CHAPTER-I

INTRODUCTION:

- Present position and background of the study, sets-out the objectives and research methodology adopted..
- Limitation of the study
- A few are as have been listed for future areas of research in the field of human resource accounting.
CHAPTER-I
INTRODUCTION

The value of Human Resource depends upon the contribution in achieving organizational goals. However it is difficult to measure separately the contribution made by different assets to the output. The assets other than human are recorded at the cost incurred in getting the right to use and hold those assets as a surrogate measure of the value but human resources assets are deprived of this treatment although the periodic reporting principle make it obligatory to classify between revenue expenses and capital expenditures on the basis of their expected benefits, so as to show the capital expenditure as of the organization at the data of financial reporting and the match the current cost with the current benefits to show the profits to show the profits during the period being reported, the expenditures incurred of human resource assets are charged from the income statement in the year of expenditure under the present practices.

This would have been correct, had there been correct, had there been no periodic reporting so that at the end of the venture whatever more in left is profit (less is loss). But due to the longer uncertain life of the business concerns, periodic reporting is necessary, hence the need for classifying between capital and revenue. To make the above objectively verifiable the accounts generally use historical cost by assuming the “Going Concern Concept.”

The Going Concern Concept of accounting says that the principle of accounting can effectively be applied and used only when we assume that the business has a life, which is not definite if this is so, one logical deduction can be that the job positions shall also continue for a period, which is not definite. That means the job positions held by humans are utilized by the organization for a longer period. It, therefore, can be concluded that benefits received by the
organization, from human acting as a resource holding different Job Positions, are for a longer period. The identification of benefits and the cost involved in continuously getting these long term benefits are that major elements of Human Resource Accounting. The matching of the cost involved with the benefits from Human Resource in the relevant period and Capitalization of the residual costs are required for Financial reporting for which no model exists, which is generally acceptable of accounts. Many people accept while giving speeches that Human Resource Assets is the most important assets of the organization even then this assets could not find place in the Balance Sheet of companies, which is a contravention of the convention of disclosure.

The study will be an attempt of analysis the perception of the human resources regarding various aspects of human resources accounting, interpret their perceptions, to suggest and recommend the changes required for further improvement in the field of accountancy. taking BHEL Jhansi Mathura Refinery(IOC).

There are a number of companies in India computing value of their human resources on the basis of a certain model. But out of which I have selected only two for study as follows:

1. Bharat Heavy Electricales Ltd.(BHEL), Jhansi
2. Mathura Refinery (IOC)

and are incorporating this information in their published financial reports in the form of supplementary statement at the end.
BHARAT HEAVY ELECTRICALS LTD. (BHEL)

Generally, the productivity of investment in Public Enterprises (PEs) is known from the rate of return it gives. So far, these rates of productivity are considered in respect of physical assets investment only. But it is recognised fact, that human Resources play a pivotal part on the performances and that the good image which they enjoy is also determined by the sustained and dedicated efforts of its employees to achieve excellence at work. Thus, there is a need to find out the productivity of investment made in the human Resources and, in this connection Human Resources Accounting (HRA) is quite helpful. The HRA is a scaling tool that generates and reports quantitative control information about the contribution of human Resources for promoting industrial productivity. It can help the management in taking many vital decisions relating to selection, layoff, transfers, training, promotion etc.

CURRENT ACCOUNTING PRACTICES

Current accounting practices for human Resources consider all costs incurred as a revenue expenditure. Typical balance sheet of an enterprise does not disclose human assets. In our conventional accounting practices, all expenses related to recruitment, training, familiarisation and development of human Resources are charged against the revenue of the relevant accounting period in which they are actually incurred. But in practice, these expenditures are incurred by an undertaking to get the benefit of the services of its human Resources in future. Thus, there is a need to capitalise these expenditures which should be shown in the balance sheet also. Keeping in mind the growing importance of human Resources in the productivity performance of the enterprise, efforts are being made to treat the human Resources as physical and financial assets.
A few selected U.S. Companies have tried for practical application of human Resources accounting for their human Resources. R.G. Barry Corporation\textsuperscript{1} initiated to develop a usable system of human Resources accounting in 1966. The company developed a proforma balance sheet in which human Resources investments are reported during the period of its operation starting from 1969. In 1974, they discarded the system because the system was not economically viable. The Touché Ross and Co. a Big 8CPA, firm of Canada has also developed a system of accounting for investment in people\textsuperscript{2}. It was also reported that M/s Lester Wittee and Co.\textsuperscript{3}, U.S.A. was trying to develop human Resources accounting system for accurate and specific information as to the Human Resources Management. Dr. Flamholtz was contacted to develop this system to provide human Resources value information. Similarly, the A.T.&T Company\textsuperscript{4} and the Electronic Data\textsuperscript{5} System have also adopted this system for their human Resources.

In India, most of the annual reports of companies contain the chairman speech of the concerned enterprise. The chairman of every company invariably remarks at the annual general meeting of the shareholders. 'Our employees are our most important assets and without their significant contribution, the present growth in the operations would not have been attained. I wish to place it on record my sincere gratitude for the hard work done by the employees of our company'. I thankfully "acknowledge the contribution made by our employees etc\textsuperscript{6}. These qualitative pronouncement reflect the importance human Resources enjoy in an enterprise but the quantitative information relating to their contribution or their value is nowhere recorded or shown in the financial accounts. The annual reports of some companies contain information regarding the man-power employed, man hours lost and the associated loss of production, the human Resources productivity etc. Only few enterprises have been valuing their human Resources and reporting them in their annual reports. In the private sector enterprises, we can include the

\textsuperscript{2} Alexander, Michael, O. Investment in People. Canadian Chartered Accountant, July 1971.
\textsuperscript{4} Flamholtz Eric C. Human Resources: Accounting : A Review of Theory and Research p. 58.
\textsuperscript{5} Weiss Marvin, Human Capital.: Asset or Liability? Financial Executive, September, 1975.
\textsuperscript{6} Industrial Times, July 7-20, 1986, Human Resources Accounting is the System Practicable, p. 7.
name of Tata Engineering and Locomotive Works (TELCO), The Associated Cement Company (ACC), and Southern Petro Chemical Industries Corporation (SPIC) as the most important enterprises reporting the value of human Resources in their annual reports. However, Bharat Heavy Electricals Ltd. (BHEL), a public sector undertaking is the pioneer in this regard. Besides BHEL, some of other PEs like, Oil and Natural Gas Commission (ONGC), Cement Corporation of India (CO), Minerals and Metals Trading Corporation (MMTC), Hindustan Shipyard Ltd., Project and Equipment Corporation of India Ltd. (PEC). Engineers India, Ltd. (EIL), Electronics, India Ltd. have also started reporting, the value of human Resources.

