



A STUDY ON IMPACT OF HYBRID WORKFORCE (GEN Y) ON QUALITY OF INTERIM FINANCIAL REPORTING AMONG TOP IT COMPANIES IN NSE

Ms. Ashwini L

Lecturer, Department of Commerce, Phoenix International Academy, Mysore, Karnataka, India.

Abstract

Purpose: The financial reporting is an indication of the business performance and their ability to develop in the nearby future. Similarly, the primary concern of interim financial reporting is to maintain timely reporting, trustworthy, ethical and reliable interim financial reports to attracts the investors and maintain stability among the shareholders and the stakeholders. Hence this study will be helpful to understand the importance of Gen Y employee's contribution during the period of hybrid work condition. **Research Methodology:** In this study, conclusive research designed is used and the research being descriptive and quantitative in nature. **Sampling and Data Collection:** This study involves a probabilistic sampling technique namely, systematic sampling to gather secondary data for four quarters in the year 2021 of top IT companies listed in National Stock Exchange (NIFTY-50) and further the data is analyzed by using SPSS- 16 software to determine the impact of hybrid workforce (Gen Y) on the quality of interim reporting. **Results:** Considered variable understandability among Gen Y employees even in the hybrid working conditions has a significant influence on the quality of interim reporting and also the error free disclosures of reporting by the Gen Y employees have a statistical significance on the quality of interim reporting and internal consistency among the hybrid Gen Y employees has an impact on the increasing the quality of interim reporting.

Keywords: *Interim Report, Consistency, Understandability, Error Free, Financial Reporting.*

Introduction

The financial reporting is an indication of the business performance and their ability to develop in the nearby future, hence the prospective investors use the financial reports before making decisions to invest on any business by purchasing their share and avail dividends based on the profit, wherein, the existing investors use financial reporting to monitor their investments continually indicating the purchase of additional shares and contributing for the business expansion and sustainable growth. The primary concerns of interim financial reporting and its standards are to determine the performance of IT companies in each quarters and influence an effective preparation of annual report of the company during the hybrid work conditions among the Gen Y employees. Such that, the timely contribution along with their trustworthy nature of handling the financial data of company and being ethical in nature makes the Gen Y employees more reliable during hybrid work conditions, wherein, these characteristics will significantly influence the preparation of interim reporting and also annual reports to gain the confidence of stakeholders and shareholders of the company. Adding on further, each financial report, annual or interim, is evaluated on its own for conformity to Indian Accounting Standards and the fact that an entity may not have provided interim financial reports during a particular financial year or may have provided interim financial reports that do not comply with this standard and they does not prevent the entity's annual financial statements from conforming to Indian Accounting Standards.

The interim financial reporting standard does follows the instruction from the governments, securities regulators, stock exchanges and accountancy bodies often require entities whose debt or equity securities are publicly traded to publish interim financial reports and this standard applies if any business entity is required or elects or to publish an interim financial report in accordance with Indian Accounting Standards. Wherein, each financial report, annual or interim, is evaluated on its own for conformity to Indian Accounting Standards and the fact that an entity may not have provided interim financial reports during a particular financial year or may have provided interim financial reports that do not comply with this standard and they does not prevent the entity's annual financial statements from conforming to Indian Accounting Standards. Even though there are many studies carried out by various researchers on understanding the solution for achieving high quality of interim reporting during the hybrid work condition, this study will be helpful to understand the importance of Gen Y employees



during hybrid work conditions and their characteristics such as consistency, trustworthy and being error free in their work nature would influence the quality of interim reporting. Such that any business entity shall include mentioned traits of Gen Y employees on preparing interim financial report and its significance during the hybrid working conditions with its significance on preparing the annual reports of the IT companies.

