

EMPLOYEE REPORTING IN INDIA: AN
EMPIRICAL STUDY - 12

A Thesis Submitted for the Degree of
Doctor of Philosophy
in
Commerce

by

Md. Abdul Hannan Shaikh
880881

Under the Supervision of

Dr. Palas R. Sengupta

Reader

Department of Commerce
North Bengal University
Darjeeling, India

December, 1997

ST - VERF

STOCK TAKING - 2011 |

Ref.

658.315

S526e

126662

10 AUG 1999

Md. Abdul Hannan Shaikh
B. Com. (Hons), M. Com. (Dhaka)

Assistant Professor
Department of Management
Islamic University
Kushtia, Bangladesh

DECLARATION

I hereby declare that the thesis entitled “**Employee Reporting in India: An Empirical Study**” is the result of my own research work, pursued under the supervision of **Dr. Palas R. Sengupta**, Reader, Department of Commerce, North Bengal University.

I assure that the work presented in the dissertation is original and has not been submitted before for any degree in any University.

Date...30.12.17

Signature.....

(Md. Abdul Hannan Shaikh)

PALAS R. SEN GUPTA
M. COM., LL.B. PH.D.

PHONE: 450 474 (O)
50 712 (R),
STD: 0353

DEPARTMENT OF COMMERCE

NORTH BENGAL UNIVERSITY
RAJA RAMMOHUNPUR
DIST. DARJEELING (W. BENGAL.)
FAX : 91-0353-450-546

CERTIFICATE

I am very glad to certify that the thesis entitled “Employee Reporting in India: An Empirical Study” has been prepared by Mr. Md. Abdul Hannan Shaikh, Assistant Professor, Department of Management, Islamic University, Kushtia, Bangladesh, under my supervision. It embodies the result of his investigations and is an original piece of research work not submitted to any other university/ institution for Ph. D. or any other degree.

I recommend that the thesis may be sent for evaluation.

Date: 30.12.97

P.R. Sengupta
(Dr. Palas R. Sengupta)
Reader

ACKNOWLEDGEMENTS

First of all I express my gratefulness to the Government of India for awarding me scholarship to pursue Ph. D. degree in Commerce, and other supports for this study. I am also grateful to Islamic University for granting me study leave.

I owe a debt of profound gratitude to my supervisor Dr. Palas R. Sengupta, Reader in Commerce, North Bengal University for his untiring and patient guidance in carrying out my research. I can humbly say that without his meticulous care, valuable suggestion and instructions it would not have been possible for me to complete the research work.

I gratefully acknowledge the works of those researchers, authors and scholars from whose works I have been benefited immensely in conducting the study.

I am indebted to North Bengal University for allowing me to pursue this program and providing necessary assistance. I am also grateful to the Department of Commerce for extending cordial cooperation in all respect including computer facilities.

I should gratefully acknowledge the invaluable help and cooperation extended to me by the officers and staff of different libraries and institutions such as British Council Library, Calcutta (Particularly Ms Indrani Bhattacharya who assisted me in collecting some Ph. D. theses and rare books from British Library Document Supply Centre, UK on international loan), Indian Institute of management Library, Calcuta, National Library, Calcutta, Ratan Tata Library, Delhi University, New Delhi, Jawaharlal Nehru University Library, New Delhi, Dhaka University Library, Dhaka; Bangladesh Institute of Development Studies Library, Dhaka; Institute of Business Administration Library, Dhaka; British Council Library, Dhaka; USIS Library, Dhaka; Islamic University Library, Kushtia.

I am also grateful to Dr. Steven Cahan of New Zealand for his valuable comments and suggestions on my research proposal which helped me to enrich the work. I am grateful to Professor M. A. Hamid and Dr. Saiful Islam of Economics at Rajshahi University of Bangladesh for their valuable suggestions.

I am obliged to my colleagues at Islamic University of Bangladesh. Particularly to Dr. Mosharraf Hossain and Dr. Ekramul Hoque for their cooperation and suggestion on analysis of data and using Statistical Package for Social Sciences (SPSS).

I would like to thank to fellow scholars whose cooperation, assistance and accompany supported me in different way, especially to Mr. Satyapriya Mukhopadhyay, Mr. A. K. M. Moniruzzaman, Mr. J. C. Paul, Mr. Khurshed Alam and Mr. Sanaul Hoque.

I am grateful to the management and employees of some companies who helped me in collecting primary data paying interview and filling in questionnaires.

My sincere thanks to all other friends, well-wishers whose help and blessings encouraged me all along in conducting the research.

Finally, I am indebted to my parents, my spouse and my son a permanent source of inspiration for all my works and achievements.

Md. Abdul Hannan Shaikh

ABSTRACT

Employee reporting is the provision of financial and other information to employees periodically through printed report and/or audiovisual aids. Such reporting may have positive impact on industrial relations. Because of which it is widely practiced in different countries throughout the world. In India it seems that employee reporting and its impacts are not investigated. Therefore, to see the employees' and companies' views on information disclosure to employees, possible effect of employee reporting, present practices in India (if any) and some other relevant issues, the present study has been conducted.

To investigate the issues from employee point of view, 210 employees from different companies were selected as sample. Out of 210 employees, 100 from workers, 50 from trade union leaders and 60 from managers were selected randomly both from private and public sector companies.

For the companies' aspects, 60 sample companies were selected from the list of Indian Stock Exchange. To make the sample representative different industry category and geographic location were also taken into consideration.

Data related to employees were collected through using three different questionnaires: one for the workers, another for the trade union leaders and the other for the managers. To collect data related to company, a questionnaire was administered. Company performance and labour cost related data were collected from annual report (1995-96) of the respondent companies. However, a pilot study was conducted before going for the final survey.

Collected data were processed through micro computer using Statistical Package for Social Sciences (SPSS). For analysis of data suitable statistical tools were used including ANOVA, t-test, Chi-square test, Pearson's product-moment correlation, Spearman's rank order correlation and stepwise multiple regression.

From the analysis of data following major findings were obtained:

- 1) 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.

- 2) Both employee and company respondents perceive that specific items of information should be disclosed. There is a little difference in preferences of the subjects regarding items of information to be disclosed.
- 3) 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.
- 4) Employee and company respondents are in 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.
- 5) 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.
- 6) Both employee and company respondents feel that annual report does not satisfy employees information needs, therefore, separate report for employees is required.
- 7) Employees and companies are in the same opinion that legislative provisions are required for regular and sincere employee reporting.
- 8) 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.
- 9) Non-receiver of employee report mentioned that 'lack of awareness' and 'no legal requirements' are the important reasons for not producing employee reports. On the other hand, non-producer of employee report mentioned that 'no legal requirement,' and 'it would be contrary to personnel policy,' are the important reasons for not issuing employee report.

10) Both the users and producers of employee report rated 'involve employee more in the company' as the most important reason for issuing employee report.

11) Employee report receiver respondents found that information provided in the report was very important, always true but not satisfactory, though they understood the information fully.

12) Companies presently providing employee report prefer to produce quarterly report and distribute at work place, irrespective of their groups.

13) Employee report has significant positive impact on job satisfaction. The employees receive employee reports have higher job satisfaction than that of the non-receivers. Managers, higher educated and public sector employees have higher job satisfaction than non-managers, lower educated and private sector employees.

14) 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.

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

16) 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.

Indian companies both from private and public sectors can be benefited immensely by making pragmatic policy and adopting appropriate measures to issue employee report in the light of the present study findings in improving motivation, productivity, labour-management relations, and firm performance. Perhaps this study is a maiden attempt in India in this field. It is an issue requiring more than one exercises. The present study provides direction for future research in this area and a basis for analysis.

CONTENTS

<u>Particulars</u>	<u>Page No</u>
Acknowledgement	i
Abstract	iii
Table of contents	vi
List of tables	viii
List of figures	xix
List of appendices	xix
List of abbreviations	xx
CHAPTER 1 INTRODUCTION	1-8
1.1 Statement of the problem	1-3
1.2 Justification of the study	3-5
1.3 Objectives of the study	5-6
1.4 Scope and limitations of the study	6-7
1.5 Organisation of the study	7-8
CHAPTER 2 THEORETICAL FRAMEWORK	9-27
2.1 Concepts and definitions	9-14
2.2 Development of employee reporting	14-17
2.3 Legal basis for information disclosure to employees	17-20
2.4 Claimed advantages of employee reporting	20-21
2.5 Possible contents of employee report	21-24
2.6 Cost and benefits of employee reporting	24-25
2.7 Annual report and employee report controversy	25-26

	2.8 Employee report, accountant and computer technology	26-27
CHAPTER	3 PREVIOUS STUDIES AND HYPOTHESES	28-53
	3.1 Relevant previous studies	28-46
	3.2 Hypotheses of the present study	46-53
CHAPTER	4 METHODOLOGY	54-75
	4.1 Economic and accounting profile of India	54-59
	4.2 Variables studied	59-60
	4.3 Sampling	60-67
	4.4 Measuring instruments	67-70
	4.5 Pilot survey	70-71
	4.6 Data collection procedure	71-72
	4.7 Data processing	73
	4.8 Statistical tools used	73-75
CHAPTER	5 SURVEY RESULTS: EMPLOYEE POINT OF VIEW	76-122
CHAPTER	6 SURVEY RESULTS: COMPANY POINT OF VIEW	123-182
CHAPTER	7 DISCUSSION OF RESULTS AND HYPOTHESES	183-202
CHAPTER	8 SUMMARY AND CONCLUSIONS	203-225
	8.1 Summary of the study	203-217
	8.2 Conclusions and Recommendations	217-225
	8.2.1 Conclusions	217-221
	8.2.2 Recommendations	221-225
REFERENCES		226-238
APPENDICES		239-251

LIST OF TABLES

Table No	Particulars	Page No
Table 1:	Economic data: India's Ranking in the World	56
Table 2:	Selected Stock Market Indicator	57
Table 3:	Sample Distribution by Type of Company and Levels	61
Table 4:	Distribution of Employee Respondents by Sex	62
Table 5:	Distribution of Educational Levels of Subjects	62
Table 6:	Educational Levels of Subjects by Types of companies	63
Table 7:	Mean, Median, S.D. and Range of Age and Experience of Subjects	63
Table 8:	Number of Employees of Respondent Companies by Types of Organisations	64
Table 9:	Location of Sample Companies by Types of Organisations	65
Table 10:	Distribution of Industry Category of the Sample Companies	66
Table 11:	Mean, Median, S.D. and Range of Some Variables	67
Table 12:	Employees' Desire for Information	77
Table 13:	Types of Information Demanded by Employees	78
Table 14:	Reporting Methods to be Used by Levels of Employees	80
Table 15:	Reporting Methods Rated by Private and Public Sector Employees	81
Table 16:	Reporting Methods Rated by Lower and Higher Educated Subjects	82
Table 17:	Reporting Methods Rated by Receiver and Non-receiver of ER	83

Table 18: Methods Rated by Lower and Higher Experienced Subjects	83
Table 19: Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction, Cost Consciousness and others	84
Table 20: Employees' Perception on Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change, Industrial Disputes and Others	84
Table 21: Composite Chi-square Showing Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Levels of Subjects	85
Table 22: Composite Chi-square Showing Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Levels of the Subjects	86
Table 23: Composite Chi-square Showing Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Age of the Subjects	87
Table 24: Composite Chi-square Showing Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Sex of the Subjects	88
Table 25: Composite Chi-square Showing Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Education of the Subjects	89
Table 26: Composite Chi-square Showing Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Experience of the Subjects	90

Table 27: Composite Chi-square Showing Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Receiver and Non-receiver of ER	91
Table 28: Composite Chi-square Showing Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by the Subjects of Private and Public Sectors	92
Table 29: Employees' Perception on Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Types of Companies	93
Table 30: Perceived Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Education	94
Table 31: Perceived Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Experience	95
Table 32: Perceived Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Receiver and Non-receiver of ER	96
Table 33: Responses on Legal Provisions for Employee Reporting	96
Table 34: Responses on Legal Provisions for Employee Reporting by Levels and Groups of Respondents	97
Table 35: Respondents Receive Copy of Annual Report	98
Table 36: Annual Report and Subjects' Information Needs	99

Table 37: Respondents Receive ER by Their Levels	99
Table 38: Respondents Receive ER by Their Types of Organisations	100
Table 39: Reasons for Non-producing ER as Perceived by Employees	100
Table 40: Reasons for Producing ER as Perceived by the Subjects	101
Table 41: Relative Importance of Reasons for Producing ER by Subjects of Private and Public Sectors	102
Table 42: Relative Importance of Reasons for Producing ER by Subjects of Lower and Higher Education	103
Table 43: Relative Importance of Reasons for Producing ER by Subjects of Lower and Higher Experience	104
Table 44: Importance of Information in ER to Users by Their Levels	104
Table 45: Importance of Information in ER to Users by Their Education, Experience and Types of Organisations	105
Table 46: Responses on Reliability of Information in ER According to Levels, Types of Organisations, Education and Experience of the Subjects	105
Table 47: Respondents' Satisfaction With Contents of ER by Their Levels, Education, Experience and Types of Organisations	106
Table 48: Understanding of Information in ER by the Users	107
Table 49: Understanding of Information in ER by the Users According to Their Levels, Education, Experience and Types of Organisations	107
Table 50: Respondents' Perception on Claimed Disadvantages of ER	108
Table 51: Respondents' Perception on Claimed Disadvantages of Employee Reporting by Their Levels	109

Table 52: Respondents' Perception on Claimed Disadvantages of Employee Reporting by Types of Organisations	110
Table 53: Respondents' Perception on Claimed Disadvantages of Employee Reporting by Receiver and Non-receiver of ER	110
Table 54: Respondents' Perception on Claimed Disadvantages of Employee Reporting by Their Education	111
Table 55: Respondents' Perception on Claimed Disadvantages of Employee Reporting by Their Experience	112
Table 56: Responses on Distribution of ER at Discussion Meeting by Levels, Education, Experience and Type of Organisation of Subjects	113
Table 57: Inter Correlation Among Some Variables (N=210)	114
Table 58: Correlation Among Some Variables of Private Sector Employees	115
Table 59: Correlation Among Some Variables of Public Sector Employees	116
Table 60: Two-way ANOVA for Job Satisfaction According to Employee Report and Level of Employees (N=210)	117
Table 61: Cell Means (including rows and columns) for the ANOVA Presented in table -60	117
Table 62: Two-way ANOVA for Job Satisfaction According to Employee Report and Types of Organisations (N=210)	118
Table 63: Cell Means (including rows and columns) for the ANOVA Presented in table -62	118
Table 64: Two-way ANOVA for Job Satisfaction According to Types of Organisations and Levels of Employees (N=210)	119

