

CHAPTER 7

GENERAL DISCUSSION OF RESULTS AND HYPOTHESES

This chapter is concerned with general discussion of findings of the present study in the light of hypotheses framed. It may be mentioned that total 25 hypotheses: 12 from employee point of view and 13 from company point of view, were formulated in accordance with objectives of the study. The results are discussed below against each hypothesis:

Hypothesis (1) Employees desire financial and other information from their company and there is no significant difference between the responses of employees according to their levels and groups.

The results of the study (table-12) show that 97% respondents desire information from their companies. The results also show that irrespective of the respondents' levels and groups they demand information. Therefore, the results support hypothesis-1 of the present study.

Malgwi (1993: p.222) found that 76% employees have interest in company information. Mitchell et al. (1981: p.539) in their study found that majority of the employees felt that they have a right to receive information from their firms, they ranked themselves below management and shareholders in their entitlement to company financial information; and most of them felt that they should be consulted on disclosure policy. Seybold (1966) stated that employees desire to know what is going on in the organisation and they have right to know. Schoen and Lux (1957: p.43) found about 80% employees have interest in company information. BIM (1957) in a study found that an overwhelming number of employees between 69% and 92% demand financial information from their employers. Libby (1952: p.43) found that there is genuine interest among employees in financial report. All these study findings are in consistent with the results of the present study. Lewis et al. (1984a: p.229) raised a question, "Do employees demand financial information?", the result of the present study may be an answer to the question.

The reasons behind the employees' desire for company information may be that they have general curiosity to know about the working of the company they serve and to make rational economic decisions and effective participation.

Hypothesis (2) *Respondents of different levels want various types of information from their company including profit and loss, production, pay and benefits, future plans, manpower, new development and trade prospects.*

It is evident from the results (table-13) that respondents mentioned about 60 types of information they want from their company including profit and loss (44%), production (34%), pay and benefits (32%), future plans (28%) and manpower (20%). It is also evident that there is a little difference in information of most interest to employees of different levels. Therefore, results support hypothesis-2 of the study.

Brown and Trumble (1995: p.47) found regarding types of information demanded by employees most frequently were: company's safety records, employee benefits, accident analysis, economic information of the industry in general, forecasts of future prospects, grievance filed and settled, company earnings and costs. Mitchell et al. (1981: p.539-40), identified that respondents suggested a considerable variety of information as being of particular interest to them: Profitability (59%), company doings (36%), turnover (16%), wage and cost details (15%) and others. Bollom (1984, p.54) identified a list of information grouped into: productivity, morale, wage and benefits, safety, employee development, demographic, company performance, distribution of profits and organisations' outlook. Lewis, Parker & Sutcliffe (1984a) provided a detailed list of information to be provided to the employees, which have been suggested as potentially useful to employees or employees demanded. Hussey and Marsh (1983) identified a list of information requested by employee representatives and the list is presented under six headings: i) pay and benefits, ii) conditions of service, iii) manpower, iv) performance, v) financial, and vi) miscellaneous. Hussey and Craig (1979: p.40) found that respondents demand various types of information including: future plans and policies (25%), financial (23%), organisational details (13%), pay and benefits (9%) and production information (7%) from their companies. Hilton (1978) presented a list of information grouped into (i) information about the company as a whole

(organisation of the firm, finance, competitive position, productivity, plans and prospects) and (ii) information relevant to employment (manpower, industrial relations, pay and conditions and work situation). BIM (1957: p.21) identified that employees are interested in all items of information and special interest is shown to 'new developments' and 'trade prospects' because undoubtedly such information is readily understood and the item is related to their personal prospect of job security. The findings of those studies are consistent with results of the present study. Lewis, Parker and Sutcliffe (1984a: p.232) raised a question, 'what are the specific information needs of employees?'. The result of this study may be an answer to that question.