Literature Review

(Wang and Hui 2020) this study examined the importance of financial reporting and also the various standards followed in reporting and also confirms the effective co-ordination of business entities and it is possible to follow the standards and ensure the statements do not target those who have already with the business accounting data updated in financial reports may have economic effects to the business. (Greenberg 2020) this study speaks about the importance of financial reporting is been highlighted, wherein, all the countries economic outlook has continued to drop down recently form many reasons and also the unethical practices followed by the organization and also the factors influence the quality of reporting and its effectiveness on the financial reporting of the organization. (Matusinska 2020), stated that financial reporting it is a tool for obtaining accounts and accurate results from the perspective of the stakeholders, including a comprehensive understanding with respect to interpretations of the described of the business. (S Dahlstrom 2019), conceptual framework of the Indian Financial Reporting Standards that is to be followed by all the business that exist in the nation states that the objective of a financial report is to provide the users of financial reports with the company's financial information. (Benjamin et. al. 2019), this study has stressed on the ethical dimensions in which the independent audit review is one of the means to improve financial reporting quality of any business and gives clarity to the directors in the corporate governance to make decisions for the development and sustainability of the business. (Gummesson 2018), this study address the effectiveness and importance of financial reporting wherein, it is an indication of the business performance and their ability to develop in the nearby future, hence the prospective investors use the financial reports before making decisions to invest on any business. (Lovelock 2016) articulates that surveys completed in a working environment, such as an office, have proven to be more prospective, especially when the assistance and support of a managers in following effective financial reporting standards.

Research Methodology

Statement of the Problem: Many of the earlier research carried by the various authors have addressed importance of financial reporting of the companies by only considering the single parameters to determine the importance of statistical influence of various characteristics that are indicated in terms of their traits based on the higher quality of financial reports. Such that this study will help analyze the statistical significance of Gen Y employees during the hybrid working condition on the quality of financial interims. After availing the clarity on importance of interim financial reports for the success of business and impact of hybrid workforce among millennial generation employees on interim reporting excellence by answering the below questionnaires to address has the research problem:

1. What is importance of interim reporting for the success of the business?
2. What is the impact of key factors on excellence of interim financial reporting and its effectiveness?

Objectives of the Study

- 1 To assess the need of interim financial reporting
- 2 To identify the Gen Y employees traits influencing quality of interim reporting
- 3 To analyze the impact of hybrid workforce (Gen Y) traits on quality of interim reporting



Conceptual Model

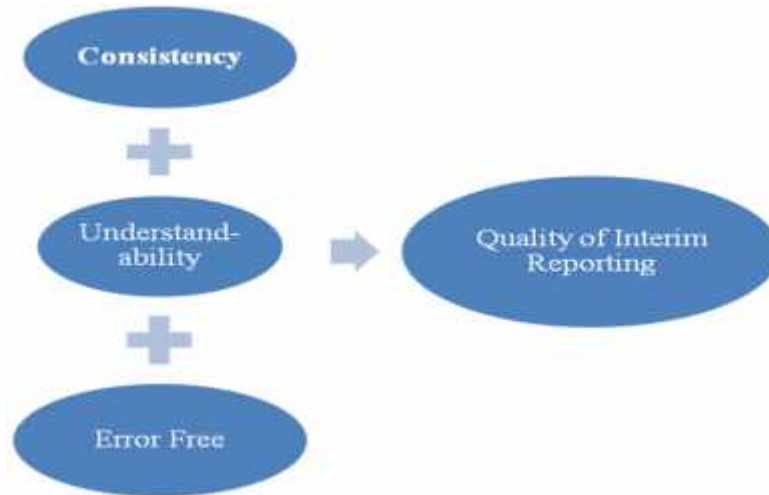


Fig 1: Conceptual Model of the Study

Hypothesis of the Study

1. **Hypothesis 1 (Ho):** There is no statistical impact of variable Consistency on the quality of interim reporting.
2. **Hypothesis 2 (Ho):** There is no statistical impact of variable Understandability on the quality of interim reporting.
3. **Hypothesis 3 (Ho):** There is no statistical impact of variable Error Free on the quality of interim reporting.

Research Design: In this study, conclusive research designed is used and the research being descriptive and quantitative in nature.

Sampling Design and Data Gathering: This study involves a probabilistic sampling technique namely, systematic sampling to gather secondary data for four quarters in the year 2021 of top IT companies listed in National Stock Exchange (NIFTY- 50) and further the data is analyzed by using SPSS- 16 software to determine the impact of hybrid workforce (Gen Y) on the quality of interim reporting.

