

CHAPTER 8

SUMMARY AND CONCLUSIONS

8.1 Summary of the Study

8.1.1 Introduction

Employee reporting seems to have an impact on motivation, job satisfaction, performance, efficiency, absenteeism, turnover, productivity, profitability, industrial relations and such other factors which play an important role in determining well-being of an organisation. Therefore, the study on employee reporting is important for the benefit of employees, employers and the society at large. Though employee reporting has a history but it got a *resurgence in recent decades*.

Employee reporting comprises providing a special report prepared for the employees at regular interval, containing financial and other information of the companies. It may be a printed report and/or audio-visual presentation, oral communication or information disclosure through meetings.

In modern times employees have been identified as an important and valuable economic resource. This is because the success of business largely depends on their dedication, commitment, and constant striving (Lee, 1981: p.16). Employees of different levels need information to carryout their tasks with maximum effectiveness and for the fullest possible commitment to the objectives of the company. Employees may use financial and other information to assess risk and growth potential of a company and therefore, job security and future promotional possibilities and also as a basis for making contractual wage and employment benefits demands (Lal, 1985: p.73).

Accounting researchers have advocated that reporting financial data to employees is a valuable addition to the quality of corporate life, the benefits to management justifying the costs of disclosure. The credibility of such assertions has not been established. The specific benefits to employees and management which materialise as a result of reporting to employees has not been clearly identified and verified by empirical evidence (Lewis, Parker & Sutcliffe, 1984: p.232).

The practice of preparing and issuing employee reports to an organisation's work force is now well established throughout many countries. Being it is considered beneficial to the companies and to the employees.

In India it seems that the practice of reporting financial and other information to employees has not been investigated. However, such reporting may have some positive impact on industrial relations, companies and employees may desire it and there may have some practices among the companies. But the propositions need empirical evidence. Therefore, it is very important to investigate the views of employees and companies on employee reporting, possible effects of it, present practices in India (if any) and related issues.

8.1.2 Need for The Study

The industrial arena of India is characterized by various problems such as industrial disputes, low productivity, absenteeism, turnover, etc. When disputes arise, the whole production process comes to a stand still. In India average number of industrial disputes during 1991 to 1995 was 1387, workers involved in those disputes were 1.06 million, which leads to number of man days lost to 22.05 million (Pocket Book of Labour Statistics & Indian Labour Journal). Employee turnover is another complex phenomenon. It has various costs to the firm including recruiting and training costs, complications in planning and operations, possible decrease in goodwill (Waller, 1985). Absenteeism is undoubtedly one of the major problems of industry. The rate of absenteeism ranges from 13% to 30% with seasonal variation. In addition to the loss of worker's income and efficiency, this results in a big production loss (about 5% to 25%) and productivity and thereby shatters the economy of the country (Mamoria & Mamoria, 1995). These problems emphasize the need for evolving some ways

and means to control and minimize. It is possible that provision of information to the employees may contribute in solving those problems. This proposition is supported by some research findings in different countries.

Moreover, the economic and business environment in the country is undergoing radical changes shifting from a planned economy to a market driver economy. In this context, Indian companies need to improve employer-employee relations, employee motivation, productivity, profitability and reduce industrial disputes, absenteeism, turnover, resistance to change and labour cost. The findings of the proposed study may be useful to suggest some appropriate measures for the companies and industrial policy makers and thereby contribute in industrial peace, productivity and economic development of India. In addition, the researchers and academics will also get relevant information that will be helpful for their research and teaching in their respective fields. It will also be useful guide to formulate pragmatic industrial policy at the national level.

8.1.3 Objectives of The Study

The present study attempted to achieve the following specific objectives:

- (1) To see whether any legal provision exists and/or required for employee reporting in India;
- (2) To see whether employees want financial and other information from the company;
- (3) To assess the views of companies towards information disclosure to the employees;
- (4) To identify the types of information required by the employees and companies feel to be disclosed;
- (5) To determine suitable method/s of reporting information to employees;
- (6) To review the present practices of employee reporting in India (if any);
- (7) To workout the effects of employee reporting on productivity, profitability, growth rate, labour cost, industrial disputes, employee turnover and employee job satisfaction;

- (8) To identify the reasons for producing and non-producing of employee reports;
- (9) To measure the influence of some factors of respondents such as age, education, experience, sex and rank of employees, and types and sizes of companies, on the information disclosure, impact of employee reporting and other related issues;
- (10) To make some recommendations for policy making in the light of findings of the present study.

