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ORIGINAL ARTICLE

FINANCIAL PERFORMANCE WITH HUMAN RESOURCE ACCOUNTING DISCLOSURE OF SELECTED INDIAN COMPANIES- AN EMPIRICAL STUDY

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Abstract:

The objective of this study is to analyze the relationship between the financial performances with Human Resource Accounting Disclosure (HRAD) among the selected Indian Companies. A sample of four companies,2 companies from public and 2 companies from private sector were taken for the study. Eight years financial data from 2005-2012 were collected for the analyses of financial performance based on multiple regression and correlation analysis.   Financial performance is nothing but measuring the results of a firm's policies and operations in monetary terms. These results are reflected in the firm's return on equity (ROE), return on assets (ROA), value added, etc. The study reveals that there is a positive relationship between firms ROA, ROE and HRAD.

KEY WORDS:

HRAD, ROE, ROA, Correlation, Multiple Regression.

INTRODUCTION

Human resource plays the most important role in the growth of an enterprise. Human resource accounting (HRA) is an attempt to identify and quantify the investments made in human resource of an organization. The Quantification of the value of Human Resources helps the management to cope up with the changes in its quantum and quality so that equilibrium can be achieved in between the required resources and the provided human resources and helps the management in decision making. Hence an attempt is made to know that whether HRAD is useful for an organization in its financial performance in terms of ROA and ROE. Generally, financial performance is defined as "A subjective measure of how well a firm can use assets from its primary mode of business and generate revenues". This term is also used as a general measure of a firm's overall financial health over a given period of time.

Statement of the Problem and Significant of the study

Only few studies have been made in relation to "Financial performance with HRAD" in India. Therefore, the present study focuses on the analysis of financial performance with HRAD of selected Indian companies from both public and private sector.

REVIEW OF LITERATURE

Leyira Christian Micah et al (2012), carried out a work in "Firms Financial Performance and Human Resource Accounting Disclosure in Nigeria", the sample population was selected from those firms which are continuously listed on the NSE between December 31, 2005 and December 31, 2009.The sample size consisted of fifty two (52) listed firms randomly drawn from all sectors in Nigeria. Descriptive statistics in the form of tables, percentages were used to present demographic and other data relating to the study. Multiple Regressions was used to analyze the possible relationship between firm financial performance and Human resource Accounting Disclosure in Nigeria. The strength of the relationship between the Independent and dependent variable were ascertained by using Pearson Product moment correlation coefficient "r".

The study suggests that an inverse relationship exists between the performance metrics (ROA) of a firm and its level of Human Resource Accounting Disclosure. This is not surprising because, return on assets (ROA) indicates a company's overall profitability. When investments on human capital development are expensed, the result will be that both assets and earnings will be understated. This will motivate companies with a low level of earnings to provide relevant information to investors and stakeholders regarding investment in human capital not reflected on the balance sheet. Human Resource Accounting Information of an organization is very important factor to decision makers in an era of knowledge based economy. As a result, each organization takes serious attempt to disclose its HRA information to insiders and outsider decision makers. This is becoming an integral part of management report.

Imtiaz Alam and Suman Kanti Deb (2010) attempted to shed light on "Human Resource Accounting Disclosure (HRAD) In Bangladesh: Multifactor Regression Analysis – A Decisive Tool of Quality Assessment" has taken a sample of 58 companies of different categories enlisted either Dhaka Stock Exchange(DSE) and Chittagong Stock Exchange (CSE). The companies are classified under two broad headings : Financial and Non-Financial sector. Financial sector includes banks and insurance companies. Non – Financial sector includes cement, fuel and power, textile, pharmaceuticals & chemical and others. Published annual reports of the aforesaid companies have been used as a secondary source. Each company was awarded a score of "1" if the company appears to have disclosed the concerned disclosure and "0" otherwise. Once scoring of the companies completed, each company ended up with a score reflecting the number of disclosures against which it was found to have disclosed. Then the score of the respective company was divided by the total number of score. These score were then used as dependent variable and we tried to explain the size of the company that might explain variations in HRAD of the company under study. The hypothesis of the study can be specified as there will be a positive association between company size and level of HR disclosure, this paper uses simple ordinary least square regression technique for the analysis of data..