Analysis and Results

Descriptive Statistics of the Variables

Data Type: Secondary Data

SPSS Output

Table 1: Descriptive Statistics of the Variables			
Particulars	Kurtosis	Skewness	Standard Deviation
Infosys Ltd	-.044	-.277	.98985
Tata Consultancy Services Ltd.	-.003	-.762	.51981
HCL Technologies Ltd	-.097	-.412	.55508
Wipro Ltd.,	.024	-2.009	.51195
Tech Mahindra Limited	.373	-1.385	.19819
Kpit Cummins Infosystems Ltd.	.091	-1.854	.51111



The above table describes the descriptive statistics of variables selected for the study. The above discloses that, the skewness of the data gathered is less than 3 and the value of kurtosis is less than 11, stating that, the data gathered in normalized and the standard deviation indicating to the level of deviation from the mean value.

Regression Analysis of IT Companies

Data Type: Secondary Data

SPSS Output

Table 2: Regression Results				
Companies	Independent Variable	Dependent Variable	Co-Efficient	Results
Infosys Ltd	Consistency	Quality of Interims	0.000	Positive
	Understandability		0.002	Positive
	Error Free		0.304	Negative
Tata Consultancy Services Ltd.	Consistency	Quality of Interims	0.149	Negative
	Understandability		0.000	Positive
	Error Free		0.013	Positive
HCL Technologies Ltd	Consistency	Quality of Interims	0.000	Positive
	Understandability		0.014	Positive
	Error Free		0.002	Positive
Wipro Ltd.,	Consistency	Quality of Interims	0.007	Positive
	Understandability		0.000	Positive
	Error Free		0.004	Positive
Tech Mahindra Limited	Consistency	Quality of Interims	0.476	Negative
	Understandability		0.002	Positive
	Error Free		0.004	Positive
Kpit Cummins Infosystems Ltd.	Consistency	Quality of Interims	0.000	Positive
	Understandability		0.013	Positive
	Error Free		0.000	Positive

The above regression table illustrates that, the independent traits such as Consistency, Understandability and Error Free traits of Gen Y employees during the hybrid workforce conditions has a significant influence on financial disclosures of top IT companies listed in Nifty 50. The above table demonstrates that, the trait Consistency and Understandability have a significant impact on the quality of interims and trait Error Free do not have significant impact on the quality of interims defined by the Infosys Ltd, stating that defined null hypothesis 1 and 2 are rejected, while hypothesis 3 is accepted. Adding on further, in Tata Consultancy Service Ltd the trait Understandability and Error Free have an impact on quality of interims stating hypothesis 2 and 3 are rejected; while hypothesis 1 is accepted as trait Consistency do not have any impact on quality of interims. Similarly in the case of HCL Technologies Ltd, Wipro Ltd and Kpit Cummins Infosystems Ltd. All the 3 independent traits have a significant impact on the quality of interim disclosures, considering the entire 3 defined null hypothesis are rejected. Meanwhile in Techmahindra Ltd Understandability and Error Free have an impact on quality of interims stating hypothesis 2 and 3 are rejected, while hypothesis 1 is accepted as trait Consistency do not have any impact on quality of interims. Hence from the above majority of the companies have a disclosed that, the independent traits such as Consistency, Understandability and Error Free disclosures of financial reports in different quarters



have statistical significance on the quality of interim reporting, stating that the defined null hypothesis are rejected.

Conclusion

The importance and influence Gen Y employees characteristics such as, consistency on reporting, understandability of the all the financial aspects and designing the reports to gain the confidence of all the shareholders and stakeholders of the company and also the error free behavior and commitments to prepare financial disclosures in terms interim reporting during the hybrid working condition have a major impact on the quality of financial reports, especially the quality of interims. Such that, this study has helped in examining the impact of hybrid workforce belonging to millennial generation on the excellence and quality of interim financial report. Hence the study can be concluded in a way that, there is a significant influence of trait consistency of Gen Y employees on reporting stating a positive results on the interim financial reporting, wherein, companies must also disclose the reports accurately in each of their quarters. Adding on further, variable understandability of financial aspect by the millennial generation employees during the hybrid working conditions have a significant influence on the quality of interim reporting and also the trait of being error free disclosures of reporting have a statistical significance on the quality of interim reporting, such that, all the companies in order to achieve an excellent quality on their interim reporting must disclose their reports in an easier way and should disclose all the information to gain the confidence of stakeholders and shareholders of the company.

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