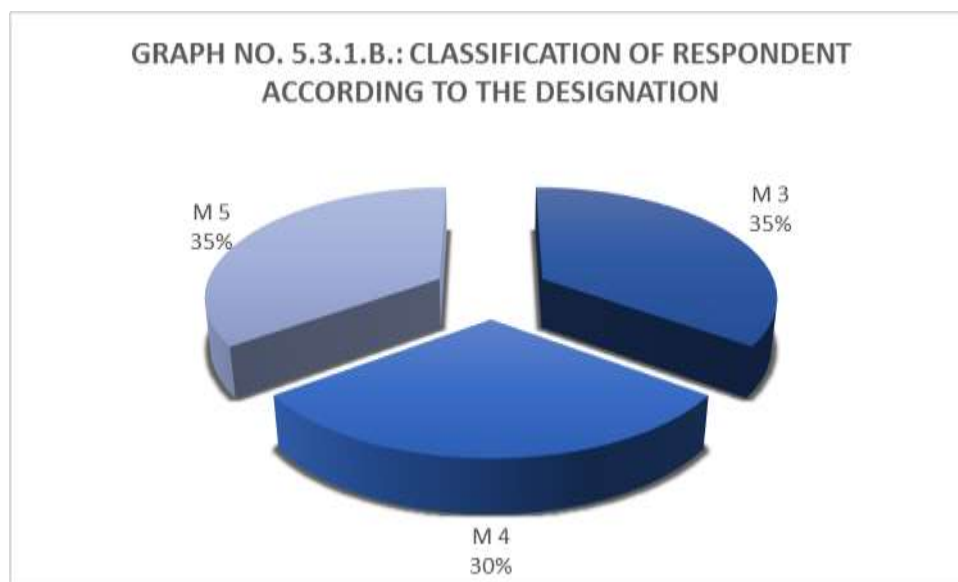
Source: Analysis work

According to classification of gender of the bank’s employees, all respondents was male no one has been found female as shown in table and graph 5.3.1.a.

Table No. 5.3.1.b.: Classification of respondent according to the Designation

Designation of respondent	% of respondent
M3	35
M4	30
M5	35

Source: Analysis work



Source: Analysis work

From the table and graph 5.3.1.b. it is clearly visible that 35% respondents were from M5 Grade, and same percentage of respondents were from M3 grade i.e., 35% while only 30 % respondents who were from M4 grade.

Table no 5.3.1.c.: Summaries profile of the investors

Name of Banks	Responses from number of Employees	M3	M4	M5	Methods of Data Collection	Gender of respondents
State Bank of India	8	3	3	2	Personal source and mail and contact no	100% respondents were males
Panjab National Bank	4	1	1	2		
Bank of Baroda	8	3	2	3		
Total	20	7	6	7		

Source: Analysis work

5.3.2. Perception of Investors from Companies Regarding HRA

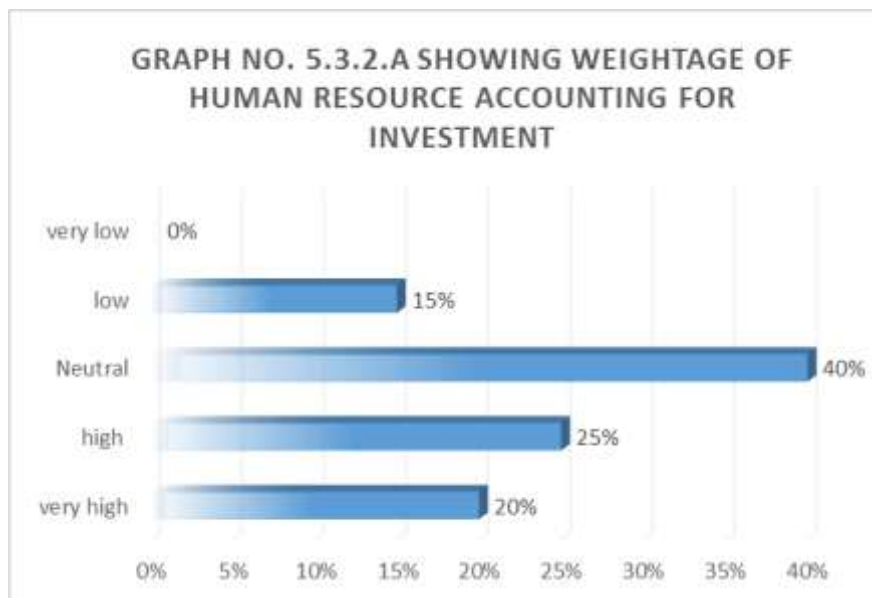
To find out the perception of investors regarding Human resource accounting, researcher has conducted an interview with banks employees. After interview some interesting results came out which are as follows:

- **During the interview when the executives have been asked that how much weight is given to human resource accounting system adopted by the company, while you are considering company for investment, they replied “There are many factors which are considered such as dividend per share, profit and loss account etc. along with this human resource is also part of organisation as assets.”**

The researcher analyses their views have been describe in the following table below.

Table no. 5.3.2.a. Showing how much weight is given to human resource accounting system adopted by the company, while you are considering company for investment.		
Types of responses	Percentage of response	Mean
Very high	20	3.5
High	25	
Neutral	40	
Low	15	
Very low	0	

Source: Analysis work



Source: Analysis work

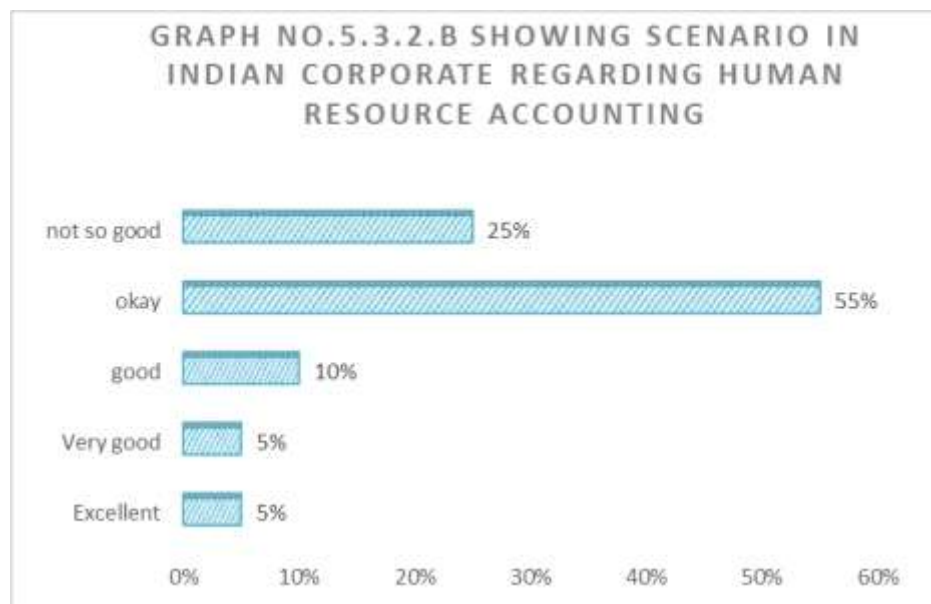
According to survey results of this question, a very remarkable responses came out that 20% respondents given very high weightage and 25 percentage respondents has been given high weightage, while 40% respondent has been neutral about human resource accounting system. And, Mean score is 3.5 which are close with neutral response.

- **During the interview when the executives have been asked that what is the present scenario in Indian corporate regarding human resource accounting? They said that** “Human resource accounting was introduced in 1960 but at present it is not so popular in corporate world.”

The researcher analyses their views which have been describe in the following table.