Table 65: Cell Means (including rows and columns) for ANOVA in table -64	119
Table 66: Mean Difference of Job Satisfaction According to Some Personal Factors of Respondents (Age, Experience, Education and Sex)	120
Table 67: Mean Difference of Job Satisfaction According to Level of Subjects, Types of Organisations and Employee report	121
Table 68: Matrix Showing Bivariate Correlation Between Some Selected Independent Variables and One Dependent Variable (Job Satisfaction)	121
Table 69: Summary of Stepwise Multiple Regression (Dependent Variable Employees' Job Satisfaction)	122
Table 70: Company Respondents' Intention to Disclose Information to Employees by Their Types, Sizes and ER	124
Table 71: Types of Information Should be Disclosed to Employees	125
Table 72: Methods Should be Used in Disclosing Information to Employees	127
Table 73: Relative Importance of Methods of Reporting as Perceived by Private and Public Sector Companies (N=60)	128
Table 74: Relative Importance of Methods of Reporting as Perceived by Producers and Non-producer of ER (N=60)	128
Table 75: Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness as Perceived by Respondent Companies	129
Table 76: Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes as Perceived by Respondent Companies	130

Table 77: Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness as Perceived by Private and Public Sector Companies	131
Table 78: Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness as Perceived by Small and Large Companies	132
Table 79: Impact of Employee Reporting on Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness as Perceived by Producer and Non-producer of ER	133
Table 80: Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Types of Companies	134
Table 81: Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes as Perceived by Small and Large Companies	135
Table 82: Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes as Perceived by Producer and Non-producer of ER	136
Table 83: Companies' Views on Legal Provisions for Employee Reporting	137
Table 84: Responses on Legislative Provisions Required for Employee Reporting According to Types, Sizes and ER	137
Table 85: Copy of Annual Report to Employees by Types, Sizes and ER	138
Table 86: Responses on Annual Report and Employees' Information Needs	139
Table 87: Companies Calculate Costs and Benefits of Employee Reporting by Their Types, Sizes and ER	140

Table 88: Respondent Companies Producing ER by Types and Sizes	141
Table 89: Year of Starting to Producing ER	141
Table 90: Reasons for Not Issuing ER	143
Table 91: Relative Importance of Reasons for Not Issuing ER as Rated by Private and Public Sector Companies	144
Table 92: Relative Importance of Reasons for Not Issuing ER as Rated by Small and Large Companies	145
Table 93: Prime Objectives of Producing ER	146
Table 94: Relative Importance of Objectives of Producing ER as Rated by Small and Large Companies	147
Table 95: Relative Importance of Objectives of Producing ER as Rated by Private and Public Sector Companies	148
Table 96: Type of Report Produced by Respondent Companies	148
Table 97: Types of Report Produced by Types and Sizes of Companies	149
Table 98: Distribution of ER	149
Table 99: Distribution of ER by Types and Sizes of Companies	150
Table 100: Reactions of Employees on ER	150
Table 101: Two-way ANOVA for Number of Industrial Disputes According to Type of Company and ER	151
Table 102: Cell Means (including rows and columns) for ANOVA in Table-101	151
Table 103: Two-way ANOVA for Number of Industrial Disputes According to Size of Company and ER	152

Table 104: Cell Means (including rows and columns) for ANOVA in Table-103	152
Table 105: Two-way ANOVA for Employee Turnover According to ER and Size of Company	153
Table 106: Cell Means (including rows and columns) for ANOVA in Table-105	153
Table 107: Two-way ANOVA for Employee Turnover According to Type of Company and ER	154
Table 108: Cell Means (including rows and columns) for ANOVA in Table-107	154
Table 109: Two-way ANOVA for Productivity by ER and Type of Company	155
Table 110: Cell Means (including rows and columns) for ANOVA in Table-109	155
Table 111: Two-way ANOVA for Productivity by Size of Company and ER	156
Table 112: Cell Means (including rows and columns) for ANOVA in Table-111	156
Table 113: Two-way ANOVA for Profitability by Type of Company and ER	157
Table 114: Cell Means (including rows and columns) for ANOVA in Table-113	157
Table 115: Two-way ANOVA for Profitability by ER and Size of Company	158
Table 116: Cell Means (including rows and columns) for ANOVA in Table-115	158
Table 117: Two-way ANOVA for Growth Rate by ER and Type of Company	159
Table 118: Cell Means (including rows and columns) for ANOVA in Table-117	159
Table 119: Two-way ANOVA for Growth Rate by ER and Size of Company	160
Table 120: Cell Means (including rows and columns) for ANOVA in Table-119	160
Table 121: Two-way ANOVA for Labour Costs by ER and Type of Company	161
Table 122: Cell Means (including rows and columns) for ANOVA in Table-121	161

Table 123: Two-way ANOVA for Labour Costs by ER and Size of Company	162
Table 124: Cell Means (including rows and columns) for ANOVA in Table-123	162
Table 125: Inter Correlation Among Some Major Variables (N=60)	163
Table 126: Correlation Among Some Variables of Private sector Companies	164
Table 127: Correlation Among Some Variables of Public sector Companies	165
Table 128: Correlation Among Some Variables of Companies Not Producing ER	166
Table 129: Correlation Among Some Variables of Companies Producing ER	167
Table 130: Mean Difference of Industrial Disputes According to Type of Organisation, ER and Size of Company	168
Table 131: Mean Difference of Employee Turnover According to Type of Organisation, ER and Size of Company	169
Table 132: Mean Difference of Productivity According to Type of Organisation, ER and Size of Company	170
Table 133: Mean Difference of Profitability According to Type of Organisation, ER and Size of Company	171
Table 134: Mean Difference of Growth Rate According to Type of Organisation, ER and Size of Company	172
Table 135: Mean Difference of Labour Costs According to Type of Organisation, ER and Size of Company	173
Table 136: Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Industrial Dispute	174
Table 137: Summary of Stepwise Regression (Dependent Variable: Industrial Dispute)	175

Table 138: Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Employee Turnover	175
Table 139: Summary of Stepwise Regression (Dependent Variable: Employee Turnover)	176
Table 140: Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Productivity	177
Table 141: Summary of Stepwise Regression (Dependent Variable: Productivity)	178
Table 142: Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Profitability	178
Table 143: Summary of Stepwise Regression (Dependent Variable: Profitability)	179
Table 144: Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Growth Rate	179
Table 145: Summary of Stepwise Regression (Dependent Variable: Growth Rate)	180
Table 146: Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Labour Costs	180
Table 147: Summary of Stepwise Regression (Dependent Variable: Labour Cost)	181

LIST OF FIGURES

Particulars	Page No
Figure 1: Distribution of Employee Samples by Levels	61
Figure 2: Location of Sample Companies	64
Figure 3: Reporting Methods to be used According to Levels of Employees	81
Figure 4: Prime Objectives of Issuing ER	101
Figure 5: Reporting Methods to be Used as Perceived by Sample Companies	127
Figure 6: Sample Companies Producing ER by Year	142
Figure 7: Reasons for Not Producing ER	143
Figure 8: Reasons for Producing ER	146

LIST OF APPENDICES

Appendix	A: Questionnaire for workers	239
Appendix	B: Questionnaire for trade union leaders	242
Appendix	C: Questionnaire for managers	245
Appendix	D: Questionnaire for company secretary	248

LIST OF ABBREVIATIONS USED

ARR = Accounting Rate of Return

BIM = British Institute of Management

CBI = Confederation of British Industries

CRIM = Composite Refined Information Model

DSP = Durgapur Steel Plant

ER = Employee Report

ICA = Institute of Chartered Accountants

ICAEW = Institute of Chartered Accountants in England and Wales

ICAI = Institute of Chartered Accountants of India

ICWAI = Institute of Costs and Works Accountants of India

ILO = International Labour Organisation

JCC = Joint Consultation Committee

NLRB = National Labour Relation Board

OLS = Ordinary Least Squares

ROI = Return on Investment

RON = Return on Networth

ROS = Return on Sales

RSTC = Rajasthan State Transport Corporation

SAIL = Steel Authority of India Limited

SEBI = Securities and Exchange Board of India

TU = Trade Union

UK = United Kingdom

USA = United States of America

VAS = Value Added Statement

CHAPTER 1

INTRODUCTION

1.1 Statement of The Problem

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 various information to carry out 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 benefit demands (Lal, 1985: p.73). Therefore, keeping them in the dark success and progress of the business can not be assured. Moreover, employees have been recognized as stakeholder and user of accounting information and they have the right to know about the doing of the organisation (Hussey, 1988; Bollom, 1984; Lewis et al., 1985: p.558; and Gupta, 1995).

Traditionally, corporate accountability was defined mostly in relation to the interests of shareholders, creditors and Government. In recent times, corporate accountability towards wider social interest groups is actively considered in many countries (Gray et al, 1987). In Western Europe, the industrial relations and the related employee involvement and motivation issues were important, so that there was more emphasis on employee information (Hill, 1990).

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. However, the credibility of such assertions has not been established. The specific benefits to employees and management which materialize as a result of reporting to employees have not been clearly identified and verified by empirical evidence (Lewis, Parker & Sutcliffe, 1984a: p.232).

In some countries management are legally liable to provide information to trade unions for collective bargaining though not to individual employee, but yet, the voluntary 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 also.

In USA, approximately 60% of the companies provide formal report to employees, generally on a routine basis quarterly or annually (Brown & Trumble, 1995: p.46). In Japan, information is shared with unions and employees through Joint Consultation Committee (JCC). In a study, Ministry of labour (1985) found that 72% of 3800 private enterprises with 100 or more permanent employees and 88.4% of the firms with permanent employees of 1000 or more reported they have a standing JCC (Morishima, 1991b: p.37). Approximately one-third of the large Australian companies produce a separate annual report addressed to their employees. Companies in France, Holland, Germany and Norway are required to report to employees. In United Kingdom, more than half of the larger companies voluntarily produce such a report (Bollom, 1984: p.51). In another study, it is found that 60% UK companies provide special or simplified reports to the employees (Maunder, 1981). In a survey among New Zealand stock exchange enlisted companies, it is found that 22% of the companies produce employee reports (Firth & Smith, 1984).

In India, it seems that the practice of reporting financial and other information to employees has not received desired attention from the practitioners and researchers, though 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. However, such propositions need empirical evidence. Therefore, it is very important to investigate the views of companies and employees on employee reporting, its possible effects, the present practices in India (if any) and the related issues. The following are some of the questions which the present study sought to examine through empirical study in India :

- (1) What do the employees and companies think about employee reporting?
- (2) Is there any employee reporting practices in India ?
- (3) What are the possible effects of employee reporting ?
- (4) Is there any relation between employee reporting and firm performance?
- (5) Can employee reporting contribute in improving industrial relations?
- (6) Is legal provision required for employee reporting?

1.2 Justification of 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 1.01 million, which resulted in 22.05 million man-days lost (Pocket Book of Labour Statistics & Indian Labour Journal). Employee turnover being another problem 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 variations. 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 these problems. This proposition is supported by some research findings in different countries.

Some studies claimed that employee reporting will improve industrial relations, employee motivation, productivity, employee commitment and reduce absenteeism, turnover, industrial disputes & resistance to change (Foley & Maunders, 1977: p.27-34; Maunders, 1981; Pope & Peel, 1981: p.139-47; Hussey & Marsh, 1983: p.604; Bollom, 1984: p.51; Freeman & Medoff, 1984). In an empirical study Morishima (1991a) found that when firms engage in increased information sharing, negotiations become shorter and easier and unions accept lower wage increase. There is a positive association of information sharing with profitability, productivity and a negative association with labour cost (Morishima, 1991b). The motivation behind the voluntary information disclosure to employees seems to be economic gain, including improved firm performance (Lewin, 1984 in Morishima, 1991b). Some US managers claimed information sharing with employees leads to greater productivity and higher profits, but found no relation with productivity and negative relation with profitability and cash flows (Kleiner & Bouillon, 1988). Complete sharing of information with the employees have a positive impact on labour-management relations and better negotiation settlements (Brown & Trumble, 1995).

Moreover, the economic and business environment in the country is undergoing radical changes shifting from a planned economy to a market driver economy. The protected market with licensing and import control is being replaced by a competitive milieu. The new Industrial Policy of July 1991 with consequent delicensing and phased disinvestment of shares of Public Sector Undertakings has also thrown up a new set of challenges to compete and exist. The companies are gearing up their operations and realigning their strategic plans to meet the aforesaid challenges both in the domestic as well as in the international markets. In this context, Indian companies need to improve employee-employer 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 the respective fields. It will also be a useful guide to formulate pragmatic industrial policy at the national level.

1.3 Objectives of The Study

The main objective of the study is to assess the views of employees and companies on employee reporting, to identify its present practices and determine possible effects. However, the present study will attempt 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 their 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 of the companies;
- (8) To identify the reasons for producing and non-producing of employees 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.

1.4 Scope and limitation of the study

The scope of the study is confined to measure, analyse, compare and examine responses of the subjects relating to employee reporting in stock exchange enlisted companies in India. The study was conducted considering both employee and company point of view. For employee respondents workers, trade union leaders and managers are covered. Company respondents are selected considering different industry categories and geographical locations. Both private and public sector companies are taken into consideration. Data are collected through well designed questionnaires containing open and closed ended questions for the employees and companies (Appendices - A, B, C and D). Questionnaires were mailed to the subjects but not getting satisfactory rate of responses, questionnaires were also administered personally through visiting the companies. The data were collected from factories, branch offices and head offices purposively. For the data related to the performance of the companies, annual reports of year the 1995-96 were collected and used. The study however, did not cover companies not enlisted in the stock exchange.

The present study is assumed not to be free from limitations. Although adequate precautionary measures have been taken in selecting samples and collecting data for the study, yet the study suffers from the following limitations:

(1) The sample had been selected from Calcutta, Chennai, Mumbai, New Delhi and some other places. To get more dependable results, it would be better if more geographic regions could be covered. But the volume of work and the cost involved, impeded the researcher to do so.

(2) Further study with larger sample than the present one may provide more accurate results.

(3) The study did not make any attempt to evaluate models relating to information disclosure to employees.

The limitations discussed above are however, very common in case of any field study. It can be stated that, the limitations would not affect the findings of the study as appropriate research methodology and proper statistical tools have been used to overcome the limitations.

1.6 Organisation of the Study

For the convenience of presentation, the study is organised in the following way:

Chapter 1 Introduction, deals with the statement of the problem, Justification, Objectives and scope and limitations of the study;

Chapter 2 presents theoretical aspects including concepts and definitions, development of employee reporting, legal basis for information disclosure to employees, claimed advantages of employee reporting , possible contents of employee report, costs and benefits of employee reporting, annual report and employee report controversy and employee report, accountant and computer technology;

Chapter 3 introduces review of relevant previous studies and hypotheses of the present study;

Chapter 4 undertakes the methodology which includes brief sketch of economic and accounting profile of India, descriptions of samples and variables, sampling techniques, measuring instruments, data collection procedure, data processing and statistical tools used;

Chapter 5 examines the results of the study from employee point of view;

Chapter 6 represents the results of the study from company point of view;

Chapter 7 discusses the results and hypotheses of the present study; and

Chapter 8 contains summary, conclusions and recommendations of the study.