**MODELS FOLLOWED**

These enterprises have been following the present value of future earning model for the valuation of human Resources employed by them. This model relates to the Lev and Schwartz (1971). However, the Cement Corporation of India have adopted the models of Lev and Schwartz (1971), Eric Flamholtz (1974) and Jaggi and Lau (1974) with necessary adjustments. Under the Lev and Schwartz model, economic concept of capital has been used to valuate the human Resources. The BHEL has also adopted this model in the valuation of human Resources. "The labour intensive characteristic of Hindustan Shipyard attracted the application of HRA system. In the valuation system, Stochastic process model has been followed to assess the human Resources value of Hindustan Shipyard. The reason for selecting this model is that many of the variables of the value subsystem are satisfied by its edificial nature"\(^7\). In this way, these companies have different modifications in their computation techniques. Besides they have lot of

\(^7\) Prabhakara Rao D. *Human Resources Accounting*, Inter-India Publications, New Delhi. 1986, PI'.220-223. The Human Resources value of Hindustan Shipyard has been computed with the help of following model.

\[
HRV = \sum_{t=1}^{n} \frac{\sum_{i=1}^{m} Ri}{(1+r)^t}
\]

Where, HRV is the Human Resources Value, \(t\) is the service state, Ri is the value of the service state; P is the probability that a person would remain in service state; p is time period; n is the number of time periods; m is the state of exit (separation) and \((1+r)^t\) is the discount factor.
subjectivity in making these calculations. This is largely due to the fact that "there is as yet no universally accepted method of human asset valuation."

**BHARAT HEAVY ELECTRICALS LTD.**

The performance of every enterprise is based in a large measure upon the quality of human Resources. This fact has been recognised in BHEL also. Among the PEs, BHEL is quite successful enterprise in all fronts. Some of the important dimensions of HRA have been discussed below.

The BHEL has employed a large number of people at different production units viz. Bhopal, Bangalore, Haridwar, Jhansi, Tiruchi, Ranipet, Jagdishpur and Hyderabad. In this way, BHEL is a family of 75000 engineers, scientists, accountants, skilled workers and technicians and other ancillary and supporting staff. The composition of employees for five years is shown Table1.
Table 1

STATEMENT, SHOWING THE EMPLOYEES PROFILE

<table>
<thead>
<tr>
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<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>1 Executives</td>
<td>9410</td>
<td>9750</td>
<td>10346</td>
<td>10914</td>
<td>11185</td>
</tr>
<tr>
<td>2. Supervisors</td>
<td>11225</td>
<td>11900</td>
<td>12170</td>
<td>12188</td>
<td>12543</td>
</tr>
<tr>
<td>3. Artisans</td>
<td>27645</td>
<td>28155</td>
<td>27644</td>
<td>27953</td>
<td>28426</td>
</tr>
<tr>
<td>4. Supporting, technical Staff</td>
<td>4250</td>
<td>4175</td>
<td>4105</td>
<td>3934</td>
<td>3839</td>
</tr>
<tr>
<td>5. Clerical &amp; Office Supporting Staff</td>
<td>6120</td>
<td>6230</td>
<td>6263</td>
<td>6202</td>
<td>5699</td>
</tr>
<tr>
<td>6. Unskilled and Semi-skilled Staff</td>
<td>13100</td>
<td>14590</td>
<td>13936</td>
<td>13724</td>
<td>13226</td>
</tr>
<tr>
<td>Total</td>
<td>71750</td>
<td>74800</td>
<td>74464</td>
<td>74915</td>
<td>74918</td>
</tr>
</tbody>
</table>

Over the last five years, the total strength increased only by 4.4% from 71750 in 1982-83 to 74918 in 1986-87. Out of this, professionals, specialists, engineers and skilled workers representing the directly productive segment increased by 8%.

HUMAN RESOURCES PRODUCTIVITY

Among the PEs, BHEL has achieved the stature of a leader in its largely due to the fact that it has capacity to hold experienced and matured employees. Productivity tends improved due to growth in turnover and value added with more or less the
same number of employees.

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</tr>
</thead>
<tbody>
<tr>
<td>1. Turnover per employee (Rs./Lakhs) % age increase over last Year</td>
<td>1.67</td>
<td>1.81</td>
<td>1.99</td>
<td>2.30</td>
<td>2.66</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>8%</td>
<td>8%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>2. Value added per employees (Rs./Lakhs) % age increase over last Year</td>
<td>0.66</td>
<td>0.75</td>
<td>0.82</td>
<td>0.84</td>
<td>1.06</td>
</tr>
<tr>
<td></td>
<td>14%</td>
<td>14%</td>
<td>9%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>3. Value added to personnel payments</td>
<td>3.07</td>
<td>2.95</td>
<td>2.84</td>
<td>2.88</td>
<td>2.88</td>
</tr>
</tbody>
</table>

Table 2 show that the value added per repee of wages went down mainly due to upward revision in personnel payments by way of ad hoc interim relief of employees.

PROGRAMMES FOR EMPLOYEES DEVELOPMENT

The BHEL conducts various specific/general training programmes for its employees at all levels. It has established well functioning institutes like Human Resources Development Institute, Advanced Technical Institutes, Welding Institute etc. for the overall development of its employees. In addition, quality circles have been established for improving the products and processes. No. of persons retrained under employees development programme has been indicated in.
Table 3

**STATEMENT SHOWING EMPLOYEES DEVELOPMENT**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of persons retrained</th>
<th>Percent to total Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982-83</td>
<td>17754</td>
<td>25</td>
</tr>
<tr>
<td>1983-84</td>
<td>21184</td>
<td>29</td>
</tr>
<tr>
<td>1984-85</td>
<td>23855</td>
<td>32</td>
</tr>
<tr>
<td>1985-86</td>
<td>30506</td>
<td>41</td>
</tr>
<tr>
<td>1986-87</td>
<td>33893</td>
<td>46</td>
</tr>
</tbody>
</table>

As indicated in Table 3, planned, in-house and external programmes are conducted aimed at improved skills and enhanced motivation both at the unit level and by HRDI at the corporate level. Areas of company concerns, like quality, inter-personal relationship employees morale and skill enhancement are specially emphasised. Specialised centres for training like HRDI, ATEC have been set-up to import advanced training to employees.