It was concluded that the financial companies are disclosing more HRA information than non-financial and company's profitability positively influences companies to report the information in their annual report. It indicates highly regulated financial companies are disclosing more HRADI than non-financial companies. Hence, regulating structure in Bangladesh is enhancing the disclosure practice in the area of HRA. The study also does not find any relationship between the age of the company and HRAD.

OBJECTIVES

To study about Human Resource Accounting and its disclosing pattern in Indian Companies
To analyze the relationship between the Human Resource Accounting disclosure (HRAD), Return on Equity(ROE) and Return on Assets(ROA).
To analyze the financial performance of the selected Indian companies in terms of HRAD,ROE and ROA

Hypothesis

H01   : There is no significant relationship between Return on Equity and Human Resource Accounting, Return on Assets.
H02   :   There is no significant relationship between Return on Assets and Human Resource Accounting, Return on Equity.

METHODOLOGY

To achieve the aforementioned research objectives, the data is collected from the annual reports of the respective companies. The annual data for selected companies during 2005-2012 are used for

calculating key financial ratios to analyze the financial performance of the selected companies. Besides, another source of data forms in the form of reference to the library and the review of different articles, papers, and relevant previous studies.

Sources of Data

The study used secondary data collected from the money control data source and websites. The period covered by the study extends to 8 years ranging from 2005 to 2012.

Sampling Technique

Purposive sampling technique is used for selection of sample units. Samples are taken from both public and private companies. Fifteen companies from public and ten companies from private were taken up for the study. Out of which only two companies from public and two companies from private were following Human resource Accounting and hence four companies are taken for the analysis.

Research Methods and Plan Analysis

Financial ratios viz., returns on assets (ROA), return on equity (ROE) are calculated and used. Financial performance is the responding variable, which is measured by two elements viz., return on assets (ROA) and the return on equity. The predictor variables used for analysis are the following:

Total assets.
Net Income or Profit before tax
Equity Share capital

The financial performance ratios, correlation, and multiple regression are used to analyze and study the impact of predictor variables on the responding variable (financial performance). Table 1 shows the various (measures) ratios used to measure the financial performance of selected companies, financial performance measures- ratios have been extensively used with in support of correlation and multiple regression to examine and study the impact of predictor variables on the responding variable. Regression is also used to test the hypothesis and to measure the relationship between ROE, ROA and HRAD. Correlation coefficient is used to study the correlation between the predictor variables and responding variable.

Table 1 - List of Measures (ratios) Used in the Study for Analysis

Sl. no.	Variable / Measure	Formula	Inference
1	Return on Assets (*ROA*)	Net Profit / Total Assets	*ROA* gives an idea as how efficiently management uses its assets to generate earnings. Higher return on assets reflects good utilization of available assets and lower return indicates otherwise.
2	Return on Equity (*ROE*)	Net Profit / Owners Equity	*ROE* measures the rate of return on shareholders' equity. It measures a firm's efficiency in generating profit from every unit of shareholders' equity.

Source: www.scibd.com/ Investopedia/www.businessdictionary.com

COMPANY ANALYSIS AND DISCUSSONS
INFOSYS – Private Company
DATA

Table 2- DISCLOSURE OF HUMAN RESOURCE ACCOUNTING VARIABLES
Yes: Disclosed; No: Not disclosed