8.1.4 Review of The Relevant Previous Studies

Employee reporting has assumed importance in recent few decades. Since 1970's in the UK and elsewhere an increased interest has been shown by accounting academics, researchers and employees in the potential utility of financial information in the employee arena, while limited studies have been conducted. An overview of some of those studies is given below:

Foley and Maunders (1977) in their works have shown that the employees need financial information for collective bargaining. Some legal aspects (Such as section 17 of Employment protection Act 1975 of UK) relating to employee reporting are also covered in that study.

Maunders (1981) provided an insight about the type of information employees would demand and benefits of disclosing information to the employees.

Hussey and Marsh (1983) have conducted a comprehensive study. Their study showed that employee reporting is legally required in the UK, the effect of disclosure to the employees, and found the positive attitude of employees and companies regarding employee reporting.

Bollom (1984) in a study advocated separate report for the employees. He identified advantages of employee reporting (such as improve productivity, industrial relations, public relations, etc.) and disadvantages (such as possibility of misunderstanding, information leakage to the competitors, etc.). He also outlined a list of possible employee report information and suggested US companies to start employee reporting practices.

Lewis, Parker & Sutcliffe (1984a) provide a research design for investigating the question of whether employees demand corporate financial information - if so, what information they require, - if not, the possible reasons for their lack of interest. A series of general propositions concerning employee demand for corporate financial information is constructed to provide a foundation for future specification of empirically testable hypothesis.

Hussey (1988) in his study examined historical perspective of financial reporting, conducted review and analysis of previous studies, and developed a conceptual model. This research provided direction for future research and basis for theoretical analysis.

Andrews (1988) examined historical development of employee reporting from socio-political and statutory perspective. Andrews argued that a successful management will manage a well-informed work force and finds support for this hypothesis. He also attempted to assess the company objectives for producing employee financial information and employees reactions to it.

Purdy (1988) studied the effect of providing financial information to the employees. He constructed a model of various types of information and contexts for presentation after reviewing literature related to financial information, industrial democracy, influence, power and social psychology. The model posited that over time an employee, with suitable opportunities for involvement in decision and training to understand the financial information, would desire to become involved at a higher level in the organisation with its concomitant increase in financial information. On the basis of empirical data the author found that in suitable conditions, employees begin to understand the financial information which becomes more integrated into the construing of employees, simultaneously some employees construe more power, actual and designed influence, and wanted more financial information.

Murshed (1989) conducted a study to see whether financial information is an input in collective bargaining and potentially effective for controlling labour force. It is found that the decision whether or not to use financial information is a contingent one and such contingency largely depends on the context and environment in which both union and management negotiator work. He also attempted to identify the factors constraining and promoting the use of financial information in collective bargaining in the context of Bangladesh.

Hill (1990) addressed the need to understand how and why voluntary employee reporting developed, examining its place in the wider organisational and social context. Hill found that employee reporting developed where management had a strong commitment to communications and where management saw their organisational needs in the context of wider social and moral issues at the time. This research contributed to the developing interpretive approach in accounting research, and to the debates about corporate accountability to the employees and related public policy.

Morishima (1991b) examined the effects of information sharing on a firm's profitability, productivity and labour cost. The results showed a positive association of information sharing with profitability and productivity and a negative association with labour cost.

Malgwi (1993) investigated the stated usefulness of financial accounting reporting to employees in the context of Nigeria with a particular reference to the Value Added Statement. The study was based upon the proposition that the provision of financial accounting information to employees is determined within the context in which it is used, rather than by consideration of those who determine the form which it should take.

Brown & Trumble (1995) conducted a five-year-long study to test the belief that accounting data can be used to bring about speedier, more harmonious, and hence, lower cost labour-management negotiations, leading to a more productive and profitable work environment. Results showed that complete sharing of data will have a positive impact on labour management relations and on better negotiation settlements. Provided data sharing must be continuous and data should be audited.

