



A CRITICAL STUDY OF HUMAN RESOURCE MANAGEMENT AND REPORTING PRACTICES IN INDIA

Shalini* Dr. Panna Lal**

*Research Scholar, Department of commerce, M.U.Bodh,Gaya.

**Assistant Professor, Department of Commerce, Gaya College, Gaya.

Abstract

The demonstrable sufficiency of these HR procedures has an effect on workers' perspectives on the achievements of the business and, to a lesser extent, on the prospective and conclusively judged execution of the organisation. We describe differences in perceptions of HR practises across public, global, and total organisations, as well as differences in perceptions of HR practises among information technology (IT), collection, and organisation endeavours. We have selected ten organisations, five from the public sector and five from the commercial sector, based on the information included in their annual reports on human asset accounting. In the contemporary overall work environment, the capability and knowledge possessed by the labour force is the central focus of all overall organisations. This is the case regardless of the kind of organisation. Every company is focused on minimising the number of employees who leave their positions and safeguarding sensitive information. When joining for the first time, there is a significant expense involved, and there is also the possibility that the new recruit will not have the ability to displace the individual who was previously working in that condition. In addition, HR departments strive to provide advantages that will appeal to workers, in an effort to lessen the likelihood of information being compromised.

Keywords: Human, Resource, Management, Reporting, Practices.

Introduction

The country of India is blessed with a wealth of natural and human resources; nonetheless, the country is encountering enormous challenges in its efforts to advance economically and make progress. It is estimated that over 200 million people in the nation are employed on a regular basis, a number that is increasing along with the development of the Indian economy. Along the same lines, the manufactured nations regard this category to be a massive market for the distribution of their goods from a considerably more extended point of view. Since adopting the New Economic Policy (NEP) in July 1991, the government has increased its new immediate theory (FDI) a couple of times; nonetheless, it is still a long way behind its neighbour China and countries in South-East Asia in this regard. According to Andersen, L. B. and A. Boesen (2016), there are already more than 15,000 international companies operating in India, and this figure is continuously increasing. As global organisations look for success in their activities in India, and as Indian organisations show up at a more genuine level of cleaned ability in the context of the global environment, both sets of organisations will be required to make basic decisions linked to persons who hold executive positions. This endeavour will demand the expenditure of efforts for the various aspects that influence HRM strategies and practises within an Indian context. These components, among others, include the availability of fundamental talents and capacities, necessary mindsets, necessary qualities and customs, facilitating true structure and foundations, and a social context that is helpful. According to Ashikali, T. and S. Groeneveld (2015), these aspects are the results of a country's true monetary and political variables. According to Budhwar and Sparrow (2018), having a detailed knowledge of such real-world aspects and experiences helps provide a more complete view of the HRM model used in a nation. The current human resources management situation in a country ought to be evaluated with regard to the country's overall economic and corporate environment as it develops over the course of a significant period of time.



Indian Economy and Business Environment

After its independence, India prioritised building faith in its ability to make progress financially, and as a result, it favoured an import-swap model of development for a significant amount of time or somewhere in the vicinity of there. In 1950, it established the Planning Commission in order to provide specifics on public planning. A method known as the "mixed economy," which places equal emphasis on private and public sector activity, will be implemented as of right now and will continue into the foreseeable future. This resulted in a reduction in both the frequency of business as well as total power, both of which were crucial for the advancement of public policy. In most cases, monetary organising is made easier by referring to the drafted plans and the existing methods. The tenth long term plan (2002-2007) as well as the advanced arrangement of 1991 are both now in the process of being implemented. In spite of the long-standing organisational practises, the situation of the Indian economy in 1991 was likely at its worst point ever visible to the naked eye. It witnessed a double-digit rate of growth, slowed present-day creation, financial irresponsibility, an unusually large extent of obtaining to the GNP (both internally and externally), and a bleakly low level of new exchange savings. Since the value of new exchange reserves had dropped to such a low level, they were no longer adequate to cover the cost of imports for a considerable amount of time. In order for the World Bank and the International Monetary Fund to agree to protect India, it was necessary for the country to transition from an overseen framework into a "unrestricted economy." In order to solve the issues, the public authority announced a movement of financial game plans, beginning with the devaluation of the Rupee and continuing on with another cutting-edge strategy and money-related and trade-related approaches. In the public area, the commerce and exchange strategy, the monetary region, and the new speculation strategy, various adjustments were made, and these adjustments were coordinated by the movement thinking.