Hypothesis (3) *Employees tend to give more importance to 'employee report' among some common methods of communicating information such as employee report, notice board, newsletter, audio-visual aids and others, and there is correlation between the rating of relative importance by different groups of employees.*

The results of the study show that respondents give more importance to 'employee report' as the most important method to be used in providing information, the second importance being attached to 'newsletter', and the third being 'audio-visual aids'. It is also evident that (tables-15,16,17,&18) the rating of relative importance of methods by private and public sector, lower and higher educated and experienced, and receiver and non-receiver of employee report are significantly correlated. Thus the results of the study confirm hypothesis-3.

Lyons (1983: p.39, in Hussey and Marsh, 1983: p.149) found that 50% employee respondents considered 'notice board' as vital and 37% considered useful but not vital; 27% considered 'employee report' vital and 64% considered useful but not vital; 15% consider 'newsletter' vital and 73% considered useful but not vital; 16% in favour of 'audio-visual aids' as vital and 61% considered useful but not vital. These findings partially support the result of the present study. Hussey and Marsh (1983) found that employees considered methods of reporting to be appropriate - small discussion group 36%, circulars 34%, newsletter 29%, audio-visual aids 19% and notice boards 12%. In a study by Mitchell et al. (1981) found that employee respondents rated relative importance of methods of communication as: special written report - 2.5, jr. Management meeting - 2.0, middle

management meeting - 2.3, notice board - 2.7 and company magazine/newsletter - 2.6. These findings also partially support the results of the present study.

Hypothesis (4) *Employee respondents of different companies perceive that employee reporting will improve employee motivation, industrial relations, productivity, employee commitment, job satisfaction and cost consciousness; and there is no significant difference in responses of employees according to their levels and groups.*

From the results of the study (table -19) it is seen that 91%-94% respondents are in favour of the proposition that employee reporting will improve motivation, industrial relations, productivity, employee commitment, job satisfaction and cost consciousness. The results also show that (tables-21,23,24,25,26,27 & 28) chi-squares are insignificant, which suggest that subjects' responded in a similar manner irrespective of their levels and groups. Thus the results fully confirm hypothesis-4 of the study.

Brown and Trumble (1995: p.48) found that 59% managers perceive employee reporting improves industrial relations. Sharma and Agarwal (1990: p.393) found that accounting information and reporting system have positive effect on motivation of employees. Bollom (1984: p.52) stated that employee reporting will enhance cooperation and productivity, improve industrial relations and help to avoid unionisation process. Maunders (1981: p.174-5) found that employee reporting will improve motivation, provide greater job satisfaction, improve industrial relations, facilitate wage bargaining, educate employees and improve understanding. These findings partially support the results of the present study.

Hypothesis (5) *It is employees' perception that reporting of information to them will reduce turnover, absenteeism, grievance, resistance to change and industrial disputes, and there is no significant difference between the responses of employees according to their levels and groups.*

The results of the study (table-20) show that 52%-84% respondents perceive that reporting of information to them will reduce turnover, absenteeism, grievance, resistance to change and industrial disputes. It is also shown (tables-29,30,31 & 32) that chi-square values are not significant except that of responses on employee turnover and industrial disputes by lower

and higher educated subjects. Therefore, the results confirm fully the first part and partially the second part of hypothesis-5.

Maunder (1981: p.17) stated employee reporting will reduce resistance to change, grievance and industrial disputes. These results partially support the present study findings.

Hypothesis (6) *It is employee respondents' realisation that legislative provisions are required for employee reporting, and there is no significant difference between the responses according to levels and groups of employees.*

It is evident from the results of the study (table-33) that 73% respondents think that legislative provisions are required for employee reporting. It is also evident that responses of the subjects are associated except that by levels and education. Workers and leaders 81% and 82% but managers are 52% in favour of legal provisions, and 88% lower educated but 62% higher educated subjects are in favour of legal provisions. After all, majority of the respondents think that legal provisions are required for employee reporting. Thus the results of the study confirm hypothesis-6.