CHAPTER 2

THEORETICAL FRAMEWORK

2.1 Concepts and Their Definitions

2.1.1 Employee Reporting

Employee reporting comprises information outwith the routine instructional or operation specific communication (Hill, 1990: p.8). A corporate financial report to employee is defined as a separate report produced independently of any other document or as a supplement in house journal. This report is issued at least annually and usually contains the chairman's message, simplified financial statements and commentary on the activities for the period. Other inclusions can be plans, forecasts and personnel related information (Lewis, Parker & Sutcliffe, 1984a: p.229). This report prepared solely for the employees of an organisation presents financial and non financial information of particular interest to employees (Bollom, 1984: p.51). In wider sense, employee reports include any regular or adhoc report for all employees, dealing with the company's organisational and trading information. It may be a separate printed report or visual presentation (Hill, 1990: p 8). In short, employee reporting is providing company financial and other information to employees according to their needs either in printed form or through audio-visual aids or any other method. For the purpose of the present study employee reporting is taken to include any regular or adhoc printed report, newsletter and/or audio-visual presentation, dealing with the companies financial and other information for the employees. This wider definition is accepted for this research because it gives a comprehensive picture of employee reporting practices.

In different countries and by different researchers some other terminologies are also used for employee reporting such as: Information sharing with the employees, Accounting

information disclosure to the employees, Annual report to employees, Financial reporting to employees, Employee communication, etc.

2.1.2 Employee/Worker

The term 'worker' may have different meanings depending on the context in which it is used. Traditionally, the term denotes blue-collar employees i.e. industrial wage earners and contrasted with the white collar employees i.e. salaried person (Mannan, 1987: p.5).

The term 'employee' is defined in the Indian Employees Provident Fund Act, 1952 as, "Employee means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of a factory, and who gets his wages directly or indirectly from the employer, and include any person employed by or through a contractor in or in connection with the work of the factory." The definition is comprehensive and includes apprentices, operatives, clerks, and even managers. (The Employers Federation of India, 1963).

Employment Protection (consolidation) Act 1978 of UK defines an 'employee' as an individual who has entered into or who has worked under a 'contract of employment,' which means 'a contract of service or of apprenticeship' (Janner, 1979). The terms 'employee', 'worker' and similar expression found in different enactment are intended to connote persons employed in the industry. The actual definition, however, varies from enactment to enactment. For example, some laws cover only operatives employed in factories, while others include supervisory and technical staff as well.

For the purpose of the present study, the term 'employee' is used in wider sense and includes executive, clerks, supervisors, workers and others. In this study, employees are also grouped into workers, trade union leaders and managers. Workers also include production worker, clerks and supervisors.

2.1.3 Company

A company is a voluntary and autonomous association of certain persons with capital divided into numerous transferable shares formed to carry out a particular purpose in common. It is an artificial person created by law to achieve the objective for which it is formed (Jain and Narang, 1989: p.10.1). Section 3(1)(I) of the Indian Companies Act, 1956 defines company as "company formed and registered under this Act or an existing company." It is an abstract person, it can hold, purchase or sell both movable and immovable properties, incur and pay debts, open bank account and can sue and be sued in the same manner as an individual. Law creates it and only law can dissolve it. The study considered only registered joint stock companies which are listed in the Stock Exchange.

2.1.4 Private and Public Sector

The term 'private sector' refers to the economic and social activities performed under individual or group ownership with in the general framework of regulatory laws and rules. The term 'public sector' on the other hand, in general refers to the wide range of economic and social activities undertaken by public authorities (Srivastava, 1990). In India an organisation owned and controlled by public authorities, and is listed in bureau of public enterprises in its annual report, is known as public sector enterprise (Gupta, 1995: p.34). Public sector companies include both state and central government owned companies. Most of the companies of private and public sectors are listed in Indian Stock Exchange.

For this study, sample companies are randomly and purposively selected from both private and public (state and central government owned) sectors, which are Stock Exchange enlisted.

2.1.5 Motivation

Motivation is defined as an act of stimulating someone to achieve a particular objective in view. Motivation organises human behaviour in such a manner that the action takes a definite direction. Authorities have referred motivation as a way in which needs, desires, motives, aspirations and drives direct and control human behaviour. Sociologists find motivation as a state of tension which generates energy that impels man to take a desired

course of action (Sharma and Agarwal, 1990). Another scholar defined motivation as a process whereby needs instigate behaviour directed towards the goals that can satisfy those needs (Kelly, 1974: p.303). Mamoria (1989) defined motivation as “a willingness to expend energy to achieve a goal or reward. It is a force that activates dormant energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human beings of an organisation.”

2.1.6 Job Satisfaction

Job satisfaction is defined by Hoppock (1935) as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say “I am satisfied with my job.” Smith (1955) defined job satisfaction as an employee’s judgement of how well his job has satisfied his various needs. Locke (1970) has given an acceptable definition of job satisfaction. He defined job satisfaction as a pleasurable emotional state resulting from the perception of one’s job values as fulfilling one’s important job values, providing these values are compatible with one’s needs. In this study five point Likert type scale is used to measure job satisfaction of the employees.

2.1.7 Productivity

The ILO publication, “Higher Productivity in Manufacturing Industries” has defined productivity as the ratio between output of wealth and the input of resources used in the process of production. The organised labour has tried to interpret productivity as the value of all output divided by man-hours of work (Jain and Agarwal, 1995: p.711). In this study productivity is considered in the sense of labour productivity. Value added is used to calculate productivity. Per employee productivity is generally calculated from total value added dividing by number of employees. But in this study actual number of employees of all the respondent companies could not be collected. Therefore, to calculate employee productivity, total value addition of the company is divided by the total amount of labour costs.

2.1.8 Profitability

Profitability is the ability to generate income (Hermanson et al., 1989: p.18). Profitability is the profit earning capacity of a product, process or an undertaking. This is generally known as financial profit and is widely applied in business enterprises (Banerjee, 1988: p.735). Profitability is generally indicated by some terms like: Return on Investment (ROI), Return on Networth (RON), Accounting Rate of Return (ARR), Return on Sales (ROS) and others. In this study return on networth is considered to measure profitability of the sample companies. In this case, net profit after tax is divided by net worth (share capital + reserves + undistributed profits) and multiplied by 100 to get the rate of profitability.

2.1.9 Industrial Relations

Industrial relations is a combination of various social sciences, the cumulative effect of which is to grease the wheels of industry and society. It is also concerned with relations of employee-employer, determination of wage and condition of employment (Pyle and George, 1995: p.3). The concept of industrial relations has been extended to denote the relations of the state with employer, worker and their organisation. The subject, therefore, includes individual relations and joint consultation between employers and workers at their places of work; collective relations between employees and their organisations and trade unions; and the part played by the state in regulating these relations (Encyclopaedia Britannica, p.297)

2.1.10 Employee Turnover

Labour turnover may be defined as the rate of change in the labour force in an organisation during a specified period. It may be taken to mean engagements and losses related to the number of manpower employed at the beginning of a stated period. Labour turnover may be represented by the following ratio:

$$\text{Employee turnover} = \frac{\text{Number of employees leaving during a year}}{\text{Average number employed during that year}} \times 100$$

(Banerjee, 1988: p.172)

In the present study rate of employee turnover was collected from the respondent companies. They have given estimated figures of employee turnover rate.

2.1.11 Labour Cost

The costs of remuneration, such as wages, salaries, commissions, bonuses, etc. of the employees of an undertaking are known as labour costs (Banerjee, 1988: p.19). In this study labour cost is meant by the cost of remuneration of the employees of the company. For convenience of analysis and presentation, labour cost is expressed in ratio of total cost. That is, labour cost is calculated dividing total labour cost by total cost of the company of 1995-96. The figures are also taken in percentage.

2.2 Development of Employee Reporting

The practice of corporate financial reporting to employees is by no means a recent phenomenon, it has experienced a marked resurgence during the past decades (Lewis, Parker & Sutcliffe 1984a: p.229). This is because since the 1970's many interest groups have voiced their opinions in favour of employee reporting including employees, employers, accounting academics, researchers, professionals, governments and its agents (Pope and Peel 1981: p.139; Lewis, Parker and Sutcliffe 1984a: p.229). Most of the accounting literature published in 1970's treated reporting to employees as a new or emerging issue (Lewis, Parker and Sutcliffe 1984b: p.275; Parker, 1977a: p.5; and Holmes, 1977: p.64). But literature on this topic had been published well before the 1970's in various countries and with different notions. Examples of employee reporting emerged in Canada, Australia, the USA and the UK (Malgwi, 1993: p.16). However, by the beginning of the 20th century, employee communication channels took the form of a house journal, reporting mainly social and personal data considering a panacea to sweep away disloyalty, unrest, inefficiency and strikes (Saberson, 1920 in Lewis, Parker and Sutcliffe 1984a: p.230). In Canada, the issue began as a generalised conceptual problem of how best to impart knowledge to employees and it was discussed in Plant Magazines in 1921 (Department of Labour, Canada, 1921: p.7-12) and the need for special report was discussed in 1923 (Botsford 1923: p.84).

Among early stirrings, Bostford (1923) considered plant level publication as an investment in employees' morale and pride in their work, and a media of explaining corporate financial conditions, demonstrating employee contribution to performance and a tool of promoting

attention to organisational efficiency. Same idea is expressed by Budd (1923), who supported communication with both customers and employees. During 1930's and 1940's the disclosure of financial information in the form of an employee report as distinct from a 'house journal' became fully developed (Lewis, Parker and Sutcliffe 1984a: p.230). According to Derry (1948: p.44) in USA, the earliest special financial report to employees called "Report to Employees" was produced by the International Harvester Co., USA, in 1936 (National Association of Manufacturers of the USA, 1938: P.84 in Lewis, Parker and Sutcliffe 1984b: p.275). The greatest change in preparing financial reports came in 1937 when Johns Manville (USA) became one of the companies to issue a special annual report to the employees, such companies include Kodak, Monsanto chemical, Banking company, Union Bag and Paper Boys (Derry, 1948: p.44 in Malgwi, 1993: p.19).

Irvine (1939) highlighted his company's experience in issuing a special edition of financial report designed for employees. Heacock (1940) president of Caterpillar Tractor Company in USA experiment a radio broadcast following the issue of an annual report mailed to both stockholders and employees. Hartwell (1941) in his paper listed thirty-five companies who provide report and the report ranked by quality of disclosure. Bennett (1941) discussed employee interest and evaluate report content for its ability to attract interest. Wallace (1946) proposed a number of normative standards for employee reports' effectiveness including making report understandable to readers, giving confidence in validity, being factual and accurate, and being short in length. However, in 1947, financial report was greatly improved and filled with unusual charts, graphs, photographs and detailed information on the operations which the company felt would appeal to employees (Malgwi, 1993: p.23). Burnham (1949) contributed to this literature and examined the format of simplified income statements as well as items of significance to employees.

Myers (1956) presented a comprehensive picture of employee reporting practices in 1950's based on analysis of sixty reports. The post world war II period of public antagonism towards union power, and the mid 1950's period of public and legislative antagonism co-existed with a rapid increase in the literature and interest in reporting to employees. Hecker and Willson (1952 in Malgwi, 1993) looked at problems of employee report on an individual

basis and covered objectives, information presented in financial statements, simplified and per employee statements, format, media, and dangers in reporting to employees.

During 1950's and 1960's the modernisation of plant and equipment with modification and improvements of existing technology continued. The late 1960's and early 1970's again experienced a period of accelerated automation with advances in computer and support technology being applied to both production and administration in industry and commerce (Gappert, 1979: p.30-40; Albin, 1978: p.34-36, 52-56 in Lewis, Parker and Sutcliffe, 1984b: p.282). In the late 1960's and early 1970's another resurgence of interest in reporting financial information to employees coexisted with that innovation in the work place (Lewis, Parker and Sutcliffe, 1984b: p.282).

During the 1970's an increased interest in employee reporting has been shown from different corners including accounting literature in western world (Lewis, Parker and Sutcliffe, 1984a: p.230; Hussey and Morris, 1987; in Hill, 1990: p.43). Dyson (1973) argued in favour of employee entitlements in corporate reporting on the basis of their larger personal contribution of time and effort to the organisation. Contributions since 1977 concerned with analysing the incidence and nature of company effort in this area. The first review of incidence and report type in Australia was made by Parker (1977a). The language and style used in reporting and employee understanding were discussed by some researchers (Harrison, 1977; Parker, 1977a; Taylor 1975; and Goodlad, 1978 in Hill 1990: p.44). Some authors advocated simple form of report easily understood by average employees and use of informal everyday language, and bright and colourful style (Dillon, 1977 in Hill, 1990: p.44). There was a rejuvenation of interest in company practice of issuing a separate printed employee report in late 1970's, when increasing number of companies have started providing report to employees directly rather than through unions (Norkett, 1976; Purdy, 1977; Marsh and Hussey, 1979; in Hill, 1990: p.44). Professional practice guides have also been brought out on employee report and employee communication (Smith, 1975; Hilton, 1978; Page, 1978; in Hill, 1990: p.44). Further detail of reporting practices and report contents published by some researchers (Myers, 1979; Taylor, Webb and McGinley, 1979; and Marsh and Hussey 1979; in Lewis et al., 1984a: p.230). Hussey and Craig (1980) conducted a survey in

Australia and concentrated upon company reporting practices, reasons, costs and communication methods. It was a comprehensive attempt to assemble empirical evidence on employee attitudes to employee report and report content. Other literature focused upon question of government regulation for employee reporting practices (Webb and Taylor, 1980 in Lewis et al. , 1984a: p.231).

There are different suggestions explaining the development of employee information in 1970's, for example, the increasing political, industrial and commercial influences of the work force (Norkett, 1977), the incidence of merger, recession and anti-union feelings (Lewis et al., 1984b), the threat impeding legislation (Parker, 1977b; Hussey and Morris, 1987), and the management aim to increase or preserve power (Purdy, 1988 in Hill, 1990: p.45). Some other contributors in this literature of this period are Maunders (1981), Hussey (1988), Purdey (1988) and others.

Latest development of employee reporting may be traced in some recent studies in this area. The effect of employee reporting studied by Andrews (1988). Comprehensive work on managerial behaviour and attitude regarding employee reporting was done by Hill (1990), the impact of information sharing on negotiation and industrial relations were studied by Kleiner and Bouillon (1988) and Morishima (1991a), the relationship between information sharing and productivity, profitability and labour cost was investigated by Kleiner and Bouillon (1991) and Morishima (1991b), and impact of information disclosure to employees on labour-management relations was analysed by Brown and Trumble (1995).