The studies presented above are done in different countries other than India. Because of the dissimilar socio-economic conditions in those countries and India the results of these studies can not be generalized in the context of India. In addition, the author is unaware of any extensive studies conducted on employee reporting in India. Therefore, the present topic is selected for investigation.

8.1.5 Hypotheses of the Study

The following hypotheses were formulated in the light of previous studies and considering objectives of the study to evaluate employee reporting in India:

Employee Point of View

(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.

(2) Employees 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.

(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.

(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.

(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.*

(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.*

(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 report for employees.*

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

(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.*

(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.*

(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.*

(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.*

In addition to testing hypotheses mentioned above, the study also considered the following: the reasons for not issuing report to employees, distribution of report at a special meeting, inter correlation among some major variables, mean difference of employee job satisfaction according to types of organisations and levels of employees, individual effect and interaction effect of types of organisations, employee report and levels of employees, and contribution of employee report, type of organisation and experience of subjects to job satisfaction.

Company Point Of View

(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.

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

(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.

(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.

(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.

(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.

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

(20) Employee report producer respondent companies consider costs and benefits of such reporting.

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

(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.

(23) Company respondents prefer to produce quarterly employee report and distribute at work place.

(24) There is 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.

(25) There is significant difference in productivity, profitability, growth rate, industrial dispute, 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.

In addition to the above hypotheses, following aspects are also covered in the present study: Year of starting employee report by the subjects, reaction on such report, relationship among some major variables, individual and interaction effect of some independent variables to some dependent variables, contribution of employee reporting to some variables and mean difference of the variables according to types and sizes of companies.

8.1.6 Methodology

This was a field study carried out in different companies both from employee and company point of view. A total number of 210 employees randomly selected from both private and public sector companies located at different regions and covering different industry categories. Out of 210 subjects, 100 from workers, 50 from trade union leaders and 60 from managers.

On the other hand, for company samples, 60 stock exchange enlisted companies selected from private and public sectors, and small and large companies, covering different geographic locations and industry categories. Both purposive and random sampling techniques applied in case of selection of samples.

To collect primary data four sets of questionnaires (Appendices-A, B, C & D) having both open and closed ended questions, were administered. Before, going for final survey a pilot study was conducted to ascertain workability and face validity of the questionnaires.

The information collected for the study can be grouped into the following categories:

- (1) Demographic variables of the respondents such as age, experience, education, sex and status;
- (2) Company characteristics such as number of employees, type of organisation, location and industry category;
- (3) Attitude of employee and company respondents on information disclosure, types of information, method of reporting, impact of employee reporting on employee motivation, industrial relations, productivity, employee commitment, job satisfaction, cost consciousness, turnover, absenteeism, grievance, resistance to change and industrial disputes;
- (4) Employees' and companies' opinion on legal provision for employee reporting, copy of annual report to employees and reasons for issuing and non-issuing of employee reports;
- (5) Employees job satisfaction;

- (6) Company performance: productivity, profitability, growth rate and labour cost; and
- (7) Industrial disputes and rate of turnover.

To collect data questionnaires were mailed first, but not getting satisfactory responses, questionnaires were administered personally by the researcher himself through visiting the companies. For the performance data of the sample companies, annual reports of the year 1995-96 were collected and used.

The data collected for the study were processed through micro computer using Statistical Package for Social Sciences (SPSS). Before feeding the data into computer, a code plan was prepared and all the data were converted into numerical codes and the coded data were recorded in separate code sheets. Then the data were fed into the computer and used for analysis.

Chi-square test was used to see the significance of the differences between the responses of the subjects according to their levels and groups.

t - ratios were computed to determine whether there is significant difference between:

- a. Mean job satisfaction score of the employee respondents according to their groups.
- b. Productivity, profitability, growth rate, labour cost, industrial dispute and rate of employee turnover of the respondent companies according to their types, sizes and employee report.

Two-way ANOVA was computed to find out the main effect and interactions, if any, of independent variables on dependent variable such as job satisfaction, company performance, industrial disputes and employee turnover.

Pearson's product moment correlation coefficients were computed to measure the relationship between some major variables.

