

Voluntary Human Resource Disclosure Practices of Selected Listed Indian IT Firms

–Veerma Puri*, B.C. Sharma*, Manoj Kumar**

ABSTRACT

During the previous two decades Indian economy has shown a tremendous improvement due to emergence of various knowledge based industries. In such industries, firms recognize people as a key resource to gain competitive edge over their peers. Many firms, especially in Information Technology (IT) sector, view their employees or human capital or human resource (HR) as their most valuable assets and invest heavily on them. Many Indian IT firms voluntarily disclose much more information about their human resources than is mandatorily required by the Indian regulations so as to reduce information asymmetry between the insiders and the outsiders regarding their human resources (Jindal & Kumar, 2012). This study measures the extent of voluntary HR disclosures done by selected listed Indian IT firms in two stages. In the first stage, a 33 items voluntary HR disclosure index was developed based on a detailed review of voluntary disclosure indices used in the existing studies of HR disclosures of firms (Jindal & Kumar, 2012; Murthy & Abeysekera, 2007; Abhayawansa & Abeysekera, 2008) and also based on best practices followed by a few Indian IT firms (Infosys, Wipro etc.). In the second stage, a detailed content analysis of annual reports of twenty firms which were part of CNX IT Index as on Jan 8, 2014 was performed using a CAQDAS software to check the variability/presence or absence of all the Voluntary HR Disclosure Index code items. The results of this study shows that Indian listed IT firms (a) provide loads of information about several aspects of 'Training and Development programmes for Existing/New Employees'; (b) provide little information on such crucial matters such as 'Human Resource Valuation', 'Compliance with Employment and Labour laws', 'Geographical distribution of employees', 'Information regarding

* Ph.D scholar, The Business School, University of Jammu, J&K., India.

** Professor, The Business School, University of Jammu, J&K., India.

*** Professor at The Flame School of Business, Pune, Maharashtra, India.
Email: mainu30@gmail.com

Employee Commute, Travel’, ‘Medical insurance/reimbursement’ and ‘Termination Benefits’.

Keywords: *Voluntary Human Resource Disclosures, HR Disclosure Practices, HR Index, HR Practices of IT Firms*

INTRODUCTION

During the previous two decades Indian economy has shown a tremendous improvement due to emergence of various knowledge based industries. In such industries, firms recognize people as a key resource to gain competitive edge over their peers. Many firms, especially in Information Technology (IT) sector, view their employees or human capital or human resource (HR) as their most valuable assets and invest heavily on them (Jindal & Kumar, 2012). In India, however there are only few rules and regulations (Section 217 of Company act, 1956; SEBI Guidelines) which mandate for firms to disclose information about their human resources in their annual reports. Therefore, firms in traditional sectors of the economy disclose only selective information about their human resources so as to only fulfill the mandatory requirements of Indian regulations. However, many Indian IT firms voluntarily disclose much more information about their human resources than is mandatorily required by the Indian regulations so as to reduce information asymmetry between the insiders and the outsiders regarding their human resources (Jindal & Kumar, 2012). Due to voluntary nature of majority of HR disclosures by IT firms, there may be a great variation in the quality as well in the quantity of such disclosures. With above background, the main research objective of this study is to measure the extent of voluntary HR disclosures done by selected listed Indian IT firms in their annual reports.

REVIEW OF LITERATURE

Several research studies have been conducted on HR disclosures and practices of companies, both in developed and emerging markets. Many recent studies conclude that the management and reporting of HR is of great importance in current knowledge driven economies (Edvinsson and Sullivan, 1996; Graham and Pizzo, 1998; Backhuijs et al., 1999; Bontis, 2003). Mouritsen et al. (2004) argue that the disclosure of HR not only helps in communicating the firm’s advantages but also helps to retain top

notch talent. Skoog (2003) found a positive correlation between profit in the long run and reported HR practices.

Abeysekara and Guthrie (2004) classify the literature on measuring and reporting HR into three strands. The first strand proposes the alternate financial measures for reporting HR like the Lev and Schwartz model (Hekimian and Jones, 1967; Lev and Schwartz, 1971; Turner, 1996; Morrow, 1996). There has been limited progress in the financial measures method mainly due to high degree of judgment involved in the process of accounting the value of human capital (Roslender and Dyson, 1992; Turner, 1996; Roslender, 1997). The second strand attempts to understand how investors (Elias, 1972; Hendricks, 1976; Bassi et al., 2000) and managers (Lev and Schwartz, 1971; Flamholtz, 1971, 1972; Flamholtz and Holmes, 1972; Ronen, 1972; Copeland et al., 1973) make decisions using HR measurement information. This set of research has also digressed into exploring the influence of reporting employment relationships of HR on the management's decision making (Handy 1995, Raghuram et al 2001).

The third strand uses theoretical models to explore and explain the way in which HR is measured and reported by firms. This research is primarily based on content analysis of the annual reports of the companies. The research here has been mostly benchmarking oriented and seeks to compare the policies and practices across companies, industries etc. Recent studies in this strand have been conducted in Australia (Guthrie et al. 1999), Canada (Bontis, 2003) and across countries (Subbarao and Zeghal, 1997; Jindal & Kumar, 2012).