BHEL’s compensation, package to its employees is among those offered by the excellent organisation in the public sector. The personnel payments to the employees and expenses on social welfare per employee is given below.

Table 4

**STATEMENT SHOWING COMPENSATION TO EMPLOYEES**

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Emoluments per employee (Rs.) %age increase over last year</td>
<td>22000</td>
<td>25000</td>
<td>28500</td>
<td>32600</td>
<td>37800</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>2. Social overheads per employee %age increase over last year</td>
<td>2700</td>
<td>3300</td>
<td>3980</td>
<td>4600</td>
<td>5370</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>22</td>
<td>21</td>
<td>16</td>
<td>17</td>
</tr>
</tbody>
</table>

Table 4 shows that BHEL has been trying to project its image as model
employer. It is trying to pay attractive compensation packages to its employees. But at the same time, it has also incurred heavy amount as social overheads for the welfare of its employees.

**HUMAN ASSET VALUATION**

BHEL considers its employees as a human asset and in valuing this important asset it has been guided by the Lev & Schwartz\(^8\) model with the following assumptions:

(i) Total No. of posts in each grade remains fixed.

(ii) Employees are promoted only when there is vacancy in higher grade and vacancies arise on promotion and retirement.

(iii) All employees in a particular grade have equal preference for promotion and they do not supersede employees in higher grades.

(iv) When an employee joins a new grade his salary is fixed at the minimum salary of that grade. An increment of 5% is given each year for 5 years.

(v) Weightage is also given for changes in efficiency of employees due to age, experience and skills.

(vi) It is assumed that employees in non-executives grade do not rise above executive grade E-3.

(vii) It is assumed that employees in the unskilled & semi-skilled grades do not rise above supervisory grade.

---

\(^8\) Lev and Schwartz model.

\[ T \sum_{t=0}^{T} \sum_{i=0}^{T-i} E(V_y) = \sum_{t=1}^{T} Py(t+1) \sum_{Y=y}^{T} (1+r)^y \]

*Where -*

- \(E(V_y)\) = expected value of a person human capital who is \(y\) years old.
- \(T\) = Person retirement age.
- \(Py(t)\) = probability of the person leaving the organisation.
- \(gl\) = Expected earning of the person in period \(t\).
- \(r\) = discount rate
(viii) Some of the grades have been grouped in order to reduce total no. of grades to facilitate calculation.

(ix) Present value of future salaries is calculated assuming a discount factor of 12%.

FACTORS AFFECTING HUMAN RESOURCES VALUATION

Valuation of human Resources of any organisation has been affected by the following factors.

I. Employees' Classification

Practically all employees are not equally competent enough or skilled in all work, so it is natural that there is a classification, of employees into a number of grade/categories based on type of work, experience, qualification etc. It is necessary to note that too many classification would only complicate the valuation process of human Resources. Thus, it would be better to have only a number of grades/categories which should more or less cover all employees. BBEL adopts 6 categories namely, Executives, Supervisors, Supporting Technical Staff, Artisan, Clerical, Unskilled, Semi-skilled workers and 10-15 grades (in each category).

2. Employees Compensation

All the time of valuation of human asset employees' compensation package is also an important factor in determining the quantum of asset. Since compensation packages vary from year to year in each grade, it is necessary for the sake of convenience to keep the average salaries constant over the period of calculation. Further, as it is difficult to plot at what level in each grade a person is, mean of the grade is taken and an increment factor is given for 5 to 6 years. The compensation
package BHEL includes (1) Basic (mean of maximum and minimum in each grade) (ii) D.A. (iii) C.C.A. (iv) HRA (Lease, in case of executives), (v) benefits like provident fund, gratuity, other allowances etc.

To find the present value of future earnings of an employee it has to be discounted at a particular rate. The choice of rate can be as follows: (i) Bank rate on loans (either prime rate or working gap rate), (ii) Company return on capital employed (iii) Cost of capital. A risk free rate of return of 12% has been taken by BHEL for discounting the future earnings.

**PROCEDURE FOR CALCULATING THE VALUE OF HUMAN ASSETS**

The BHEL has been adopting the following procedure in calculating the value of human asset.

(i) Information on gradewise, agewise breakup from all units are collected and consolidated as a whole.

(ii) A career chart is prepared based on the information relating to human asset. In this connection, for each grade & age group, retirement plan is computed i.e. the number of persons retiring in each grade at each age group.

(iii) The retirement plan gives the vacancies available in, each grade. Employees just below the vacancy grade are considered for promotion. When there are no persons available then person from the next lower grade is utilized for promotion. Thus, a break up of employees in present grade into various upper grades are obtained. Those not promoted remain in the same grade.
(iv) For the breakup of employees thus obtained the present value of salary is calculated using the following formula.

\[
P \times 12 \times N \times E \times I \times F
\]

Present value of salary of the grade = 

\[
F
\]

In this formula

\[
\begin{align*}
P \times 12 & = \text{Annual Salary} \\
N & = \text{No. of employees in the grade} \\
E & = \text{Efficiency factor} \\
I & = \text{Increment factor} \\
F & = \text{Present value factor}
\end{align*}
\]

(v) Value obtained with the help of above formula is added grade-wise which gives grade-wise, present value of human assets.

**VALUE OF HUMAN ASSETS**

The valuation of human assets as done by the BHEL is indicated in the Table 5.

Table 5 shows that Artisans have maximum share (Rs. 5169 million) in the human asset value of the BHEL followed by executives which have a value of Rs. 3960 million at the end of 1986-87. Planning position of each category of employees in the value human asset is remain constant during the last 5 years. The table also indicates that the value of human resources was more or less remain constant during the last 5 years i.e. 1982-87
Table 5