SI.NO	Particulars	INFOSYS Private							
	YEARS	2005	2006	2007	2008	2009	2010	2011	2012
1	Value Added	YES	YES	YES	YES	YES	YES	YES	YES
2	Qualification of the employees	NO	NO	YES	YES	YES	YES	YES	YES
3	Manpower in numbers	YES	YES	YES	YES	YES	YES	YES	YES
4	Economic Value Added (EVA)	YES	YES	YES	YES	YES	YES	YES	YES
5	Performance at a glance	YES	YES	YES	YES	YES	YES	YES	YES
6	Value of Human Resources	YES	YES	YES	YES	YES	YES	YES	YES
7	Value Added per employee	NO	NO	NO	NO	NO	NO	NO	NO
8	Valuation Model used	YES	YES	YES	YES	YES	YES	YES	YES
9	Discount rate used	YES	YES	YES	YES	YES	YES	YES	YES
10	Retirement Benefit	YES	YES	YES	YES	YES	YES	YES	YES
11	Awards and Rewards given for good performance	YES	YES	YES	YES	YES	YES	YES	YES
12	Separate HRA statement	YES	YES	YES	YES	YES	YES	YES	YES
13	Human Resource Development Fund	NO	NO	NO	NO	NO	NO	NO	NO
14	Employee Cost	YES	YES	YES	YES	YES	YES	YES	YES
15	GroupWise distribution	NO	NO	NO	YES	YES	YES	YES	YES
16	Training and development expenses	NO	NO	YES	YES	YES	YES	YES	YES
17	Capital Employed	YES	YES	YES	YES	YES	YES	YES	YES
18	Employee Remuneration Benefits	YES	YES	YES	YES	YES	YES	YES	YES
19	Brand Valuation	YES	YES	YES	YES	YES	YES	YES	YES
20	Turnover per employee	NO	NO	NO	NO	NO	NO	NO	NO
	TOTAL	14	14	16	17	17	17	17	17

Source: From Annual Report of Infosys (2005-2012)

Table 3: Financial Ratio's of IINFOSYS

PARTICULARS	INFOSYS							Rs in crores
YEARS	2012	2011	2010	2009	2008	2007	2006	2005
Return on Equity	40.91	32.61	27.79	24.15	18.68	14.87	20.23	16.42
Return on Assets	2.67	2.77	2.77	2.85	2.84	0.381	0.40	0.422

Source: From Annual Report of Infosys (2005-2012)

ANALYSIS

1.Dependent Variable: Return on Equity
2.Independent Variable: Human Resource Accounting Disclosure, Return on Assets
3.Method: Enter method
4.Multiple R value: 0.647
5.R square value: 0.419
6.Adjusted R square value: 0.186
7.F value: 1.802
8.P value: 0.257

Table 4-Result of Multiple Regression Analysis

Variables	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	7.417	130.067	.957	.057	.957
ROA	4.014	10.728	.724	.374	.724
HRAD	.591	9.354	.952	.063	.952

Multiple Regression Equation is:
ROE=7.417 + 0.591 (HRAD)+4.014 (ROA)

1.Dependent Variable: Return on Assets
2.Independent Variable: Human Resource Accounting Disclosure, Return on Equity
3.Method: Enter method
4.Multiple R value: 0.974
5.R square value: 0.949
6.Adjusted R square value: 0.928
7.F value: 46.226
8.P value: <0.01

Table 5-Result of Multiple Regression Analysis

Variables	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-11.422	1.589	.001	-7.189	.001
ROE	.007	.018	.724	.374	.724
HRAD	.821	.114	.001	7.189	.001

1% level of signficance
Multiple Regression Equation is:
ROA=-11.422+0.821(HRAD)+0.007(ROE)

Table 6- Result of Correlation Analysis
Correlations

		ROE	ROA	HRAD
ROE	Pearson Correlation	1	.647	.634
	Sig. (2-tailed)		.083	.091
	N	8	8	8
ROA	Pearson Correlation		1	.973[**]
	Sig. (2-tailed)			.000
	N		8	8

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4 shows that there is a positive relationship between Return on Equity(ROE) and Human Resource Accounting Disclosure(HRAD), Return on Asset (ROA) when the value of HRAD is 0.591 and

ROA is 4.014,Table 5 exhibits highly significant and a positive relationship between Return on Assets(ROA) and Human Resource Accounting Disclosure(HRAD), Return on Equity (ROE) when the value of HRAD is 0821 and ROE is 0.007 at 1% level of significance. Pearson's correlation analysis is used to study the relationship between predictor variables and responding variable and from the table 6 it was inferred that there exists a positive correlation between ROA and HRAD at 0.973, ROE and HRAD is 0.634 at 1% level of significance.