To see the relative contributions of different independent variables to dependent variables stepwise multiple regression was computed. Specific applications were as follows:

- a. the relative contribution of age, experience, education, type of organisation and employee report to employees' job satisfaction.
- b. the relative contributions of number of employees, type of organisation, and employee reporting to industrial disputes, employee turnover, productivity, profitability, growth rate and labour cost.

Ranks and rank orders were computed to examine the relative importance of some factors such as methods of reporting and reasons for producing and non-producing of employee reports, and Spearman's rank order coefficient of correlation was computed to find out the relationship between the ratings of those aspects by different groups of respondents.

8.1.7 Major Findings

There is a strong demand for company financial and other information from employees. Companies also feel that financial and other information should be disclosed to employees. There is no significant difference in responses of the subjects.

Both employee and company respondents prefer specific items of information should be disclosed. There is a little difference in preferences of the subjects regarding items of information to be disclosed.

A regular printed report is preferred by the employees and companies for the information disclosure to employees. Employee report is rated most important by the employees, but newsletter is rated most important by the company respondents. Both the groups also indicated for the combination of methods.

Employee and company respondents hold the same opinion that employee reporting has positive impact on employee motivation, industrial relations, productivity, employee commitment, job satisfaction and cost consciousness; and there is no significant difference in responses of subjects according to their levels and groups.

It is the subjects' 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 subjects according to their levels and groups.

Both employee and company respondents feel that annual report does not satisfy employees information needs, therefore, separate report of information for employees is required.

Employees and companies are in the same opinion that legislative provisions are required for regular and sincere employee reporting.

There are employee reporting practices in India. Among the employee respondents 46% receive employee reports from their company. On the other hand, half of the company respondents are currently producing employee reports to their employees.

Employees do not receive employee report mentioned that 'not known,' 'lack of awareness' and 'no legal requirements' are the important reasons for non-producing employee reports. On the other hand, companies not producing employee report mentioned that 'no legal requirement,' 'it would be contrary to personnel policy,' and 'information would be misunderstood' are the important reasons for not issuing employee report.

Both the users and producers of employee report rated 'involve employee more in the company' as the most important reason of issuing employee report. They also rated 'encourage to work hard' as the second important reason.

Employee report receiver respondents found that information provided in the report is very important, always true but not satisfactory, though they understand the information fully.

Companies presently providing employee report prefer to produce quarterly report and distribute at work place irrespective of their types and sizes.

Employee report has significant positive impact on job satisfaction. The employees receive employee reports have higher job satisfaction than that of the non-receiver. Managers, higher educated and public sector employees have higher job satisfaction than that of non-managers, lower educated and private sector employees. In addition, employee reporting has significant individual effect and positive contribution to employees' job satisfaction.

Employee reporting has significant positive correlation with productivity, profitability and growth rate of the companies. On the other hand, there is significant negative correlation between employee reporting and industrial disputes, employee turnover and labour cost.

Companies producing employee report have higher productivity, profitability and growth rate, and lower industrial disputes, employee turnover and labour costs.

Employee reporting has significant individual effect on productivity, profitability, growth rate, industrial dispute, employee turnover and labour cost. In addition, employee reporting has significant positive contribution to productivity, profitability and growth rate, but significant negative contribution to industrial disputes, employee turnover and labour cost.

8.2 Conclusions and Recommendations

8.2.1 Conclusions

From the analysis of the results of the study following major conclusions emerged:

- (1) Employees' have strong desire for company financial and other information irrespective of their levels and groups.
- (2) Specific items of information financial and non-financial in nature are demanded by the employees.
- (3) A regular printed report (employee report) at a certain interval is preferred by the employees. Moreover, most of the respondents talked about combination of methods.

(4) Respondents perceived that employee reporting has positive impact on motivation, industrial relations, productivity, employee commitment, job satisfaction, cost consciousness and sense of belonging.

(5) Respondents perceived that employee reporting will reduce employee turnover, absenteeism, grievance, resistance to change, industrial disputes and irresponsibility.

(6) Legislative provisions are required for continuous, adequate and sincere employee reporting as perceived by the employee respondents.

(7) Annual report is meant for shareholders not for employees. Few number of employees receive copy of annual report but they felt that annual report does not satisfy employees' information needs. Therefore, separate employee report should be provided.

(8) The study reveals that 46% subjects receive employee report from their companies on a routine basis, irrespective of their levels and groups.