Some studies in different countries also found similar results. Akhtar and Hoque (1993) stated that financial reporting varies with legal provisions (poor law leads to poor disclosure) and there should be legal provisions for uniform disclosure of information. Hill (1990: p.222c) found 80% managers' view that employee reporting legislation will come. Chr. Breviere (1983: p.207), found that Belgian trade unions are in favour of legal bindings for informing and consulting the workers. Mitchell et al. (1981: p.539) in their study found that majority of the employee respondents support introduction of legislation to govern the practices of financial reporting to employees in order to ensure the continuity of supply of such information. The results of these studies confirm the findings of the present study.

The reasons behind the favouring legal provisions may be that there is a doubt among the employees that companies will not produce employee report regularly and sincerely unless there is a legal bindings like that for annual report. On the other hand, reasons for the responses against the legal provisions may be that company will produce employee report voluntarily for its own benefit. But the former opinion is stronger than the later.

Hypothesis (7) Subjects of this study get copy of annual report from their company and annual report satisfies the information needs of employees and therefore, there is no need for separate employee report.

The results of this study (table-35) reveal that only 30% of the respondents receive copy of annual report from their company and some of them receive the same as shareholders of their company, and only few of them receive as an employee. The results further reveal that (table-36) 64% of those 30% receive annual report mentioned that annual report does not satisfy their information needs. The subjects of different levels and groups responded in a similar manner. Thus the results do not confirm hypothesis-7 of the present study.

Sengupta and Shaikh (1997b) compared information needs of employees and disclosure through annual reports and found that too little information is disclosed through annual report for employees, and they recommended for a separate section in annual report for employees or a special report. That finding is consistent with the result of the present study.

Hypothesis (8) Some respondents of the study get employee report from their companies irrespective of their levels and groups.

From the results of the study it is evident that (table-37) 46% respondents receive employee report from their company. It is also evident that (table-38) 44% private and 49% public sector employees receive employee report. Insignificant chi-square values indicate that there is no significant difference in receiving employee report by different levels and groups of respondents. The results fully support hypothesis-8 of this study.

Brown and Trumble (1995) also found similar results. They found that three-fifths of the respondents receive a formal report of information for employees, generally on a routine basis - quarterly or annually. ↵

Hypothesis (9) *Employees tend to give more importance on 'involve employee more' and 'encourage to work hard' as the first and second important reasons for issuing employee report, and there is significant correlation between the rating of relative importance by respondents according to their levels and groups.*

The results (table-40) reveal that 81% respondents rated 'involve employee more in the company' as the most important reason for producing employee report. Other important reasons rated by the subjects are: 'encourage to work hard' (72%), 'personnel policy' (51%) and 'employee demand' (23%). The results also reveal that (tables-41,42 &43) there is significant positive correlation between the ratings of relative importance of reasons for issuing employee report by different groups of employees. Thus the results fully support hypothesis-9 of the study.

Hussey and Craig (1979: p.40) found regarding the reasons for employee report that 34% respondents reported 'involve employee more in the company' as the most important reason, 29% reported 'part of the company personnel policy' and 12% reported 'employee demand' as the reasons for producing employee report. These findings are in agreement with the results of the present study.

Hypothesis (10) *Information provided in employee report is found by the users very important and always true but not satisfactory though the respondents understand the information fully; and there is significant association between the responses according to levels and groups of subjects.*

From the survey results (tables-44,46,47-49) it is revealed that 58% respondents found information in the employee report very important and 84% indicated information always true, but 75% respondents were not satisfied with the quality and quantity of the information provided in the report, though 73% respondents understood information fully and 25% partially and none is found who did not understand. The results also reveal that there is no significant difference between the responses by different levels and groups of subjects. Thus, the results fully support hypothesis-10 of the study.

Some other studies also found similar results. Hussey and Craig (1979: p.39) found that 76% of all respondents claimed that they read all or most of the report and found the report encouraging, 79% claimed information provided in the report is easy to understand; and 14% found information very important, 30% quite important and 44% a little important. Opinion Research Center (1974, in Hussey and Marsh, 1983) found that 69% respondents are satisfied with the information provided and 23% dissatisfied. BIM (1957: p.22) observed that 74% respondents understand information provided. Malgwi (1993: p.230) found that 67% respondents did not understand VAS, this result contradicts findings of the present study partially. Mitchell et al. (1981: p.542) found that more than two thirds of the employee respondents felt that they understand the information which they receive from their company. Brown and Trumble (1995: p.47-48) found that 75% respondents are not satisfied with the information provided to them because they were provided too little information. They also observed that 75% respondents believe data provided to them were biased. And more than 70% employee and management think that data should be audited independently. They also found that 88% managers felt employees would be able to comprehend such report.