Table no 5.3.2.b. Showing What is scenario in Indian corporate regarding human resource accounting?		
Types of responses	Percentage of response	Mean
Excellent	5%	2.1
Very good	5%	
Good	10%	
Okay	55%	
Not so good	25%	

Source: Analysis work



Source: Analysis work

According to table no. 5.3.2.b. and graph no 5.3.2.b. only 10% investors admit that scenario of human resource accounting in Indian corporate is good, while 55% respondents says okay and 25% respondents says that scenario of human resource

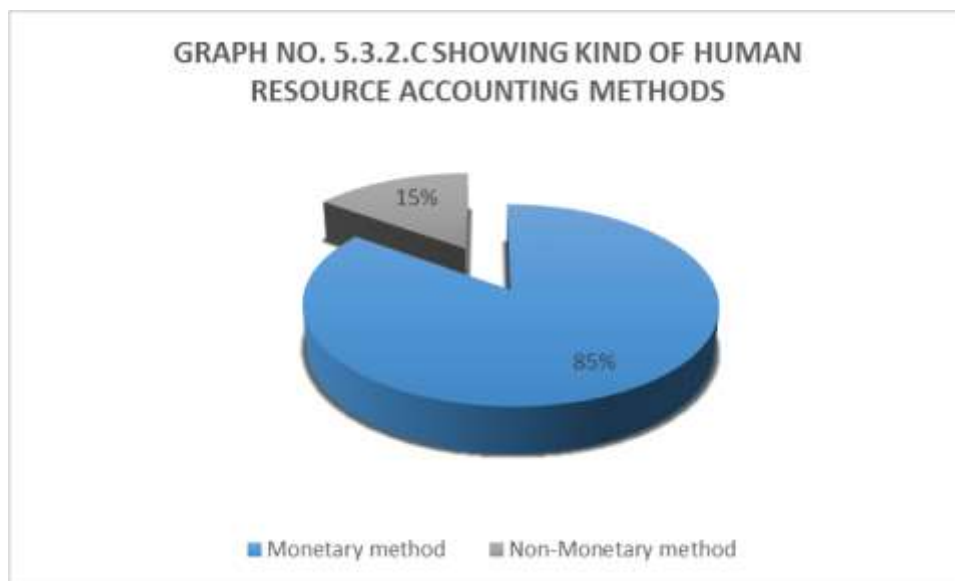
accounting in Indian corporate is not good. However, the mean score is 2.1 which is close with neutral response.

- **During the interview when the executives have been asked that what kind of HRA method you are looking for in companies? They stated that “Quite a few models have been suggested from time to time for the measurement and valuation of human resource. Approaches to the human resource valuation may be broadly divided into two categories: first is monetary and second is a non-monetary method.”**

The researcher analyses their views which have been describe in following table.

Table no. 5.3.2.c. Showing What kind of HRA method you are looking for in companies?		
Methods of HRA	Percentage of response	Mean
Monetary method	85	1.8
Non-Monetary method	15	

Source: Analysis work



Source: Analysis work

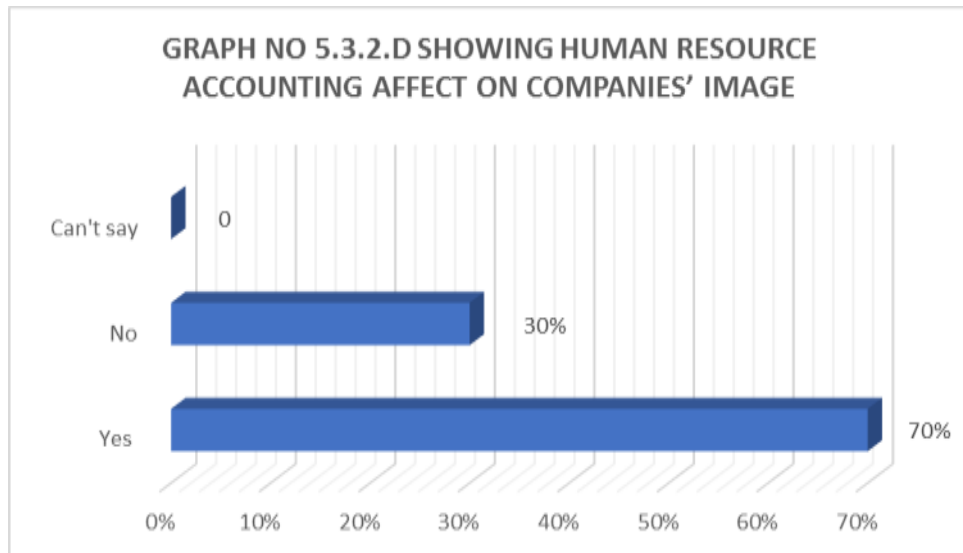
It is depicted from the table (5.3.2.c.) and graph (5.3.2.c.) that 85 % investors says that company should adopt monetary method for evaluation of Human resource, while only 15% investors disagree about this. The mean score is 1.85 which is close to monetary methods of HRA.

- **During the interview when the executives have been asked that does human resource accounting affect your point of view regarding companies' image?**

The researcher analyses their views which have been discuss in following table

Table no 5.3.2.d. Showing human resource accounting affect your point of view regarding companies' image?		
Types of responses	Percentage of response	Mean
Yes	70	2.7
No	30	
Can't say	0	

Source: Analysis work



Source: Analysis work

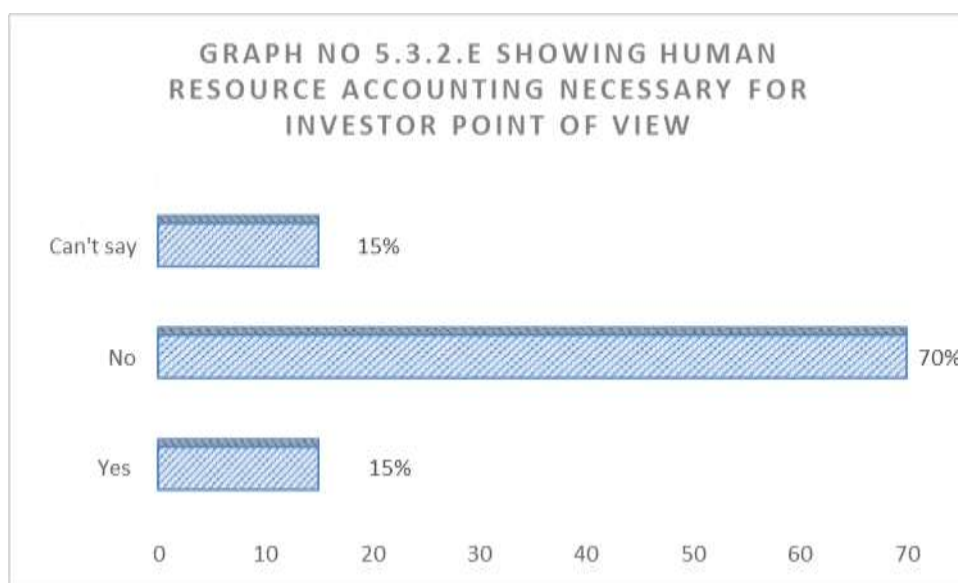
According to survey 70% respondents has been agreed that human resource accounting improve companies image but 30% investors say that there is not effect on companies image. Mean score is 2.7 which indicates that little more respondents has agreed that human resource accounting improve companies image.

- **During the interview when the executives have been asked that does human resource accounting necessary for your investor point of view? They reply that “Human resource accounting is mandatory in Indian corporate words but at present there is lot of mismanagement regarding human resource accounting in companies like jet airline.”**

The researcher analyses their views which have been discuss in following table.