ACC-Private Company

DATA

Table 7- DISCLOSURE OF HUMAN RESOURCE ACCOUNTING VARIABLES
Yes: Disclosed; No: Not disclosed

SI.NO	Particulars	ACC							
	YEARS	2005	2006	2007	2008	2009	2010	2011	2012
1	Value Added	NO	NO	NO	NO	NO	NO	NO	NO
2	Qualification of the employees	YES	YES	YES	YES	YES	YES	YES	YES
3	Manpower in numbers	NO	NO	NO	YES	YES	YES	YES	YES
4	Economic Value Added (EVA)	NO	NO	NO	NO	NO	YES	YES	YES
5	Performance at a glance	YES	YES	YES	YES	YES	YES	YES	YES
6	Value of Human Resources	NO	NO	NO	NO	NO	NO	NO	NO
7	Value Added per employee	NO	NO	NO	NO	NO	NO	NO	NO
8	Valuation Model used	NO	NO	NO	NO	NO	NO	NO	NO
9	Discount rate used	YES	YES	YES	YES	YES	YES	YES	YES
10	Retirement Benefit	YES	YES	YES	YES	YES	YES	YES	YES
11	Awards and Rewards given for good performance	YES	YES	YES	YES	YES	YES	YES	YES
12	Separate HRA statement	NO	NO	NO	NO	NO	NO	NO	NO
13	Human Resource Development Fund	NO	NO	NO	NO	NO	NO	NO	NO
14	Employee Cost	YES	YES	YES	YES	YES	YES	YES	YES
15	GroupWise distribution	NO	NO	NO	NO	NO	NO	NO	NO
16	Training and development expenses	NO	NO	NO	NO	NO	NO	NO	NO
17	Capital Employed	YES	YES	YES	YES	YES	YES	YES	YES
18	Employee Remuneration Benefits	NO	NO	NO	NO	NO	NO	NO	NO
19	Brand Valuation	NO	NO	NO	NO	NO	NO	NO	NO
20	Turnover per employee	NO	NO	NO	NO	YES	YES	YES	YES
	TOTAL	7	7	7	8	9	10	10	10

Source: From Annual Report of ACC (2005-2012)

Table 8: Financial Ratio's of ACC

PARTICULARS	ACC							Rs in crores
YEARS	2012	2011	2010	2009	2008	2007	2006	2005
Return on Equity	7.67	7.46	6.97	11.88	8.46	10.25	8.81	3.49
Return on Assets	0.19	0.188	0.192	0.35	0.299	0.43	0.42	0.20

Source: From Annual Report of ACC (2005-2012)

ANALYSIS

1.Dependent Variable: Return on Equity
2.Independent Variable: Human Resource Accounting Disclosure, Return on Assets
3.Method: Enter method
4.Multiple R value: 0.964
5.R square value: 0.928
6.Adjusted R square value: 0.900
7.F value: 32.463
8.P value: <0.01

Table 9-Result of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-13.731	3.189	.008	-4.305	.008
	ROA	30.094	3.738	.000	8.050	.000
	HRAD	1.566	.279	.002	5.614	.002

1% level of significance

Multiple Regression Equation is:
ROE=-13.731 + 1.566(HRAD)+30.094(ROA)

1.Dependent Variable: Return on Assets
2.Independent Variable: Human Resource Accounting Disclosure, Return on Equity
3.Method: Enter method
4.Multiple R value: 0.980
5.R square value: 0.960
6.Adjusted R square value: 0.944
7.F value: 60.094
8.P value: <0.01

Table 10-Result of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.474	.064		7.386	.001
	ROE	.031	.004	.720	8.050	.000
	HRAD	-.052	.007	-.695	-7.771	.001

1% level of significance
Multiple Regression Equation is:

ROA=0.474-0.052(HRAD)+0.031(ROE)

Table 11- Result of Correlation Analysis
Correlations

		ROE	ROA	HRAD
ROE	Pearson Correlation	1	.691	.042
	Sig. (2-tailed)		.058	.922
	N	8	8	8
ROA	Pearson Correlation	.691	1	-.665
	Sig. (2-tailed)	.058		.072
	N	8	8	8

