Chapter-V
Human Resource Accounting Practices in Private Sector Companies in India
CHAPTER V
HUMAN RESOURCE ACCOUNTING
PRACTICES IN PRIVATE SECTOR
COMPANIES IN INDIA

The preceding chapter analysed the application of human resource accounting practices in selected public sector companies in India such as National Thermal Power Corporation Ltd. (NTPC), Bharat Heavy Electrical Ltd. (BHEL), Steel Authority of India Ltd. (SAIL), Minerals and Metals Trading Corporation of India Ltd. (MMTC), and Oil and Natural Gas Corporation Ltd. (ONGC).

The present chapter makes a critical review of applications of HRA practices in private sector companies in India. At the outset it is worth mentioning that the importance of human beings as an asset has been recognised since times immemorial. Indian private sector realises the role of Human resource in attaining the goal of enterprise and hence, endeavours to create a favourable work environment that encourages and motivates the human resources to put in its best for the success of the organisation. Though the HRA practices are not commonly prevalent in all the private sector companies, yet there are certain forward looking organisations with modern outlook which have introduced HRA practice in their organisation.
Human Resource Accounting Practices in Private Sector Companies in India

The popular private sector companies which not only evaluate human resource but also report their values in the financial statements are:

1. Associated Cement Companies Limited (ACC)
2. Southern Petro-Chemical Industries Corporation (SPIC)
3. Infosys Technologies Limited (ITL)
4. Tata Engineering and Locomotive Works (TELCO)
5. Satyam Computer Services Ltd.
6. Reliance Industries Ltd.
7. D.S.Q Software Ltd.

In order to assess the application of HRA, a sample of two important private sector companies namely Infosys Technologies Ltd. (ITL) and Satyam Computer Services Ltd. has been taken. An in-depth study of the HRA practice in these organisations has been made. The study would be representative of application of HRA in the companies in Indian private corporate sector.

Infosys Technologies Ltd. (ITL)

Introduction

Seven Technocrats with a capital of approximately $250, established ITL in 1981 to provide software service to corporations in developed markets. In the early 1990s, with developments in telecommunication technology, the company began implementing a model of maximising the effort delivered on
a client project from cost-competitive and talent rich locations such as India. The company also made investments in quality processes, getting certified under ISO 9001 in 1993 and under the capability maturity of the Carnegie-Mellon Software Engineering Institute (SEI CMM) in 1997. The company believes in using "speed and imagination" to deliver superior results to all its stakeholders. It was the first Indian public company to offer an Employee Stock Option Plan, the first Indian company to list on a US Stock Exchange, and sets standards for transparent financial disclosure, investor relations and corporate governance. Infosys is also employer of choice in India, having been voted No.1 Employer in two independent surveys by prominent Indian corporations.

The Infosys Board is comprises of 5 founder directors, 3 employee directors and 8 independent external directors. The external directors are respected professionals in the area of business, strategy, law and public policy. The Board has four committees – Compensation, Audit, Nominations (comprised of external directors only) and Investor Grievances (contains internal directors but headed by an external director). These committees meet regularly and their reports are included in the quarterly and annual reports to shareholders.
Vision and Growth Strategies

Infosys was started with a dream of creating and sharing wealth through an ethically run, world-class corporation. The vision of Infosys is to be a globally respected corporation that provides best of breed software solution delivered by best-in-class people. Qualities and characteristics that differ Infosys from its peers are; abundant high quality personnel; world-class quality processes; enduring client relationships; a visionary management; conservative financial risk management and corporate governance policies; world class infrastructure; and perfection of a winning global software services delivery model. Infosys aims to grow by expanding its relationships with existing clients; adding new, market-driven services; adding new clients and adding personnel. Infosys is today one of the most profitable IT services companies in the world and intends to maintain profitability within an acceptable band. Infosys substantial complies with the following Corporate Governance Standards:

- Recommendations of the US SEC’s Blue Ribben Committee on Corporate Governance.
- Generally Accepted Corporate Governance Guidelines of Australia, Canada, France, Germany, Japan and the United Kingdom.
- United Nations Global Compact Programme.
Organisational Structure and Human Resources

Development in ITL

Infosys is organised as "Practice Units" (PUs). These tend to be organised either along geographic, technological or vertical lines. The Practice Units are:

- Canada and Eastern North America
- Southern North America
- Western North America
- Europe
- Asia Pacific
- Communications and Product Services
- Engineering services
- Enterprise solutions
- Business consulting service
- Banking business unit

In addition, there are several support departments:

- Education and Research
- Human Resources
- Finance and Administration
- Computers, Communication and Networking services
- Information systems
- Quality
Infosys has chosen the geographic method of organisation for optimal customer service and cross functional coordination. The focus on vertical/technologies ensures adequate attention to nascent practices. Most of Infosys recruits come fresh out of engineering schools, but it has an active lateral recruitment programme. Prospective employees who meet basic academic standards are required to take a test of "Learnability" (defined within Infosys as the ability to extract generic learning from one situation and apply that to a new unstructured situation). People who pass the test are then interviewed and successful candidates in the interview are made an offer.