Importance of Human Resource Management

According to the perspective of accounting, the board of human resources in any association is of very high importance. The partners' interests regarding working on management execution and representatives' productivity are aligned with the value of human resources, the recording of the valuation in records, and the responsible disclosure of such information in financial reports. Pay utilisation is not the same thing as interest in producing human resources. Because of its effect on developing the capabilities of representatives, a significant number of people will profit from it. There is a true need for reliable and comprehensive information that can be applied to the process of enhancing and assessing the executives who oversee the human assets. In reality, HRA is a component of social accounting in which accountants are required to put their skills to use in order to contribute to the process of identifying potential answers to our societal problems. According to what we've learned, accounting entails doing an inquiry into evaluation, assessment, and correspondence. An additional laborious process is the establishment of an appropriate accounting structure for the purpose of disseminating information to the complicit parties. The underwriting of the expenses associated with human assets is far more significant than the limiting method.

Disclosure Pattern of HRA Information by Indian Enterprises

Assuming that we check at the annual reports of public area efforts and private endeavours in India, we find that supervisor's reports consistently feature the certifications including the significance of HRs. This was a first for India and was included in the Annual Report of the publicly traded company Bharat Heavy Electricals Ltd. for the financial year 1974–1975. In the years that followed, 21 organisations with a presence in the public region and seven organisations with a presence in the private sector had agreed to participate in such a programme.



They are in accordance with the documentation that:

- Steel Authority of India Ltd. (SAIL)
- Hindustan Machine Tools Ltd. (HMTL).
- Oil and Natural Gas Corporation Ltd. (ONGC)
- Public Thermal Power Corporation Ltd. (NTPC)
- Hindustan Shipyard Ltd. (HSL)
- Oil India Ltd. (OIL)

National Institutions Supporting Industrial Relations

The presence of a massive governmental participation in the Indian IR, as evidenced by the Industrial Disputes Act of 1947 (IDA), is an indication of the Indian IR. This Act compels the "appropriate Government," in its awareness, to infer a cutting-edge discourse for settling either on disappointment of appeasement or even with essentially no resort to conciliation. In addition to the Industrial Relations Act (IDA), the Industrial Employment (Standing Orders) Act of 1946 (IESOA) and the Trade Unions Act of 1926 (TUA) each provide their own unique piece to the overall framework of IR legislation in the nation. While the first choice offers professionals and organisations the opportunity for alliance and protection against normal and criminal responsibility for taking innovative action, the second choice makes an effort to ensure that the terms of business are normalised and their insistence by a government official, who is required to satisfy himself that they are fundamentally and sensibly reasonable. These legal procedures were depended upon to work with the affirmation of individual as well as overall benefits for workers.

Objectives of the Study

1. To conduct research on the significance of effective management of human resources
2. To do research on the Indian economy and the commercial climate

Research Methodology

The examination that has been demolished in order to only refresh the knowledge and that has no consideration for a second business The investigation that destroys human success and its inclinations, animal success and its tendencies, and plant government assistance is referred to as basic or focus research. The primary purpose of this sort of investigation is to simply expand one's knowledge; it is not to create, plan, or explore another topic. The discoveries that were made as a direct result of basic research did not produce any undeniable commercial opportunities.

Quantitative Research

The term "quantitative research" refers to investigation that is predicated on the use of numerical features, statistics, or numbers as the ultimate results of an evaluation of anything. In this type of investigation, the intended total or aggregate is derived from prior data and efforts with anticipated future features. In the field of social sciences, the term "quantitative examination" refers to a "effective and reasonable examination of quantitative properties and characteristics and their associations." The development of mathematical models, theories, or guesses that may be applied to a feature is the purpose of doing research of a quantitative kind. The most important step in quantitative research is called "checking something," and the reason for this is because it establishes a basic connection between numerical discernment and the mathematical explanation of quantitative relationships. The estimates, which are a significant part of mathematics, are used in quantitative types of examination. Quantifiable methods are put to significant use in a variety of industries, including the financial sector, the exchange market, and others.