**STATEMENT SHOWING VALUE OF HUMAN ASSETS**

(Rs. in million)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1. Executives</td>
<td>2430</td>
<td>2600</td>
<td>2995</td>
<td>3580</td>
<td>3960</td>
</tr>
<tr>
<td>2. Supervisors</td>
<td>1600</td>
<td>1835</td>
<td>2190</td>
<td>2420</td>
<td>3121</td>
</tr>
<tr>
<td></td>
<td>(17)</td>
<td>(18)</td>
<td>(18)</td>
<td>(18)</td>
<td>(20)</td>
</tr>
<tr>
<td>3. Artisans</td>
<td>2930</td>
<td>3385</td>
<td>3840</td>
<td>4165</td>
<td>5169</td>
</tr>
<tr>
<td></td>
<td>(32)</td>
<td>(31)</td>
<td>(31)</td>
<td>(31)</td>
<td>(32)</td>
</tr>
<tr>
<td>4. Supporting Technical Staff</td>
<td>530</td>
<td>570</td>
<td>660</td>
<td>655</td>
<td>698</td>
</tr>
<tr>
<td></td>
<td>(6)</td>
<td>(6)</td>
<td>(5)</td>
<td>(5)</td>
<td>(4)</td>
</tr>
<tr>
<td>4. Clerical &amp; Office</td>
<td>740</td>
<td>810</td>
<td>940</td>
<td>1000</td>
<td>1036</td>
</tr>
<tr>
<td>supporting Staff</td>
<td>(8)</td>
<td>(8)</td>
<td>(7)</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>5. Unskilled &amp; Semi-skilled Staff</td>
<td>1030</td>
<td>1150</td>
<td>1535</td>
<td>1755</td>
<td>1899</td>
</tr>
<tr>
<td></td>
<td>(11)</td>
<td>(12)</td>
<td>(14)</td>
<td>(13)</td>
<td>(12)</td>
</tr>
<tr>
<td>Total</td>
<td>9250</td>
<td>10350</td>
<td>12160</td>
<td>13375</td>
<td>15883</td>
</tr>
</tbody>
</table>

(figures in brackets indicates the respective percentage to 100)

**APPLICATION OF HUMAN ASSETS**

The BHEL on the one hand has stepped up payments to its employees and the sodal heads and on the other, the employees have given their best to improve productivity.

The overall position regarding improved production, turn over and value added has been indicated in Table 6.
Table 6

**STATEMENT SHOWING APPLICATION OF HUMAN ASSET**

*(Rs. in million)*

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1. Value of Human Assets</td>
<td>9520</td>
<td>10350</td>
<td>12160</td>
<td>13575</td>
<td>15883</td>
</tr>
<tr>
<td>2. Fixed Assets (Net) at current cost</td>
<td>10242</td>
<td>10682</td>
<td>12143</td>
<td>13892</td>
<td>15390</td>
</tr>
<tr>
<td>3. Net current Assets at current cost</td>
<td>5137</td>
<td>3408</td>
<td>3928</td>
<td>3523</td>
<td>3860</td>
</tr>
<tr>
<td>4. Total Resources at current cost</td>
<td>24629</td>
<td>24440</td>
<td>28231</td>
<td>30990</td>
<td>35133</td>
</tr>
<tr>
<td>Turnover</td>
<td>11792</td>
<td>13247</td>
<td>14818</td>
<td>17269</td>
<td>19939</td>
</tr>
<tr>
<td>Value Added</td>
<td>4788</td>
<td>5630</td>
<td>6019</td>
<td>6998</td>
<td>7922</td>
</tr>
</tbody>
</table>

**Ratio of**

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1. Turnover /Human Resources</td>
<td>1.28</td>
<td>1.28</td>
<td>1.22</td>
<td>1.27</td>
<td>1.26</td>
</tr>
<tr>
<td>2. Turnover /Fixed asset at current</td>
<td>1.15</td>
<td>1.24</td>
<td>1.22</td>
<td>12.24</td>
<td>1.30</td>
</tr>
<tr>
<td>3. Turnover / Total Resources</td>
<td>0.48</td>
<td>0.54</td>
<td>0.52</td>
<td>0.56</td>
<td>0.57</td>
</tr>
<tr>
<td>4. Value added / Human Resources</td>
<td>0.51</td>
<td>0.53</td>
<td>0.49</td>
<td>0.52</td>
<td>0.50</td>
</tr>
</tbody>
</table>

**Resources**

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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>5. Value added/Fixed assets</td>
<td>0.46</td>
<td>0.51</td>
<td>0.50</td>
<td>0.50</td>
<td>0.51</td>
</tr>
<tr>
<td>6. Value added/Total Resources</td>
<td>0.19</td>
<td>0.22</td>
<td>0.21</td>
<td>0.23</td>
<td>0.23</td>
</tr>
<tr>
<td>7. Human Resources / Total Resources</td>
<td>0.38</td>
<td>0.42</td>
<td>0.43</td>
<td>0.44</td>
<td>0.45</td>
</tr>
</tbody>
</table>

"Table 6 shows that due to frequent Wage revisions, value added Per rupee of human capital, has an erratic trend. Similar trend is also available in the ratio of turnover to human Resources. However, ratio of human Resources to total Resources shows an improved position over the years. In this way, the human asset has a growing importance in the total Resources employed in the BHEL.

Thus, to sum up, we can say that PEs have already started reporting HRA in their annual reports as their counterpart in private sector. It is notable that most of
these PEs have not elaborated the purpose for which HRA information is used by them. But in case of BHEL, we can say that the company introduced the system of human asset accounting from 1974-75 in the capacity of image projection. However human asset information may be useful for the management in particular and for the investors and other external users in general. It is the duty of the organisation concerned to report the investment in human asset in proper perspective and assess the contribution of employees in the well-being of the enterprise. At the same time, in order to make these valuations comparable and objective, there is urgent need for evolving a method which could be largely acceptable.

Thus, there is no doubt the HRA has vast potential in the modern era of professionalisation and particularly in case of labour intensive enterprises where human Resources play a major role. The PEs efforts in this direction really show their concern or their employees. But more PEs should be encouraged by the Government to come out, with this information in their annual reports.
MATHURA REFINERY (IOC)\textsuperscript{9}

Indian Oil Corporation Ltd. is the largest commercial enterprise in India, the 7th largest petroleum company in the world and the only Indian presence in Fortune magazine's 'Global 500' listing of the world's largest corporations, with a ranking of 226 for fiscal 2001. In the Forbes International 500 list of largest companies outside US, Indian Oil is ranked 112 and tops the four Indian companies appearing in the listing. Indian Oil has also been ranked the ‘First’ in Petroleum Trading amongst the 15 National Oil Companies in the region in the 2001 Industry Perception Survey conducted by Applied Trading Systems, Singapore.

Incorporated in 1959 as Indian Oil Company Ltd., it became a Corporation on 1st Sept, 1964 when Indian Refineries Ltd. (Est.1958) was merged with the Company.