Entry-level employees go through a classroom-training programme for 14 weeks. This programme focuses on generic principles of software engineering and programming, quality processes and imparts training in specific contemporary technologies. The company's utilisation rate, excluding trainees, is between 70 to 80 per cent. Utilisation is reported by including and excluding trainees. Due to the high growth and recruiting, the company believes that it is important to separate out the influence of the new trainees on utilisation rates.

Infosys has sound people management practices to create healthy environment. It distinguishes the company among other technology companies, enabling Infoscions to excel and innovate.
in what the company do for its client and in what they stand for as a company. Challenging and exciting client engagements and an organisational culture that emphasises learning drive every Infoscion to excel in his individual capacities and as team players. Be it technology or project managements, each client engagement provides unique opportunities to innovate and excel – to build next generation technology product or realise IT programmes that change the ways of business for its clients.

As a dynamic and fast growing company, this excellence extends beyond technology roles and is equally important to how they manage and sustain this rapid growth. The spirit of innovation and excellence is most evident in how they build and manage their physical, technological, or people infrastructure – or in what they do for financial, marketing, and quality practices.

The spirit of learning among people and an organisational commitment to continuous personal and professional development keeps Infosys at the forefront in a fast changing industry. Framework of focused programmes for its employees ranges from major initiative such as the Infosys Leadership Institute to various ongoing management development and personal improvement programmes. They complement a host of technology advancement and ongoing training options.
Dedicated organisations or groups within Infosys lead these initiatives. The investment in people and infrastructure to build a holistic learning framework demonstrates Infosys' commitment to continuous learning and building intellectual capital for the employees. This learning framework is continuously enhanced with new programmes and the latest learning technologies—and close knit coordination across these initiative ensures that it meets the different learning needs of the employees in specific areas of technology, management, leadership, cultural and communications skills, and other soft skills.

Apart from formal programmes—a typical example of an informal employee-driven programme is the Infosys Toastmasters Club, formed in 2000. The mission of this club is to provide a mutually supportive and positive learning environment to develop communication and leadership skills to foster self-confidence and personal growth. The club has been recognised by Toastmasters International and joins the roster of other recognised Corporate Clubs around the world (including those of Microsoft, Boeing, Citicorp and Sun Microsystems). 

Human Resource Accounting Practices in Infosys Technologies Ltd.

Infosys believes that valuing intangible assets and reporting it in the balance sheet and other financial statements would help
investors to evaluate the market worthiness of the company. Infosys reported several benefits due to the early adoption of HRA. It is felt that by adopting HRA, the company could determine whether its human asset was appreciating over the years or not. This information was important for the company as its success depends solely on the knowledge of the employees. In addition, the company could also use this information internally to compare the performance and productivity of employees in various departments.

The company states in its annual reports that the dichotomy in accounting between human and non-human capital is fundamental. The latter is recognised as an asset and is therefore recorded in the books and reported in the financial statements, whereas former is totally ignored by accountants. The definition of wealth as a source of income inevitability leads to the recognition of human capital as one of the several forms of wealth such as money, securities and physical capital. To evaluate its intangible assets including the human assets and the ‘Infosys’ brand, Infosys had framed models based on a score sheet from the book. The company follows the Lev and Schwartz model for calculating the value of its human resources.

The formula used by Infosys as per the Lev & Schartz model was:
Human Resource Accounting Practices in Private Sector Companies in India

\[ H = \sum_{i}^{k} \sum_{j}^{l} I_{i}(y)/(1 + d)^{-P_{c}} \]

where,

\( H \) = discounted present human capital value for all individuals in the company.

\( I_{e}(Y) \) = annual earnings of employee \( e \) for year 'y'

\( d \) = discount rate specific to the cost of capital of the company.