Table no 5.3.2.e. Showing investor point of view regarding human resource accounting necessity		
Options	Percentage of response	Mean
Yes	15%	2
No	70%	
Can't say	15%	

Source: Analysis work



Source: Analysis work

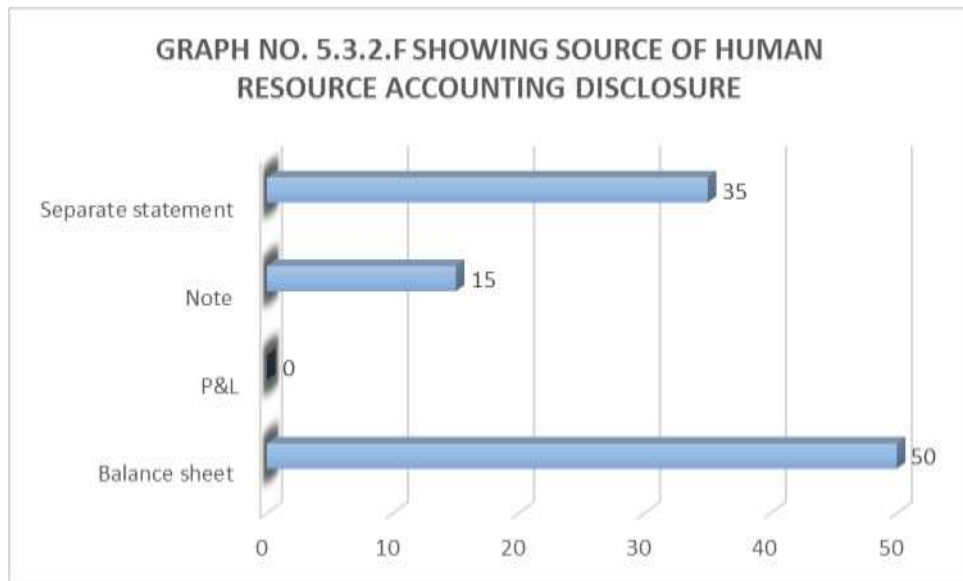
It is depicted from the table (5.3.2.e.) and graph (5.3.2.e.) that 15 % investors has been confused about this statement but 70% investment has been disagreed that human resource accounting necessary for investment point of view. Only 15% investors admitted that HRA is necessary. The overall response of the mean score is between the weight 3(Yes) and 2(No) i.e., 2 this shows that most of the respondents negatively disagree regarding HRA disclosure necessary.

- **During the interview when the executives have been asked that Where would you like to prefer Human resource accounting?**

The researcher analyses their views which have been discuss in following table

Table no. 5.3.2.f. Showing source of human resource accounting disclosure		
Options	Percentage of response	Mean
Balance sheet	50	2.85
P&L	0	
Note	15	
Separate statement	35	

Source: Analysis work



Source: Analysis work

It is depicted from the table (5.3.2.f.) and graph (5.3.2.f.) that 50 % investors has been preferred human resource accounting disclosure in balance sheet but 35% investment has been preferred separate statement. While only 15% investors preferred HRA disclosures in note form. The overall response of the mean score is 2.85 this shows that most of the respondents preferred separate statement source for human resource accounting disclosure.

5.4. ANALYSIS OF SHAREHOLDERS

To find out the awareness regarding human resource accounting among shareholder, researcher has been collected information through online questionnaire and local stock brokers of shareholder of the companies.

The study has been confined to 250 shareholders whose profile is as follows:

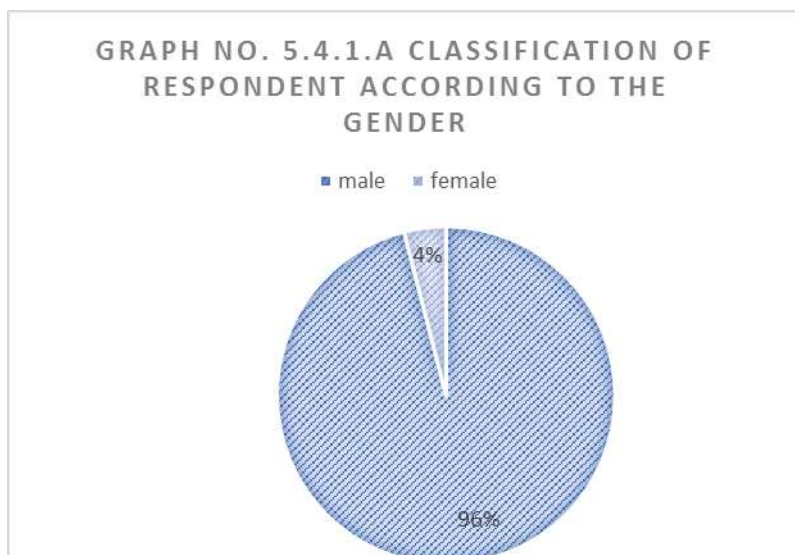
5.4.1. General profile of shareholder

The respondents profile defines an individual and their preferences in investment decision. It is important to study the respondents' profile carefully before analysing the view of the respondents. The respondents were selected as follows:

- In the study most of the respondents were male as only 4% respondents are female.

Table No. 5.4.1.a.: Classification of respondent according to the gender	
Gender of respondent	% of respondent
Male	96
Female	4

Source: Analysis work



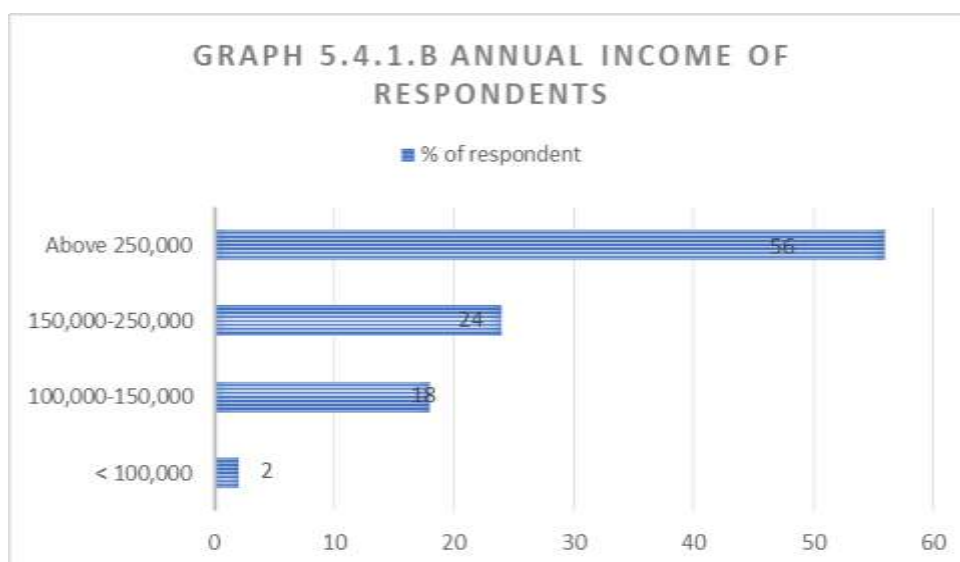
Source: Analysis work

5.4.1. b. Annual Income

The income profile of investor is very important factor as it affects the attitude of making an investment decision. Risk tolerance capacity of investors increases by rise in income level. The shareholder study were as follows:

Table no. 5.4.1. b. Annual Income of respondents		
Annual Income (Rs)	Income	% of respondent
	< 100,000	2
	100,000-150,000	18
	150,000-250,000	24
	Above 250,000	56
Total		100

Source: Analysis work



Source: Analysis work

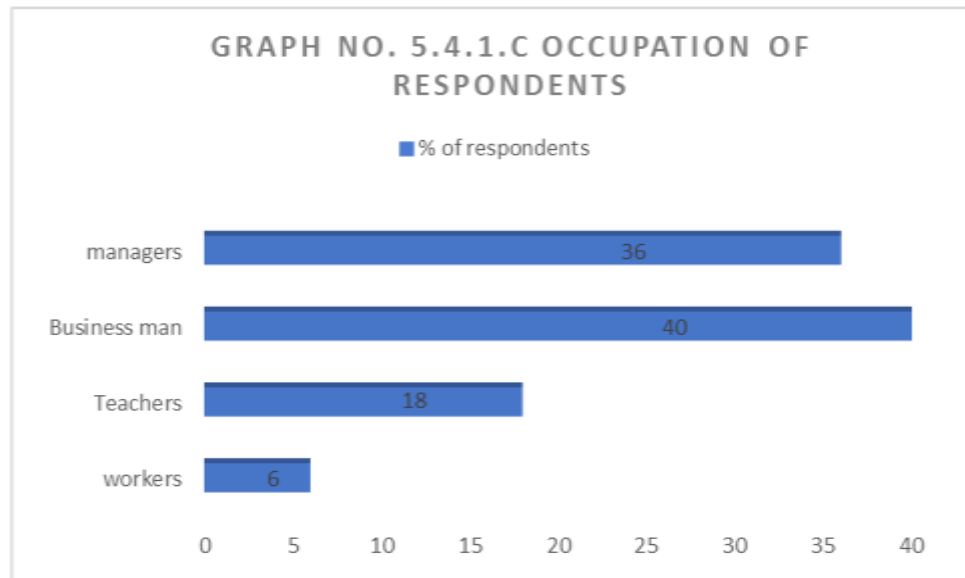
From the responses it can be seen that 2% respondents were having income less than 1,00,000; 18% respondents belong to the income group ranging between Rs. 1,00,000 – 1,50,000 and 24% respondent belong to the income group Rs. 1,50,000 -250000. However, the majority of respondents were having income more than Rs. 2, 50,000 i.e., 56%.