Indian Oil owns and operates seven of the country’s 18 refineries at Guwahati, Barauni, Gujarat, Haldia, Mathura, Panipat and Digboi, with a combined capacity of 38.15 million metric tonnes per annum (MMTPA). A new 9 MMTPA Grass Root Refinery is being set up at Paradip in Orrisa. In addition, Indian Oil has two subsidiary companies, Chennai Petroleum Corporation Ltd. (CPCL) and Bongaigoan Refinery and Petrochemicals Ltd. (BRPL), with a combined refining capacity of 9.35 MMTPA thereby raising its total refining capacity to 47.50 MMTPA, the highest in the country today.

Indian Oil has the country’s largest network of crude and product pipelines with a combined length of 6523 kms and 43.45 MMTPA capacity with sales of 47.17 million metric tonnes in 2001-2002. Indian Oil holds over 53% of the petroleum products market share in India. The extensive network of over 22,000 sales point is backed for supplies by 182 bulk storage points and 78 Indane bottling plants, 92 Aviation Fuel Stations cater to the Aviation industry, defence as

\textsuperscript{9}Annual Reports of Mathura Refinery
Indian Oil has entered into memoranda of understandings/collaboration with reputed companies in India and abroad to take up projects of mutual interest.

An MOU has been signed between the Govt. of Andhra Pradesh and Kakinada IndianOil LNG Consortium (KIOLC) promoted by IndianOil, Petronas - Malaysia and Cocanada Port Co. Ltd., for setting up an LNG project at Kakinada in Andhra Pradesh.

Indian Oil is marketing diesel fuel additives for automobiles in collaboration with Elf Antar, France.

IndianOil and Air BP are collaborating in aviation fuelling business.

Indian Oil's investments in creation of assets will exceed Rs.40,000 crore over the decade beginning 1997. These investments, substantially funded from internal resources, will result in expansion and modernisation of existing capacities as well as creation of state-of-the-art facilities.

Indian Oil is an "academy" company with 18 Training Centres. The Indian Oil Institute of Petroleum Management (IIPM), Gurgaon, serves as an apex training and consultancy institute and conducts management development programmes in association with reputed national and international institutes. The Corporation proposes to offer a mid career two-year programme for graduation in Engineering and Technology at The IndianOil Management Academy (IMA), Haldia. IndianOil Management Centre for Learning (IMCL) recently set up in Mumbai will facilitate in upgrading the functional knowledge and skills of employees and also impart behavioural training.

For the past two decades, Indian Oil has been lending its expertise to several countries in areas of Refining, Marketing Transportation, Training and
well as civil. IBP Co. Limited, a stand alone marketing company and a subsidiary of IndianOil, has a nation wide network of over 1550 retail outlets.

Indian Oil's Research & Development Centre has been engaged in world class research in tribology (lubricants formulation), refinery processes and pipelines transportation. The Centre has developed over 2000 lubricant and grease formulations and obtained approvals of Original Equipment Manufacturers in India and abroad.

A wholly owned subsidiary, Indian Oil blending Ltd. manufactures over 450 grades of the country's leading SERVO brand lubricants and greases.

In pursuit of its vision of becoming a 'major, diversified, trans-national, integrated energy company with national leadership and the strong environment concerns, playing a national role in oil security and public distribution', Indian Oil is proactively identifying and developing business opportunities in Exploration and Production (E&P), Gas and Gas to Liquid, Petrochemicals, Power, Information Technology and Communications, collaborative R&D, Exports, Shipping, Training and Consultancy, Engineering and Construction, and Transnational operations.

12 joint ventures are now operational in partnership with some of the leading international and Indian companies.

IndianOil and ONGC, in a strategic alliance, are pooling their knowledge and resource base to exploit opportunities across the hydrocarbon value chain.

IndianOil, in a strategic alliance with CMC Ltd., is pursuing opportunities for application of IT in its business.
Research and Development. These include Srilanka, Kuwait, Bahrain, Iraq, Abu Dhabi, Tanzania, Ethiopia, Algeria, Nigeria, Nepal, Bhutan, Maldives, Malaysia and Zambia.

Indian Oil commitment to quality, safety, health and environment is reflected in the series of national and international certifications and awards earned over the years.

From the icy slopes of of Leh in the Himalayas to Kanyakumari where the Bay of Bengal and Arabian Sea join the Indian Ocean, and from the single Buoy Mooring at Salaya in the West to the Monasteries at Tawang in the East. Indian Oil leaves in every heart and in every part of India.

**Indian Oil, Bringing Energy to Life**

A company, Indian Refineries Ltd., was set up in the year 1958 to refine crude oil. Another company, namely, Indian Oil Company Ltd., was incorporated in the year 1959 to market the products. In 1964, the refining Company and the marketing Company were merged and Indian Oil Corporation was born. In 1981 Assam Oil Company, a private sector oil company was nationalised and merged with Indian Oil Corporation Limited.

Indian Oil Corporation Limited has five Divisions, namely;
- Refineries Division
- Pipelines Division
- Marketing Division
- Assam Oil Division
- Research & Development Center

Indian Oil Blending Ltd. is a wholly owned subsidiary of Indian Oil Corporation and is engaged in the manufacture of lubricants and greases.
In addition, IndianOil has three subsidiary companies - Chennai Petroleum Corporation Ltd. (CPCL), Bongaigoan Refinery and Petrochemicals Ltd. (BRPL) and IBP Co. Ltd.

The Corporation is managed by a Board of Directors. Besides the Chairman, the Board has the following full time Directors:

1. Director (Refineries)
2. Director (Marketing)
3. Director (Pipelines)
4. Director (R&D)
5. Director (Finance)
6. Director (HR)
7. Director (Planning & Business Development)

1.2 UNITS UNDER REFINERIES DIVISION

<table>
<thead>
<tr>
<th>REFINERIES</th>
<th>YEAR OF COMMENCEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guwahati</td>
<td>1962</td>
</tr>
<tr>
<td>Barauni</td>
<td>1964</td>
</tr>
<tr>
<td>Gujarat</td>
<td>1965</td>
</tr>
<tr>
<td>Haldia</td>
<td>1975</td>
</tr>
<tr>
<td>Mathura</td>
<td>1982</td>
</tr>
<tr>
<td>Panipat</td>
<td>1998</td>
</tr>
</tbody>
</table>

Besides the above 6 Refineries, Digboi Refinery in AOD.