Hypothesis (11) Employee reporting will not cause excessive costs, waste of employee time, misunderstanding of information, and information leakage to competitors; and there is no significant difference in responses of the subjects.

The results of the study (table-50) reveal 87% to 92% respondents are in the same opinion that employee reporting will not cause excessive costs, waste of employee time, misunderstanding of information, and information leakage to competitors. The results further reveal that (tables-51-55) responses of the subjects do not differ significantly according to their levels and groups. Thus the results support hypothesis-11 of the study.

Some study results partially support the findings of the present study. Hill (1990) found 73% managers disagreed with the statement that employee report is waste of time and money. Norkett (1976) found that companies worried employee reporting will cause excessive costs (5.4%), information leakage to competitors (17.3%), and information being misunderstood (67.3%).

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Hypothesis (12) *Respondents receive employee report have higher job satisfaction than those who do not receive, and such reporting has positive contribution and significant individual effect on job satisfaction.*

From the results (table-66) it is evident that respondents receive employee reports have higher mean job satisfaction score than that of respondents who do not receive employee report. The result (table-69) further reveals that there is positive contribution of employee report to job satisfaction. The results (tables-60&62) also reveal that employee report individually produces significant difference in job satisfaction of the respondents. Therefore, the results fully confirm hypothesis-12 of the study.

It was also found regarding the reasons for not issuing employee report that 30% mentioned they 'do not know', 21% reported 'lack of awareness' and 10% mentioned 'no legal requirements' are the important reasons for not issuing employee report.

It was also found (table-56) that majority of the respondents perceive irrespective of their levels and groups that distribution of employee report at a special discussion meeting will be more effective.

The results also show that public sector respondents are more satisfied than private sector respondents. In addition, significant t - ratio indicates that mean job satisfaction score of public sector employees is higher than that of private sector respondents. The result is confirmed by other studies such as: Hossain (1995), Jahan and Hoque (1993) and Hossain (1985), who found that public sector employees are significantly better in terms of job satisfaction than the employees in private sector. The reasons behind the higher job satisfaction among the public sector employees may be that they enjoy better job security.

The results (table-65) reveal that managers' mean job satisfaction score is higher than that of non-managers. This result is confirmed by Hossain (1995), who found that executive's job satisfaction score is higher than that of non-executives. The reasons behind higher job satisfaction of managers may be that they enjoy more opportunity, status, higher pay, authority and responsibility than non-managers.

In addition, the results (tables-57,58&59) also show significant positive correlation between age and experience, age and employee report, age and job satisfaction, education and employee report, education and job satisfaction, and employee report and job satisfaction, and significant negative correlation between experience and education, experience and employee report and experience and job satisfaction. The results (table-64) also show that levels of employees and types of organisations individually and by interaction produce significant difference in respondents' job satisfaction; and types of organisations and experience of employees have positive and negative contribution to job satisfaction (table-69).

Hypothesis (13) *Most of the respondent companies think that financial and other information should be disclosed to employees; and there is no significant difference in responses of the subjects.*

It is evident from the results (table-70) that 97% of the companies selected for the study think that financial and other information should be disclosed to employees. The results also reveal that chi-square values are not significant, that means, there is no significant difference in the responses by the subjects of private and public sector, small and large, and producer and non-producer of employee report. Therefore, the results fully confirm hypothesis-13.

Seybold (1966) stated, some US companies believe that employees have right to know and it is companies' responsibility to keep employees informed of programs and other matters affecting their interest. BIM (1957: p.13) found that 35% companies provide information to their employees. Hilton (1978: p.24) stated that management has obligation to inform employees about financial state of the business in which they spent their working lives.