5.4.1. c. Occupation of Respondents

There is positive correlation between occupation and income so occupation is an also important factor of respondent profile. For this purpose, occupation has been divided into five categories, i.e. workers, teachers, business men, managers and Executives.

Table No. 5.4.1. c. Occupation Of Respondent	
Occupation	% of respondents
Workers	06
Teacher	18
Business man	40
Managers	36

Source: Analysis work



(Source: Analysis work)

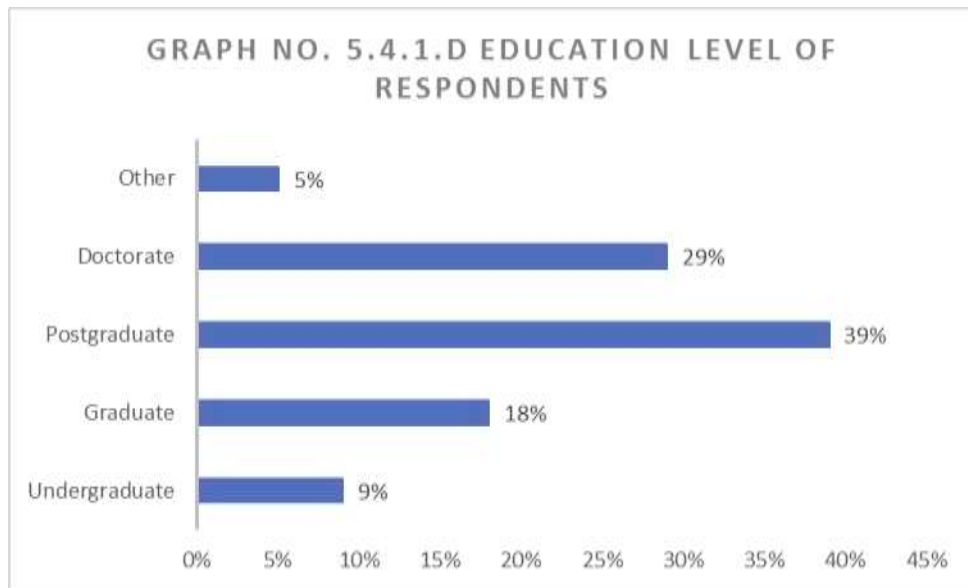
Majority of respondents (40%) under sample were having business man designation, whereas, 36% respondents have managers post and only 6% respondents were worked as a worker in selected companies. Remaining respondents is having teaching as their profession.

5.4.1. d. Education Level of Respondents

Education is the reflection of good civilization. Human civilization has progressed by innovation in education since periods. Education spreads awareness in society about how we can take good decision regarding investment. Thus, education is most important part of profile of respondents.

Table no. 5.4.1. d. Education level of respondents	
Education Level	Percentage of respondents
Undergraduate	9 %
Graduate	18 %
Postgraduate	39 %
Doctorate	29 %
Other	5 %

Source: Analysis work



Source: Analysis work

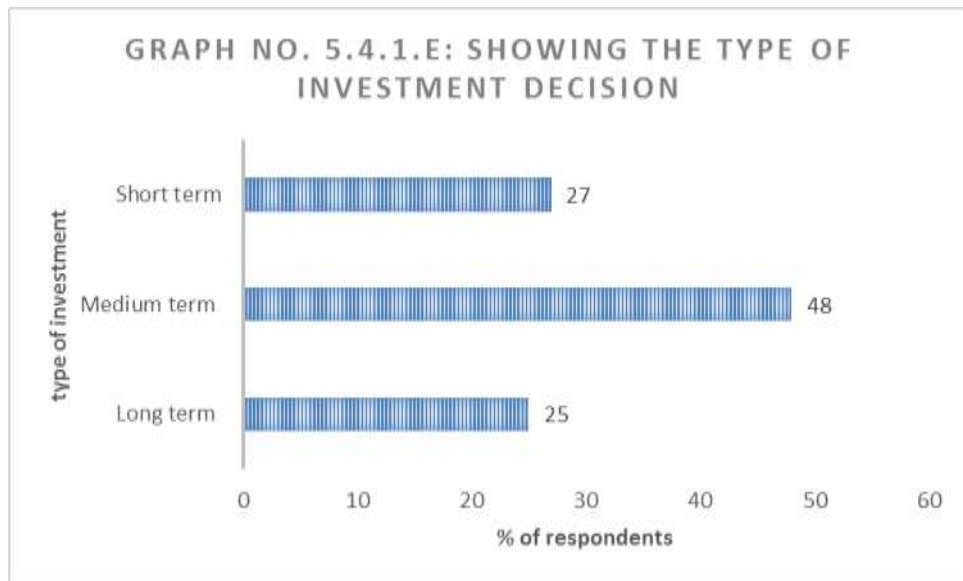
- Mostly, respondents (39%) were post graduate, and 29 % respondents were having the doctoral degree while only 18% respondents who were done graduation.
- A few percentages (5%) of a respondent who were done other courses like a diploma, CA, CS & MBA. While, 9% respondents were undergraduate.

5.4.1. e. Duration of Investment

Here in the table no. 5.3.5 the researcher has asked about the type of investment decision investors prefer to invest. Investment's decisions totally depend on annual income and saving of the respondent. Each shareholder has its own unique objective in investing and accordingly; the duration of investment may vary. The researcher has been classified four type's investment, "i.e. long term, medium term, short-term" and other (portfolio) into the questionnaire.

Table no. 5.4.1. e.: Showing the type of investment decision	
Type of Investment	% of respondents
Long term	25
Medium term	48
Short term	27

Source: Analysis work



Source: Analysis work

Mostly, shareholders (i.e. 40%) under sample were attitude towards the medium-term investment, while only 27 % investor preferred to invest in short term's investment plans. 25 % investors admitted that long-term investment is their first choice and remaining investors confined to the other investment. Thus, the sample mainly responded towards the short-term and medium- term investment.

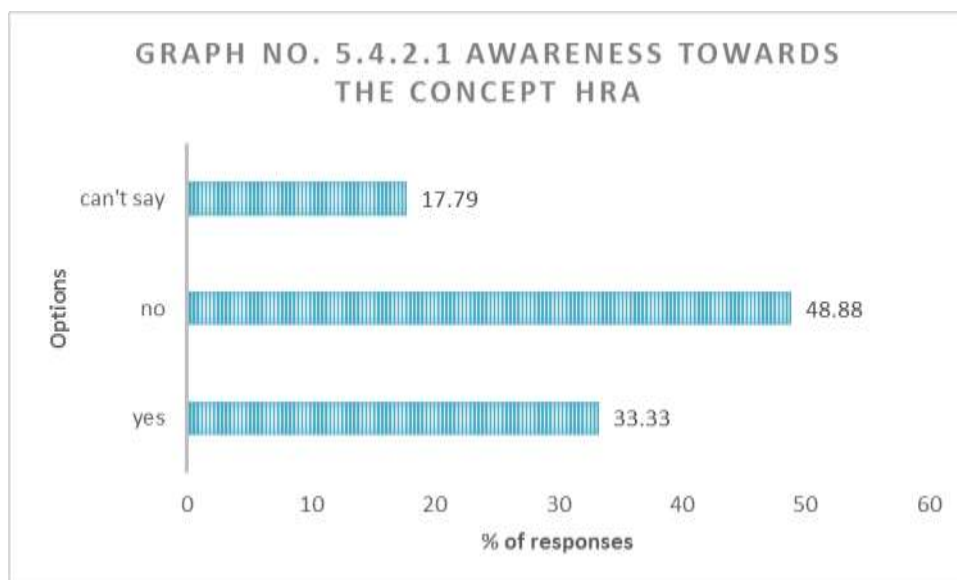
5.4.2. Perception of Shareholders towards HRA

In the third part of the study researcher has examined the perception of shareholders based on their awareness regarding human resource accounting and disclosure practice in Indian companies. In the questionnaire from the question 1 to 6, there are close ended question and question 7, which cover the 12 different parameters of awareness regarding HRA were prepared at five point Likert scale. Based on these questions, the hypotheses have also been tested.