Qualitative Research

Research that is not quantitative is implied when talking about a subjective type of investigation. The findings of this investigation are of a non-quantitative or subjective nature, depending on how the investigation was carried out. The term "subjective examination" refers to the process of gathering, studying, and analysing information by adopting the perspective of what individuals do and say. These deductions are arrived at by the utilisation of comprehensively organised surveys, meeting agendas, etc. A qualitative analysis draws inferences about the definitions, characteristics, images, portrayals, and relationships of various entities. This type of research is noticeably more in-depth and makes utilisation of an extensive variety of approaches for gathering data; the fundamental component is individual, all around, and concentrate gathers. In the end, just a small number of individuals are encountered, and only a moderate amount of time is spent attending focus groups. This form of inquiry presents an exploratory and open-ended potential for further investigation.

The annual reports of the selected companies, which were available to the public online, provided evidence about the transparency of the aforementioned elements. Immediately after watching the disclosure of selected criteria from the annual reports of the selected companies, the discernments were organised, and additional analysis was done on the material that was characterised.

Research Design

Sample Selection

In order to concentrate on the topic at hand, which is the disclosure of elements pertaining to human assets, five driving organisations from the private area and five driving organisations from the public region were selected. These organisations were chosen at random from an overview of the most influential organisations operating in each sector.

Data Analysis

Overall Comparison of Disclosure of Five Private Sector Companies

	Year		Name of Company					
			ACC Limited	Bajaj Auto Limited	HCL Technologies	Hindalco Industries	Infosys	
Total Number of Variables Disclosed	Year 2009	N	8	7	8	8	20	
		%	33.33	29.17	33.33	33.33	83.33	
	Year 2010	N	9	7	8	8	20	
		%	37.50	29.17	33.33	33.33	83.33	
	Year 2011	N	9	7	8	8	8	
		%	37.50	29.17	33.33	33.33	33.33	
	Year 2012	N	9	7	8	8	8	
		%	37.50	29.17	33.33	33.33	33.33	
	Year 2013	N	10	7	8	8	8	
		%	41.67	29.17	33.33	33.33	33.33	
	Average Rate of Disclosure			37.5	29.17	33.33	33.33	53.33

A comparative analysis of five privately held companies is presented in Table 1, which was compiled from several disclosure studies. As can be seen from the table, between the years 2009 and 2010, the speed of disclosure was most important for Infosys (83.33%), while it was least important for Bajaj Auto Limited (33.33%). During the years 2011 and 2012, it was the most crucial for ACC Limited (37.50%), whilst it was the least critical for Bajaj Auto Ltd. (29.17). In 2013, the rate of disclosure increased the most for ACC Ltd. by a factor of 41.67 percent, while it decreased the least for Bajaj Auto Ltd. by a factor of 29.17 percent.



The rate of disclosure in the year 2009 was usually high at 42.50 percent when compared to the previous five years. In the year 2010, it had dropped to 43.33%, which was just a marginally noticeable change. The rate remained at 33.33% for the subsequent two years in a row, and then in 2013, the speed of disclosure was expanded fairly, and the rate increased to 34.17%. One may thus claim that the rate of disclosure has slowed down significantly since the year 2009. If the information is broken down by organisation, then the average pace of disclosure for Infosys among the five other companies was 53.33% in five years. This was determined after separating the information by organisation. Following in place was ACC Ltd. with a percentage of 37.5%. In the third scenario, there were two companies, HCL Technologies and Hindalco Industries, each with a speed of disclosure of 33.33 percent. These companies were among those with the highest speed of disclosure. Among the five organisations, Bajaj Auto Ltd. came in fifth place with a pace of openness that was 29.17% lower than the other organisations.