(9) The reasons for issuing employee reports as rated by the respondents were: 'involve employee more in the company,' 'encourage to work hard,' 'part of personnel policy,' 'employee demand' and others.

10) According to subjects of the study who do not receive employee report, the reasons for non-producing employee report by the companies were: 'lack of awareness,' 'reluctance to disclose,' 'no legal requirement' and others.

11) Subjects who receive employee report feel that information provided in the report is very important and always true.

12) The employee respondents who receive employee report indicate that they understand information in the report fully but they are not satisfied with the contents of report, because they were provided too little information.

- 13) Employees who receive employee report have higher job satisfaction than those who do not receive the report. Public sector and higher educated employees are more satisfied with their job than private sector and lower educated employees, and executives (managers) are more satisfied than non-executives.
- 14) Among the independent variables (age, experience, education and employee report) employee report has the highest individual effect and significant positive contribution to job satisfaction (dependent variable).
- 15) Employee respondents perceive that employee reporting will not cause excessive costs, waste of employee time, misunderstanding of information and information leakage to the competitors.
- 16) According to the subjects of the study distribution of employee report at a special discussion meeting will be more effective.
- 17) Respondent companies from both private and public sectors perceive that employees should be provided company financial and other information. In this point employees and employers are in the same opinion.
- 18) Sample companies intend that specific items of information should be disclosed to the employees including achievements, production details, market condition, profit and loss, etc. Employees hold similar view with a little difference.
- 19) The relative importance of methods of reporting to provide information to employees is rated by the respondent companies as newsletter, employee report, audio-visual aids, direct oral communication and notice board. Most of them indicated about the combination of methods to be used. Employees rated employee report as the most important method.
- 20) As perceived by the company respondents like that of employees, employee reporting will improve motivation, industrial relations, productivity, employee commitment, job satisfaction, cost consciousness and sense of belonging.

- 21) Employee reporting will reduce employee turnover, grievance, resistance to change, industrial disputes and irresponsibility, as perceived by the company respondents like employees.
- 22) Companies also in the same opinion like employees that legislative provisions are required for continuous and adequate employee reporting.
- 23) Companies do not provide copy of annual report to employees and annual report does not satisfy employees information needs, therefore separate reports of information for the employees are required.
- 24) Some of the respondent companies analyse costs and benefits of employee reporting, they found benefits overweigh costs, which encouraged them to produce employee report.
- 25) There are practices of employee reporting in India. Half of the respondent companies producing employee reports, irrespective of their types and sizes.
- 26) Important reasons for not issuing employee report as mentioned by the respondent companies non-producers of reports are: 'no legal requirement,' 'it would be contrary to personnel policy,' 'information would be misunderstood' and 'it would be expensive.'
- 27) Important objectives of producing employee report as rated by company respondents presently producing reports are: 'involve employee more in the company,' 'encourage for higher productivity,' 'encourage sense of responsibility,' 'give idea of market situation,' and 'discharge company responsibility.' In this point employee respondent's perception is also similar.
- 28) Respondent companies who are providing employee report, mostly issue quarterly report and distribute at work place.
- 29) Companies issuing employee report, started at their own initiative and employees reaction on it is positive.
- 30) There is significant positive correlation between employee reporting and productivity, profitability and growth rate.

- 31) Companies produce employee report have significantly higher productivity, profitability and growth rate.
- 32) There is significant negative correlation between employee reporting and industrial disputes, employee turnover and labour cost.
- 33) Respondent companies produce employee reports have lower industrial disputes, employee turnover and labour cost.
- 34) Private sector and small companies have higher industrial disputes, employee turnover, profitability and growth rate, but lower productivity and labour cost than those of the public sector and large companies.
- 35) Employee reporting has significant individual effect on productivity, profitability, growth rate, industrial dispute, employee turnover and labour cost. Moreover, employee reporting has significant positive contribution to productivity, profitability and growth rate, but significant negative contribution to industrial disputes, employee turnover and labour cost.

8.2.2 Recommendations

The following recommendations are made in the light of the findings of the present study for policy implications:

1) Disclosure Decision

As the companies perceived that disclosure of information should be made to employees and there is a strong demand from employee side, disclosure decision and pragmatic policy should be made at corporate level to ensure employee reporting. It is needless to say that such decision and policy should be made after proper consultation with the employees.