In, the first-phase researcher has analysed the conceptual knowledge of shareholders about human resource accounting. The table no. 5.4.2.1. is showing the responses of shareholders regarding awareness concept of HRA. Thus, the responses were obtained as follows:

Table no. 5.4.2.1. Are you aware of the concept human resource accounting?		
Types of responses	Percentage of response	Mean
Yes	33.33	2.148
No	48.88	
Can't say	17.79	

Source: Analysis work



Source: Analysis work

According to survey 33.33% respondents has been aware about human resource accounting while 48.88% respondents are not familiar with human resource accounting. Whereas, the mean score is 2.148, which indicates that few respondents has been aware about human resource accounting.

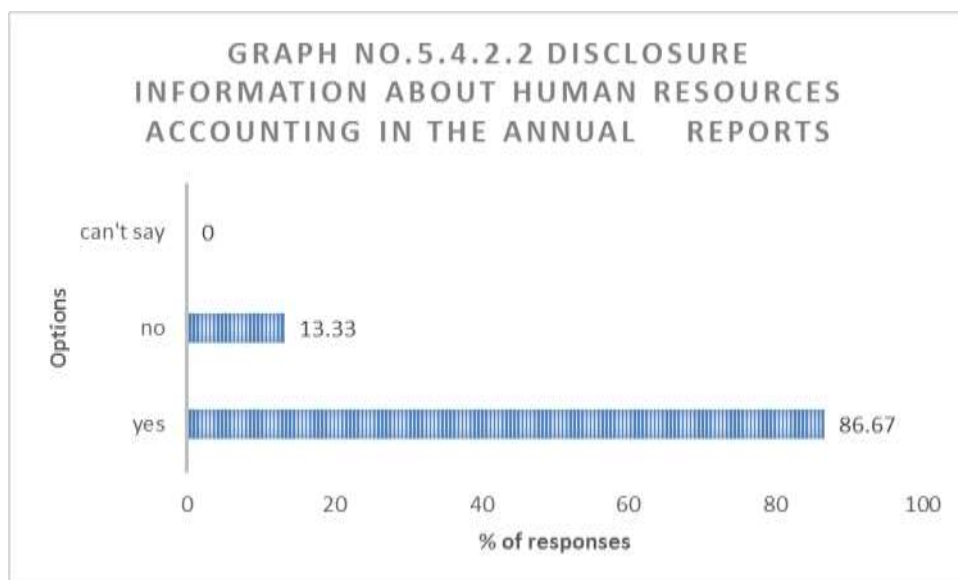
For the analysis researcher further includes only those respondents (shareholder) who are aware about HRA i.e., 33.33%.

5.4.2.2. Disclosure information about human resources accounting in the annual reports

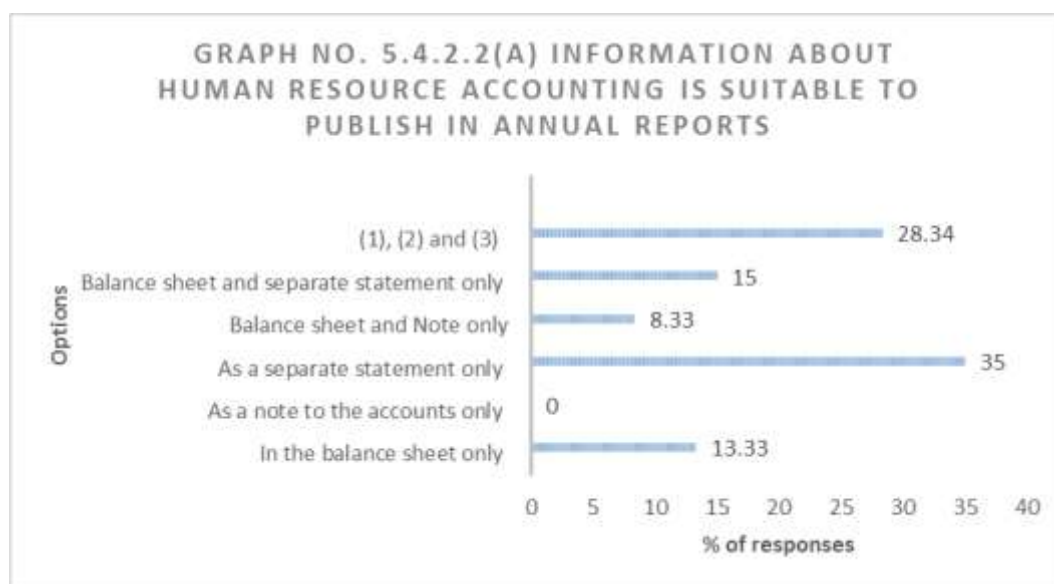
Disclosure of Human resource accounting is non-mandatory in India, but we can't ignore its importance. So, the researcher tried to know the point of view of respondents about disclosure information of human resource accounting in annual reports.

Table no. 5.4.2.2. Do you think that the companies should disclose information about their human resources accounting in the annual reports?		
Types of responses	Percentage of response	Mean
Yes	86.67	2.868
No	13.33	
Can't say	0	

Source: Analysis work



Source: Analysis work



Source: Analysis work

The response on this question has been positive as the 86.67% shareholders agreed with it that companies should disclose information about their human resources accounting in the annual reports, and 35 % respondents were preferred information about human resource accounting in separate statement, while 28.34 % respondent

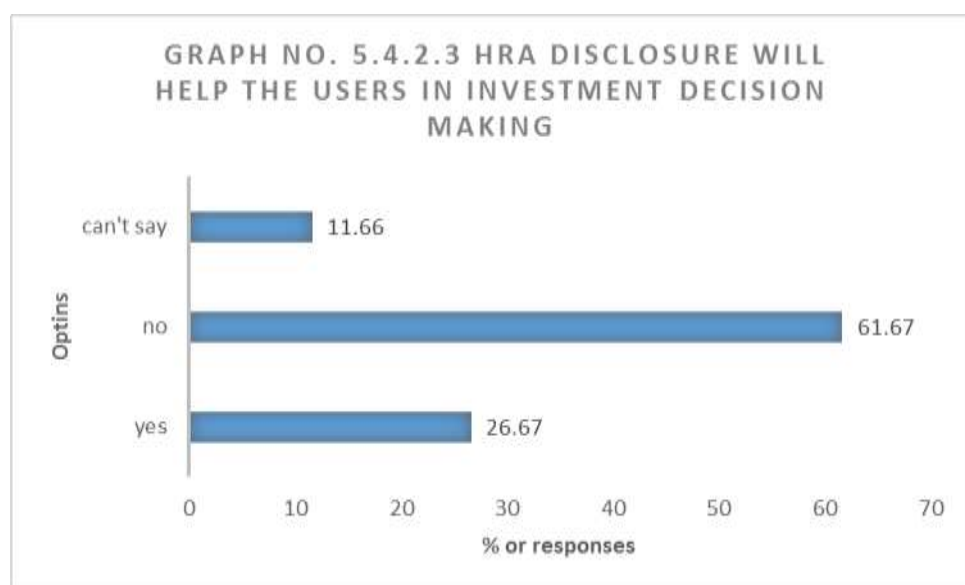
prefers all three sources (balance sheet, note, and separate statement). 13.33% responders have been the negative response. It shows the importance of disclosure of human resource accounting. The mean score is 2.868 this concluded that mostly respondents want that companies should show information regarding HR value.