OTHER ESTABLISHMENTS

- Refinery HQRS. NEW DELHI
- KOLKATA OFFICE
- MUMBAI OFFICE
RATIONALISATION ADJUSTMENT ALLOWANCE:
The Rationalisation Adjustment Allowance is paid to Officers (upto Grade 'F' Officers) w.e.f 1.4.89 at the following rates:

<table>
<thead>
<tr>
<th>Service range in regular scale</th>
<th>Rate per month(Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>85/-</td>
</tr>
<tr>
<td>5 years &amp; more but less than 12 years</td>
<td>110/-</td>
</tr>
<tr>
<td>12 years &amp; more but less than 19 years</td>
<td>125/-</td>
</tr>
<tr>
<td>19 years &amp; more</td>
<td>140/-</td>
</tr>
</tbody>
</table>

RATIONALISATION CUM SKILL UPDATION EXPENSES TO NON-OFFICERS w.e.f. 1.6.94.

<table>
<thead>
<tr>
<th>Service in IOC</th>
<th>Rupees per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 5 years</td>
<td>235</td>
</tr>
<tr>
<td>Above 5 years &amp; Upto 10 years</td>
<td>275</td>
</tr>
<tr>
<td>Above 10 years &amp; Upto 15 years</td>
<td>325</td>
</tr>
<tr>
<td>Above 15 years</td>
<td>365</td>
</tr>
</tbody>
</table>

Whenever a workman crosses a particular slab of completed years of service and moves over to the next slab, the higher rate shall be paid/reimbursed. places not connected by rail, the actual bus fare is admissible.

As a measure of social security in the post retirement period, a Scheme known as Superannuation Benefit Fund Scheme has been introduced in the Corporation. The Scheme is applicable to all the Officers and Workmen in the Refineries Division. The Scheme is also extended to the officers of AOD who are not covered by AOD Pension Scheme and all non-officers.
The rate of direct monthly contribution is as per the following Table and is determined by the age-group to which an employee belongs at the time of joining the Scheme. The rate once determined remains unchanged.

<table>
<thead>
<tr>
<th>Age Group at the time of joining</th>
<th>Rate(% of BP + DA + NPA(wherever applicable))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 38 years</td>
<td>2%</td>
</tr>
<tr>
<td>Above 38 years but less than 48 years</td>
<td>3%</td>
</tr>
<tr>
<td>Above 48 years but less than 53 years</td>
<td>4%</td>
</tr>
<tr>
<td>53 years and above</td>
<td>5%</td>
</tr>
</tbody>
</table>

A member is entitled to receive monthly cash payments after superannuation under the Scheme. The maximum benefit payable at present is 40% of the last salary drawn (i.e. BP, DA and NPA wherever applicable) based on reckonable service of full 32 years. For the service of less than 32 years, the benefit is proportionately less.

Reckonable service of an employee is determined by adding the period of Discounted service and service rendered after the effective date of the Scheme. (Discounted Service is the past service rendered and discounted by using the formula (1-d/100) x d where d is the length of past service.)

After the benefit has been worked out, the Annuity is purchased from LIC, who in turn makes monthly cash payments to the retired employees.

There are various options available under the scheme as under:

In addition to the above options, the member can also opt to commute 1/3 of the purchase price of the Annuity. The balance amount is paid to LIC towards purchase of annuity.
In case of death or permanent total disablement of a member employee while in service, the Scheme provides following options for rehabilitation of the distressed family. The option is to be exercised within a period of 6 months from the date of death/permanent total disablement.

Employees are paid productivity linked incentive on the basis of the respective performance of unit/office where posted, in accordance with laid down parameters and subject to the provisions of the scheme. The benefit under the scheme will not exceed 15% of the actual Basic Pay plus DA drawn by the employee in the relevant financial year.

**PROMOTION POLICY OF OFFICERS (Gr.A to B & Gr.B to C)**

**GENERAL:**

1. There shall be only one channel of promotion.

2. The marking system will be as follows:

   - PDA Report - 45
   - Seniority - 50
   - Educational Qualification - 30
   - DPC - 05
   - Total - 130

   ➢ The manner of calculating marks for PDA for the last 3 years shall be as under:

   - Outstanding - 45
   - Very Good - 40
   - Satisfactory - 30
➢ The marks for educational qualifications shall be assigned as per Annexure.

➢ To be eligible for consideration for promotion, the following two conditions shall apply:

a) The concerned officer must have completed at least three calendar years of service in the present grade.

b) The performance ratings for the last three years should be ‘Satisfactory’ or higher.

➢ For calculation of seniority marks, service upto 31st December of the calendar year previous to which the promotions are being made, shall only be counted.

➢ The Officer:

a) should have clean record of service in the previous year;

b) should not be undergoing any punishment awarded under disciplinary action; and

c) should not have any vigilance case and/or disciplinary proceedings pending against him.

d) In all other matters pertaining to promotions, the existing procedures and practices will continue.

➢ SPECIFIC FOR PROMOTION FROM GRADE ‘A’ TO GRADE ‘B’

a) The seniority marks will be assigned @ 1-1/4 marks for every full calendar quarter of service and also for the part calendar quarter with a minimum of 45 days of service in that quarter.
b) An officer shall be promoted to Grade ‘B’ on acquiring 85 (Eighty Five) or more marks based on the above factors.

c) Officers in grade "A" with minimum Matriculation Qualification or above who are otherwise not able to achieve the promotion as per the cut-off marks shall be considered for promotion to grade "B" after completion of 7 (seven) calendar years of satisfactory service provided such officers have at least one "VERY GOOD" rating in grade "A" in the previous 5 (Five) Years.

d) For the purpose of promotion and career planning of officers, there will be flexibility of job responsibilities between Grade ‘A’ and Grade ‘B’ in all respects.

e) The total strength of vacancies/sanctions will be considered as one cluster.

f) An officer in Grade ‘A’ who is promoted to Grade ‘B’ may be required to continue with present/similar assignment.

➢ SPECIFIC FOR PROMOTION FROM GRADE ‘B’ TO GRADE ‘C’

a) Five marks for every completed calendar year of service in the present scale shall be assigned for seniority. For this purpose, the seniority shall be reckoned from 1st January of the year in which the officer is promoted to Grade ‘B’ subject, however, to his/her having joined in Grade ‘B’ within 3 months of issue of promotion order. For every full completed calendar quarter of a year and also for the part calendar quarter with a minimum of 45 days of service in that quarter, 1.25 marks will be added. The maximum marks for seniority will be 50.

b) An officer shall be promoted to Grade ‘C’ on acquiring 87 (Eighty Seven) or more marks based on the above factors.
c) Officers in grade "B" with minimum Matriculation Qualification or above who are otherwise not able to achieve the promotion as per the extant policy shall be considered for promotion to grade "C" after completion of 7 (seven) calendar years of satisfactory service provided such officers have at least one "OUTSTANDING" rating in grade "B" in the previous 5 (Five) Years.