From the table 9 it can be seen that there is a positive relationship between Return on Equity (ROE) and Human Resource Accounting Disclosure (HRAD), Return on Asset (ROA) when the value of HRAD is 1.566 and ROA is 30.094 at 1% level of significance, Table 10 exhibits highly significant and a positive relationship between Return on Assets (ROA) and Human Resource Accounting Disclosure (HRAD), Return on Equity (ROE) when the value of HRAD is 0.474 and ROE is 0.031at 1% level of significance and from the table 11 it was inferred that there is a relationship between with ROE and HRAD at 0.042. Since ACC disclosed only less number of variables it shows slightly positive relationship between ROE and HRAD, if it increases the disclosure of human resource accounting variable, there will be highly positive correlation among ROE, ROA and HRAD.

BHEL – Public Ltd Company

DATA

Table 12- DISCLOSURE OF HUMAN RESOURCE ACCOUNTING VARIABLES
Yes: Disclosed; No: Not disclosed

SI.NO	Particulars	BHEL Public							
	YEARS	2005	2006	2007	2008	2009	2010	2011	2012
1	Value Added	YES	YES	YES	YES	YES	YES	YES	YES
2	Qualification of the employees	NO	NO	NO	NO	NO	NO	NO	NO
3	Manpower in numbers	YES	YES	YES	YES	YES	YES	YES	YES
4	Economic Value Added (EVA)	NO	NO	YES	YES	YES	YES	YES	YES
5	Performance at a glance	YES	YES	YES	YES	YES	YES	YES	YES
6	Value of Human Resources	NO	NO	NO	NO	NO	NO	NO	NO
7	Value Added per employee	NO	NO	NO	NO	NO	NO	NO	NO
8	Valuation Model used	YES	YES	YES	YES	YES	YES	YES	YES
9	Discount rate used	YES	YES	YES	YES	YES	YES	YES	YES
10	Retirement Benefit	YES	YES	YES	YES	YES	YES	YES	YES
11	Awards and Rewards given for good performance	YES	YES	YES	YES	YES	YES	YES	YES
12	Separate HRA statement	NO	YES	YES	YES	YES	YES	YES	YES
13	Human Resource Development Fund	YES	YES	YES	YES	YES	YES	YES	YES
14	Employee Cost	NO	NO	NO	NO	NO	NO	NO	NO
15	GroupWise distribution	YES	YES	YES	YES	YES	YES	YES	YES
16	Training and development expenses	NO	NO	NO	NO	NO	NO	NO	NO
17	Capital Employed	YES	YES	YES	YES	YES	YES	YES	YES
18	Employee Remuneration Benefits	YES	YES	YES	YES	YES	YES	YES	YES
19	Brand Valuation	NO	NO	NO	NO	NO	NO	NO	NO
20	Turnover per employee	NO	NO	YES	YES	YES	YES	YES	YES
	TOTAL	11	12	14	14	14	14	14	14

Source: From Annual Report of BHEL (2005-2012)

Table13:   Financial Ratio's of BHEL

PARTICULARS	BHEL							Rs in crores
YEARS	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Return on Equity	21.22	18.59	13.74	9.87	9.05	15.25	10.71	6.79
Return on Assets	0.40	0.45	0.42	0.37	0.15	0.17	0.15	0.12

Source: From Annual Report of BHEL (2005-2012)

ANALYSIS

1.Dependent Variable: Return on Equity
2.Independent Variable: Human Resource Accounting Disclosure, Return on Assets
3.Method: Enter method
4.Multiple R value: 0.701
5.R square value: 0.492
6.Adjusted R square value: 0.289
7.F value: 2.421
8.P value: 0.184

Table 14-Result of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-6.146	20.835	.780	-.295	.780
	ROA	17.596	14.180	.270	1.241	.270
	HRAD	1.078	1.723	.559	.626	.559

Multiple Regression Equation is:

ROE= -6.146+1.078 (HRAD)+17.596(ROA)

1.Dependent Variable: Return on Assets
2.Independent Variable: Human Resource Accounting Disclosure, Return on Equity
3.Method: Enter method
4.Multiple R value: 0.735
5.R square value: 0.540
6.Adjusted R square value: 0.356
7.F value: 2.938
8.P value: 0.143