5.4.2.3. HRA Disclosure -Help the Users in Investment Decision Making

The shareholders primarily look at the maturity segments required by company policy or cash flow, but to look at the whole curve is necessary to see how it is changing. Therefore, in this question researcher want to know the opinion of investors that what kind of disclosure will help the users in investment decision making?

Table no. 5.4.2.3 Do you think this kind of disclosure will help the users in investment decision making?		
Types of responses	Percentage of response	Mean
Yes	26.67	2.152
No	61.67	
Can't say	11.66	

Source: Analysis work



Source: Analysis work

It is depicted from the table (5.4.2.3) and graph (5.4.2.3) that 26.67 % shareholders admit that HRA disclosure helps them in investment decision, then again, 61.77% investor were totally disagreed this point. Whereas, a very few percentages (11.66) of investors has been confused about HRA disclosure practice. However, when talking

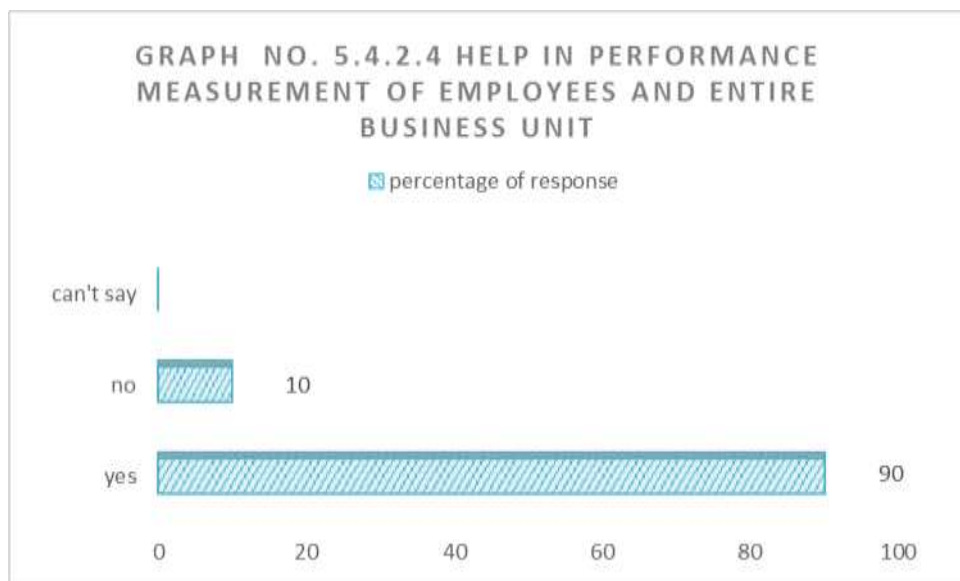
about the overall response the mean score is between the weight 3 (Yes) and 2(No) i.e., 2.152 this shows that most of the respondents moderately agree regarding HRA disclosure that helps them in investment decision.

5.4.2.4 HRA- Help in performance measurement of employees and entire business unit

There are so many tools like financial tool and managerial tool for measurement of performance of organization. HRA is also one of the managerial tools to measure performance of employees.

Table no. 5.4.2.4 Do you think “HRA information reporting will help investors for performance measurement of managers and entire business unit”		
Types of responses	Percentage of response	Mean
Yes	90	2.9
No	10	
Can't say	0	

Source: Analysis work



Source: Analysis work

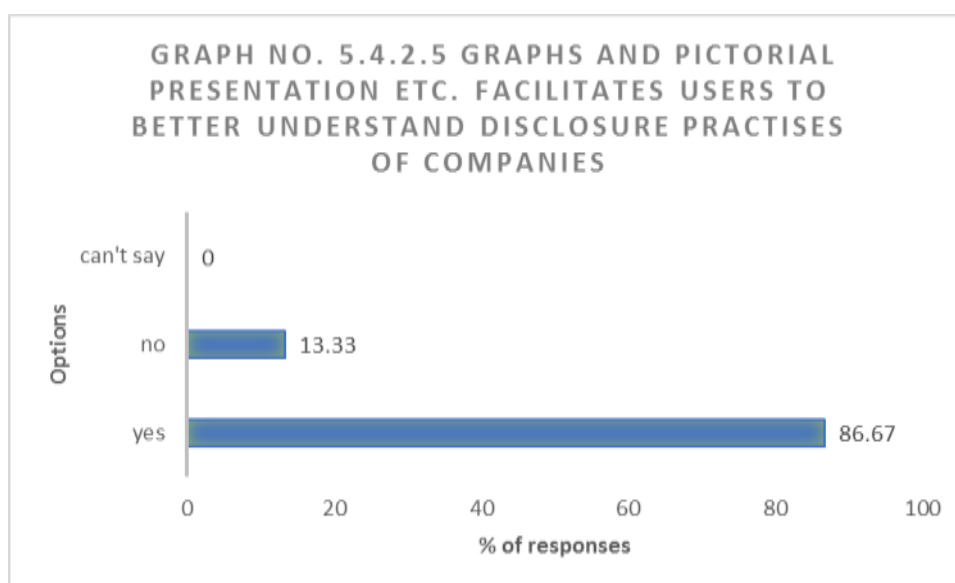
The survey results of this question came very much surprising that 90% respondents were highly agreed with this that “HRA information reporting will help investors for performance measurement of managers and entire business unit” while 10% respondents were disagreed with this statement. Whereas, the mean score is 2.9, which is close with the positive response.

5.4.2.5 Graphs and pictorial presentation etc. Facilitates users to better understand disclosure practises of companies

Way of presentation is most important key factor for easy communication. As the thinks are appealing people use to prefer watching & reading them. Graphs and pictorial presentation are the tools which make the annual reports more attractive and understanding for the users.

Table no. 5.4.2.5 Do you think companies should use several graphs, pictorials etc. in this kind of disclosures to facilitate better understanding for the users?		
Types of responses	Percentage of response	Mean
Yes	86.67	2.868
No	13.33	
Can't say	0	

Source: Analysis work



Source: Analysis work

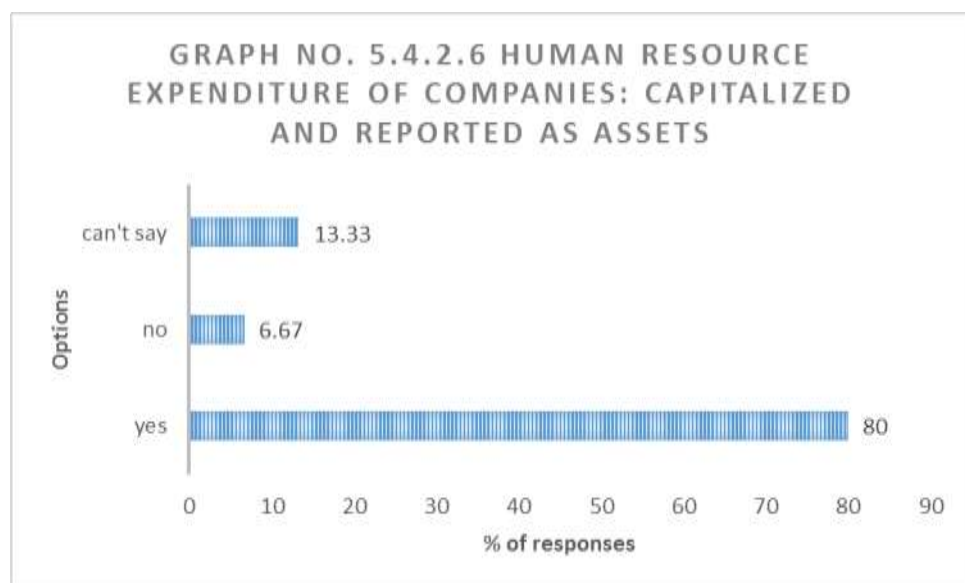
There are the majority of investors who have the opinion that companies should use graphs, pictorials, etc. as the tool for the presentation in their annual report to disclose HRA activities. As it, facilitates better understanding of them. 86.67 % of shareholders felt that the Graphs and pictorial presentation are the methods which make the annual reports more appalling and provide deeper understanding for the users while only 13.33% respondents were disagreed with this.