Annexure

MARKS FOR EDUCATIONAL QUALIFICATIONS FOR
PROMOTION FROM GRADE "A" TO "B" AND GRADE "B" TO "C"

1. Technical Department
   - Degree in Engineering                      30
   - M.Sc. from recognised University          24
   - Diploma in Engg./B.Sc. from a recognised University 18*
   - Intermediate in Science or its equivalent 12
   - Matriculation with ITI Certificate         12
   - Matriculation/Higher Secondary             12
   - Below Matric                               00

Refinery Laboratory
   - Degree in Engg./M.Sc. Tech/Ph.D in Chemistry 30
   - M.Sc/AIC (By examination)                   24
   - B.Sc.                                       18
   - I.Sc.                                       12
   - Matriculation/Higher Secondary              06
   - Below Matric                                00
II. Finance Department

➢ Chartered Accountancy/Cost Accountancy/MBA with Specialisation in Financial Management 30
➢ M.Com. 24
➢ Bachelor’s Degree in Commerce or in any other faculty 18
➢ Intermediate in Commerce or its equivalent 12

III. Personnel & Admn. Department

➢ MBA with specialisation in Personnel Management & Industrial Relations/Master’s Degree in Social Welfare or its equivalent/Graduate with Company Secretary/Ph.D in Management/Graduate with LL.B. 30
➢ Master’s Degree in any subject other than Personnel Management & Industrial Relations/Graduate in any faculty with Diploma in Personnel Management and or Industrial Relations or its equivalent. 24
➢ Graduate 18
➢ Intermediate 12
➢ Matriculation/Higher Secondary 06
➢ Below Matric 00

IV. Materials Department

➢ MBA with Specialisation in Materials Management or Degree in Engineering. 30
➢ Post Graduate Degree from a recognised University 24
➢ Graduate with Diploma in Materials Management/ Diploma in Engg. with Diploma in Materials Management 24
➢ Graduate in any faculty from recognised University/Diploma in Engineering. 18
➢ Intermediate 12
➢ Matriculation/Higher Secondary 06
➢ Below Matric 00

V. Fire & Safety

➢ Degree in Engg/Advance Diploma of National Fire Service College, Nagpur or its equivalent. 30
➢ Diploma in Engg. With Diploma of NFSC, Nagpur its equivalent/Degree with Diploma of NFSC or its equivalent. 24**
➢ M.Sc from a recognised university 24**
➢ Diploma in Engineering /Graduate in any faculty 18**
➢ Intermediate 12
➢ Matriculation/Higher Secondary 06
➢ Below Matric 00

VI. Systems/Computer Department

➢ MBA/MCA/MMS/BE/Graduate in Engg.CA/ICWA 30
➢ M.Sc. or MA with Maths/Operational Research Statistics/Physics 24
➢ BA/B.Sc. with Maths/Operational Research/Statistics/ Physics/Applied Science + Diplomain Computer Science (minimum 1 year) from recognised University/Institute. 24
➢ BA/B.Sc with Maths/Operational Research/Statistics/ Physics/Applied Science or Post-Graduate in Commerce 18
➢ BA/MA (other than mentioned above) 12
VII. Public Relations

➢ Master’s Degree in Communication/Journalism/MBA/MMS/Post-Graduation Degree in Social Welfare/MA with Degree or Diploma in PR/Journalism/Advertising 30

➢ Post-Graduation/Graduation with Diploma in Journalism/PR/Advertising or Graduations Communication/ Journalism 18

➢ Graduation 18

➢ Inter/Plus Two 12

➢ Matric/High School 06

➢ Non-Matric 00

* 6 additional marks for BOE subject to a maximum of 30 marks.

** 5 additional marks for duly recognised Diploma in Industrial Safety subject to maximum of 30 marks.

PURPOSES OF THE STUDY (OBJECTIVES)

The chief objective of the study is to present the Accountants with some thoughts on Human Resource Accounting which may provide a basis for accepting it for financial reporting purposes and using it for managerial decision-making. In order to meet the general objective of recognition of Accounting for human resources, Following will be the specific objectives of the study:

- Identifying and measuring the capital cost involved in acquiring the rights to use the services of humans as a resource.
- Identifying and measuring the capital cost and long –term liabilities involved in retaining the right to use the services of humans as a resource.
• Identifying and measuring the periodic human resource expense and adding to the allocation of capitalized cost of human resource for matching it with the periodic revenue so as show true and fair view of entity's periodic performance.

• Proper disclosure of capitalized cost and liabilities of human resource, duly adjusted with allocations and reductions in liabilities due to their maturities.

• To evaluate the role of different approaches of human resource cost/value information on managerial decision-making.

HYPOTHESES

The basic Hypotheses upon which the present study will be based is that organizations consider Human Resource as Assets of the originations and incurs capital expenditures on,"Acquiring, developing and retaining Human Resources a part from incurring revenue expenses on them. In order to prove the basic assumption and to investigate objective, the following hypotheses would be taken into consideration.

• the organization intends to retains the existing Human Resource of the organization until the useful services life of the Human Resource.

• There exists a positive relationship between the decisions of the Human Resource to remain in the organization and the efforts of the organization in this regard.

• There exists a positive relationship between development of Human Resource by the organization and the benefits from these efforts.

• The accounting treatment of cost incurred on acquisition of Human Resource dose not comply to the principal of matching of cost and revenue.
• The accounting treatment of training and development cost incurred on Human Resource does not satisfy the matching of cost and revenue principal of accounting.

• The accounting treatment of cost incurred in retaining the human resource is not compatible with The matching of cost and revenue principal of accounting.

**RESEARCH METHODOLOGY**

The study will be based primarily on the use of primary data generated through structured questionnaire and the personal interviews. The secondary data and information have been used mainly for the purpose of ascertaining the accounting practices have been used mainly for the purpose of ascertaining the accounting practices regarding valuations of human resources and their disclosure in the annual reports as additional information in India, and countries abroad, such as U.S.A, U.K and Australia. The questionnaire employed in the study for primary data is divided into five parts which is briefly described below.

The first part will contain personal information about the respondent.