The reasons behind the feelings of the companies to disclose information to employees may be that this is the age of knowledge, every body wants to know, employees who invest their working lives in the business naturally had a right to know about its doing, moreover, keeping them in the dark full potentials of employees can not be utilised for the success of the business, companies begin to realise that.

Hypothesis (14) *Respondent companies intend to disclose various financial and non financial information to employees including achievements, production details, market condition and profit and loss.*

From the results (table-71) of the study it is evident that respondents mentioned 50 types of information, which should be disclosed to employees. The subjects mentioned 'achievement of the company'(37%), 'production details' (33%), 'market condition'(32%) and 'profit and loss' (30%) should be disclosed. Thus the results support hypothesis-14 of the study.

Hussey and Marsh (1983) compare 21 items of financial information disclosed by 6 UK companies in Composite Refined Information Model (CRIM) which includes sales, profit and loss, distribution of profits, etc. Lyons (1980a: p.37) found that companies provide information to employees: 89% organisational change, 84% profits of the company, 77% sales, 48% new technology and others. Hill (1990: p.139a) presented a little different list of information which UK companies cover in employee report such as financial results (3.9), organisation and change (3.6), safety and health (3.6), welfare and pension (3.1), investment plans (2.6), manpower planning (1.8) and employment information (1.6). In New Zealand, companies provide various information in employee report including financial (profit and loss 86%, balance sheet 71%, sales analysis 35%), non-financial (chairman's report 88%, divisional activity 55%, future market condition 43%), employment related (persons employed 41%, pension scheme 33%, benefit scheme 25%, education and training 22%) and others (VAS, new products, etc.). Maunders (1981: p.182) presented a list of information which company should provide to employees that includes: comparative figures of employees (23%), total employees (44%), remuneration (18%) units/divisions of business (19%), sales or value of production (6%) and others. Chr. Breviere (1983: p.182) stated that management of European companies provide to workers information relating to: a) structure and staff, b) economic and financial position, c) the current state of affairs, production and sales and probable trends, d) employment situation and trends, e) production and investment programs, f) rationalisation plans, g) manufacturing and working methods, particularly introduction of new production methods, and h) all procedures and projects that could substantially affect the interests of the workers. Brown and Trumble (1995) found that US

companies provide following information: company safety records, employee benefit costs, accident analysis, productivity data and finally, quality and customers satisfaction data. The results of the present study is consistent with those study findings.

Hypothesis (15) *Company respondents tend to give more importance to 'employee report' among some common methods of disclosing information to employees like employee report, notice board, newsletter and audio-visual aids, and there is significant correlation between the ratings of relative importance of methods by respondents according to their groups.*

The results (table-72) show that among some common methods of reporting to employees 'employee report' is rated important by 25% respondents, but 'newsletter' is rated important by 29% companies. Other methods rated: 'audio-visual aids' by 20% and 'notice board' by 12%. The results also show that (tables-73&74) ratings of relative importance of methods by private and public sector companies are not significantly correlated but ratings by producer and non-producer of employee reports are significantly correlated. They rated newsletter as the most important method of reporting. Therefore, the results partially support hypothesis-15 of the present study.

In a study, Smith (1975, in Hussey and Marsh, 1983) found that UK companies use house journal 52%, notice board 66%, general meeting 30%, and special report 22%. In another study Norkett (1976, in Hussey and Marsh, 1983) found that 43% companies use special employee report, 39% use company magazine, 9% notice board and 8% other methods. Lyons (1980a: p.30, in Hussey and Marsh 1983) found that companies use different methods including notice board 80%, employee newspaper 50%, employee report 38% and audio-visual aids 11%. Hill (1990: p.139) found that 52% of the respondent companies produce printed employee report, 94% use notice board, 79% consultative meetings, 60% newsletter and 35% audio-visual aids in disclosing information to employees. It is also found that more than one methods are used in employee reporting in UK. Peel, et al. (1991: p.40) found different methods of communication used by privatised company with all employee share ownership scheme, 80% companies use company magazine or newsletter, 70% other methods (including audio-visual aids), 60% use local employee report at plant level, 50% use

employee report, 40% annual report and 30% simplified annual report. These results partially support the findings of the present study.