Table 15-Result of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.490	.537	.403	-.913	.403
	ROE	.013	.011	.270	1.241	.270
	HRAD	.044	.045	.373	.979	.373

Multiple Regression Equation is:
ROA=-0.490+0.044(HRAD)+0.013(ROE)

Table 16- Result of Correlation Analysis
Correlations

		ROE	ROA	HRAD
ROE	Pearson Correlation	1	.672	.579
	Sig. (2-tailed)		.068	.132
	N	8	8	8
ROA	Pearson Correlation	.672	1	.631
	Sig. (2-tailed)	.068		.093
	N	8	8	8
HRAD	Pearson Correlation	.579	.631	1
	Sig. (2-tailed)	.132	.093	
	N	8	8	8

It can be seen from table 14 that there is a slightly positive relationship between Return on Equity (ROE) and Human Resource Accounting Disclosure (HRAD), Return on Asset (ROA) when the value of HRAD is 1.078 and ROA is 17.596 and an examination of multiple regression depicted in Table 15 exhibits a positive relationship between Return on Assets (ROA) and Human Resource Accounting Disclosure (HRAD), Return on Equity (ROE) when the value of HRAD is 0.490 and ROE is 0.013 and from the table 16 it was inferred that there exists a positive correlation with ROA and HRAD at 0.631 and approximately positive relationship between ROE and HRAD at 0.579.

ONGC- Public Ltd Company

DATA

Table 17- DISCLOSURE OF HUMAN RESOURCE ACCOUNTING VARIABLES
Yes: Disclosed; No: Not disclosed

SI.NO	Particulars	ONGC							
	YEARS	2005	2006	2007	2008	2009	2010	2011	2012
1	Value Added	NO	NO	NO	NO	NO	NO	NO	NO
2	Qualification of the employees	NO	NO	NO	NO	NO	NO	NO	NO
3	Manpower in numbers	YES	YES	YES	YES	YES	YES	YES	YES
4	Economic Value Added (EVA)	NO	NO	NO	NO	NO	NO	NO	NO
5	Performance at a glance	YES	YES	YES	YES	YES	YES	YES	YES
6	Value of Human Resources	YES	YES	YES	YES	YES	YES	YES	YES
7	Value Added per employee	NO	NO	NO	NO	NO	NO	NO	NO
8	Valuation Model used	YES	YES	YES	YES	YES	YES	YES	YES
9	Discount rate used	YES	YES	YES	YES	YES	YES	YES	YES
10	Retirement Benefit	YES	YES	YES	YES	YES	YES	YES	YES

11	Awards and Rewards given for good performance	YES	YES	YES	YES	YES	YES	YES	YES
12	Separate HRA statement	NO	NO	YES	YES	YES	YES	YES	YES
13	Human Resource Development Fund	YES	YES	YES	YES	YES	YES	YES	YES
14	Employee Cost	NO	NO	NO	NO	NO	NO	NO	NO
15	GroupWise distribution	YES	YES	YES	YES	YES	YES	YES	YES
16	Training and development expenses	NO	NO	NO	NO	YES	YES	YES	YES
17	Capital Employed	YES	YES	YES	YES	YES	YES	YES	YES
18	Employee Remuneration Benefits	YES	YES	YES	YES	YES	YES	YES	YES
19	Brand Valuation	NO	NO	NO	NO	NO	NO	NO	NO
20	Turnover per employee	NO	NO	NO	NO	NO	NO	NO	NO
	TOTAL	11	11	12	12	13	13	13	13

Source: From Annual Report of ONGC (2005-2012)

Table 18: Financial Ratio's of ONGC

PARTICULARS	ONGC							Rs in crores
YEARS	2012	2011	2010	2009	2008	2007	2006	2005
Return on Equity	10.00	7.87	14.14	14.45	14.40	13.45	17.10	15.67
Return on Assets	0.28	0.27	0.24	0.31	0.38	0.42	0.34	0.36

Source: From Annual Report of ONGC (2005-2012)