This study falls into the third strand where the extent of HR disclosures of Indian IT firms in their annual reports is investigated. The main research objective of this study is to measure the extent of voluntary HR disclosures done by selected listed Indian IT firms in their annual reports. The remaining literature section is organized as follows. Firstly, a review of the use of disclosure indices in the literature is summarized (section 2.1). Secondly, the studies pertaining to the extent of HR disclosures are reviewed (section 2.2).

Literature on HR Disclosure Indices

The researchers often use disclosure indices to measure the extent of voluntary disclosures by the firms. A disclosure index can include extensive lists of selected items of information, which may be disclosed in corporate annual reports, interim reports, investor relations, etc. It can also cover the information reported by the company itself and/or others

such as financial analysts' reports. Hence, a disclosure index is a research instrument to measure the extent of information reported in a particular disclosure vehicle(s) by a particular entity(s) according to a list of selected items of information. The first use of such an index was followed in 1961 by Cerf (1961) and it has been used ever since (Hassan and Marston, 2010).

A review of prior studies shows a great variation in the construction of a disclosure index. Prior studies using the disclosure index vary in terms of the: (a) degree of the researcher involvement in constructing the index; (b) number of items of information included in the index; and (c) assigning significance to individual items in the index. There are differences in the measurement approach, the range of industries/countries covered by the index and other differences, which are subject to the research purpose(s), design, and context.

The degree of the researcher involvement in constructing a disclosure index varies from full involvement to no involvement. Full involvement means that the researcher controls the entire process of constructing a disclosure index from selecting the items of information to be included in the index, to scoring these items. No involvement means that the researcher depends on available disclosure indices from prior studies or professional organizations (e.g., Patel, Balic and Bwakira, 2002; Ali et al., 2007). The popular indices from professional organizations are: Standard and Poor's Transparency and Disclosure scores, the Securities and Exchange Commission ratings of the Management Discussion and Analysis disclosure, the Center for International Financial Analysis and Research (CIFAR) evaluations and the joint Society of Management Accountants of Canada / University of Quebec and Montreal disclosure scores. Most researchers have used partial involvement approach whereby they customize the existing indices (e.g., Choi, 1973; Buzby, 1974; Buzby, 1975; Firth, 1979; 1984; Chow and Wong-Boren, 1987). Using an existing index has an advantage in that direct comparisons with previous research work can be made (Marston and Shrives, 1991).

The recent studies (Huang et al., 2008; Rylme and Pettersson, 2003; Abeysekera and Guthrie, 2004; Abeysekera and Murthy, 2007) have used modified or expanded form of HR disclosure index constructed by previous researchers like Brooking (1996), Bontis (2003) and Bukh (2003). These researchers thoroughly studied literature to come up with a comprehensive list of HR disclosure items. Bukh chose his items based on an inspection of the literature on company disclosures (Bukh 2003).

Few have constructed their own HR disclosure index. Alam and Deb (2010) constructed a 15 item HR disclosure index to study the pattern and determinants of HR disclosure amongst listed Bangladeshi firms. Christopher and Kong (1998) constructed a list of 20 items, compiled from previous studies and actual disclosure practices (inductive theory construction approach) to form the HR disclosure index to study the HR disclosure practices of small Australian mineral mining companies.

Literature on Extent of HR Disclosures

Researchers have tried to explain the extent of information disclosed in company annual reports by quantifying the level of disclosures by means of a disclosure instrument comprised a list of items (Disclosure Index) that could appear in the company's annual reports (Guthrie et al., 2004). Content analysis of annual reports has been carried out in several HR disclosure studies (Abbott and Monsen, 1979; Abeysekera and Guthrie, 2004; Guthrie and Mathews, 1985; Petty and Guthrie, 2000; Olsson, 2001; Subbarao and Zeghal, 1997). Researchers have typically determined the extent of disclosure by firms using number of disclosures (e.g., Ness and Mirza, 1991), word counts (e.g., Zeghal and Ahmed, 1990), lines, (e.g., Trotman and Bradley, 1981), sentences (e.g., Hackston and Milne, 1996), and proportion of pages (e.g., Guthrie and Parker, 1989) without any cross validation of disclosures with the actual practices of the firms.

For instance Subbarao and Zeghal (1997) analyzed 20 firms (10 from manufacturing and 10 from BFSI) from 6 developed countries (USA, Canada, Japan, England, Germany, South Korea) and checked the frequency and depth of HR disclosure by these listed companies. They analyzed the information content under 5 broad categories: training, value-added by the employees, workforce diversity, information about relations with employees, and compensation. They found that the value-added by employees was the least disclosed item. They concluded that the reasons could be difficulty in estimating it and lesser significance attached to this category.