5.4.2.6. Human resource expenditure of companies: Capitalized and Reported as Assets

Companies have two methods for measuring HR expenditure. First, one is to treat as current expenditure and second method is to measure as assets. Therefore, in this question researcher want to know the opinion of investors that how human-resource expenditure incurred by companies in India.

Table no. 5.4.2.6. Do you think human resource expenditure incurred by companies in India should better be capitalized and reported as assets?		
Types of responses	Percentage of response	Mean
Yes	80	2.668
No	6.67	
Can't say	13.33	

Source: Analysis work



Source: Analysis work

The survey was conducted, and the shareholders were asked about their opinion regarding human-resource expenditure incurred by companies in India should better be capitalized and reported as assets, and it concludes that mean score, i.e., 2.668 of the respondents who is between the weight 3 (Yes) and 2 (No). This shows that most of the respondents highly agree that HR expenditure should measure as an assets.

Table No. 5.4.2.7. Basic Knowledge of Respondents about Human Resource Accounting				
S.no.	Questions	Response (in %)		
		Yes	No	Can't say
1.	Are you aware concept of human resource accounting?	33.33	48.88	17.79
2.	Do you think that the companies should disclose information about their human resources accounting in the annual reports?	86.67	13.33	0
3.	Do you think this kind of disclosure will help the users in investment decision making?	26.67	61.67	11.66
4.	Do you think HRA information reporting will help "investors for performance measurement of managers and entire business unit"	90	10	0
5.	Do you think companies should use several graphs, pictorials etc. in this kind of disclosures to facilitate better understanding for the users?	86.67	13.33	0
6.	Do you think human resource expenditure incurred by companies in India should better be capitalized and reported as assets?	80	6.67	13.33

Source: Analysis work

- In case of first question only 33.33% respondents were said that they are aware about the concept of human resource accounting while 48.88 % respondents were not aware about that.
- 86.67% respondents were agreed that the companies should disclose information about their human resources accounting in the annual reports.
- Whereas, in third question, 26.67% respondents said yes that the disclosure will help the users in investment decision making while 61.67% respondents disagree with that.
- In fourth question, 90% (225 responses is yes) respondents agreed that "HRA information reporting will help investors for performance measurement of managers and entire business unit."
- In case of fifth question 86.67% respondents were agreed that the companies should use several graphs, pictorials etc. in this kind of disclosures to facilitate better understanding for the users.
- And, in sixth question, 80% respondents said yes and 6.67% said no that human resource expenditure incurred by companies in India should better be capitalized and reported as assets.

Table no. 5.4.2.8. Perception of Shareholders Towards Disclosure Practices of HRA										
S.N'S	QUESTIONS	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Average agreed (mean-1 / 5-1)*100	Mean	SD	Rank
1.	The financial statements of companies reflect the true and fair view of their assets.	43.33	28.33	28.34	0	0	78.75	4.15	0.83	2.5
2.	Information reported by companies in their annual financial reports is adequate.	43.33	28.33	28.34	0	0	78.75	4.15	0.83	2.5
3.	Annual financial reports of companies disclose adequate information on the investment in their human resource.	41.67	30	0	28.3	0	71.25	3.85	1.23	10
4.	Annual financial reports of companies disclose relevant information on the quality of their workforce.	28.33	0	56.67	15	0	60.25	3.41	1.05	12
5.	The presence of human resource value in the financial statements of companies can increase the quality of the information contents of the reports.	13.33	73.33	0	13.3	0	71.75	3.87	0.81	8
6.	Human resource accounting is relevant to and should be applied by companies.	43.33	28.33	15	0	13.3	72	3.88	1.33	6
7.	Existing human resource valuation models can provide a realistic value of human resource for inclusion in the financial statements of companies.	28.33	43.33	15	13.3	0	71.75	3.87	0.97	8
8.	When reliably measured, the inclusion of human resource value in the financial reports of companies can increase the true and fair view of the reports.	15	71.67	13.33	0	0	75.5	4.02	0.53	5
9.	Users can find the inclusion of human resource value in the financial reports companies is useful for their decision making purposes.	41.67	58.33	0	0	0	85.25	4.41	0.93	1
10.	The inclusion of the value of human resource in the financial reports of companies would reveal their actual value.	43.33	13.33	30	13.3	0	71.75	3.87	1.11	8
11.	“Measurement of human resources gives investors needed information about the value of the business and its potential for future profitability.” ¹	28.33	28.33	30	0	13.3	64.5	3.58	1.26	11
12.	Expenditure incurred for the development and welfare activity of human resource.	28.33	56.67	15	0	0	78	4.13	0.64	4
	Reliability test (α value)	0.671								

Source: Analysis work

¹ ejournal.unitar.edu.my

- In the first parameter which was related to the financial statements of companies reflect the true and fair view of their assets, 43.33 % respondents say that they strongly agree with this and 28.34 % respondents only agreed and same percentage of respondent were neutral about this. No respondent disagree and strongly disagree with this. The weighted mean and SD score of this parameter is 4.15 and 0.83 which shows that overall 78.75% investors were agree that the financial statement of the companies reflect the true and fair view of their assets.
- In the second parameter researcher has asked to the respondents that is they confined with the Information reported by companies in their annual financial reports is adequate. In this, 43.33 % respondents said that they strongly agree with this and 28.34 % respondents only agreed and same percentages of respondent were neutral about this. No respondent disagree and strongly disagree. The weighted mean and SD score of this parameter is 4.15 and 0.83 which reveals that overall 78.75% investors were agree that the Information reported by companies in their annual financial reports is adequate.
- Next question which has been related to the annual financial report that is companies disclose adequate information on the investment regarding their human resource. 41.67% respondent was strongly agreed about it and 30% respondents were agreed. However, 28.33 % investors is disagree that Annual financial reports of companies do not disclose adequate information on the investment in their human resource. Mean and SD score of this parameter is 3.85 and 1.23 respectively which reveals that 71.25% investors were agree on this statement.
- Next parameter is related to awareness of HRA that Annual financial reports of companies disclose relevant information on the quality of their workforce. 28.33 % investors were admitted that annual report of companies discloses relevant information on the quality of their workforce while 56.67 % respondents were neutral about such kind of thinking. 15% investors were disagreed. Mean and SD score is 3.41 and 1.05 respectively which reveals that 60.25% investors were agree on this statement.

- One question which is asked to respondents that the presence of human resource value in the financial statements of companies can increase the quality of the information contents of the reports, 13.33 % respondents strongly agreed, 73.33% agreed and only 13.34 % of respondents out of the total were disagreed with this. The weighted average and SD of this statement is 3.87 and 0.81, which reveal that 71.75 % of the respondents out of the total were in favour of this this statement.
- Another question related to Human resource accounting is relevant to and should be applied by companies, 43.33% investors were strongly agreed with this statement and 28.33 % respondents were agreed. While only 15% respondents were neutral for this opinion and 13.34 % investors were strongly disagreed. The mean score is 3.88 which is indicate that majority of respondents were agreed with this statement.
- Next question related to existing human resource valuation models can provide a realistic value of human resource for inclusion in the financial statements of companies, 28.33% respondents were strongly agreed, 43.33% respondents agreed and 15% respondents were neutral with this type statement. While only 13.34% respondent were disagreed that existing human resource valuation models can provide a realistic value of human resource for inclusion in the financial statements of companies. The mean score is 3.867 and SD 0.9, which is indicate that 71.75 % respondents were agreed.
- Another question is regarding inclusion of human resource value in the financial reports of companies can increase the true and fair view of the reports for reliability measurement, only 15 % respondents were strongly agreed and 71.67 % respondents were agreed. While only 13.33 % respondents were neutral about this kind of option. The weight average and SD is 4.02 and 0.53 respectively which indicate that majority of respondents were agreed to this statement.
- Next question related to perception of investor to find the inclusion of human resource value in the financial reports companies is useful for their decision

making purposes, 41.67 % respondent was strongly agreed and 58.33 % respondents was agreed. The mean score is 4.41.