ANALYSIS

1.Dependent Variable: Return on Equity
2.Independent Variable: Human Resource Accounting Disclosure, Return on Assets
3.Method: Enter method
4.Multiple R value: 0.700
5.R square value: 0.489
6.Adjusted R square value: 0.285
7.F value: 2.395
8.P value: 0.186

Table 19-Result of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	43.804	22.879		1.915	.114
	ROA	-1.458	21.073	-.029	-.069	.948
	HRAD	-2.444	1.449	-.719	-1.687	.152

Multiple Regression Equation is:
ROE= 43.804-2.444 (HRAD)-1.458(ROA)

1.Dependent Variable: Return on Assets
2.Independent Variable: Human Resource Accounting Disclosure, Return on Equity
3.Method: Enter method
4.Multiple R value: 0.662

5.R square value: 0.438
6.Adjusted R square value: 0.213
7.F value: 1.945
8.P value: 0.237

Table 20-Result of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.910	.493		1.847	.124
	ROE	-.001	.009	-.032	-.069	.948
	HRAD	-.047	.032	-.684	-1.458	.205

Multiple Regression Equation is:
ROA=0.910-0.001(HRAD)-0.047(ROE)

Table 21- Result of Correlation Analysis
Correlations

		ROE	ROA	HRAD
ROE	Pearson Correlation	1	.446	-.699
	Sig. (2-tailed)		.268	.054
	N	8	8	8
ROA	Pearson Correlation	.446	1	-.661
	Sig. (2-tailed)	.268		.074
	N	8	8	8
HRAD	Pearson Correlation	-.699	-.661	1
	Sig. (2-tailed)	.054	.074	
	N	8	8	8

Table 19 shows that there is a negative relationship between Return on Equity (ROE) and Human Resource Accounting Disclosure(HRAD), Return on Asset (ROA) when the value of HRAD is -2.444 and ROA is -1.458, Table 20 exhibits a negative relationship between Return on Assets (ROA) and Human Resource Accounting Disclosure (HRAD), Return on Equity (ROE) when the value of HRAD is 0.001and ROE is 0.047 and from the table 6 it was inferred that there exists a negative correlation with ROA and HRAD at -0.661. Since the disclosure of HRA does not change from 2009-2012 there is a negative impact, if the disclosure is increased there will be a positive relationship between ROA and HRAD,ROE and HRAD

DISCUSSION

On the whole from the tables and inferences above it is vivid that there is a strong relationship between ROE, ROA and HRAD. These factors are directly proportional to each other(i.e.)for every increase in HRAD there is an increase in ROE and ROA and vice versa and hence null hypothesis(H01) – there is no significant relationship between ROE and HRAD,ROA is rejected, (H02)-there is no significant relationship between ROA and HRAD,ROE is also rejected.

CONCLUSION

The importance of the study may be viewed from its contribution to fill an important gap in literature. That is, findings of the study can add to the existing body of literature, and can serve as a starting point on which future studies can be done. On the practical dimension, the study may help companies who are in the infant stage of introducing HRA in their companies. The above information and analysis should help the management of HRA and adding more   human resource disclosure relating to human resources accounting for attaining the expected financial performance.

The multiple regression analysis used in the study to estimate the impact of predictor variables on the responding variable which shows that the financial performance of the private companies which shows the existence of highly positive relationship between the ROA, ROE and HRAD when compared to public companies among selected companies. Finally, the focus on HRA in enterprises has lead to a growing interest by stakeholders who have started to identify and formulate their positions. The main stakeholders, such as the enterprises, investors, employees, trade unions and governments, are therefore gradually becoming aware of the potential of HRA, albeit from different perspectives.

Limitations and Scope for Further Studies

The study is based on secondary data collected from the secondary data source, internet and websites of various banks concerned. Therefore, the quality of the study depends upon the accuracy, reliability, and quality of secondary data source.

In the study, a sample of 4 companies has been considered for analyzing the "financial performance with Human Resource Accounting in India". In future, researchers can consider inclusion of more companies to take up a study with large sample units to explore out more accurate results. In the study, basic financial ratios, correlation, and multiple regression were only used for analysis, therefore inclusion of some or more predictor variables will change the result of financial performance of the companies that follows Human Resource Accounting in India.

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