2.3 Legal Basis of Information Disclosure to Employees

In some countries of the world (like USA, Germany, UK, and India) there are some legislative provisions directly or indirectly related to information disclosure to employees. Review of some legal provisions is given below:

In USA industrial relations have been regulated for past 40 years by two major Acts of congress: the National Labour Relations Act, 1935 (Wagner Act) and the Labour Management Relations Act, 1947 (Tuft-Hartley Act). A third Act of congress, the Landrum-Griffin Act was passed in 1959. The administration and interpretation of these statutes are

carried out, in the first instance, by the National Labour Relation Board (N.L.R.B). The right of employees and trade union officials to obtain information from management is nowhere specifically stated in the above Acts. Rather such rights have been inferred by the N.L.R.B. from a more general provision of the Acts (Foley & Maunders, 1977: p.1-4).

In Germany industrial relations regulated by the Works Construction Act, 1972, which contain some provisions relating to employees' right of codetermination, consultation and information. In fact, to be more specific, information must be provided on stocks, production, planned changes in production and investment, plant level changes in production objectives, planned cut-backs in production and any issues which could threaten the interests of employees. Further to make this provisions more effective, if an employer does not provide adequate information within a satisfactory period of time, he may be reported to an arbitration tribunal which may impose a fine of 20,000 Deutschemarks (Foley & Maunders, 1977: p.10,12).

In UK, the information needs of employees have recognised in various Acts of parliament (Lee, 1982: p.114). The first of such Act is the Health and Safety at Work Act, 1974 which requires companies to provide information to their employees about their health and safety policies and programs. The health and safety inspectorate also has the responsibility of passing on information on health and safety practices to employees. Specifically section 79 of the Act states that the published directors' report must contain information concerning the company's arrangements to secure the health and safety of its employees and of other persons affected by the work of employees (Foley & Maunders, 1977: p.114). The Social Security Pensions Act passed in 1975 which requires both employees and trade unions to be informed, and recognised trade unions to be consulted, if an employer elects to contract out of the Act (Foley & Maunders, 1977: p.14). The employment protection Act passed in 1975. Its provisions on disclosure of information were similar to those of the Industrial Relations Act, 1971 with slightly different procedures for their implementation (Hussey and Marsh, 1983: p.5). Section 17-21 of this Act related to disclosure of company information which may be important to employees or trade unions (Hussey and Marsh, 1983: p.9). Section 18 provides for some exemptions to the information disclosure (for example, information which

either would go against the interest of national security or would be regarded as confidential) (Lee, 1982: p.114). The Industry Act received Royal assent on 12 December 1975 (Foley & Maunders 1977: p.18). Section 27-34 of the Act deal with disclosure of information required of those companies making a significant contribution to the UK manufacturing industry. A minister of the crown can require companies to supply information to him and if he thinks fit, to representative of relevant trade unions (Hussey and Marsh 1983: p.35). If the information is not given voluntarily, the minister may issue an order for the information to be supplied. Unlike the provisions of the Employment protection Act, 1975 on disclosure, the Industry Act clearly lays down the information to be provided. Section 30(2) of this Act lists the information required either in actual or forecast format. Information or forecasts are not to be passed also contained in the provisions of the Act (i.e. If against national/company/employee interest, etc.) (Foley & Maunders, 1977: p.22; Hussey and Marsh, 1983: p.35). Finally, the importance of the employee in contemporary corporate activity in the UK is evidenced in section 46 of companies Act, 1980. This part of the Act includes financial reporting function - that is, the information needs of employees may have to be taken into account when presenting financial statements (Lee, 1982: p.133).

In Sweden, the Joint Regulation of Workers Life Act, 1976 first introduced on information disclosure (Bellace and Gospel, 1983: p.68-71). In contrast to the law of United States and the UK, the aim of Swedish Act is that all information delivered to the union should be made available to all employees (Fahlebeck, 1980: p.26 in Bellace and Gospel, 1983). Swedish legal situation is favourable and employers are more positive in attitudes on disclosure. Financial information disclosure in Sweden increased in few years and understanding from employees' side has also increased.

In Belgium, Royal Order in favour of financial and economic information disclosure to works council was issued on 27 November 1973. Which enable the workers to be given a complete picture of the situation in their undertaking and the way it is developing in every aspect of its activity through works council or employee representative (Chr. Breviere, 1983: p.199).

In India Employees' right to get information also recognised by Acts of parliament. The Factories Act, 1948 provides in section 111(A)(i) that every worker shall have the right to obtain from the occupier, information relating to worker's health and safety at work (Indian Factories Act, 1948). This Act also provides for compulsory information disclosure. Section 41B(i) provides that the occupier of every factory involving a hazardous process shall disclose in prescribed manner all information regarding dangers, including health hazards and the measures to overcome such hazards (Indian Factories Act, 1948). The Payment of Bonus Act, 1965 [section 23(2)] also recognised employees' & trade unions' information and explanation needs relating to financial statements (Payment of Bonus Act, 1965).

From the above discussion it is evident that the information disclosure to the employees is legally required and these requirements widened gradually.

2.4 Claimed Advantages of Employee Reporting

An increasing number of companies has come to recognise that there is a net benefit to them in improving communication with their employees. To see how this net benefit might result, it is perhaps useful to list the major arguments which have been put forward in favour of reporting to employees. An illustrative listing of them in note form is presented below. Information disclosure will be useful to:-

Stimulate with good news, Discourage exaggeration of bad news, Stop rumours, Have a well-informed work force, Match education and changing attitudes among employees, Help understanding company and economic affairs, Educate the employee to understand financial performance, Greater understanding of company discipline and control, Greater understanding of management viewpoint, Minimise misunderstanding, Avoid dissatisfaction, Provide greater job satisfaction, Increase positive motivation towards higher productivity, Stimulate willingness to work, Improve workmanship, Create sense of achievement, Encourage sense of responsibility, Ensure commitment to objectives, Maintain performance, Improve performance, Increase efficiency, Increase confidence, Involve more in the company affairs, Cultivate employee identification with employer, Reduce industrial

disputes, Greater goal congruence between company and employee, Lower resistance to change, Increase possibilities of industrial peace, Create good public relation, Facilitate joint consultation of employee and company, Ensure effective participation, Encourage integrative bargaining, Attitudinal structuring in collective bargaining, Moderate high wage demand, Democratisation of decision making, Help in cutting costs, Satisfy employees' needs to know, Influence investors by demonstrating industrial relations, Discharge moral obligation of the company.

This list refers to benefits of information disclosure to employees and even in this context, it is probably neither exhaustive nor internally mutually exclusive. Nevertheless, it does serve to illustrate the wide range of possible effects of information disclosure to employees on the company, employees themselves and society in general (Maunder, 1981: p.173-5; Hussey and Marsh, 1983: p.60-4; Foley and Maunder, 1977: p.27-34; Jackson-Cox, Mcqueency & Thirkell, 1987: p.39-40; Bollom, 1984: p.51).

2.5 Possible Contents of Employee Report

The items of information that an employee needs to know are matters which affect him directly or indirectly by affecting the environment in which he works. The employees information needs as identified in this study are given below:

Possible Items of Information to be Disclosed

(1) Objectives and policies

Company history and philosophy; Company objectives; Unit/departmental targets; Summary of master budget; Employees education and training plan; Individual employees target; Personnel policy; Production policy; Technical policy; Marketing policy; Objectives of policies; Repercussion of national policies.

(2) Payment and benefits

- a. Payment system: Basic payments (salary and wages); Rate of payment; Time and method of payment; Rate of overtime pay; Increment; Leave pay, Sick pay;
- b. Amenities and fringe benefits: Bonus scheme; Contribution to pension scheme; Contribution to provident fund; Criteria for pension payment; Criteria for merit increment; House rent allowance; Medical allowance; Conveyance allowance; Gratuity
- c. Others: Employee education and training - Cost, Hours/days/course, Number of employees trained. Incentives; Welfare details; Safety details; Residence; Insurance; Recreation; Library service; Health service

(2) Conditions of services

- a. Work related: Job description; Day/shift work; Time keeping; Place of work; Nature of work; Temperature; Noise and vibration; Safety standard; Behaviour standard; Method of doing work; Skills needed; Instruments to be used
- b. Discipline: Rules of work; Grievance procedure; Lateness penalty; Termination procedure; Self defending opportunity; Redundancy payment
- c. Leave: Holidays; Casual leave; Earned leave; Sick leaves; Leave with pay;
- d. Others: Company operation; Reasons for actions; Job evaluation system; Trade union rules; Status; Boss, etc.

(4) Manpower

Company organisation; Manpower plans; Personnel details: Age, Sex, Geography, Job/grade, Location /dept., Part time /full time, Permanent temporary, Length of service, Total; Registered trade union; Transfer; Promotion; Turnover; Absenteeism, Lateness; Number of strikes; Number of grievance; Lost time; Number of accident; Industrial relations; Number of disabled employed; Number of vacancies; Key people; Local unemployment level

(5) Performance

Work target; Time cycle; Evaluation of performance; Analysis of lost work; Work standard; Supervision; Colleagues impact on Job; Cost of performance; Unit/Department's performance; Productivity per employee; Productivity and profitability; Market share; Product development; Output; Exports/overseas business; Trading position; Distribution of products; Competitors performance; Pollution control/environment protection; Company relations with society; Research and development; Awards and prizes received.

(6) Financial

Budget projection; Costing estimates; Actual costs; Sales; Profit and surpluses; Return on investment; Return on sales; Dividend; Investment; Employees participation in equity; Market price of shares; Loans; Govt. assistance received; Overheads; Pricing products and services; Financial viability of the company; Break-even-analysis; Summary of financial results; Units/departments financial results; Summary of assets and liabilities; Simplified statements: Income statement, Balance sheet, Cash flow statement, Value added statement, Working capital statement.

(7) Prospects

- a. Company prospects: Growth rate; Expansion possibilities; Market expansion; Technological advancement; Product development;
- b. Employee prospects: Salary increase; Promotion; Education and training; Improvement of working condition; Work units development

(8) Future changes & Projected Statements

Objectives of the company; Policies; Cost target; Production target; Manpower; Working condition; Pay and benefits; Hours of work; Placement of an employee; Technology; Boss; General manager; Standard and quality of work; Possible impact of changes

Projected income statement; Cash flow statement; Cost structure; Break-even point, etc.

(9) Employment ratios

Sales/employees; Gross profit/employees; Net profit/employees; Assets/employees; Investment/employees; Export/employees; Output/employees; Labour cost/total cost; Labour cost/employees; Value added/ employees

(10) Comparative Information

a. Internal comparison of data over time.

b. External comparison of data nationally or internationally: Profit; Wages and salaries; Productivity; Man power detail; Working condition; Lost hours; Number of strikes and costs; Education and training; Accidents and sickness; Welfare details; Safety details; Employment ratios.

(Sengupta and Shaikh, 1997a: p.63-65; Hussey and Marsh, 1983: p.21-22; Maunders, 1981: p.181-2; Irvine, 1970: p.20-7; Foley and Maunders, 1977: p.130-2; Batty, 1978: p.82-9; Bollom, 1984: p.51; Firth, 1990: p.293; Hill, 1990: p.177a; Hilton, 1978: p.31-41; BIM, 1957: p.17; Seybold, 1966: p.14-19)

2.6 Costs and Benefits of Employee Reporting

Every business decision is based on cost and benefit analysis. Therefore, employee reporting decision should also be based on cost and benefit analysis. The disclosure of information to employees involves both costs and benefits. Costs include: processing costs of information and employee report, cost of wage increase, worse outcome in wage bargaining, cost of information leakage to competitors and others. On the other hand, benefits include: increase of productivity and profitability, improvement of industrial relations, easier bargaining, strike's costs and others.

Social benefits and costs are also applicable to the disclosure of information through employee report. Though measurement of benefits and costs is by no means easy (Firth, 1990). Among the benefits that are claimed for employee reports, some are: i) improved industrial relations, ii) better public relations, iii) the promotion of a corporate identity

among employees, iv) a reduction of employee hostility to management, v) the countering of unfounded rumours, and vi) enhanced understanding by employees of the nature of profits, corporate financial policies, and the role of shareholders (Craig and Hussey, 1982: p.11; Maunders, 1981: p.178). Costs involved in employee reporting such as i) miscomprehension of information by employees, ii) costs of producing report, iii) trade union hostility, and iv) information demanded by employees may exceed that provided to shareholders (Craig and Hussey, 1982: p.13; Maunders, 1981: p.180). Pope and Peel (1981: p.143) stated that processing cost is only constraint in providing employee report. Regular disclosure of future oriented information including planned changes in production and employment should not carry any hidden costs for management but disclosure will reduce conflicts.

A root and branch approach to the identification of what should be disclosed requires the assistance of a logically sound, empirically verified model by means of which the relationship between information input and output there of could be predicted, and with such a model the expected costs and benefits of disclosure could be quantified and disclosure decisions 'optimised'. Unfortunately, such model does not exist (Foley and Maunders, 1977: p.151).

2.7 Annual Report and Employee Report Controversy

Some researchers argued that copy of annual report may serve the information need and purposes of the employees. Annual report puts the predominant emphasis on financial and economic coverage, the bulk coverage is about sales and profit performance. It is well-accepted media of expressing views of companies. On the other hand, employee report utilises value added and fund statements with graphic techniques and narrative explanations. It overshadowed by economic success story, the employee report also carries more propaganda message on the issue of survival and capital investment. Some scholars also argued that employee reporting is a luxury for large prestigious companies only (Hill, 1990).

Others argued that annual report is for shareholders and the information need of shareholders and employees are quite different. Therefore, annual report can not satisfy employees' information needs. In addition, the special employee report is generally more varied and also

cheaper and smaller than annual report. Employee report also covers employee welfare, shareholder interest and wider social interest group issues. Hence, it is argued that employee report should be provided.

Hilton (1978) stated that much of the information provided in corporate annual report is not relevant to employees. He added that average employee will fail to understand normal annual statement because he lacks the knowledge even of the most basic rudiments of how the financial world operates, a balance sheet, even although it is the key to his future, the statement of risk which shows whether the company is likely to stay in business for the next twelve months. He argued in favour of separate report and added that copy may be given to the shareholders so that employees are told nothing which shareholders do not know. Hill (1990: p.226) found that some managers are against separate employee report. On the other hand many of them expressed favourable views towards a special employee report.

Bollom (1984: p.54) argued in favour of separate employee report by stating that annual report is meant for shareholders not for employees; employee is interested in such things as the performance of his own unit, an explanation of productivity measurements, and the effects of streamlining the product line, these items are not in annual report; another reason for separate employee report is to simplify statements and other presentation of information.