\( R \) = retirement age

\( E \) = total number of revenue earning employees in the company

\( P_{c} \) = Present age of the employee

HRA model used by Infosys is based on the present value of the employees’ future earnings with the following assumptions:

An employee’s salary package including all benefits, whether direct or otherwise, earned both in India and in a foreign nation. The additional earnings on the basis of age and group were also taken into account.

Thus in the financial year 1995-96, Infosys became the first software company to value its human resources. To calculate the value of its human assets in 1995-96, all the 1,172 employees of Infosys were divided into five groups, average compensation was calculated. Infosys also calculated the compensation of each employee at retirement by using an average rate of increment. The
increments were based on the industry standards, and the employee's performance and productivity. Finally, the total compensation of each group was calculated. This value was discounted at the rate of 27.36 per cent per annum which was the cost of capital of Infosys and the sum for the values of all the groups was calculated to arrive at the figure of Rs. 1.86 bn. In the year 2003, the future earnings have been discounted at 16.99 per cent, the cost of capital for Infosys. Beta was assumed at 1.57, the beta for Infosys for India.²

To reveal, how ITL has valued its employees to whom it treats a key resource, a review of human resource structure and valuation has been done in table No.(5.0). It is evident from the data that the total number of employees has increased by leaps and bounds in ITL. The number of employees has registered an increase of 800.65 per cent in 2003 over 1997 i.e. it went up from 1705 in 1997 to 15356 in 2003. Similar, rise has been in the value of HR of ITL. Total value of HR was Rs. 278.55 crores in 1997, it jumped remarkably to Rs. 10417.03 crores in 2003 an increase of 3639.6 per cent over the same period.³

A further probe of data exhibits the category wise classification and valuation of HR in Infosys. It is observed that Software Delivery Group i.e. Production Staff was 75.84 per cent of total staff in 1997. The same rose to 91.18 per cent of total
Table (5.0)
Showing Trends in Professional Profile and Valuation of Human Resources in Infosys Technologies Ltd.
(period 1997-2003)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of employees</td>
<td>Value of HR (Rs. in crores)</td>
<td>No. of employees</td>
<td>Value of HR (Rs. in crores)</td>
<td>No. of employees</td>
<td>Value of HR (Rs. in crores)</td>
</tr>
<tr>
<td>Software delivery</td>
<td>1293</td>
<td>227.31</td>
<td>1755</td>
<td>397.31</td>
<td>4292</td>
<td>1965.14</td>
</tr>
<tr>
<td></td>
<td>(75.84)</td>
<td>(81.60)</td>
<td>(67.37)</td>
<td>(78.60)</td>
<td>(79.64)</td>
<td>(87.83)</td>
</tr>
<tr>
<td>Support:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td>157</td>
<td>33.80</td>
<td>472</td>
<td>59.67</td>
<td>450</td>
<td>81.65</td>
</tr>
<tr>
<td></td>
<td>(9.21)</td>
<td>(12.13)</td>
<td>(18.12)</td>
<td>(11.72)</td>
<td>(8.35)</td>
<td>(3.65)</td>
</tr>
<tr>
<td>Others</td>
<td>255</td>
<td>17.45</td>
<td>378</td>
<td>52.02</td>
<td>647</td>
<td>190.63</td>
</tr>
<tr>
<td></td>
<td>(14.95)</td>
<td>(6.27)</td>
<td>(14.51)</td>
<td>(10.22)</td>
<td>(12.01)</td>
<td>(8.52)</td>
</tr>
<tr>
<td>Total</td>
<td>1705</td>
<td>278.55</td>
<td>2605</td>
<td>509.00</td>
<td>5389</td>
<td>2237.42</td>
</tr>
<tr>
<td></td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

Note: 1. Support technical includes trainees, employees in R&D activities and support personnel allocated to production.
2. Figures within brackets indicate percentage to total.

Source: Annual Reports, Infosys Technologies Ltd.
staff in 2003. Similarly, the value of software delivery staff was Rs. 227.31 crores in 1997 i.e. 81.60 per cent of total value of all employees in the company. The value of this staff registering a growth of 4175.21 per cent in 2003 over 1997 went up from 227.31 crores in the year 1997 to Rs 9717.18 crores in 2003. The support staff which consists of technical and others was 9.21 per cent and 14.95 per cent of total staff in 1997. The same declined to 1.46 per cent and 7.37 per cent of the total staff in 2003. But Their value of has gone up significantly over the period of review. The value of technical staff being 12.13 per cent of total in 1997 became 0.86 per cent of total in the year 2003. In absolute term, it went up from Rs. 33.80 crores in 1997 to Rs. 89.19 crores in 2003 a rise of 3.65 per cent over 1997. Staff other than production and technical support category being 255 i.e. 14.95 per cent of total staff was valued at Rs. 17.45 crores i.e. 6.27 per cent of total value of all employees. The number of other staff rose to 1131 i.e. 7.37 per cent of total staff in 2003. Similarly the value of support staff has increased in 2003 when it was valued at Rs. 609.86 crores — a remarkable increase of 3394.89 per cent over 1997.