- Another question related to the inclusion of the value of human resource in the financial reports of companies would reveal their actual value. 43.33 % respondents were strongly agreed and 13.33% respondents were agreed. While 30% investors were neutral for this statement and only 13.34 % respondents were disagreed that inclusion of the value of human resource in the financial reports of companies would reveal their actual value. The mean score and SD are 3.867 and 1.11 respectively.
- Second last question related to Measurement of human resources whether it gives investors needed information about the value of the business and it's potential for future profitability. 28.33 % respondents were strongly agreed and same percentages of respondents were also agreed while 30 % respondents were neutral and only 13.34 % respondents were disagreed with this. The weighted average and SD of this parameter are 3.58 and 1.26.
- Last question related to Expenditure incurred for the development and welfare activity of human resource. 28.33 % of investors were strongly agreed and majority of respondents (56.67%) were agreed with that the expenditure incurred for the development and welfare activity of human resource. While only 15 % investors were neutral. The mean score and SD are 4.13 and 0.644 which is indicate that 85 % of respondent agreed with this statement.
- These questions has been related with the awareness of Human Resource Accounting among the shareholders and their benefits. The scale of these questions had a high level of internal consistency as determined by a Cronbach's alpha of 0.671. Thus it can be concluded that the measures used in this study are valid and reliable.

5.5. TESTING OF HYPOTHESES

To make the present study more accurate and make the findings more generalized, the researcher has tested the following hypotheses-

Ho₂: Generally the selected companies adopted the same method for valuation of their human assets.

Questions	Test Statistics						
	Options	Observed	Expected	χ^2 test	df	Asymp . Sig.	Ho
Is your company adopting HRA model?	Yes	13	15	0.533	1	0.456	A
	No	17	15				
	Can't Say	0	0				
Are the different concerns showing the human assets in different manner in their annual report	Yes	22	15	6.533	1	.011	R
	No	8	15				
	Can't Say	0	0				
As per your opinion there should be a single universal and standard method of valuing human assets in India.	Yes	25	15	13.333	1	.000	R
	No	5	15				
	Can't Say	0	0				
As per your opinion the companies adopt same model for valuation of human resource	Yes	26	15	16.133	1	0.000	R
	No	4	15				
	Can't Say	0	0				

Source: SPSS 20.0 result

The chi- square test is used to analyse the present status of HRA method of companies.

- In the first question the hypothesis has been **accepted as the value of χ^2 (0.533), Asymp. Sig =0.456** which is more than the p value .05. Thus, there is a statistically insignificant differences occurs in between the adopting model by the companies that were taken in the study $\chi^2(2) = 0.533, p = 0.456$).
- In the question 2, 3 & 4 hypothesis **has been rejected as the sig (2-tailed) value is .000 less than the p value .05**. So it can be conclude that most of the companies adopting the same method of valuation of human resource accounting. Most of the responses towards the single universal and standard method of valuing human assets in India

Ho₄: There is no awareness regarding benefits of HRA among stakeholder of selected companies.

This hypothesis has been tested on the basis of three type of stakeholder i.e. shareholder, employees (Deputy Directors, General Managers, Executives and investors (Banks).

Table no. 5.5.1 Hypothesise testing with reference of top executive' awareness regarding HRA				
Questions	Test Statistics			
	χ^2 test	df	Asymp. Sig.	Ho
Human resource is the most important assets of concern	15.8	2	0.00	R
Human resource accounting helps in resource allocation among various HR development programs	12.6	2	0.002	R
Does Human resource accounting provide any contribution in enhancing profitability	0.6	2	0.741	A
Human resource accounting highlights the loss due to turnover of employees	17.46	3	0.001	R
Human resource accounting helps in utilization of HR's effectively & efficiently	7.4	2	0.025	R
Human resource accounting help in evaluation of performance of personnel	8.6	2	0.014	R
It is essential to good human resource accounting to attract efficient human resource	7.4	2	0.025	R
It is the measurement of cost and value of people as organization resource	25.4	2	0.000	R
Human resource accounting helps in taking managerial decision	9.73	3	0.021	R
Whether Human resource accounting is useful for all the concern in your opinion	2.6	2	0.273	A
The will stakeholders also be affected by showing HRA as an asset by Indian company	2.4	2	0.301	A
Human resource accounting helps to enhance reputation of employees	10.8	3	0.013	R
HRA Should continue in future	1.8	2	0.407	A

Source: SPSS 20.0 result

And lastly, in table no 5.5.1 researcher has been analysed the awareness of benefits of Human Resource Accounting among the employees. For this purpose chi-square test has been applied on above parameters. From the test it is statistically proven that the level of awareness of human resource accounting among the employees is not equally

distributed. Thus, it can be said that employees are well aware about benefits of human resource accounting.

Table no. 5.5.2. Hypothesise testing with reference of investors (Banks) perception regarding HRA				
Question	Test Statistics			
	χ^2 test	df	Asymp. Sig.	Ho
How much weight is given to human resource accounting system adopted by the company, while you are considering company for investment	2.8	3	0.43	A
What is scenario in Indian corporate regarding human resource accounting?	18	4	.001	R
What kind of HRA method you are looking for in companies	9.8	1	.002	R
Does human resource accounting affect your point of view regarding companies' image?	3.2	1	.074	A
Does human resource accounting necessary for your investor point of view?	12.1	2	.002	R
Where would you like to prefer Human resource accounting	3.7	2	.157	A

Source: SPSS 20.0 result

In table no 5.5.2 Researcher has been analysed the perception of benefits of Human Resource Accounting among the investors. For this purpose again the chi-square test has been applied on above parameters. From the test it is statistically proven that the level of awareness of human resource accounting among the employees is not equally distributed. Thus, it can be said that employees are well aware about benefits of human resource accounting.

Table no. 5.5.3. Showing the Hypothesise testing with reference to shareholders' regarding HRA awareness							
Questions	Test Statistics						
	Options	Observed	Expected	χ^2 test	df	Asym p. Sig .	Ho
Are you aware of the concept human resource accounting?	Yes	83	83.33	33.75	2	0.000	R
	No	121	83.33				
	Can't Say	46	83.33				
Do you think that the companies should disclose information about their human resources accounting in the annual reports?	Yes	217	125	135.4	1	0.000	R
	No	33	125				
	Can't Say	0	0				
Do you think this kind of disclosure will help the users in investment decision making?	Yes	67	83.33	98.55	2	.000	R
	No	154	83.33				
	Can't Say	29	83.33				
Do you think HRA information reporting will help investors for performance measurement of managers and entire business unit	Yes	225	125	160	1	0.000	R
	No	25	125				
	Can't Say	0	0				
Do you think companies should use several graphs, pictorials etc. in this kind of disclosures to facilitate better understanding for the users?	Yes	217	125	135.4	1	0.000	R
	No	33	125				
	Can't Say	0	0				
Do you think human resource expenditure incurred by companies in India should better be capitalized and reported as assets?	Yes	200	83.33	246.5	2	0.000	R
	No	17	83.33				
	Can't Say	33	83.33				

Source: SPSS 20.0 result

In table no 5.5.3 Researcher has analysed the awareness level of human resource accounting among the shareholders. For this purpose chi-square test has been applied on above parameters. From the test it is statistically proven that the level of awareness of human resource accounting among the shareholders is not equally distributed. Thus, it can be concluded that shareholders are not well aware about human resource accounting.

5.6 CONCLUSION

In a nutshell, it can be concluded that the entire questionnaire has been analyzed in detailed manner. These questions have been analyzed comprehensively in this chapter. The analysis reveals that both employees and investors {banks} are aware regarding the benefits of Human resource accounting while shareholder are not prepare for HRA investment decision and they are not well aware about it.

If the researcher talk about adopting human resource accounting models, then it can be concluded that most of the public companies follow HR model for HR investment decision, but it is not disclosing HRA but to use them only for their purpose and only few companies are disclosed HRA model like HPCL, Infosys, BHEL.

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