2.8 Employee Report, Accountant and Computer Technology

Accountants are involved in employee reporting by providing accounting information. Recent legislative developments allied to changing social attitudes towards management-employee relationship, make it predictable that this involvement of accountants will increase in future. If claimed benefit of increased information disclosure to employees could be realised, employee reporting will be newly added dimensions of financial reporting and additional responsibility for the accountants. Accountants are involved by means of financial, management and control accounting. Financial accountants directly related for financial accounting information including profit and loss, balance sheet and cost information. Management accounting information also needed for employee reporting, e.g. evaluation of strike cost, probable increase in production, cost involved with wage increase

and others. Auditing is also involved for making employee report information reliable to all the users.

The computer has opened new horizons for improved communication and computation in the business world. But new computer graphic technology has the potential for creating a revolution in financial reporting that may broaden the accounting professions ability to present complicated data in a simple and dramatic form (Jarret, 1981: p.46). When computer graphics systems are used properly to the presentation of information by accountants, they can help user to make quicker and more effective decisions, using the same data-display tools that have been applied in the fields of mapping, engineering and architecture. The multidimensional computer graphics may help to communicate financial information to non-sophisticated users. Persons who are uncomfortable working with quantitative data may be able to evaluate the financial status of a firm using the graphics, without the formal financial analysis. Similarly, persons unwilling to invest the time in financial analysis may still be able to see if there has been a major structural change in a firm through the use of computer graphics. Moreover, persons who do not fully understand the implications of raw financial information may be able to make better financial decisions based on the graphs that can be made by using the original data (Moriarity, 1979: p.206).

Some companies already using computer packages for their accounting and reporting works. By using computer technologies recording, processing, analysing and presenting financial and economic information have become easier and cheaper. Those can be used in producing employee report in the format and quality as desired by employees.

CHAPTER 3

REVIEW OF RELEVANT PREVIOUS STUDIES AND HYPOTHESES OF THE PRESENT STUDY

3.1 An Overview of 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, professionals, employees and employers in the potential utility of financial and other information to the employees, while a number of studies have been conducted. An overview of some relevant studies has been given below:

Brown and Trumble (1995) conducted a five-year-long inquiry 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 (measured in terms of its broadest context) work environment. The basic methods used were: review of past literature and studies, administration and analysis of a questionnaire, a series of controlled experiment, and a field test. The results show that complete sharing of data have a positive impact on labour-management relations and on better negotiation settlements. Provided that information sharing must be continuous and the data should be audited. The study also found that approximately three-fifths of US companies provide a formal report of information to employees, generally on a routine basis, (quarterly or annually); 75% respondents indicate that company acted for such reporting on its own initiative. Majority of the employee respondents (75%) also indicate that they receive a little information from their company. Another key finding is that employees are doubtful about the truthfulness of the data provided and both labour and management agreed that the data should be audited independently. About 88% respondents believe that they would be able to comprehend such reports. They also believe that additional data would lead to more reasonable wage demands.

Malgwi (1993) investigated the stated usefulness of financial reporting to employees in the context of Nigeria with a particular reference to Value Added Statement (VAS). The study was based on 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. Three main hypotheses were developed and tested for the purpose of establishing the validity of the above contention. The study found that 83% top management identified employees as the target users of the VAS, 73% noted that the publication was influenced by external pressures rather than by consideration of its anticipated use by employees. Some other opined that VAS was for Government use rather than for employees. It was also found that more than 60% respondents neither considered any correlation between the VAS and employees' wages and salaries nor considered it as a measure of productivity. There was 69% readership and understanding of the VAS among the employees, but 67% did not find it useful. Moreover, t-test between the performances of producer and non-producer of VAS indicated no significant differences.

Morishima (1991b) examined the effects of information sharing on a firm's profitability, productivity, and labour cost. He conducted structured interviews using pre-tested questionnaires from a sample of 97 large firms, and used publicly available data and OLS estimates for the study. The results show that there is a positive association of information sharing with profitability and productivity and a negative association with labour cost.

Japanese firms often attempt to influence the process and outcomes of wage negotiation by sharing confidential business information with their unions and employees through the joint consultation system. In this context, Morishima (1991a) conducted another study with the proposition that provision of information voluntarily may develop unions and employees trust in management. More important, however, if information provided can convince the unions and employees that for their benefit to have a well performing firm and keep the firm competitive in the market, wages kept at competitive level, which will in turn make possible to maintain level and quality of current employment, employees will be less likely to demand a share of the firms' profits that may hurt the firm's performance. Using data from 97

large firms and OLS estimates, the author found that when firms engaged in sharing information, negotiation processes were shorter and easier, and unions tended to demand and accept lower wage increase.

A study of Kleiner and Bouillon (1991) re-examined the determinants and consequences of publicly traded manufacturing firms' sharing sensitive business data with their production employees. Using more detailed information sharing variables and reduced-form models of Logit and Tobit specifications, they found that more information sharing is associated with higher hourly wages and benefit for production workers in manufacturing firms. Their major finding was that executives generally do not share business information that they perceived to be relatively sensitive. The results further show that sharing information about market strategies or product lines has a modest but significant negative relationship with the profitability of manufacturing firms in the sample. However, researchers could not be definitive about the reasons for this result.

Peel, Pendlebury and Groves (1991) examines the relationship between employee share ownership schemes and the employee communication and consultation practices of companies. A questionnaire survey of 443 leading UK quoted companies listed in the Time's top 1000 for 1987-88 was undertaken. A total 180 (41%) usable responses were received. The results show that the existence of employee sharing schemes does appear to be positively correlated with employee reporting and consultation practices in major UK companies. Privatised companies having ownership scheme used formal methods to communicate financial information to employees.

In her study, Hill (1990) addressed the need to understand how and why voluntary employee reporting developed, examining its place in the wider organisational and social context. A three pronged inquiry was carried out in the UK, comprising documentary analysis, postal questionnaire survey and personal interviews, to find out management objectives and attitudes in employee communications. It also traced influences from specific organisational, social and societal factors on employee reporting. Analysis of qualitative data consistently demonstrated the importance attached by managers to reporting financial information to employees. Employee reporting developments result from strong faith or commitment to

communication on the part of management, and their perceptions of specific pressing organisational needs and wider social and moral issues. The study highlights the complexity of managers' perceptions and mixed feelings about the intrinsic value and conflicting social interests in employee information. 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.

The practice of preparing and issuing employee reports to an organisation's work force is now well established throughout many countries. A survey of companies listed in New Zealand Stock Exchange (Firth and Smith, 1984: p.5) indicated that about 22% of responding companies produce employee report. These employee reports often contain data that are not present in the firm's annual reports and accounts, and this has potential usefulness to stock market investors. If Employee report data have usefulness to stock market investors, then this raises policy issues about current disclosure requirements to shareholders. In order to test whether employee reports do have any incremental information content, an abnormal return analysis on 88 reports was carried out by Firth (1990). The results showed no evidence of abnormal returns, and so the incremental data contained in employee report either have no usefulness for investors and/or the information has discounted from other sources.

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.

Purdy (1988) studied the effect of providing financial information to employees. After reviewing different literature concerned with financial information, industrial democracy, influence, power and social psychology, he constructed a model of various types of financial information and contexts for its presentation. The model posited that over time an employee,

with suitable opportunities for involvement in decisions 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 it was found that the construing of employees generally altered after financial information had been provided. The alterations were more profound in situations where some training relating to financial information was provided. There are indications that in suitable condition, employees do begin to understand the financial information which becomes more integrated into the construing of employees, simultaneously some employees construe more power, actual and desired influence, and wanted more financial information.

Andrews (1988) presented that as a response to the pressure from different corners and in an effort to improve industrial relations, many companies are now providing their employees with information to an extent which they would not have considered possible or practicable a few years ago. The author argued that a successful management will manage a well-informed work force and he finds support for this hypothesis. He examined historical development of employee reporting from a socio-political and statutory perspective. Andrew did not attempt to offer general theory of employee reporting but considered the theories propounded by other researchers in this field. He also assessed the company objectives for providing financial information to employees and employees' reactions to it.

Hussey (1988) examined the historical perspective of financial reporting to stakeholders and conducted a review and analysis of existing literature and previous studies. He constructed a conceptual model, which identified four main variables in financial reporting process and their importance in forming three functions or purposes of financial reports. The empirical research was conducted in a nationalized industry over an extended period of time using qualitative methodology. The ensuing evidence gave support to the conceptual model, illustrated the interaction of the main variables and their influence on the functions of financial reports, and emphasized the importance of understanding the complete process of financial reporting. The study also identified employees as stakeholder of the company and their rights to know the doing of the business.

Kleiner and Bouillon (1988) investigated the effects of a company's providing production workers with information on its financial condition, productivity, and relative standing in labour market. Analysing survey responses of business executives from 106 firms together with financial data on the companies, the authors found that information sharing was positively related to the level of wages and benefits and unrelated to productivity and that it had a significant negative relationship to profits and cash flows.

Jackson-cox, Mcqueeny and Thirkell (1987) studied the issue of disclosure of information to trade union representatives and employees. Thirteen firms involved in their study from nine industrial sectors. They found that largely in response to union challenge, though also influenced by the threat of legislation on workers' directors, the Confederation of British Industries (CBI) came to develop and elaborate its own standards for the voluntary provision of information to employees. It is also added that the requirement of periodic disclosure of *particular categories of information can be seen as promoting 'general intelligence' for employee representatives*. They also added that any further legal provision concerning disclosure of information to employees and their representatives should be assessed in the context of recent developments in both industrial relations and company law.

Yamaji (1986) conducted a study to see that whether accounting information has an impact on wage increase demanded by employees. The study found that a correlation between the accounting information and wage levels accepted by both the management and employees at least at the aggregate level, does exist.

Lewis, Parker and Sutcliffe (1984b) investigated the history of the literature on financial reporting to employees with the intention of documenting developments during the 20th century. The period 1919-79 was identified for examination and the sample was selected from the publication of that time. They found that the level of publication interest has varied widely during the period as has the relative interest of accountant and non-accountant groups. The results of the investigation indicated the existence of fluctuating total publishing frequency over the sample periods as well as a repetitive development issues. An analysis of American business environment during the period of increased interest in financial reporting to employees was undertaken. It was also argued that lack of prior period bibliographic

references and inconsistent inter disciplinary interest over time appear to encourage repetitive issue development.

Lewis, Parker and Sutcliffe (1984a) provided 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 in such information. They focused upon the neglected issue of employee preferences for information. Accordingly, the researchers advanced seven propositions as the research foundation for the later derivation of testable hypotheses with respect to employee preferences for corporate employee reports. A logical progression for the determination of employee information requirements for decision-making has been constructed. It is argued that when the propositions contained in their research design have been thoroughly explained, a valid framework for the 'employee report' can be built.

Chr. Breviere (1983) presented a study covering legal aspects of information disclosure to employees, nature and amount of information to be disclosed, empirical observations and trends of employee reporting in Belgium. The author added that the disclosure of economic and financial information was meant to foster the growth of harmonious co-operation between employers and their staff. The employers hoped that workers would show greater understanding, greater motivation and greater solidarity in promoting the well-being of the undertaking. They also hoped to reduce absenteeism and staff turnover. By giving information, the employers thought they would be able to persuade the workers of the need to restrain their wage and other demands. The trade unions, for their part, hoped that the works councils would provide the vehicle for a rapid democratization of the undertaking. The right to be informed about economic and financial management should normally have brought the parties together. But in fact, both the parties were frustrated. The author concluded that legislation should be improved and both the parties should have to work on good faith to get better result.

Mitchell, Sams and White (1981) changed the focus of attention from information supplier (management) to information recipient and potential user (the employee). In a study conducted by them on a total 85 employees from middle-management, officer and clerical

occupations and from shop floor were interviewed and tested on their salient aspects of financial disclosure: (1) nature of demand for company financial information; (2) views on methods of disclosure and presentation of financial information; and (3) ability to interpret and use company financial information. The study found that over half of the respondents felt that they had a right to receive information from their firms. The employees also ranked themselves below both management and shareholders in their entitlement to company information. Almost half of the respondents believe that there were some information that should not be disclosed to employees. Indeed, half of the respondents supported the introduction of legislation to govern the practice of financial reporting to employees in order to ensure the continuity of supply of such information, and a similar number favoured an increase in the frequency of employee reporting (from annual to six-monthly basis). Considerable variety of company financial information was suggested by the respondents to provide as being of particular interest to them. Two-third of the respondents had read the report. The results relating to methods of presenting information show that the ratings of methods by the respondents were: special report 2.5; management meetings 2.0; notice board 2.7; and company newsletter 2.6. Results relating to interpretation and understanding of information show that more than two-thirds of the respondents felt that they understand the information that they receive from their company.

Maunder (1981) conducted a study concerned with the employee groups as users of published financial statements. That is the communication of information by companies in some printed form, usually on annual basis, to individual employees. The study presented some benefits of employee reporting such as positive motivation, greater job satisfaction, educate employee, greater goal congruence, lower resistance to change, greater understanding of organisational discipline and control, joint consultation, integrative bargaining and impart company responsibility. The study also outlined some headings of data to be disclosed to employees. The author also found that 60% (180 out of 300) relatively large companies in UK producing employee report. Some specimen employee reports of different companies were also presented.

The extent to which companies should disclose financial information to employees, and the form such disclosure should take has been studied by Pope and Peel (1981). They tested rational expectation hypothesis. The rational expectation hypothesis appears to indicate that the only constraint in the provision of information requested by employees should be processing costs. The regular disclosure of future oriented information, including planned changes in production or employment, should not carry any hidden costs for management even if the information is subject to uncertainty. Disclosure can only reduce conflict between management and unions which results from the existence of differential information sets. The question of which information employees and unions find useful in making their decisions can not be answered without further empirical research into wage determination at the level of the firm.

Lee (1981) stated that company financial reporting has expanded out of all recognition from its early nineteenth century beginnings. It is highly technical multi-statement function, covering a variety of aspects of corporate financial activity. He argued that most important change in attitude in company financial reporting in recent times has been that employees have been recognized as major potential consumers of reported financial information. The author also referred some studies relating to employee reporting practices in different countries.

Hilton (1978) undertook a study to stimulate management to think about the problem of employee communication in the context of producing financial reports for their employees. This work also provided a focus for the debates which are continually raging within firms about how much information to give to employees, which employee should be given, how the communication should be carried out and who in the management team should have the prime responsibility for doing it. The author found that 44% respondents stated 'to improve industrial relations' is the most important reasons for employee reporting and 67% respondents are worried about 'information would be misunderstood'. The study also presented a model employee report. The author also found that there are differences in opinion of different groups as to the function and content of employee report. Lastly, Hilton

suggested that British industry management should create a climate where communication will become genuine.

Employee Reporting and Industrial Relations

The following are some of the studies relating to the provision of information to employees in the context of employer-employee relations, wage bargaining and employee and union decision making:

Armenic (1985) in his study addressed the role, the accounting information appeared to play in the negotiations between a not for profit organisation and the association representing its professional employees. The study explored the impact of accounting on both the process and outcome of the negotiations, and concluded by offering some tentative hypotheses on the roles of accounting in collective bargaining.