Financial statements of ITL reveal other indicators of HR also. To have a deeper understanding of HRA practices in ITL, the analysis of data has been done in table (5.1).
<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>1705</td>
<td>2605</td>
<td>5389</td>
<td>9831</td>
<td>10738.00</td>
<td>15356</td>
</tr>
<tr>
<td>Value of human resources</td>
<td>278.55</td>
<td>509.00</td>
<td>2237.42</td>
<td>5123.42</td>
<td>9539.15</td>
<td>10417.03</td>
</tr>
<tr>
<td>Total turnover</td>
<td>143.81</td>
<td>260.37</td>
<td>921.46</td>
<td>1959.94</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Software revenue</td>
<td>139.22</td>
<td>275.66</td>
<td>882.32</td>
<td>1900.57</td>
<td>2603.59</td>
<td>3622.69</td>
</tr>
<tr>
<td>Employee cost</td>
<td>51.63</td>
<td>93.73</td>
<td>334.56</td>
<td>717.78</td>
<td>1117.87</td>
<td>1677.12</td>
</tr>
<tr>
<td>Value Added</td>
<td>100.02</td>
<td>185.79</td>
<td>723.31</td>
<td>1563.17</td>
<td>2239.07</td>
<td>3073.25</td>
</tr>
<tr>
<td>Net profits excluding extraordinary income</td>
<td>33.68</td>
<td>60.36</td>
<td>285.95</td>
<td>623.32</td>
<td>807.96</td>
<td>957.93</td>
</tr>
<tr>
<td>-Total turnover/HR value (Ratio)</td>
<td>0.52</td>
<td>0.51</td>
<td>0.41</td>
<td>0.38</td>
<td>0.41</td>
<td>-</td>
</tr>
<tr>
<td>-Total software revenue/HR values (ratio)</td>
<td>0.50</td>
<td>0.51</td>
<td>0.39</td>
<td>0.37</td>
<td>0.27</td>
<td>0.35</td>
</tr>
<tr>
<td>-Value added/HR value (ratio)</td>
<td>0.36</td>
<td>0.37</td>
<td>0.32</td>
<td>0.31</td>
<td>0.23</td>
<td>0.29</td>
</tr>
<tr>
<td>Value of HR per employee</td>
<td>0.16</td>
<td>0.19</td>
<td>0.42</td>
<td>0.52</td>
<td>0.89</td>
<td>0.68</td>
</tr>
<tr>
<td>Employee cost/HR value (%)</td>
<td>18.54</td>
<td>18.41</td>
<td>14.95</td>
<td>14.01</td>
<td>11.72</td>
<td>1610</td>
</tr>
<tr>
<td>Return on HR value (%)</td>
<td>12.09</td>
<td>11.86</td>
<td>12.78</td>
<td>12.17</td>
<td>8.47</td>
<td>9.20</td>
</tr>
</tbody>
</table>

**Source:** Annual Reports, Infosys Technologies Ltd.
It is apparent from the data that the number of employees in ITL has gone up from 1705 in 1997 to 15356 in the year 2003. The value of HR has also increased sharply to Rs. 10,417.03 crores in the year ending March, 2003 as compared to Rs. 278.52 crores in the year ending on March 31, 1997 mainly due to inception of more HR in the company. However, these absolute figures do not reveal the real position. For the purpose of analysis, the relative value of an employee has also been calculated. The value of HR per employee was Rs. 0.68 crore in the year 2003 as compared to Rs. 0.16 crores in the year 1997. The ratio of total revenue to HR value decreased to 0.41 times in the year 2002 from 0.52 times in the year 1997. the return on HR value moved down to 9.20 per cent in the year 2003 as against 12.09 per cent in the year 1997.

Thus, inferences drawn from above analysis reveal that the company has been regularly evaluating its HR even since it started the process of valuation of HR. The number of employees has gone up tremendously. Similarly, their value has also multiplied sharply over a short span of 7 years. The value of all categories of employees has jumped significantly except technical staff. The reason being a highly sophisticated organisation, most of the HR belong to software delivery section. It all indicates that the company is keeping its commitment with its staff and seems really No.1 employer in IT sector as ranked by Dataquest several times.
Satyam Computer Services Ltd.