Similarly, Petty and Guthrie (2000) carried out a content analysis study on the annual reports on the largest Australian listed companies based on a framework by Sveiby (1997). Sveiby's framework consisted of an 'invisible balance sheet' to account for the knowledge-based assets. Their analyses comprised content analysis by frequency count and interviews with the top management. Bontis (2003) analyzed 10,000 Canadian companies and found that HR reporting was a largely ignored

area in the sample. Bontis also found out that HR was a strong driver for growth in many of these companies.

Existing studies have relied primarily on the annual reports for assessing the extent of HR disclosures. Studies confirm that annual reports provide a special communication opportunity for firms to go beyond reporting financials (Cameron and Guthrie, 1993) and to prove their leadership and vision to reflect the values of the firm (Neimark, 1992). The corporate annual report is viewed as a means by which firms seek to establish an image in the public sphere and through which a firm identifies itself with shareholders (Petty and Guthrie, 2000). Annual reports are selected as source data for this study too since they express corporate interest in a discursive and concise manner (Abeysekera and Guthrie, 2004).

STUDY OBJECTIVES & RELEVANCY OF THE RESEARCH

Many Indian IT firms voluntarily disclose much more information about their human resources than is mandatorily required by the Indian regulations so as to reduce information asymmetry between the insiders and the outsiders regarding their human resources (Jindal & Kumar, 2012). Researchers didn't come across any study which has studied the extent of Voluntary HR disclosures of Indian IT firms. Hence, the central research question of the study is: What is the extent of voluntary human resource disclosures done by selected listed Indian IT firms in their annual reports? Accordingly, the research objectives of this study are: (a) To measure the extent of voluntary HR disclosures done by selected listed Indian IT Firms in their annual reports by constructing a suitable voluntary HR disclosure index; and (b) To identify those IT firms which have the best and worst HR disclosure practices.

This study is conducted in two steps. In the first step, a voluntary HR disclosure index is constructed. Such an index can enable the Indian regulators to make the mandatory HR disclosures requirements for the Indian firms more stringent. In the next step, the extent of voluntary HR disclosures by selected listed Indian IT firms in their annual reports is measured. Such a measurement can: (a) provide selective insights into the nature of HR disclosures & initiatives of Indian listed IT firms; (b) inspire and guide the additional voluntary HR disclosures & initiatives of firms from within Indian IT sector and from other sectors of Indian economy; and (c) provide helpful insights to prospective and current employees of

IT sector to facilitate their selection of companies to apply for their first job and plan their onward career moves.

SCOPE OF STUDY

The current study covers only the twenty CNX IT Index Firms listed on the National Stock Exchange (NSE). Further, the study only analyses variation in voluntary HR Disclosures of sample firms as disclosed in their annual reports.

RESEARCH METHODOLOGY

The various facets of research methodology used in this study are described below.

Research Design

As discussed in section on literature review, researchers have constructed and used a variety of disclosure indexes to measure the extent of disclosures by firms in their annual reports (Guthrie *et al.*, 2003). The extent of voluntary HR disclosures by Indian Listed IT Firms was measured by using the following two stage procedure.

In the first stage, a 33 items voluntary HR disclosure index was developed based on a detailed review of voluntary disclosure indices used in the existing studies of HR disclosures of firms (Jindal & Kumar, 2012; Murthy & Abeysekera, 2007; Abhayawansa & Abeysekera, 2008) and also based on best practices followed by a few Indian IT firms (Infosys, Wipro etc.). Definitions related to sub-code items were also developed so as to clearly differentiate them from other sub-code items. An unweighted disclosure index was constructed in which every item included in the index was given same weight (Gray *et al.*, 1995). A detailed description of code items included in the Voluntary HR Disclosure Index used in this study is provided in Table 2.

In the second stage, a detailed content analysis of annual reports of sample firms was performed using MAXQDA¹ to check the variability/presence or absence of all the Voluntary HR Disclosure Index code items. A dichotomous procedure was followed to score the presence or absence of each code item of the disclosure index in each company's annual report.

¹ There are many software packages which can be used for content analysis. Examples of such software packages include ATLASTI, MAXQDA, NVIVO, NUDIST etc.

A score of either '1' is assigned for the presence of the Voluntary HR Disclosure index item or '0' otherwise. Many a times, a single code item was coded multiple times if it appeared repeatedly in the annual report. Once the detailed content analysis is completed, a relative voluntary HR disclosure score of every sample firm was calculated using the following formulae:

$$RVDScore = TVDScore / MAXVDScore.$$

Where,

RVDScore stands for relative voluntary HR disclosure score;

TVDScore stands for total voluntary HR disclosure score;

MAXVDScore stands for maximum voluntary HR disclosure score.

Nature and Source of Data/Information

Data regarding the voluntary HR disclosures of the sample firms is taken from their respective annual reports for the financial year 2012-13 which were downloaded in pdf format from the INSIGHT database. The study restricted itself HR disclosures of firms as are provided in their annual reports. This keeping in view that annual report is the most comprehensive document made available to the firm's external stakeholders prepared by the firm's management.