Cooper and Essex (1977) argued that policies or recommendations regarding the provision of information for employee decision making can only be fruitfully developed within the framework of models of employee decision making. Descriptive model building, incorporating the model of a decision maker, his objectives and the environment in which he operates, is essential for the provision of information to help employees improve their welfare. The study developed alternative models and concluded by presenting a guide to future research and some tentative evidence about the decision making of employee representative in plant level negotiation in the UK.

Foley and Maunders (1977) in their works have shown that employees need financial information for collective bargaining. Some legal aspects (such as section 17 of Employment Protection Act 1975 of UK) relating to information disclosure are also covered in it. The authors stated that on the basis of research findings by organisation theorists it is possible to argue that feed back of information to employees will improve job performance via learning effects and also serve to increase motivation.

Climo (1976) regarded the corporate report as a breakthrough by the profession regarding the provision of information to employees. But in his view, the report still has serious shortcomings and more research is needed.

Financial information is now recognized as a part of labour-management negotiations, the question is what shall be told, and how. Dale (1950) examined the manner in which accounting information has been used in recent labour talks, and projected from this experience some ideas on how to decide what kind of accounting information is necessary, desirable or reasonable at the bargaining table. He discussed ability to pay, some misconceptions arising out of failure to understand accounting, and made recommendations as to how accountants can help in the settling of labour disputes.

Labour has become a major user of financial information. Many labours hold that wider use of significant financial information is the road to intelligent wage negotiation. But management and labour do not agree on what information labour is entitled to have. It seemed to Brubakar et al. (1949) apparent that financial information - which is the substance of accounting - can be said as a labour bargaining tool. So that accountants can be informed of the attitude and desires of labour leader on this question. The authors have excerpted certain expression from public statements and private correspondents of recognised labour leaders. The authors presented what labour leaders have to say about financial statements now used in labour negotiations but did not pass any comment.

Employees' Desire for Information

Hussey and Craig (1979) conducted a study in cooperation with Touchi Ross & Co. (UK) to analyse the attitudes of employees towards employee reporting. They analysed data obtained from 298 completed questionnaires and 74 face to face interview with employees. From the study it is found that the art of employee reporting is in its infancy and absence of legislation and accounting conventions has resulted in the presentation of diverse types of employee reports. The extent of readership, interest and understandability of employee report was encouraging. It is also found that there is a strong demand by employees for the disclosure of additional and desegregated information in employee report. Employees were keen for the

disclosure of information of their own workplace. Employees were particularly eager to receive information on future plans and policies, the financial performance and structure of the company. They preferred narrative contents and photographs in employee report.

Flint (1958) in his paper considered report content and method from the perspective of employee interest in the business as a whole and draws on a survey of reporting objectives and practice conducted by British Institute of Management.

Schoen and Lux (1957) released the results of a survey of 164 managerial, professional and white-collar employees in a plant of large US company. The study covered readership of annual report and report sections, effective communication of information items, and a comparison between stockholder and non-stockholder's knowledge and comprehension of annual report information content.

Libby (1952) director of training for Johnson and Johnson, Chicago, USA, conveys his experience with the financial information needs and demands of employees. He focused his discussion on profits and growth, and went on to outline a set of principles for the preparation of financial reports for employees. He added that employees are keenly interested in the financial reports of their company. They are interested in profit figure, both as to its amount and its disposition. They look for indication of growth as described by accountancy data in the financial report. They want the statement to tell all the facts fully and clearly in a consistent manner from year to year.

Hennessy (1948) summarized responses of a series of corporate public including employees to a survey of their dissatisfaction with corporate annual reports. Not surprisingly, the survey found that traditional annual reports were inappropriate for an employee audience.

Bennett (1941) spelled out employee interest in three categories and then proceeded to evaluate report content for its ability to attract interest. He concluded that better financial report or reports supplementary thereto, which actually tell a story, or emphasis an event couched in language at the level of workers.

Practices of Reporting

Hussey and Marsh (1983) presented a comprehensive work covering different aspects of employee reporting including relevant legal provisions and operation of Acts (particularly Industrial Relations Act 1971 and Employment protection Act 1975 of UK). They presented a broad list of financial and non financial information to be disclosed to the employees. Hussey and Marsh identified advantages and objectives of producing employee reports. They found that 41% (421 out of 1022) sample companies producing employee reports. The study showed that principal methods of disclosure used were: special employee report (43%) company newsletter (39%), notice board (9%) and other methods (8%). It is also found that most of the companies used more than one methods. In employee report most of the companies used simplified financial statements, diagrams, and financial highlights. Regarding reasons for providing employee reports employee respondents mentioned: 'to involve employees more in the company' (34%), and 'it is part of the company personnel policy' (29%) are two of the important reasons. The employee respondents were 33% very satisfied, 36% fairly satisfied, 12% fairly dissatisfied and 11% very dissatisfied on the contents of employee reports. The study concluded with some recommendations in favour of employee reporting for sound industrial relations.

Holmes (1977) examined a number of UK company reports, detailing their content and presentation approaches. He stated that there are no rules or accounting standards regarding types and contents of report. He also stated that employee reporting is a comparatively new idea and one which is growing popularity and importance.

The communication of information concerning corporate financial performance by presentations specifically designed for employees is a relatively new and growing phenomenon in Australia. It has taken the form of individual company experiments and has not been recognised by Australian accountants, both professional and academic. Parker (1977a) studied the form of reporting, its potentials and problems, and its significance for Australian business and accounting profession.

Myers (1956) presented a comprehensive analysis of some sixty corporate financial reports to employees. His analysis concentrated upon presentation of distribution of sales dollar, statistical data, qualitative data and the tone of the report. The author found that there is no standard against which effectiveness of employee report can be judged.

Derry (1948) presented an extensive work on actual US corporate reporting to employees. He covered different types of reports, information that appeals to employees, ways and means of presenting information and other related issues.

Hartwell (1941) considered annual report as a means of building employee goodwill and stated that it is an obligation of business management to tell its employees what big business is all about. The essentials of a good report are described and the present reports of major corporation analysed. He provided a comprehensive overview of US corporate involvement in reporting to employees at the beginning of 1940's. Thirty-five companies are listed and their reports ranked by quality of disclosure against ten standards set by him. Particular issues are discussed by reference to actual corporate reporting examples.

Heacock (1940) provided a first hand account of communicating financial information to employees. He focused upon an experiment with a radio broadcast following the issue of an annual report mailed to both stockholders and employees.

Reporting Methods

A company may use a large number of media for communications with its employees, but if policy is lacking on what top management wants to communicate, when, why, how and by whom, there is no assurance that these tools are being used to best advantage, nor, indeed that all of them are needed. The study by Seybold (1966) shows the relation of communication media to communication policy. Examples from companies' policy statements illustrated the considerations that enter into determination of long term objectives. A number of media can be used in implementing communication policy are described with reference to their special uses.

Newcomb and Sammons (1961) presented their work covering management's new willingness to speak up, communicating by pie chart, program works, multiple device reporting, the combined shareholder-employee report, comments on employee reporting and ten tips on report communication.

A comprehensive treatment of employee reporting is provided by Heckert and Willson (1952). They studied objectives, information presented, financial statements, simplified and 'per employee' statements, format, media, and dangers in reporting to employees.

Burnham (1949) made an academic contribution to the literature of employee reporting. He examined the format of simplified income statement as well as items of significance to employees and then presents a proposed income statement for the employees.

Derry (1949) stated that too many reports to employees have failed in their missions and more than simple words and presentations needed. He listed five categories of information in which workers are interested, and twelve media for getting it to them. He also described two cases where successful techniques were worked out.

Fuller (1948) undertook a broader-brush approach to the subject. Influenced by the scientific management school of thought, he conceives employee reporting as being part of a "human engineering" strategy. His discussion included employee magazines and hand books, company information programs, meetings and conferences of supervisors, simplified financial reports, and timing of such reporting.

The study of Wallace (1946) is based on a number of proposed normative standards for employee report effectiveness. These are making it understandable to readers, giving confidence in the validity of figures, appealing to the employees' view point, being factual and accurate, and being short in length.

Barloon (1941) considered appropriate technology, content and format, narrative explanations, and graphics for employee reports. Barloon argues against the inclusion of a balance sheet, warns of the potential dysfunctional employee response to president's statement, and calls for an auditors' certificate to counteract managerial bias in reporting information to employees.

Employee Reporting Rationale

On the basis of the analysis of employee report usage in other countries, Bollom (1984) advocated for a separate report for the employees. He identified advantages (such as improve productivity, industrial relations, public relations and reduce unionism) and disadvantages (such as possibility of misunderstanding, information leakage to the competitors, etc.) of employee reporting. He also outlined a list of possible employee report information and suggested that management, including management accountants of US companies should take initiative to improving communications with employees by issuing employee reports to break down the existing labour/management barrier.

Marsh and Rosewell (1976) presented brief history of information disclosure, reasons for disclosure, practical and technical problems of disclosure and information to be disclosed. The authors concluded that management for their part is being encouraged to believe that whatever their personal inclinations, it is better to give more information than less, and to do so systematically and as a matter of policy.

Dyson (1973) argued that corporate reporting is highly biased in favour of shareholders and companies Act, 1948 (UK) is largely responsible for that. The employee right to know is recognised, but until he has the opportunity of verifying what he knows, his right turns out to be toothless. The author suggested that a statutory audit of employee report would be very effective.

Anderson (1961) emphasized on the provision of information to employees as supplier of labour, just as information is disclosed to the shareholders as supplier of capital. Such provision of information is said to be influenced by trade unions, legislation and public opinion. He considered merits and demerits of reporting to employees, and some approaches.

Yorston (1960) urged for the provision of maximum information to interested parties, including employees. He considered reporting rationales based upon management's morale obligation to inform, employees' decision making needs, employees commitment of time and skill to the organisation and the need to foster better understanding between employees and management. Yorston went on to consider report producer and recipient's reactions and methods of reporting.

Reporting at Early Stage

BIM (1957) conducted a study with the objectives that (1) the examinations of methods which are being used in Britain and overseas, or which might be used, for the disclosure of financial information to employees, together with an assessment of their effectiveness and value; and (2) the classification of opinions among both management and employees as to what is practicable and desirable in the disclosure of financial information to employees. The results show that companies giving financial information to employees is less than 20% although the percentage is increasing, more public than private companies appear to give information and among public companies more large than small ones. The methods used frequently were: works magazine, annual report, special report for employees, consultative committee, special meetings and personal contacts. In written reports diagrams, photographs and other devices used to make the meaning of the figures clear to the layman. In certain European countries, notably France, Austria and Belgium, it has been made legally compulsory to give financial information to employees. The results also show that employees, on the whole, are interested in having financial information about their company. The objectives of employee reporting most frequently mentioned according to importance were: (1) to promote identification of employees with their companies; (2) to help employees understand the company and economic affairs; (3) to stop rumor, and remove misconception; and (4) to improve workmanship. Most of the respondents understand the information and 15%-49% want more information. Most management consider providing information to employees is a worthwhile effort.

Irwin (1939) emphasized on to make a special employee edition of annual financial report really informative and understandable. He suggested, to sustain interest, annual report should be supplemented by interim reports. He also suggested that one policy must be followed very carefully. The employee version must give all, if not more, facts that does the regular report, and the employee must be given the opportunity to receive the regular stockholders' report if he so desires and only through such a policy, frankness and understanding between employee and employer can be furthered.

Bennett (1939) advocated producing financial information to employees. He provided some introductory comments on the contents of employee reports to make easily understandable and effective to the employees.

Telling Your Story to Employee (1939) stated that employees are being taken into the confidence of their employers to an increasing extent by presenting data to employees in clear and intelligible language. And also forwarded the report to employees as management's means of reacting to bitter attacks of business in the community. As an example, he discussed in detail the Laclede Steel Company's model employee report.

Eakin (1938) stated that financial reporting to employeeed is a constructive movement to inform workers in a large number of points. He argued that if information is provided to employees it would be used as a basis for developing demand for increased wages, improved working conditions, and possibly for demanding a larger share in the management of the business. He analysed employee report of some US companies and concluded that report should be understandable to all.

Budd (1923) in his study deals with communication with both employees and customers. He advocated both educating and informing employees on financial matters. He also stressed on readability of reports and interest of users.

Bostford (1923) urged that employee reports can be used to offset the lost intimacy between employees and employers. He argued for the production of a plant publication as an investment in employees' morale and pride in their work - explaining corporate financial

condition, demonstrating employee contribution to corporate performance, and promoting attention to organisational efficiency.

Studies in India

Sharma and Agarwal (1990) described how Rajasthan State Transport Corporation (RSTC) gets their employees involved in budget formulation and keeps them informed about the performance and variance through various reports. This information strategy together with other financial and non-financial incentives has motivated the employees to perform better.

Kulkarni (1978) discussed that accountants help in negotiation by providing following information to the employees: 1) internal data; 2) external data; 3) cost of living data; 4) productivity data; 5) ability to pay data; and 6) other analytical data. On the basis of his research the author recommended that the use of management accounting information in the labour negotiation process be increased and that broad disclosure of management accounting data be made to the union negotiators.

The studies presented above are conducted in different countries other than India (except Kulkarni, 1978 and Sharma and Agarwal, 1990). Because of the dissimilar socioeconomic conditions in those countries and India, the results of those studies can not be generalised and applied in the context of India without further empirical investigation. In addition, the author is unaware of any extensive study conducted on employee reporting in this country. Therefore, the present investigation assumes greater significance.

3.2 Hypotheses of the Present Study

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

Employee Point of View

From the review of literature it was found that employees of different levels and groups need financial and other information from their organisation where they work and thus it was hypothesised that

(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.

Since some researchers found that employees require different types of information from their company including profit and loss, production, pay and benefits, future plans, manpower, new developments and trade prospects, thus it was hypothesised that

(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.

Some study results show that among the methods of reporting information to employees such as employee report, notice board, newsletter, audio-visual aids and others, employees prefer employee report and newsletter as the important methods to be followed, thus it was hypothesised that

(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.

Some previous studies reveal that employee reporting will improve employee motivation, industrial relations, productivity, employee commitment, job satisfaction and cost consciousness, thus it was hypothesised that

(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 literature review it is observed that employees' perception is, reporting of information to them will reduce turnover, absenteeism, grievance, resistance to change and industrial disputes, thus it was hypothesised that

(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.

As findings of different studies show that legal provisions are demanded by employees for continuous and sincere employee reporting, therefore, it was hypothesised that

(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.

Some studies show that employees get copy of annual reports and annual reports satisfy employees' information needs and there is no need for separate report, thus it was hypothesised that

(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.

