HUMAN RESOURCE ACCOUNTING AND VALUE ADDED PERFORMANCE
(A Case Study with Special Reference to Visakhapatnam Port Trust)

ABSTRACT

Financial reporting plays a vital role in the development and growth of an economy. Financial reporting has undergone significant changes, resulting in newer challenges and opportunities. Organization is considered as a socio economic entity having financial and social objectives. The focus of financial reporting is on the commercial and economic accountability of the companies, but social responsibility disclosures deal with social impacts of corporate actions. Thus investors should be provided with additional and improved information enabling them to measure the performance of companies in an improved way. Voluntary disclosures regarding Value Added, Human Resource Accounting are very much urged and welcomed in annual reports in this new approach of financial reporting. Additional corporate disclosures to incorporate new dimensions in the business and economy are also required.

With the above discussion it has been identified that Value-added information and Human Resource Accounting provides economic and social information by identifying the portion of output, e.g. labour, taxes, etc. that goes to each participant in the process of an organization, say its stakeholders. Thus, value-added measure and human resource values plays a crucial role for the parties who are interested in it. In the light of the above importance, the present research is designed primarily to measure human resource value and value-added contribution of the Visakhapatnam Port Trust (VPT) for a period of 10 years. The Lev and Schwartz model is used to measure the human resource value and the Serge Evraet model was used to measure value-added performance of the Port. Data considered for the period 2002-03 to 2011-2012 which is collected from different sources of the Visakhapatnam Port Trust for the analysis. Multiple regression models were applied to test the relationship between human resource value and valued-added performance of the Visakhapatnam Port Trust.

These specific findings, offer new insight into exploring the association between the value of human resources and firm’s value added performance. The study has arrived to the solid conclusion on how age and designation of the Visakhapatnam Port Trust employees are
influencing its value added performance. The Human Resource Accounting implementation helps to get better managerial decisions. The results are fitting for further research and greater scope. Visakhapatnam Port Trust erstwhile in operation since 1993 Human resource accounting and value added concepts are very new concepts, even though not much methodical efforts have been made by Visakhapatnam Port Trust in introducing human resource accounting and measuring value added performance.

The study was carried out with the following object which will go a long way in adopting Human Resource Accounting and strengthening the human resources accounting practices and value-added performance if possible in the organization.

(Aruna Polisetty)