Sample and Sampling Technique

The sample of Indian listed IT firms for this study is the twenty firms which were part of CNX IT Index as on Jan 8, 2014. The CNX IT index provides investors and market intermediaries with an appropriate benchmark that captures the performance of the Indian IT companies. Table 1 depicts twenty IT listed Indian firms which constituted the sample of this study.

Table 1: CNX IT Index Firms Listed on the National Stock Exchange (NSE)

S No	Company Name	S No	Company Name
1	CMC Ltd.	11	NIIT Technologies Ltd.
2	CORE Education & Technologies Ltd.	12	Oracle Financial Services Software Ltd.
3	Financial Technologies (India) Ltd.	13	Persistent Systems Ltd.
4	HRL Technologies Ltd.	14	Polaris Financial Technology Ltd.

5	Hexaware Technologies Ltd.	15	Rolta India Ltd.
6	Info Edge (India) Ltd.	16	Tata Consultancy Services Ltd.
7	Infosys Ltd.	17	Tech Mahindra Ltd.
8	KPIT Technologies Ltd.	18	Vakrangee Ltd.
9	MindTree Ltd.	19	Wipro Ltd.
10	Mphasis Ltd.	20	eClerx Services Ltd.

Data Collection

To collect the data regarding the voluntary HR Disclosures of the sample firms a content analysis technique is adopted. In this technique the contents of the annual reports of the sample firms are read fully to check the presence or absence of the all the 33 sub-code items of the Voluntary HR Disclosure Index as given in Table 2. MAXQDA software package was used for the coding of relevant text segments in the firm's annual report.

RESULTS AND ANALYSIS

This section summarizes the results and analysis of this study.

Voluntary HR Disclosure Index for Indian IT Firms

A Voluntary HR disclosure index consisting of 33 sub-code items categorized under five major codes was developed based on a detailed review of voluntary disclosure indices used in the existing studies of HR disclosures of firms (Jindal & Kumar, 2012; Murthy & Abeysekera, 2007; Abhayawansa & Abeysekera, 2008) and also based on best practices followed by a few Indian IT firms (Infosys, TCS, Wipro). The index is shown in Table 2.

Table 2: Voluntary HR Disclosure Index for Indian IT Firms

S. No.	Major Codes	Sub-codes	Description
A	HR policies and Vision		
		1	HR Values, Vision and principles It may include separate HR statement, objectives, strategies etc.

		2	Women's inclusivity/ Code of Prevention of Sexual Harassment	It includes all the policies for the safety, growth and retention of the women at the work place.
		3	Whistle Blower Policy	Whistle Blower Policy
		4	Fair Work Practices	Non-discriminatory, sustainable and safe work environment and related policies.
		5	Employees Rights/Freedom	Respect employees' right to form or participate in trade unions
		6	Human Resource Valuation	Total value of the human resource of the company.
		7	Compliance with Employment and Labour laws etc.	Compliance with Employment and Labour laws etc.
		8	HR Awards and Recognitions	Disclosures regarding various awards and accolades for excellent HR practices.
		9	Equal opportunity policy and non-discrimination	Creating equal opportunities for all our employees to excel and contribute, irrespective of gender, race, age or disability.
B	Employees Information			
		1	Geographical distribution of employees	Distribution of employees across geographies.
		2	Diversity of Employees	Diversity in terms of Gender, Nationality, Persons with Disabilities, socio economic background etc.
		3	Particulars of employees	It includes 5 to 10 years history of employees' particulars, distribution of employees across various divisions, total no of employees of the company.
		4	Employees Recruitments and related information	Employees Recruitments and related information

		5	Employees Attrition/ Retention	Rate of turnover/ attrition of Employees during the year
		6	Information regarding Employee Commute, Travel etc.	Disclosure of information related to the employee commute.
C	Different Benefits given to Employees			Whether the company gives the following benefits to its employees or not?
		1	Compensated Absences and Leave Encashment	
		2	Superannuation	
		3	Medical insurance/reimbursement	
		4	Termination Benefits	
		5	Gratuity	
		6	Provident Fund	
		7	Other Employee Benefits	
		8	Post-employment retirement Benefits	
D	Employees' Engagement and Empowerment			
		1	Employee engagement Practices	It includes disclosure regarding the various employee engagement practices followed by the company.
		2	Employee Satisfaction Survey	Employee Satisfaction Survey
		3	Fun at work place/ non job related employees engagement	Various employee welfare activities such as sports and cultural events that were organised for and by the employees
		4	Wellbeing and Safety of Employees in general	Well-being and Safety of Employees in general.

		5	Employee Em- powerment	It includes employees forums, feedback in action, employee advocacy group, women empow- erment etc.
E	Learning and Development of Employees			
		1	Training and Development programmes for Existing/New Employees	Various training programmes for new as well as existing employ- ees.
		2	Leadership development Programmes	Leadership development Pro- grammes
		3	Corporate Culture Development	It includes initiatives to provide a platform to the employees to understand the organization and imbibe its culture.
		4	Industry Aca- demia Partnership	Industry Academia Partnership.
		5	Employees Tal- ent/Performance Management	How the performance of the em- ployees of the company is evalu- ated, developed and rewarded.
		6	Employees Career Growth and Plan- ning	Initiatives towards the employees own career growth.