***Hypothesis (16)** Respondent companies perceive that employee reporting will improve employee motivation, industrial relations, productivity, employee commitment, job satisfaction and cost consciousness; and there is no significant difference in responses according to the groups of subjects.*

It is observed from the results (table-75) that 87% - 97% respondents are in the same perception that employee reporting will improve employee motivation, industrial relations, productivity, employee commitment, job satisfaction and cost consciousness. The results (tables-77,78&79) further reveal that chi-square values are not significant, that means, subjects' responses are significantly associated irrespective of their groups. Thus, the results fully confirm hypothesis-16.

Some study results in different countries also support the findings of the present study. On the basis of research findings by organisational theorists, Foley and Maunders (1977) argued that feedback of information to employees will improve job satisfaction via learning effects and also serve to increase motivation. They also argued that provision of information will increase efficiency by increasing employees' 'willingness to work' and to contribute their best to the enterprise. They also added that it may be used to avoid unionization. Hill (1990: p.293) found that management use employee communication to improve motivation, satisfaction and commitment. The reasons were, telling employees about the company performance, employees would feel more involved and motivated to contribute to the aims of the company, and telling how they have done can give them satisfaction. Chr. Breviere (1983: p.208) found the Belgian companies hope that provision of information would help in improving employee understanding, motivation and solidarity. Seybold (1966: p.9-10) stated management's believe that information to employee will improve productivity and efficiency; foster team work and cooperation; increase interest, understanding and commitment to objectives; and better relations.

Hypothesis (17) *It is respondent companies' perception that reporting of information to employees will reduce turnover, absenteeism, grievance, resistance to change and industrial disputes, and there is no significant difference between the responses of companies according to their groups.*

The results (table-76) show that 58% to 90% respondents perceive that reporting of information to employees will reduce turnover, absenteeism, grievance, resistance to change and industrial disputes. The results (tables-80-82) further show that chi-square values are not significant, that means, the responses of the subjects are significantly associated. Therefore, the results support hypothesis -17 of this study.

Chr. Breviere (1983: p.208) found that Belgian companies perceive employee reporting reduces absenteeism and staff turnover. This finding is consistent with result of the present study.

Hypothesis (18) *Company respondents are in favour of legal provisions for employee reporting; and there is no significant difference in responses by different groups of companies.*

From the results (tables-83&84) it is evident that 57% respondent companies perceive that legal provisions are required for employee reporting. The results further reveal that chi-square values are not significant, which indicate that there is no significant difference in responses by different groups of subjects. Thus, the results confirm hypothesis-18 of the study.

Hill (1990: p.315) stated that undoubtedly, legal enforcement is the most effective means for influencing social behavior, but of course there are drawbacks from relying on the legal enforcement framework. Beaumont & Deaton (1981, in Hill, 1990: p.315) found that most of the firms moved quickly to comply with stipulated provisions when legislation was imminent.

The reasons behind the respondents' preference for legal provisions may be that other than legal bindings like that for corporate annual report, companies will not produce employee

report properly and sincerely, and the report will not take universally acceptable permanent shape.

Hypothesis (19) *Respondent companies provide copy of annual report to employees and annual report satisfies information needs of employees.*

It is evident from the results (tables-85&86) that only 25% respondent companies provide copy of annual report to employees. The responses of subjects in this regard are significantly associated. It is also evident that 73.4% of the respondents who provide copy of annual report to employees feel that annual report does not satisfy employees' information needs, and the responses are significantly associated. Therefore, the results of the study do not confirm hypothesis-19 of the present study.

Hill (1990: p.149a) stated that only 30% respondent UK companies provide copy of annual report to employees. Hilton (1978: p.3) stated that much of the information in annual report is not relevant to employees. BIM (1957: p.18) found that only 6% of the sample companies provide copy of annual report to all employees. Business (1955) quoted a survey conducted in USA, where 46% respondents distribute annual report to all employees. The findings of those studies are similar to some extent with that of the present study.