Introduction

Satyam Computer Services Ltd was set up in 1987 with the primary objective to achieve excellence in the IT arena. By 1992, Satyam had established its status as one of the pioneers in offshore software development in India. Satyam's multi-faceted activities include Software Services & Engineering Services, Systems Integration, Electronic Commerce, Software Product Development and Management Consulting. Satyam offers software services covering a broad band of industry segments such as telecom, manufacturing, financial services, insurance, banking, industrial, health and transportation sectors. Satyam focuses on enhanced relationships with existing customers and addition of new customers by continued investments in technology, facilities and people. To realise its objective of becoming a truly global organisation, Satyam is setting up several offsite development centres in the USA and other parts of the world.

The Offsite Development Centre (ODC) defines Satyam's strategy to move closer to its customers and its markets. The ODC functions as a local software entity, executing projects on-site but utilising offshore capabilities wherever required. In the process, leveraging the width of its offshore project competencies, large resource pool and wide customer base to position the ODC to
deliver a unique value proposition. Satyam’s emphasis on customer satisfaction is also mirrored in its strong service support provided by dedicated teams of professionals located on-site at clients’ locations, worldwide.

Satyam has constantly stepped up to the quality demands of its multinational clients by providing world class IT solutions. The Geneva based World Economic Forum has reaffirmed this, by conferring on Satyam the prestigious “Global Growth Company” award. Satyam is rated as one of India’s fastest growing software solutions providers. This is made possible through the commitment and the dedication of nearly 3000 Satyam associates who integrate leading edge technology with innovation to provide the best IT solutions. Satyam celebrated the completion of an evenful 10 years across all offices as a ‘Decade of Excellence’.

In keeping with the need for global quality IT solutions all over the world, Satyam has constantly focused on moving up the value chain. It has consistently built on its early foundation as one of the pioneers in offshore software development and has striven to add value in the range of its services.

Satyam Computer Services Ltd, is one of the select ISO 9001 Tick IT certified software solutions provider in India. It has set up six development centres across India and has opened offices in several countries including the USA, UK, Australia and Japan.
Satyam works closely with around 100 multinational clients, many of them Fortune 500 corporations. Satyam offers services in application development and maintenance, systems integration, conversion and migration and Year 2000 solutions. Anticipating the Year 2000 date problem, Satyam evolved its own comprehensive Y2K methodology – the SOS 2000, which is the first Indian methodology to receive the coveted ITAA 2000 Certification. Engineering services is another focus area where Satyam offers CAD/CAM/CAE services to several prestigious global clients.

Steering Committee

Satyam’s Steering Committee is an apex body that gives strategic direction to the entire organisation. It strives to provide a global focus for Satyam, taking into account people, resources and systems within the organisation. All its deliberations and decisions are consistent with the Core Purpose and Core Values of the organisation. Core Purposes of Satyam includes, everaging information, knowledge and technology to enhance human endeavour and its Core Values are belief in people, entrepreneurship, customer orientation and pursuit of excellence.

Satyam’s unique management style has been the nucleus of its success, where every Satyamite is considered an ‘associate’. Built around the Concept of Circles, it has a two fold purpose i.e.
integration across functional barriers and emphasis on individual accountability. The concept of Circles facilitates and encourages the entrepreneurial spirit and empowers associates to effectively take appropriate decisions. The underlying principle of the concept is the importance given to customer satisfaction and the value addition to the service provided – be it an internal customer or external.

To bring sharper focus to the activities of circles, a well-defined structure has been evolved. Depending on the nature and scope of responsibility, the circles have been classified as Independent Business Unit (IBU), Strategic Business Unit (SBU), Strategic Support Unit (SSU), Customer Business Unit (CBU) and Internal Support Unit (ISU). The unique feature of the concept is the combining of operational freedom and the interdependency it builds between the circles to reach a common objective i.e. customer satisfaction.

In the area of technology, Satyam has always striven to provide its people with the latest tool and technologies. It world class development facilities include a sophisticated, high-speed data, voice and video communications network – the Satyam Net. Using dedicated ‘hotlines’, the network enables tele and video conferencing between clients across the globe and the Satyam teams back home. This enhances the levels of services provided to
customers. Today, Satyam is equipped with the most sophisticated infrastructure at all its development centres and at the Satyam Technology Centres (STC).