Extent of Voluntary HR Disclosures of Indian Listed IT Firms

After finalizing Voluntary HR Disclosure Index, content analysis of annual reports of sample companies was done to assess the extent of coverage provided to the individual code items. It was observed that some of the sample companies provided information pertaining to a particular code item at multiple places within their annual reports. Such instances of presence of a code at multiple places within a single annual report were not given any weightage at this stage of our analysis². Therefore, at this stage presence of a particular code item of the Voluntary HR Disclosure Index in annual report of a firm at one or multiple places just fetched a score of '1' to that firm, otherwise '0' score was given to that firm

² This, however, was captured in subsequent analysis done in Table 4.

Table 3: Extent of Voluntary HR Disclosures of Indian Listed IT Firms

S.No.	Company	Total Voluntary HR Disclosure Score (TVDScore)	Mean TVDScore	Std. Deviation of TVDScore	Relative Voluntary HR Disclosure Score (RVDScore) [#]
1	Tata Consultancy Services Ltd.	27			0.79
2	Wipro	24			0.71
3	Mindtree	24			0.71
4	Infosys	23			0.68
5	Hexaware Tech	21			0.62
6	Persistent Systems Ltd.	18			0.53
7	NIIT Technologies Ltd.	17			0.50
8	Cmc Ltd	15			0.44
9	Mphasis Ltd.	13			0.38
10	Polaris Financial Technology Ltd.	13	14.3	6.74	0.38
11	Rolta	13			0.38
12	HCL Technologies Ltd.	12			0.35
13	Tech Mahindra Ltd.	12			0.35
14	Eclerx	11			0.32
15	Finacial Technologies	11			0.32
16	Oracle Financial Services Software Ltd.	10			0.29
17	KPIT cummins	7			0.21
18	Info Edge	6			0.18
19	Vakrangee soft Ltd.	5			0.15
20	Core Education_Tech. Ltd	4			0.12

[#] In calculation of RVDScore, feasible maximum voluntary HR disclosure score of thirty four is taken as denominator.

for that item. Once the detailed content analysis is completed to assess the presence and absence of each of the above code items, a relative voluntary HR disclosure score of every sample firm was calculated using the following formulae:

$$\text{RVDScore} = \text{TVDScore} / \text{MAXVDScore}.$$

Where,

RVDScore stands for relative voluntary HR disclosure score;

TVDScore stands for total voluntary HR disclosure score;

MAXVDScore stands for maximum voluntary HR disclosure score.

The results of above analysis are summarized in the Table 3.

From the above table it is clear that Tata Consultancy Services has done highest Voluntary HR disclosures with TVDScore of '27' and RVDScore of '0.79'. Its RVDScore depicts that this firm has disclosed 79% of the items given in the Voluntary HR Disclosure Index. Mindtree and Wipro have same TVDScore (24) and RVDScore (0.71) and hence are placed at second position. Core Education & Tech has done least Voluntary HR disclosures with TVDScore of '4' and RVDScore of '0.12'. Its RVDScore depicts that this firm has disclosed just 21% of the items given in the Voluntary HR Disclosure Index. We can also infer from the above table that the Mean TVDScore of all CNX IT Index firms listed in National Stock Exchange (NSE) is '14.30'. Of all the twenty firms, 40% of firms have their TVDScore more than mean TVDScore. The Standard Deviation of TVDScore is '6.74' which means there is a large variation in the Voluntary HR Disclosure practices of the CNX IT Index firms listed in NSE and the Mean TVDScore of CNX IT index sample firms is highly affected by the extreme values.

Frequently Done Voluntary HR Disclosures

In this section, disclosure frequency of individual code items of Voluntary HR Disclosure Index was calculated. The fact that some of the sample companies choose to provide information pertaining to a particular code item at multiple places within their annual reports was duly considered in calculation of code frequencies. It was decided to code all such pieces of information related to an individual code item as many times as it appeared in a single annual report. The results of this analysis are shown in Table 4.

Table 4 depicts that while some major code items were disclosed quiet frequently, others were disclosed rarely. Tables 5 and 6, respectively, depict the disclosure frequency of major code items and sub-code items.