The second part will be dealt with the human resource cost and value. First nine question will pertain to the accounting practice being followed regarding human resource acquisition and development cost, and the next two to check the knowledge of accounting to ascertain that the respondents is worth including in the study or not. The last twenty question pertain to the perception of people about cost and value of human resource and their accounting treatment.

Part three deals with the various aspects of training and development of human resource it covers the policies facilities, procedure for identification of training needs, top management involvement rating, etc. of training and development programmes examines the skill level of the respondent before and after attending the programme rated on five-point scale namely:
Poor, average, good, very good and excellent covering twenty variables (skills) further this part also identifies the benefits of programmer accruing to the organization in terms of its impact on organization in terms of its impact on productivity and the duration for which the increased productivity, if any, is sustained over a period of time.

Part four examines the intention of the organization to retain human resource and perception of the Human Resource in this regard it incorporates various requisition as variable of retention like: housing, transport, LTC, Canteen etc; all the statement in this part require the respondent to answer on a five part require the respondent to answer on a five-point scale namely: strongly agree; moderately agree; agree moderately disagree, and strongly disagree.

The part will measures the degree of satisfaction the part of Human Resource on a five-point scale Namely: strongly agree, moderately agree, moderately disagree, and strongly disagree, with respect to the compensation and other benefits given by the organization.

Perception of the people can not be measured precisely hence a non-parametric statistical test Namely chi-square will be used for analyzing and interpreting the data generated through structured Questionnaire and personal interviews. Chi-square test will be used to test whether there is significant difference of opinion between the respondents of four sectors or not. the scale five point scale to make the analysis easier.

The pie chart will be mainly used for the diagrammatical presentation by taking of figures from the last column namely, "total" and one pie chart shows the composition of responses pirating to one facet or variable shown in one table the line chart will be in chapter five and will be explained there.
Sample classification

The sample selected has been classified into four broad categories or sectors namely:

1) Public Sector services company / organisation (PSSC)
2) Government sector services company / organisation (GSSC)
3) Public Sector manufacturing Company / Organisation (PSMC)
4) Government sector manufacturing Company / Organisation (GSMC)

STATISTICAL TECHNIQUE

Perceptions of the people cannot be measured precisely hence a non-parametric statistical test namely chi-square has been used for analyzing and interpreting the data generated through structured Questionnaire and personal interviews. Chi-square test has been used to test whether there is significant difference of opinion between the respondents of four sectors or not. The Scale index (mean) has been calculated to find the average score on five point scale to make the analysis easier.

DIAGRAMATICAL PRESENTATION

The pie chart has been mainly used for the diagramatical presentation by taking the figures from the last column namely, "Total" and one pie chart shows the composition of responses pertaining to one facet or variable shown in one table. The line chart has been used in chapter five and has been explained there.

ADMINISTRATION OF THE QUESTIONNAIRE

The questionnaire was issued to the executives personally by the researcher with the assurance that the information and opinion expressed in this survey shall be exclusively used for research purposes only and shall be kept strictly confidential. The Primary data was collected from 2002-03 to 2004-05.
SAMPLE SIZE

In a study of this kinds, generalisations of results with a fair degree of validity are possible when the samples are drawn from different organizations spread out through the length and breadth of the country. However, due to constraints of the resources and time, sample was drawn from organisation located in BHEL Jhansi & Mathura Refinery (IOC). And other cities like Delhi, Bhopal, Indore & Uttar Pradesh; Business organisation representing a wide range of activities such as manufacturing co. (computers, telephone); mining construction; and service activities (banking, income-tax, education). These organisations were taken on the basis of judgment sampling in order to make the study more representative. Out of 428 questionnaires issued to the executives, 264 were received and out of these 225 were fully answered and useable for part-II and 125 useable for part-III, IV, V. The information related to part-I of the questionnaire is contained in Appendix-I. The response 52% cab be termed as satisfactory in view of experience of the earlier researchers.
LIMITATION & FUTURE AREA OF THE STUDY

There are certain limiting factors, which are inherent in a study of this nature, but these limitation do not detract the value of the study, rather, they should be taken to point out the precaution to be observed in analyzing the conclusion and recommendation.

- The study has not covered the entire population of or generation attempt will be made to study the character of the population through the limited sample coverage all the limitations of sample study applies to this study also.

- The study will be taken in to account for investigation only those variable which can be measured in terms of money for accounting treatment such as emolument and the perquisites The limitation is necessary because it is the limitation of financial accounting to for the sake of objectivity and verifiability.

Research is a continuous on going process and one researcher can only add a drop in the ocean. some of the possible areas of further research may be as follows:

1. Measurement of value of human resource by developing a model based on the contributions made by the Human Resource for the organization which they are serving.
2. Replication of this study in organization following purely Japanese style of in engagement particularly the lifetime employment aspect.
3. Replication of this study in organization following purely American style of management particularly the contractual appointment aspect
CHAPTER 1

CHAPTER SCHEME (OUT LINE)

INTRODUCTION:

- Present position and background of the study, sets-out the objectives and research
- methodology adopted.
- Limitation of the study
- A few are as have been listed for future areas of research in the field of human resource accounting.

CHAPTER 2

HUMAN RESOURCES ACCOUNTING CONCEPTS AND MODELS:

- A conceptual frame work of human resource accounting.
- Critical evaluation of various models contributed by different scholars.

CHAPTER 3

HUMAN RESOURCES ACCOUNTING PRACTICES:

a) An analysis of human resources accounting practices regarding treatment of acquisition regarding treatment of acquisition and development cost of human resources in Indian organization based on primary data.
b) It also provides an analysis bases on secondary data regarding disclosure of value of human resource by organization in India and abroad, such as U.S.A, U.K, and Australia

CHAPTER 4
HUMAN RESOURCES COST AND VALUE:

a) Analysis the perception of human resource by using primary data on the issues relating to human resources cost and value organizations under study.

CHAPTER 5
HUMAN RESOURCES DEVELOPMEN

- An analysis of training and development programmer with particular reference to benefit’s in the forms of improvement in human resources and its impact on organizational performance the duration for which such benefit’s last also forms parts of the analysis.

- This forms the basis of allocation of training and development cost over a period for which benefits are received by the organization. The chapter will be dealt with the current human resources development practice in sample organizations.
CHAPTER 6

HUMAN RESOURCES RETENTION:

- Analysis of the intention, retention of human resources of the organizations for a long period and the perception of the human resources in this regard.

- Analysis of the satisfaction level of human resources with the efforts of the organization to retain them.

CHAPTER 7

CONCLUSIONS:

- Summary of major findings and Recommendations