Overall Comparison of Disclosure of Five Public Sector Companies

Table 2 : An Evaluation and Comparison of Five Different Public Sector Companies

	Year		Name of Company					
			GAIL	SAIL	BHEL	NTPC	ONGC	
Total Number of Variables Disclosed	Year 2009	N	13	9	12	13	15	
		%	54.17	37.50	50.00	54.17	62.50	
	Year 2010	N	12	9	12	13	15	
		%	50.00	37.50	50.00	54.17	62.50	
	Year 2011	N	12	9	12	13	15	
		%	50.00	37.50	50.00	54.17	62.50	
	Year 2012	N	12	9	12	13	15	
		%	50.00	37.50	50.00	54.17	62.50	
	Year 2013	N	11	9	12	13	15	
		%	45.83	37.50	50.00	54.17	62.50	
	Average Rate of Disclosure			50.00	37.50	50.00	54.17	62.50

The comparative evaluation of five public region organisations is presented in Table 2, which was derived from Studies of Disclosure. It is easy to see from the table that between the years 2009 and 2013, the rate of openness was the most important factor (62.50%) for ONGC, while it was the least important one for Steel Authority of India limited (37.50%). The speed of openness was usually extraordinary in the year 2009 (51.67%), as compared to the previous five years. It had a little drop to 43.33% in the year 2010, when it was measured. In each of the subsequent three years, it remained at a rate of 50.83%; however, in the year 2013, the rate of revelation was slowed down to some extent, and it dropped to a rate of 50.00%. As a direct consequence of this, one might claim that the rate of disclosure has slowed down since the year 2009. The average pace of exposure was typically essential for ONGC among five organisations, and it was 62.70% in five years. This is assuming that information is divided and the organisation is adept. NTPC came out on top with a percentage of 54.17% in the end. In the third scenario, there were two companies, BHEL and GAIL, each having an openness rate of 50 percent or above. This particular pace of openness was seen in both companies. Among the five organisations, SAIL came in fifth place with a pace of exposure that was 37.50 percent slower than the other four.



Variable wise Analysis

In this section, an informative analysis of the factors is provided. This analysis demonstrates the factors that were revealed the most and the elements that were exposed the least, independently with regard to public and private region organisations. Tables 3 and 4 demonstrate that the HR variable known as the Discount rate used, the Training and improvement cost, the Awards and Rewards given for incredible performance, the Capital Employed, the Employee Remuneration benefit, the Group insightful dispersal, the Manpower in numbers, and the Retirement Benefits were practically occasionally disclosed with an 80-100% speed of disclosure. The pace of exposure ranged from 60 to 80 percent, depending on the factor. Value Added, Qualification of the Representatives, and Training and Progression Cost were the three factors that were disclosed. Factors such as Agent Cost, Recruitment cost, Ten years at first, Discount rate applied, Human Resources Development Fund, Recruitment cost, and Value Added per labourer were found with a speed of openness ranging from 40-60%.

Table 3: Classification of variables in accordance with the degree to which private sector companies disclose information

HR Variable	Overall Disclosure
Human Resources Development Fund, Value Added per employee, Age wise distribution, Gender wise distribution, Group wise distribution, Human capital in balance sheet, Separate HRA statement, Valuation Model used, Value of Human Resources	0% -20%
Turnover per employee, Economic value Added (EVA), Brand Valuation, Value Added	20% - 40%
Employee Cost, Recruitment cost, Ten years at a glance, Discount rate used	40% - 60%
Training and development expense, Qualification of the employees	60% - 80%
Capital Employed, Employee Remuneration benefit, Retirement Benefits, Awards and Rewards given for good performance, Man power in numbers	80% - 100%

Table 4: Variables by Public Sector Company disclosure rate

HR Variable	Overall Disclosure
Brand Valuation, Human capital in balance sheet	0% -20%
Age wise distribution, Economic value Added (EVA), Separate HRA statement , Turnover per employee, Valuation Model used, Value of Human Resources, Employee Cost, Gender wise distribution	20% - 40%
Human Resources Development Fund, Recruitment cost, Ten years at a glance, Value Added per employee	40% - 60%
Qualification of the employees, Value Added	60% - 80%
Discount rate used, Training and development expense, Awards and Rewards given for good performance, Capital Employed, Employee Remuneration benefit, Group wise distribution, Man power in numbers, Retirement Benefits	80% - 100%