Hypothesis (20) *Employee report producer respondent companies consider costs and benefits of employee reporting.*

It is evident from the results (table-87) that 77% of the employee report producing companies calculate costs and benefits of such reporting. Among the respondents, non-producer of employee report do not calculate costs and benefits of such reporting. Thus the results support hypothesis-20.

Lewis, Parker and Sutcliffe (1984a: p.232) stated that benefits of information disclosure to employees justify the costs.

Hypothesis (21) *There are practices of producing employee report among respondent companies, irrespective of their types and sizes.*

The results (table-88) of the study reveal that 50% of the respondent companies produce employee report, of which 45% private and 60% public sectors' and 42.5% small and 65% large companies. There is no significant difference in producing employee report according to types and sizes of the respondent companies. Thus the results fully support hypothesis-21 of the study.

Some studies in different countries also found employee reporting practices. Hill (1990: p.149c) found that 72% large and 30% small respondent companies produce employee report. Hussey and Marsh (1983) mentioned (quoting Marsh, 1982) that 89 out of 341 companies produce employee report. Yorston (1960) found that 23% Australian companies provide financial information to all employees. Webb and Tailor (1980, in Bollom 1984: p.51) found that one-third of large Australian companies produce employee report. Benston (1982, in Bollom 1984: p.51) found that companies in France, Holland, Germany and Norway are required to report to employees. Mathews (1982, in Bollom, 1984: p.51) found that more than half of large UK companies produce such a report. Firth and Smith (1984: p.5) found that in New Zealand Stock Exchange enlisted companies 22% produce employee report. Skerratt (1980, in Maunders, 1981: p.184) found that 180 of 300 large UK companies produce employee report. Gupta (1995) found that public sector companies disclose more than private sector companies.

Hypothesis (22) *Respondent companies tend to give more importance on 'no legal requirement' and 'involve employee more in the company' as the most important reasons for non-producing and producing employee report respectively; and there is significant positive correlation between the rating of relative importance of reasons by group respondents.*

The results (table-90) show that respondents rated 'no legal requirements' as the most important reason for not issuing employee reports. It is also evident (tables-91&92) that the ratings of reasons for not issuing employee report by private and public sector and small and large companies are positively correlated. The results also show that (table-93) respondents

rated 'involve employee more in the company' as the most important reason for issuing employee report, and the ratings by private and public sector, and small and large companies are positively correlated. Therefore, the results confirm hypothesis-22 of the study.

Hussey and Marsh (1983) found that 84% companies mentioned 'involve employee more in the company', 46% mentioned 'to encourage sense of responsibility' and 22% reported 'motivate towards higher productivity' as the reasons for producing employee reports, which is in agreement with the findings of the present study. Marsh and Hussey (1979: p.13) found that 23% companies mentioned 'we are too small,' 12% reported 'information would be misunderstood and 7% mentioned 'it would be expensive' as the reasons for not issuing employee report, which is partially in conformity with the findings of the present study. Norkett (1976) found that three main reasons for employee reporting are: to strife rumors (13%), to improve public relations 31% and to improve industrial relations (44%).

Hypothesis (23) Company respondents prefer to produce quarterly employee report and distribute at work place irrespective of their types and sizes.

From the results of the study (table-96) it is evident that 70% respondent companies produce quarterly employee report and only 10% produce annually. The results (table-97) also reveal that private and public sector and small and large companies have similar practice. It is also evident that 80% report producing companies distribute employee report at work place and 20% distribute by post. The results further show that private and public sector and small and large companies do not differ significantly in distribution of employee report. Therefore, the results fully confirm hypothesis-23 of the study.

Hill (1990: p.138) found that respondent UK companies disclose information through notice board - weekly, through meeting - monthly, newsletter - quarterly and employee report-annually, that is also partially in agreement with the findings of the present study.

Hypothesis (24) There are significant positive correlation between employee reporting and productivity, profitability and growth rate; and significant negative correlation between employee reporting and industrial disputes, employee turnover and labour costs.