From literature review, it is evident that there are employee reporting practices in different countries and employees get such report, thus it was hypothesised that

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

As findings of different studies show that 'involve employee more in the company', 'encourage to work hard', and 'part of personnel policy' are some of the predominant reasons for issuing employee reports, thus it was hypothesised that

(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.

It has been observed from the previous studies that employees receive report of information from their company feel that information provided to them is very important and always true but they are not satisfied with the quantity of information though they understand fully, thus it was hypothesised that

(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 literature review it is found that some companies think employee reporting will cause excessive costs, waste of employee time, misunderstanding of information, and information leakage to competitors but employees think in different way, therefore, it was hypothesised that

(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.

Different studies claimed that provision of information to employees will improve job satisfaction, thus it was hypothesised that

(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 such as age, experience, education, employee report and job satisfaction; 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, types of organisations and experiences of employees to job satisfaction.

Company Point Of View

From review of literature it is found that companies think in favour of disclosure of information to employees, thus it was hypothesised that

(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.

Since it is found in different studies that companies think various types of information should be disclosed to employees including work instruction, achievements, production details, market condition and profit and loss, thus it was hypothesised that

(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 different studies it is observed that companies used various methods including employee reports, newsletter, notice board, audio-visual aids and others, thus it was hypothesised that

(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.

In some studies authors argued that employee reporting will improve employee motivation, industrial relations, productivity, employee commitment, job satisfaction and cost consciousness, thus it was hypothesised that

(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.

Since it is concluded by some researchers in this field that employee reporting will reduce turnover, absenteeism, grievance, resistance to change and industrial disputes, thus it was hypothesised that

(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.

It is found from literature review that there is a strong proposition that legal bindings are necessary for sincere and regular employee reporting, therefore, it was hypothesised that

(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 literature review it is found that some companies provide copy of annual report to employees and annual report cover all information that are needed by employees, thus it was hypothesised that

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

Accounting researchers advocated that the benefits of reporting financial information to employees justify the costs of disclosure to management, therefore, it was hypothesised that

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

Since some research findings show that there are practices of voluntary employee reporting in different countries through out the world, it was hypothesised that

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

Findings of different studies show that 'no legal requirement', 'it would be expensive' are two of the important reasons for non-producing and 'involve employee more in the company' and 'encourage to work hard' are two of the reasons for producing employee reports, thus it was hypothesised that

(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.

From previous studies it is observed that companies produce quarterly employee report and distribute at workplace, therefore, it was hypothesised that

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

Previous studies show that there is positive relationship between information sharing and productivity, profitability, and negative relationship between information sharing and labour cost, thus it was hypothesised that

(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.

Since some studies found that companies provide employee report have higher productivity, profitability and lower labour costs and industrial disputes than those do not produce such report, therefore, it was hypothesised that

(25) There is significant difference^c 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 to be tested, 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 on some dependent variables, contribution of employee reporting to some variables and mean difference of the variables according to types and sizes of companies.

CHAPTER 4

METHODOLOGY

4.1 Economic and Accounting Profile of India

Before going for specific methods applied in this study it is very much relevant to give a brief sketch of economic and accounting profile of India in which the study has been conducted. Economic environment relates to accounting as a prelude to understanding and appreciation of the relevant accounting and employee issues.

There are a number of ways of describing the environment of accounting in a country. Such descriptions could include those typical or indigenous factors which influences the nature of accounting in a country, that is those relating to issues within the country in terms of legal and regulatory framework, the stage of economic development, political structure and ideology, economic systems and the historical origins of accounting systems. They could also relate to the external environmental variables in terms of the impact of transnational enterprises, international accounting firms, international accounting standards as well as regional bodies or the accounting system of a country (Malgwi, 1993: p.71). The accounting profile of a country could be said to be the set of institutions, mechanisms and establishments connected with accounting education, training principles and practices; disclosure as well as regulations. Though the main focus of this research is financial accounting and other information to employees in India, it can not be separated from other dimensions which may become relevant concerning the origin, growth and systems of financial disclosure regulation and practices in the country.

4.1.1 Economic Overview

India is a large Asian country with a population of 932 million and a growth rate of 1.75 (1996). It got independence on 15 August 1947 from British rule. During post independence periods its economy was state controlled to some extent. Which is liberalised from 1991.

In this country, literacy rate is 52% (1991 census), population density 273 per square kilo meter, total work force 37.5% of total population of which 52% male and 22% female. Employment in 1993-94 was (in million) male 244.12, female 87.88, total 332.0 with a growth rate of 2.11, 2.06 and 2.10. Unemployment rates are male 5.91, female 6.33 and total 6.03 of total work force (Labour Statistics, 1997). Some other economic data, stock market indicators and India's ranking in the world are presented in the following tables:

Table - I

Economic Data: India's Ranking in the World

Items	World	India	India's Rank
General			
Areas (Mn km ²)	135.5	3.3	7
Population (Mn)	5,601	900	2
GDP (US \$ bn)	25,223	294	16
Value added in agri (US \$ bn)	n.a.	70.7	4
Value added in mfg. (US \$ bn)	n.a.	41.6	19
Electricity generation (bn kwh)	12,028	301	8
Exports (US \$ bn)	6,276	35	30
Agriculture & Allied			
Arable land (Mn hectares)	1,448	170	2
Irrigated areas "	248	48	2
Tractors in use(Mn)	25.7	1.2	7
Fertilizer consumption (Mn tons)	72.8	8.8	3
Cattle population (Mn)	1,288	193	1
Production			
Rice (Mn tons)	535	118	2
Wheat "	528	59	3
Cotton "	18.4	2.3	3
Tobacco "	6.5	.5	3
Tea "	2.6	.7	1
Potato "	265	15	6
Milk "	506.8	61.2	2
Butter and Ghee "	6.7	1.2	1
Eggs "	39.4	1.5	5
Sugar "	110	10.6	2
Cement "	1,148	50	5
Iron ore "	1039	62.5	6
Transport & Communication			
Rly passenger km (bn)	n.a.	300	3
Rly freight ton (bn)	n.a.	275	4
Social Statistics			
Pupils at first level edu. (Mn)	622.1	108.2	2
Scienti. & tech. manpower (Mn)	111	3.1	10
Radio receiver (Mn)	1,940	72	4
TV receiver (Mn)	855	36.5	6
Long films production. (no.)	4,615	838	1
Cinema houses ('000)	252	13.3	3

Source: Statistical Profile of Indian Economy, The Stock Exchange Official Directory, 1997, 6/4210, p.161.

Table - 2

Selected Stock Market Indicators

Countries	Listed Companies		Market Capitalisation		Price Earning	Dividend
			US \$ bn		Ratio	Yield
	1994	1983	1994	1983	1994	1993
Developed Market						
USA	7,770	7,722	5,082	1,898	17	2.9
Japan	2,205	1,789	3,720	565	97	0.7
UK	2,070	2,217	1,210	226	15	4.2
France	459	518	451	38	16	3.5
Germany	417	442	470	83	14	3.9
Emerging Market						
India	7,000	3,118	127	7	27	1.0
Pakistan	724	327	12	1	23	1.6
Korea	699	328	192	4	34	4.0
Brazil	544	505	189	15	13	0.7
Malaysia	478	204	199	23	29	1.9
Thailand	389	88	131	1	21	2.0
Mexico	206	163	130	3	17	1.8
Philippines	189	208	55	1	31	0.4
World total	36,176	23,782	15,186	3,384	23	2.4

Source: Statistical Profile of Indian Economy, The Stock Exchange Official Directory, 1997, p. 164

4.1.2 Accounting Information Disclosure: Indian Perspective

In India corporate financial reporting practices can be traced from the middle of the 18th century. After East India company chartered by Queen Elizabeth in 1760 (Pradhan, 1992 in Gupta, 1995), the Accounting profession was fully influenced by the British. The development of corporate reporting can be seen from two stages such as pre-independence period and post independence period. During the last 40 years, a great deal of improvement has taken place in the content, style and quality of the corporate reporting largely due to legal and regulatory measures introduced by the Government of India and influenced by global development, by the professional bodies like ICA, ICWAI and also due to voluntary disclosure practices by Indian companies. Various amendments have been brought in the companies Act, each with a view to strengthen reporting and procedural aspects of the law.

The pre-independence period saw some major development in the accounting field. In 1844, the British Joint Stock Companies Act was passed to regulate and monitor the corporate accounting System and this Act was replaced by Indian Companies Act 1866, and was further amended in 1882. Subsequently, Companies Act 1913 was framed and it replaced the Companies Act 1882 and the amendment of the Act in 1887, 1900 and 1910. The Indian Companies Act 1913 broadly emphasized the need for company to keep proper books of accounts, to prepare the balance sheet at least once a year and an interval of not more than 15 months, provided for audit of the accounts, required the arrangement of the balance sheet in a particular order and required the auditor to report as to whether the balance sheet exhibited a true and fair view of the state of the company's affairs as at the year end.

In post-independence period, significant events took place in the history of the corporate reporting system. The first such development was the establishment of the Institute of Chartered Accountants of India, by passing Chartered Accountants Act 1949. Since then the ICAI played a vital role in designing and regulating the complete accounting system of corporate entities in India. The ICAI has promulgated various accounting standards which have been made mandatory for the corporate entities and have assumed the premier role of maintaining and regulation of audit profession amongst its members. A significant

development in the corporate history came in 1956, when the previous companies Act, 1913, was replaced by Indian Companies Act 1956 (Gower, 1969; in Gupta, 1995).

The Companies Act 1956, very elaborately laid down the legislation in respect of promotion, formation, control and management, accounts and audit and winding up of the company. In 1977, the accounting standards board was set up by ICAI to harmonize the diverse accounting policies and practices in India on the basis of the applicable laws, customs, usage and environment. In 1978, the Government of India appointed Sachar Committee to report on Companies Act and MRTP Act (Ministry of Law, 1978). The committee recommended some measures on social reporting and disclosure of accounting information. Along with the Companies Act, various other Acts like Income Tax Act 1961, Securities Exchange Act, 1913, as well as setting up of SEBI etc. were also formulated to regulate and monitor corporate reporting and performance achievement of the company (Gupta, 1995).

4.2 Variables Studied

To attain the objectives of the study, following variables have been examined during the investigation.

4.2.1 Independent variables

- a. Types of organisations: private and public;
- b. Levels of employees: workers, trade union leaders and managers;
- c. Demographic variables: age, experience, education, sex and status;
- d. Employee reports: receiver and non-receiver, producer and non-producer; and
- e. Size of company: small and large (in terms of number of employees).

4.2.2 Dependent variables

- a. Employee job satisfaction;
- b. Industrial disputes;
- c. Employee turnover;
- d. Productivity;
- e. Profitability;
- f. Growth rate; and
- g. Labour costs.

In some cases same variable is considered as dependent and independent variable in different situations.

4.3 Sampling

The study has been conducted among employees and companies in India. Therefore, samples are selected from both employees and companies. For the employee samples, total 210 employees are randomly selected from 50 companies located at different regions of India and from different industry categories. The samples of employees cover 100 workers, 50 trade leaders and 60 managers obtained from private and public sector and small and large companies.

Similarly, for the company samples, 60 companies are selected from private and public sectors covering different regions and industry categories. Here also small and large companies are included.

Both purposive and random sampling techniques were applied in collecting data. It may be mentioned here that the selected samples were termed as '*subjects*' through out the entire presentation.

Details of sample distributions are given below:

Figure - 1:
Distribution of Employees by Levels

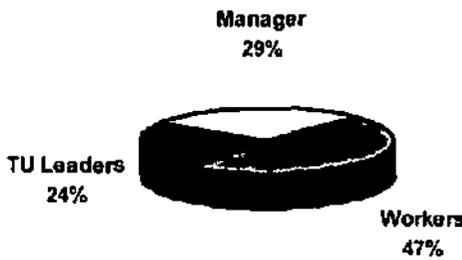


Table - 3
Employee Sample Distribution According to Type of Organisation and Levels

Levels of employees	Types of organisations		Total (%)
	Private (%)	Public (%)	
Workers	56 (56.0)	44 (44.0)	100 (47.6)
Trade union leaders	34 (68.0)	16 (32.0)	50 (23.8)
Managers	39 (65.0)	21 (35.0)	60 (28.6)
Total	129 (61.4)	81 (38.6)	210(100.0)

From the figure - 1 and table - 3 it is evident that among the sample employees, 47% workers, 24% trade union leaders and 29% managers are included.

Table-4

Distribution of Employees According to Sex

Sex	Private sector(%)	Public sector(%)	Total (%)
Male	120 (93.0)	77 (95.1)	197(93.8)
Female	9 (7.0)	4 (4.9)	13(6.2)
Total	129 (61.4)	81 (38.6)	210 (100.0)

Among the respondents: private sector employees 93% male and 7% female. Similarly among public sector employees 95.1% male and 4.9% female. Among the workers 89% male and 11% female, and among managers only 3.3% female. No female trade union leader was found to take interview or fill in questionnaire. It is also notable that female employees in Indian companies are very small in number and they are very much reluctant to pay interview or fill in questionnaire.

Table - 5

Distribution of Educational Levels of the Subjects

Levels of Education	Levels of employees			Total (%)
	Workers (%)	TU Leaders (%)	Managers(%)	
Low - Secondary	37 (64.9)	20 (35.1)	0 (0.0)	57 (27.1)
Hi-Secondary	26 (66.6)	11 (28.2)	2 (5.1)	39 (18.6)
Graduates	35 (37.6)	17 (18.3)	41 (44.1)	93 (44.3)
Masters	2 (9.5)	2 (9.5)	17 (81.0)	21 (10.0)
Total	100 (47.6)	50 (23.8)	60 (28.6)	210 (100.0)

It may be observed from the table that educational level is higher among managers (81% master degree holder) and lower among workers (65% up to secondary education). Among all the employees, majority is graduate (44.3%).

Table - 6

Educational Levels of Employees According to Types of Organisations

Educational level	Private (%)	Public (%)	Total (%)
Up to Secondary	44 (34.1)	13 (16.1)	57 (27.1)
Hi-Secondary	27 (20.9)	12 (12.8)	39 (18.6)
Graduates	41 (31.8)	52 (64.2)	93 (44.3)
Masters	17 (13.2)	4 (4.9)	21 (10.0)
Total	129 (61.4)	81 (38.6)	210 (100.0)

Table - 7

Mean, Median, S.D. and Range of Age and Experience of the Respondents by Their Levels

Levels of employees	Statistics	Age (in years)	Experience(in years)
Workers	Range	21-58	1-37
	Mean	40.63	16.64
	Median	40.00	16.00
	S.D.	9.80	10.32
Trade Union Leader	Range	30-58	6-36
	Mean	44.40	20.32
	Median	44.00	18.0
	S.D.	7.57	8.87
Managers	Range	23-59	1-37
	Mean	43.25	15.10
	Median	43.50	13.0
	S.D.	9.82	10.84
Total	Range	21-59	1-37
	Mean	42.28	17.08
	Median	42.00	17.00
	S.D.	9.42	10.29

It is observed from the above table that workers are younger in age and experience, trade union leaders are comparatively older.