**Human Resource Accounting Practices in Satyam**

The key to Satyam’s success is its people. This is reflected in the credo of the organisation “**our people make the difference**”. Satyam has evolved a well-thought out Human Resource Management System where the accent is not on merely hiring the best talent but shaping them into world class professionals.

Satyam has taken several pioneering measures in the area of innovative recruitment. As one of the steps in this direction, Satyam has identified a segment of non-software professionals who have excelled in their respective fields. Through Satyam’s training efforts they have emerged as full-fledged software professionals.

Satyam has successfully attracted back well-qualified and experienced Non-Resident Indians by providing a professional environment and infrastructure on par with global standards. At Satyam, the focus is to constantly raise the levels of competency and capabilities of its people by providing the necessary learning inputs and a conducive environment for both professional and personal growth. As such, decision making is encouraged at all
levels and the system of participative management is always at work.  

Satyam has been using the Lev & Schwartz model for computing the HR value. HR value is the present value of future earnings up to retirement age and in this model earnings are dependent on age alone. The professional profile of HR and their valuation is given in the following table:

**Table 5.2**  
**Showing Trends in Professional Profile and Valuation of Human Resources in Satyam Computer Services Ltd.**  
*(Period 1998-2003)*

<table>
<thead>
<tr>
<th>Group</th>
<th>1998</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Associates</td>
<td>HR value Rs. in Lakhs</td>
<td>No. of Associates</td>
</tr>
<tr>
<td>Development</td>
<td>2005 (88.91)</td>
<td>50,369.59 (92.00)</td>
<td>7898 (91.48)</td>
</tr>
<tr>
<td>Support Functions</td>
<td>250 (11.09)</td>
<td>4471.62 (8.00)</td>
<td>736 (8.52)</td>
</tr>
<tr>
<td>Total</td>
<td>2255 (100.00)</td>
<td>54,841.21 (100.00)</td>
<td>8634 (100.00)</td>
</tr>
</tbody>
</table>

**Note:** Figures within brackets indicate percentage to total

**Source:** Annual Reports, Satyam Computer Services Ltd.

Above data indicate the number of associates and their values in Satyam Computer Services Ltd. during 1998 to 2003. The total number of associates consisting of associates deputed on Development and Support functions went up from 2255 in 1998 to 9759 to 2003 – an increase of over four times over the year 1998. Similarly, their value has registered a growth of 1399.89 per cent
in 2003 over 1998 i.e. it rose from Rs. 54841.21 lakhs in 1998 to Rs. 822561.61 lakhs in 2003. Table also reveals that development staff which were 2005 in number were 88.91 per cent of total employees in 1998. Their value was also 92.00 per cent of total value of all employees during the same year. If compared the number and value of development staff of 2003 with that 1998, it is observed that their number has increased from 2005 in 1998 to 9031 in the year 2003 – a sharp rise of 350.42 per cent over a short span of four years. The value of development staff has also increased from Rs. 50369.59 lakhs in 1998 to Rs. 780030.43 lakhs in 2003 – a significant increase of 1448.61 per cent over 1998. The number and value of support staff has also gone up during the period under review. The number of support staff has become almost thrice in 2003 as compared to 1998 i.e. increased from 250 in 1998 to 728 in 2003. Their value has also increased from Rs. 4471.62 lakhs in 1998 to Rs. 42531.18 lakhs in 2003 – an increase of 851.14 per cent over 1998.

The above analysis leads to this conclusion that Satyam Computer Services Ltd. has been evaluating its employees on regular basis. The number of employees and their values in Satyam have gone up tremendously over the period under review alike other IT companies such as ITL. It is expected that the company will continue the existing practice of evaluating its human resources in the years to come also and will also continue to be a model employer.6
Conclusion

In fine, it can be safely deduced from the survey and study of the annual reports of private sector corporate entities in India that these companies are invariably reporting at annual general meetings that employees are their most valuable assets and without their significant contribution the present growth in production, sales and operations would not have been attained. They also value their human resources and report this information in their annual reports. The number and value of human resource has also tremendously risen over the period of study indicating the expanding horizon of these enterprises. As against this, the public sector enterprises of India are shrinking in terms of employment generation and switching to traditional reporting of information regarding human resources in their financial statements.

In the sixth and final chapter, thus the endeavour will be to conclude the entire research project and offer suggestions regarding HR valuation in Indian companies.
References


4. Published Annual Reports, Infosys Technologies Ltd., for different years.


6. Published Annual Reports, Satyam Computer Services Ltd. for different years.