Table 4: Code-Wise Number of Coded Segments in Sample Companies

Sample Company	Number of Coded Segments						Total
	HR policies and Vision	Employees Information	Different Benefits given to Employees	Employees' Engagement and Empowerment	Learning and Development of Employees	Total	
Tata Consultancy Services Ltd.	10	15	6	14	18	63	
Wipro	11	12	6	16	10	55	
Mindtree	13	6	5	9	11	44	
Infosys Technologies	10	5	4	5	16	40	
Hexaware Tech	9	6	4	5	12	36	
NIIT Technologies Ltd.	9	1	7	2	9	28	
Finacial Technologies	2	3	4	3	10	22	
Persistent Systems Ltd.	4	6	4	5	2	21	
Cmc Ltd	6	3	5	1	3	18	
Polaris Financial Technology Ltd.	3	1	5	2	7	18	
Rolta	7	0	4	3	4	18	
Mphasis Ltd.	6	1	3	2	5	17	
HCL Technologies Ltd.	5	3	5	0	1	14	
Tech Mahindra Ltd.	2	3	5	0	4	14	
Eclerx	3	3	3	1	3	13	
Oracle Financial Services Software Ltd.	1	2	6	0	1	10	
KPIT cummins	3	2	3	0	1	9	
Info Edge	1	0	6	0	0	7	
Vakrangee soft ltd.	0	1	3	0	2	6	
Core Education Tech. Ltd	0	0	1	0	4	5	
TOTAL	105	73	89	68	123	458	

Table 5: Disclosure Frequency of Major Code Items

Major Code	Frequency	Percentage
Learning and Development of Employees	123	26.86%
HR policies and Vision	105	22.93%
Different Benefits given to Employees	89	19.43%
Employees Information	73	15.94%
Employees' Engagement and Empowerment	68	14.85%
Total	458	100.00%

Table 6: Disclosure Frequency of Sub-Code Items

Major Code/Sub-Code Item	Frequency	Intra-Code Percentage	Grand Percentage
HR policies and Vision			
HR Values, Vision and principles	27	25.71%	5.90%
HR Awards and Recognitions	23	21.90%	5.02%
Whistle Blower Policy	22	20.95%	4.80%
Women's inclusivity Code of Prevention of Sexual Harassment	11	10.48%	2.40%
Fair Work Practices	8	7.62%	1.75%
Employees Rights/ Freedom	5	4.76%	1.09%
Equal opportunity policy and non-discrimination	5	4.76%	1.09%
Human Resource Valuation	3	2.86%	0.66%
Compliance with Employment and Labour laws etc.	1	0.95%	0.22%
Sub-Total	105	100.00%	22.93%
Employees Information			
Diversity of Employees	23	31.51%	5.02%
Particulars of employees	19	26.03%	4.15%
Employees Attrition/ Retention	18	24.66%	3.93%
Employees Recruitments and related information	11	15.07%	2.40%
Geographical distribution of employees	1	1.37%	0.22%
Information regarding Employee Commute, Travel etc.	1	1.37%	0.22%
Sub-Total	73	100.00%	15.94%
Different Benefits given to Employees			

Gratuity	20	22.47%	4.37%
Provident Fund	19	21.35%	4.15%
Compensated Absences and Leave Encashment	17	19.10%	3.71%
Superannuation	11	12.36%	2.40%
Other Employee Benefits	8	8.99%	1.75%
Post-employment retirement Benefits	8	8.99%	1.75%
Medical insurance/reimbursement	4	4.49%	0.87%
Termination Benefits	2	2.25%	0.44%
Sub-Total	89	100.00%	19.43%
Employees' Engagement and Empowerment			
Employee Empowerment	17	25.00%	3.71%
Wellbeing and Safety of Employees in general	17	25.00%	3.71%
Employee engagement Practices	15	22.06%	3.28%
Fun at work place/ non job related employees engagement	14	20.59%	3.06%
Employee Satisfaction Survey	5	7.35%	1.09%
Sub-Total	68	100.00%	14.85%
Learning and Development of Employees			
Training and Development programmes for Existing/New Employees	48	39.02%	10.48%
Leadership development Programmes	27	21.95%	5.90%
Corporate Culture Development	12	9.76%	2.62%
Employees Career Growth and Planning	12	9.76%	2.62%
Employees Talent/Performance Management	12	9.76%	2.62%
Industry Acedemia Partnership	12	9.76%	2.62%
Sub-Total	123	100.00%	26.86%
GRAND TOTAL	458		100.00%

The analysis of results in Table 5 depicts that information pertaining to 'Learning and Development of Employees' is the most frequently disclosed HR related information by the Listed Indian IT firms. On the other hand, information pertaining to 'Employees' Engagement and

Empowerment’ is the least frequently disclosed HR related information by the Listed Indian IT firms.

Table 6 depicts that there was a large variation in disclosure frequencies of sub-codes falling under each major code. Under the major code HR policies and Vision sample firms has made maximum disclosures about ‘HR Values, Vision and Principles’ and minimum about ‘Compliance with Employment and Labour laws’

Table 6 further shows that there is a similar large variation in disclosure frequencies of sub-codes of other major codes. This can be more clearly inferred from Figures 1 to 6 shown below.