2) Contents of Employee Report

Though it is difficult to specify a range of information relevant to employees in every situation, yet, certain broad categories of information can be identified. There should be a consensus between employees and companies regarding the items of information that should be disclosed in employee report. The list of information identified in this study may be used as a basis for such decision making.

3) Methods of Reporting

A regular printed report at regular interval should be used as method of reporting information to employees, that may be newsletter or special employee report. In addition, audio-visual aids and direct oral communication can be used in case of needs. Combination of methods can be considered. Effectiveness of methods should be verified on regular basis. Methods can vary according to industry category and geographic location.

4) Types of Report and Distribution

Quarterly report of information for employees may be recommended, which will create scope for evaluation of effectiveness of the report and modification in a financial year. And distribution of such report at a special discussion meeting would be very effective.

5) Modern Technology and Simplicity in Presentation

To present information in simple and understandable manner for the employees, modern technology like computer graphics should be used. Computer packages can help in accumulating, processing and presenting financial and other information. Simple terms should be used so that employees can understand easily. Same thing can be presented in different ways, point style and question-and-answer style may also be used in different section for simplicity's sake.

6) Language

India is a country of many languages. In case of reporting to employees common language should be used so that employees of different languages can comprehend the report. Large companies with branches/factories at different part of the country can use local languages for plant/unit level reports.

7) Variations in the Report

If oral, audio-visual or printed reports to employees are not changed perceptibly, employees will lose interest in it. Pace and pattern should be changed so that employees get a distinct feeling that they are listening or looking at something new. In that way greater interest can be built.

8) Confidential Information

Information should be disclosed to the employees very carefully so that confidential information is not involved. Information which is relating to national security, breaks existing laws, obtained in confidence, could cause substantial injury to the company and/or employee should not be disclosed.

9) More Information

Companies presently producing employee report are suggested in the light of present study findings that they should disclose more financial and operational information as their employees are not satisfied with the content and quality of present reports. The trend should be definitely for more open communication and greater accessibility of financial and other information, not less.

10) Training

Companies should undertake adequate training program to make the employees capable of understanding employee report and make them educated.

11) Feed Back of Information

There should be ample arrangements for encouraging employees to pass information back. This can be possible if employee report is distributed at a discussion meeting and subsequent meeting is arranged to collect feed back from them. Company will be benefited immensely from the suggestions made by employees for change or improvement of the reporting and for the organisation as a whole. This process will help in sharp increase in employee interest also.

12) Copy of Employee Report to Shareholders

Copy of employee report may be given to the shareholders so that they can consider the matter as usual and nothing is given to the employees that are not known to the shareholders.

13) Legislative provisions

Law making authority should come forward to include some provisions in the companies Act or any other relevant Acts to ensure continuous and adequate employee reporting practices. Employee representatives should also have to place the demand properly.

14) Accounting Bodies and Report Format:

Domestic and international accounting standard setting bodies should come forward to make guidelines, rules and procedures for uniform and consistent practices of employee reporting. Those bodies can encourage and impose compulsion to corporate sector for such reporting practices and frame a model format of employee report.

15) Policy at National level

Policy maker at national level should pay due attention to the issue of employee reporting and make pragmatic industrial policy for the corporate sectors so that the companies in India can explore benefits from information disclosure to employees and thereby ensure their growth and progress and contribute by this to the national economy.

16) Further Study

Before generalisation of the findings of the study further in-depth study should be conducted for better understanding of the effect of employee reporting, its practical aspects and related issues.

The recommendations given above can be followed by both the private and public sector, and small and large companies in India and be benefited immensely by adopting appropriate measures, in the light of the findings of the present study for proper and adequate employee reporting which is now-a-days extremely important for firm performance, employer-employee relations and overall well-being of the organisation.

Policy makers will agree that employee reporting is not merely an intangible philosophical concept but a social and economic policy which has an impact on employer-employee relations, productivity and profitability of the companies and national economy as a whole. They may take note from the findings of the study on the need to focus on research into the subject area of employee information and pragmatic policy making. In this area, it is essential for official directions, supports and framework.