It is evident from the results (tables-125-127) that there are significant positive correlation between employee report and productivity, employee report and profitability and employee report and growth rate; and there is significant negative correlation between employee report and industrial disputes, employee report and employee turnover and employee report and labour cost. That is also true in case of private sector companies but in case of public sector companies, there is significant positive correlation between employee report and productivity, and significant negative correlation between employee report and industrial dispute and employee report and employee turnover. Thus, the results fully support hypothesis-24 of the study.

Gupta (1995: p.92) found significant positive correlation between social responsibility disclosure and return on investment of private sector companies in India, which partially in agreement with the findings of the present study. The results of the present study confirms the findings of Morishima (1991b), who found that there is positive association of information disclosure with profitability and productivity and a negative association with labour cost. However, the results of the present study partially contradict with Kleiner and Bouillon (1991: p.480), who found that providing sensitive business information to employees is associated with higher compensation and negatively associated with profitability. The reasons behind the agreement of the results with that of Morishima (1991b) and disagreement with Kleiner and Bouillon (1991) may be that in Japan employees are generally appointed for life long, therefore, information disclosure to employees bears importance to them, but on the other hand, US companies follow 'hire and fire' policy where financial information bears a little importance to employees. In India life long appointment policy (like that of Japan) is followed, therefore, the results of the present study are similar to that of Morishima (1991b).

Hypothesis (25) *There is significant difference in productivity, profitability, growth rate, industrial disputes, employee turnover and labour cost of two sets of respondent companies, i.e. Companies producing employee report have higher productivity, profitability and growth rate; and lower industrial disputes, employee turnover, and labour cost than those of non-producers.*

From the results (tables-130-35) of the study it is evident that respondent companies producing employee report have significantly higher productivity, profitability and growth rate, and significantly lower industrial dispute, employee turnover and labour cost than those of non-producers of employee report. Thus, the results confirm hypothesis-25 of the present study.

Morishima (1991a: p.481) found that when firms engaged in more strategic information sharing with employees, negotiation processes were shorter and easier, and unions tended to demand and accept lower wage increase. These findings partially support the results of the present study. These results are also supported by Shimada (1982, in Morishima 1991a: p.481), Shirai (1983, in Morishima, 1991a: p.482) and Shimada (1983, in Morishima, 1991a: p.482). The results contradict with findings of Kleiner and Bouillon (1988), who found that information sharing with employees is positively related with the wage and benefits and unrelated with productivity, and negatively correlated with profitability and cash flows.

The results (table-89) also show that two of the respondent companies started employee reporting from 1968, and in 1996, 30 of the sample companies producing employee report. Regarding reaction of employees, 100% respondents mentioned that employees' reaction on employee report is positive.

The results also show that there is significant positive correlation between industrial disputes and employee turnover, industrial dispute and labour cost, productivity and profitability, profitability and growth rate; and there is significant negative correlation between productivity and labour cost.

The results of the present study also show that main effect of employee report is significant, that is, employee report individually produces significant difference in industrial disputes, employee turnover, productivity, profitability, growth rate and labour cost. Two way interactions of employee report and type of organisation have significant effect on productivity. Size of company has significant individual effect on labour cost.

The results of the study further show that employee turnover and employee report have a combined contribution to industrial disputes about 27%, however, employee turnover has positive and employee report has negative contribution to industrial dispute.

The results of the study also show that employee report, industrial disputes and labour cost have a combined contribution of 65% to employee turnover, however, industrial dispute has positive and employee report and labour costs have negative contribution to employee turnover.

From the results it is also evident that employee report has positive contribution to productivity, profitability and growth rate. And employee report and employee turnover have a combined contribution to labour cost about 42%, however, employee report and employee turnover have negative contribution to labour cost.

It is also evident from the results (table-130-35) that public sector and large companies have lower industrial disputes and employee turnover. On the other hand, private sector and small companies have higher industrial disputes and employee turnover. Public sector and large companies have higher productivity and labour cost but lower profitability and growth rate. On the other hand, private sector and small companies have lower productivity and labour cost but higher profitability and growth rate.