Figure 1: Frequency Distribution of Sub-codes of ‘HR Policies and Vision’

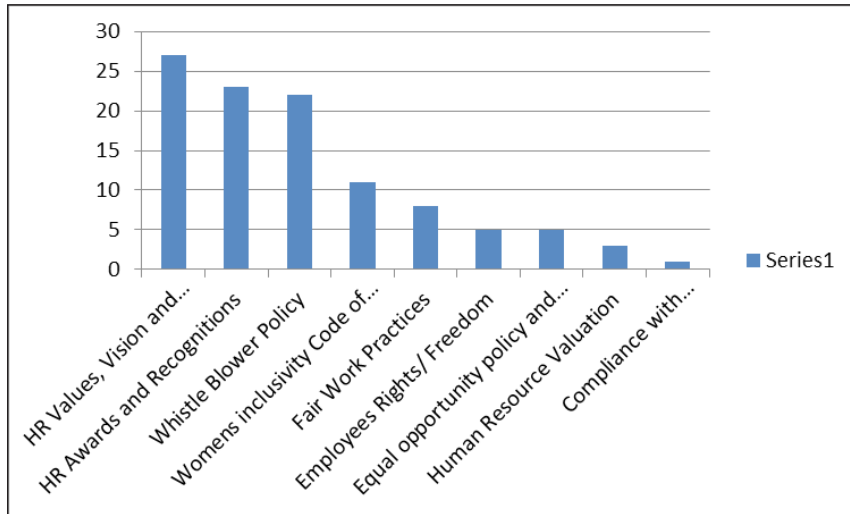


Figure 2: Frequency Distribution of Sub-codes of ‘Employees Information’

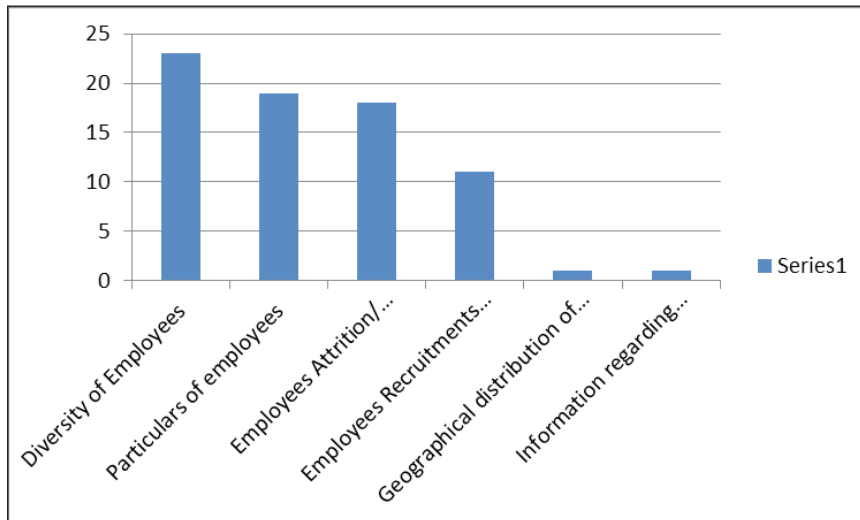


Figure 3: Frequency Distribution of Sub-codes of ‘Different Benefits given to Employees’