Table 5: The classification of variables according to the level of transparency in public companies and private companies for the purpose of a comparative study

Rate of Disclosure	Private Sector		Public Sector	
	N	%	N	%
0% -20%	9	37.50	2	8.33
20% - 40%	4	16.67	8	33.33
40% - 60%	4	16.67	4	16.67
60% - 80%	2	8.33	2	8.33
80% - 100%	5	20.83	8	33.33
Total	24	100.00	24	100.00

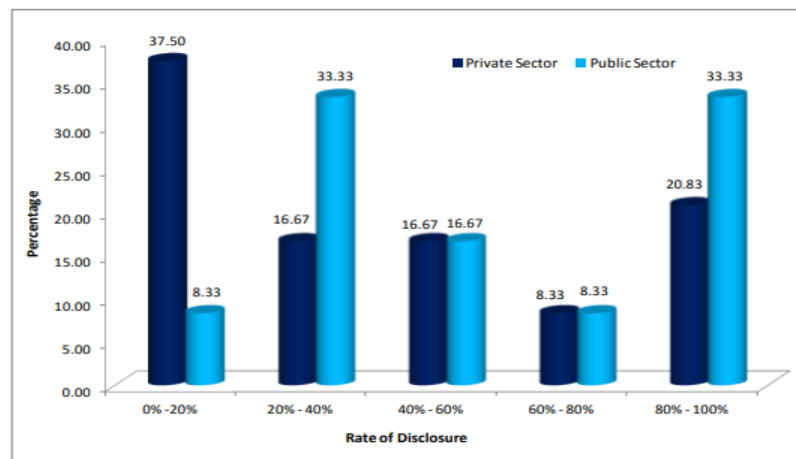


Fig. 1 : A classification of the variables in accordance with their degree of disclosure

Table 5 demonstrates that in the private sector, 37.50% of the factors were found to have a disclosure rate ranging from 0% to 20%, but in the open region, only 8.33% of the factors were found to have this classification. Despite the fact that 33.33% of HR factors come into this category, 16.67% of HR factors discovered 20% to 40% of occurrences in private regions. It was discovered that 16.67% of HR variables were present in regions ranging from 40 to 60 percent, both open and private. In a similar manner, in the range of 60% to 80%, 8.33% of the components in both open and private region organisations were found. Finally, human resource elements were discovered in the 80%-100% grouping at a rate of 20.83%; however, in open region organisations, 33.33% of HR factors were exposed.

Conclusion

The efforts, skills, and knowledge of individuals that may be put towards the development of a product or the progression of an important organisation are referred to collectively as "human resources." Recognise, evaluate, and report any hypotheses that have been formulated in the Human Resources department of an organisation that are not currently covered by the standard practises of accounting. The Human Resource Assessment (HRA) method is a strategy that is involved with recognising, assessing, and passing on information on human resources to those who have contributed. The most important goal was to concentrate on the exposure practises of human asset elements used by Indian organisations in HRA and to pay attention to the advantages that may be gained from doing so. The



most important advantages of this method of accounting are that it produces a successful regulatory route, improves the character of the executives, prevents the mistreatment of human resources, produces human asset handiness, and further generates confirmation, job happiness, and inventiveness, among other advantages. One of the limits that are taken into account is the fact that a deficiency in human resources results in a deficiency in the valuation of human resources. The nature of amortisation is still another challenge; the value of human resources and the accounting associated with them presents comparable difficulties. According to the results of our poll, Indian businesses don't exactly set the bar high when it comes to how quickly they provide information on their human resource practises. Disclosures made by Indian organisations in their annual reports indicate that, on average, less than half of the criteria are relevant. The average rate of disclosure of human asset factors by organisations in the private sector is 37.33%, whereas the rate for organisations in the public region was 50.83%. When compared to private area organisations, public region organisations disclosed their human asset elements at a far faster rate. Therefore, one may claim that Indian organisations don't put as much emphasis as they should on human asset bookkeeping, which leads to a poor disclosure of human asset aspects as a result. The LevSwartz Model of Human Resource Accounting is utilised by a significant portion of today's businesses.

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