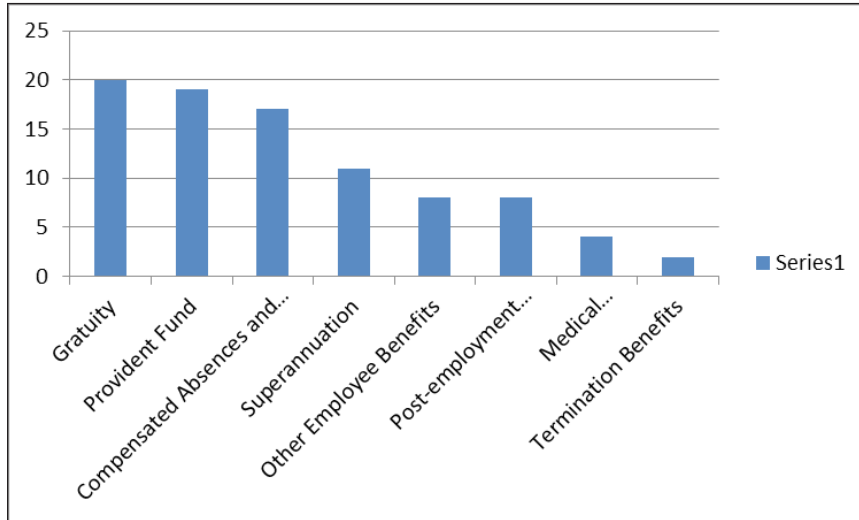
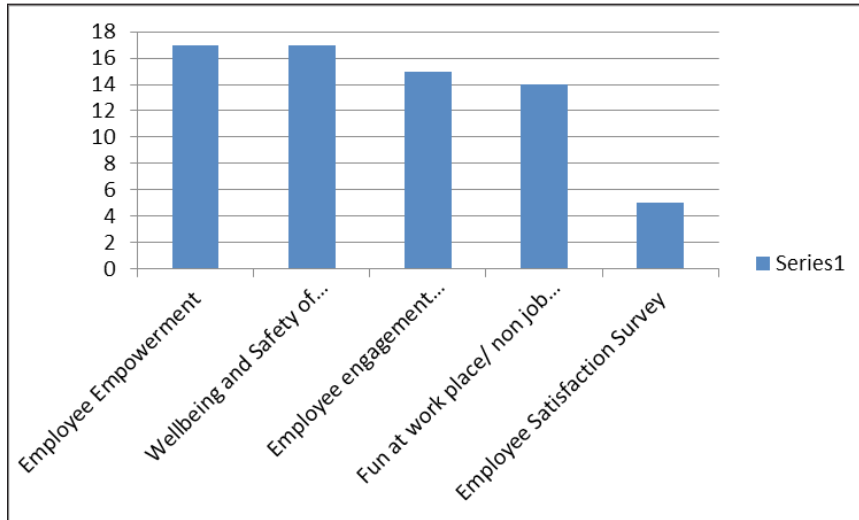
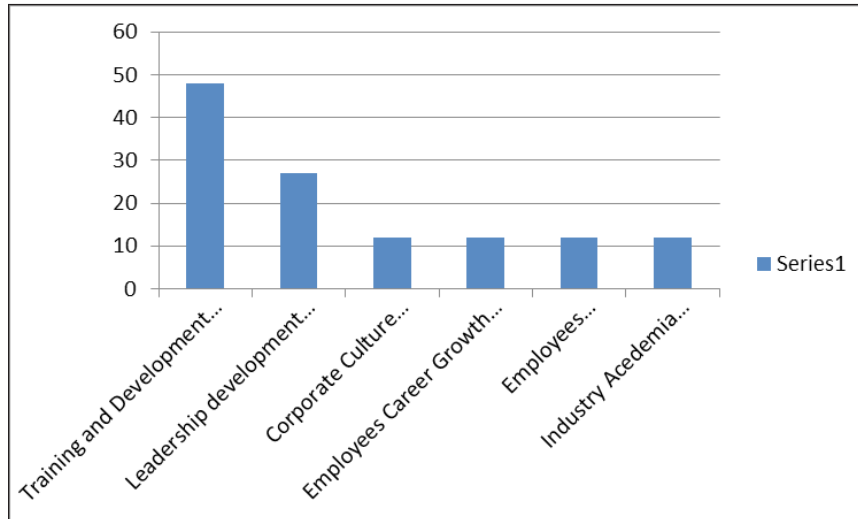


Figure 4: Frequency Distribution of Sub-codes of ‘Employees’ Engagement and Empowerment’



From above, it is inferred that Indian listed IT firms (a) provide loads of information about several aspects of ‘Training and Development programmes for Existing/New Employees’; (b) provide little information on such crucial matters such as ‘Human Resource Valuation’, ‘Compliance with Employment and Labour laws’, ‘Geographical distribution of employees’, ‘Information regarding Employee Commute, Travel’, ‘Medical insurance/reimbursement’ and ‘Termination Benefits’ etc.

Figure 5: Frequency Distribution of Sub-codes of ‘Learning and Development of Employees



CONCLUSIONS & PRACTICAL IMPLICATIONS

This study concludes that there exists a large variation in the Voluntary HR disclosures of Indian listed IT firms. While some firms have done very high voluntary HR disclosures, other firms have disclosed very less information related to HR matters. The top three sample firms which have the best HR disclosures are Tata consultancy Services, Mindtree and Wipro. These firms have disclosed over 71% to 79% of code items in the Voluntary HR Disclosure Index. The bottom three sample firms which have done least HR disclosures are Core Education Tech. Ltd., Vakrangee Soft Ltd. and Info Edge. These firms disclosed only 12% to 18% of code items in the Voluntary HR Disclosure Index. Such firms should improve upon their HR disclosures. Among the sub code items of disclosure, firms mostly disclose about their ‘Training and Development programmes for Existing/New Employees’, ‘Leadership development Programmes’ and ‘HR Values, Vision and Principles’. Finally, Voluntary HR disclosure index developed in this study can be used as a benchmark by the IT sector and other firms of India to improve upon their HR disclosure practices.

As we can see that there exists a large variation in the Voluntary HR disclosures of Indian listed IT firms. Based on the above described results of this study, it is recommended that: (a) Indian firms within IT sector and other similar knowledge based industries should enhance their HR

disclosures and to do so they should benchmark their HR disclosures with HR disclosures of firms such as TCS, Mindtree and Wipro; (b) Regulatory requirements in India regarding the HR disclosures can be reviewed to make such disclosures mandatory which are found to be disclosed rarely by the firms in our sample; and (c) current and prospective employees of IT sector should incorporate the findings of this study to plan for their first employment and subsequent career moves.

There are several limitations of this study. It only examines the variation in the HR disclosures by taking a small sample of listed Indian IT sector firms. HR is an important asset in many other knowledge based industries also. Therefore, a better conclusive study could have been done by having a large sample of firms by inclusion of firms from other knowledge based industries. In future, scope of the research can be expanded by focusing on Indian firms' voluntary disclosures regarding their other intangible assets.

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