Distribution of sample companies.

Table-8

Number of Employees of Sample Companies by Types of Organisations

Class interval	Private (%)	Public (%)	Total (%)
Up to 500	10 (100.0)	0 (0.0)	10 (16.7)
501 - 5000	19 (63.3)	11 (36.7)	30 (50.0)
5001 - 10000	9 (90.0)	1 (10.0)	10 (16.7)
10001 - Above	2 (20.0)	8 (80.0)	10 (16.7)
Total	40 (66.7)	20 (33.3)	60 (100.0)

From the table it is evident that 67% companies are selected from private sector and 33% companies selected from public sectors. Half of the selected companies have employee size 501 - 5000.

Figure - 2 :

Location of Sample Companies

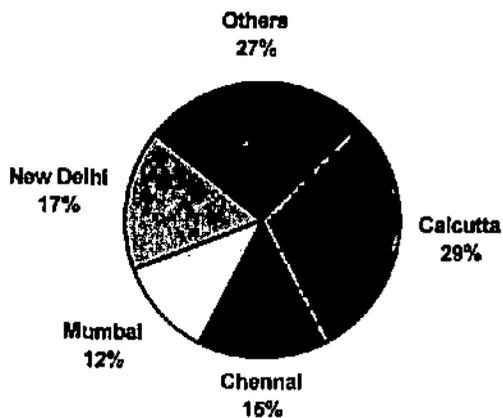


Table - 9

Location of Sample Companies by Types of Organisations

Location	Private (%)	Public (%)	Total (%)
Calcutta	17 (94.4)	1 (5.7)	18 (30.0)
Chennai	8 (88.9)	1 (11.1)	9 (15.0)
Mumbai	5 (71.4)	2 (28.6)	7 (11.7)
New Delhi	1 (10.0)	9 (90.0)	10 (16.7)
Others*	9 (56.3)	7 (43.8)	16 (26.7)
Total	40 (66.7)	20 (33.3)	60 (100)

* Others include: Bangalore, Durgapur, Siliguri, Guwahati, Lucknow, Secundrabad, Gujrat and Bhubaneswar.

It is observed from figure-2 and table-9 that highest 30% companies are selected from Calcutta and lowest 12% from Mumbai. Among public sector companies, highest number selected from New Delhi.

Table - 10

Distribution of Industry Category of the Sample Company

Industry Category	Frequency	Percentage
Agrobased	2	3.3
Financial Institution	4	6.7
Chemical and Pharmaceutical	6	10.0
Consultancy and Construction	3	5.0
Consumer Goods	4	6.7
Engineering	11	18.3
Fertilizer	1	1.7
Gems and jewellery	1	1.7
Jute	1	1.7
Others	13	21.7
Power	3	5.0
Steel	5	8.3
Tea	2	3.3
Textile	1	1.7
Transport and tourism	3	5.0
Total	60	100.0

It is seen from the table that maximum number of companies have been taken from others category and then Engineering, and lowest number from jute, textile, jewellery and fertilizer.

Table - 11

Mean, Median, S.D. and Range of Some Variables (N=60)

Variables	Mean	Median	S.D.	Min.	Max.
Industrial Disputes	.84	.00	1.49	.00	6.00
Employee Turnover	1.90	1.25	2.15	.00	8.00
Productivity	3.08	2.40	2.55	-1.10	16.40
Profitability	11.08	12.31	14.19	-59.14	40.94
Growth Rate	15.05	12.46	26.07	-57.26	130.61
Labour cost	9.93	9.53	5.40	.70	23.91

4.4 Measuring Instruments

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 levels.
- (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 and 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 of issuing and non-issuing of employee reports.
- (5) Employees' job satisfaction.
- (6) Company performance: productivity, profitability, growth rate and labour cost.

(7) Industrial disputes and rate of turnover.

Instruments Used:

On the basis of literature review and objectives of the study questionnaire were designed and modified according to comments and suggestions obtained from local and foreign experts in this field before conducting field survey. In order to collect primary data four sets of structured questionnaires having both open and close ended questions were prepared (Appendices - A, B, C and D). Three questionnaires were for employees: one for workers, a second for Trade union leaders and the third for managers. The other questionnaire was for company secretary. In the context of India, for companies' views on employee reporting, company secretary was considered proper person as he is responsible for producing annual reports for shareholders, though in some cases company secretary referred to general manager - personnel or similar ranked executives.

Employees' job satisfaction

To measure employees job satisfaction five points Likert type scale is used. A question was asked relating to individual's feeling towards his job as a whole. Subjects could reply by checking any one of the five possible answers such as 'Highly satisfied', 'Satisfied', 'Indifferent,' 'Dissatisfied' and 'Highly dissatisfied.' Point 5 is given for highly satisfied, 4 for satisfied, 3 for indifferent, 2 for dissatisfied and 1 for highly dissatisfied.

Questions of 'Yes' or 'No' Answer

To assess the views of employees and employers on information disclosure to employees, 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; legal provision's requirement for employee reporting; copy of annual report; and some other questions are included in the questionnaires. The respondents would indicate their opinions by checking either 'yes' or 'no' response. No checking of either of the responses is considered as 'undecided'.

Multiple Choice Questions

To ascertain some aspects like suitable method of reporting, reasons of producing and non-producing of employee reports, types of report, system of distribution, etc. are covered by some multiple response questions. Subjects would check appropriate box to indicate their choices. In some questions more than one answer was allowed.

Company Performance

Productivity: In some studies productivity is measured dividing total value added by number of employees (Morishima, 1991a; Malgwi, 1993). But for this study exact number of employees could not be collected, therefore, total value added is divided by total labour costs to calculate productivity. That is, productivity per Rs. labour cost is calculated and taken into consideration for analysis.

Profitability: For convenience in computation and interpretation, profitability is measured by return on net worth, which is calculated as follows:

$$\text{Profitability} = \frac{\text{Net profit after tax}}{\text{Net worth (Share capital+Reserves+Undistributed profits)}} \times 100$$

Necessary figures are collected from annual reports (1995-96) of the sample companies.

Growth rate: To see the average profitability of the sample companies relating to past 10 years, growth rate is calculated. Growth rate is calculated by using the following formula:

$$P = A(1+r)^n$$

Where, P = Profit after tax of the current year, i.e. PAT of 1996

A = Profit after tax of the base year, i.e. PAT of 1987

r = Growth rate; and

n = Number of years, i.e. 10

In most of the cases 10 years profit after tax is considered but in a few cases 5 years and in a very few cases 2 years profit after tax is used, being related figures could not be collected.

Labour Cost: Labour cost figures are collected from annual report of the sample companies. For this study total labour cost is taken in percentage of total costs and calculated as follows:

$$\text{Labour cost} = \frac{\text{Total labour costs}}{\text{Total Costs}} \times 100$$

Open Ended Questions

In the questionnaires, some open ended questions are included. In this case, subjects were requested to mention: five items of information to be disclosed to employees, last year's figure of industrial disputes, rate of employee turnover, other alternative in some multiple choice questions and comments and suggestions on employee reporting.

4.5 Pilot Survey

After designing questionnaires and taking local and foreign scholars' comments and suggestions on those, pilot survey was conducted to ascertain the workability and face validity of the questionnaires. Specific purposes of pilot survey were:

- a. to determine whether the subjects understand instructions and questions in the questionnaires;
- b. to determine whether they could respond properly and correctly; and
- c. to make necessary modification, based on the pilot survey, so that respondents could answer in the right way to each and every item of the questionnaires without much difficulty.

To achieve the above objectives, 24 questionnaires for employees of three levels and 8 for company secretary were mailed. But unfortunately no responses received. Then the questionnaires were filled in through personal visit to 8 companies.

The completed questionnaires were found satisfactory as far as the subjects' comprehension of the question was concerned. However, the pilot survey called for the following modifications in the questionnaires:

- (1) The term 'employee report' appeared unknown to the most of the respondents. A statement of clarification of the term is sought by the respondents.
- (2) In some questions few words appeared to be ambiguous and confusing to the lower level employee respondents.
- (3) In the questionnaires for company secretaries, in case of number of employees, details (such as manager, clerk, supervisor and worker) were considered difficult to produce. Some of the subjects suggested to limit the question to total number of employees only.
- (4) In some cases, mainly illiterate and poor literate workers expressed language problem as the questionnaire was in English. They demanded interpretation in local languages.

To overcome the above problems, a statement defining employee report was attached at the top of the questionnaires. Necessary changes in words also made to make the questionnaires simple and easy to understand. Questions like details of employees discarded. In case of language problem company officials' assistance were requested in few cases. The modified questionnaires were then administered for the final survey.

4.6 Data Collection Procedure

To collect primary data for the study questionnaires were mailed to the selected subjects. For employees six questionnaires (for workers, TU leaders and managers) were mailed to each of 100 companies. The other questionnaire was sent to 500 companies randomly selected from Stock Exchange enlisted companies in India and a request letter was also attached to fill in the questionnaire and to return with a copy of annual report of the year 1995-96. But the responses were disappointing. Only one of 100 companies returned 6 filled in questionnaires

for employees; no reminder was given to these companies. From other 500, only 10 completed questionnaires and 30 annual report were received.

A second request letter was given to 300 companies out of those 500 to fill in questionnaire and return with a copy of annual report of the year 1995-96. From these 300 only 5 completed questionnaires and 40 annual reports were received. A third request letter was also given to 100 companies out of those 300, and again 5 completed questionnaires and 20 annual reports were received. The annual reports do not accompany completed questionnaires were not included in the analysis. Then through visiting the companies personally, the researcher got the questionnaires filled in by 210 employees and 60 companies (including those received from mailed survey) from different industry category and geographic locations in India.

The duration of data collection was from November 1996 to June 1997. Data were collected from person to person interview basis from the subject by the researcher himself (except those collected from mailed survey). Respondents were told about the objectives of the study. They were also taken to confidence and convinced that their responses would be kept confidential including the name of the company.

Several problems were faced during the collection of data. Most of the respondents were reluctant to disclose any information. Some of them were afraid if any thing might happen to their job. Some subjects changed appointment again and again and some directly denied to fill in questionnaire or give any information. The bitter result of mailed survey is also experienced.

After collection of data, all the answer sheets were checked one by one and incomplete, illegible and ambiguous answer sheets were excluded from the study.

4.7 Data Processing

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 according to that code plan and the coded data were recorded in separate code sheets. Then the data were fed into the computer and used for analysis.

The data were grouped into different categories according to type of organisation (private and public), age (high and low), education (up to H.S. = low and above H.S. = high), level of employee (workers, trade union leaders and managers), experience (up to 15 years low and above 15 years high), size of the company (up to 5000 employees = small and above 5000 employees = large) and employee report (receiver and non-receiver, and producer and non-producer).

4.8 Statistical Tools Used

All data were processed through micro computer using Statistical Package for Social Sciences (SPSS) developed by Nie et al. (1975) (Latest available version: SPSS for Windows, Release 6.0 was used for the analysis of the present study).

To analyse the data for the study following statistical tools were used:

(1) Chi-square test

Chi-square test was used to see the significance of the association or difference between the responses of the subjects according to their personal attributes such as age, experience, education, sex, ranks, type of organisation, size of company and employee report.

(2) t-test

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

a. mean job satisfaction score of the employee respondents according to the type of organisation (private and public), employee report (receiver and non-receive), age (low and high), experience (low and high), education (low and high).

b. Productivity, profitability, growth rate, labour cost, industrial dispute and rate of employee turnover of the respondent companies according to type of organisation, size of company and employee reporting.

(3) Two-way ANOVA

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

(4) Correlation

Pearson's product moment correlation coefficients were computed to measure the relationship between some major variables such as age, experience, education, job satisfaction, employee reporting, type and size of company, productivity, profitability, growth rate, labour cost, industrial disputes and employee turnover.

(5) Stepwise Multiple Regression

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.

(6) Rank and Rank Correlation

Ranks and rank orders were computed to examine the relative importance of some factors such as methods of communication and reasons of 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.

(7) Simple Statistics

In addition to the above, simple statistics like frequency, percentage, mean, median, S.D. and range also computed for the study.

CHAPTER 5

SURVEY RESULTS: EMPLOYEE POINT OF VIEW

This and the next chapters present the results of statistical analysis of data collected for the study. Samples were selected from both employees and employers, and the responses from both the groups are analysed and presented separately.

Analysis of responses of 210 employees selected for the study were presented in this chapter. For comparison of responses subjects were divided into groups according to age, experience, education, sex, status, type of organisation and employee report. The results are presented according to the sequence of questions designed in the questionnaires, such as employees' desire for information, types of information demanded, methods of reporting, opinions on impact of employee reporting, legal provisions for employee reporting, copy of annual report, employee reports, reactions on employee report, reasons for producing and non-producing of employee report, opinions on claimed disadvantage of employee report, and employee report and job satisfaction.

5.1 Employees' Desire for Information

In response to the question whether employees demand information from their companies where they work, an overwhelming number of employees answered positively irrespective of their levels and groups. The response patterns are given in the table follows:

Table - 12

Employees' Desire for Information (N=210)

Groups	Employees want information		Chi-square	P
	Yes (%)	No. (%)		
Workers	97 (97.0)	3 (3.0)	3.83	N.S.
TU leaders	50 (100.0)	0 (0)		
Managers	56 (93.3)	4 (6.7)		
Private sector	125(96.9)	4(3.1)	0.06	N.S.
Public sector	78(96.3)	3(3.7)		
Low age	51(98.1)	1(1.9)	0.43	N.S.
High age	152(96.2)	6(3.8)		
Male	190(96.4)	7(3.6)	0.48	N.S.
Female	13(100.0)	0		
Lower Educated	94(97.9)	2(2.1)	0.86	N.S.
Higher Educated	109(95.6)	5(4.4)		
Lower Experience	95(95.0)	5(5.0)	1.65	N.S.
Higher Experience	108(98.2)	2(1.8)		
Receive ER	95(97.9)	2(2.1)	0.90	N.S.
Do not receive ER	108(95.6)	5(4.4)		
Total	203(96.7)	7(3.3)		

It is evident from the table-12 that respondents demand financial and other information from their companies, and there is no significant difference in responses by their levels and groups, as chi-square values are not significant.

5.2 Types of Information Demanded by the Employees

To identify the types of information desired by the employees from their companies an open ended question was added in the questionnaire, requesting to mention five items of information they want to get. The responses are processed and presented in the following table:

Table - 13

Types of Information Required by the Employees According to Their Levels

SL	Items of Information	Percent of responses		
		Workers	TU Leaders	Managers
1	Profit and loss	44	52	32
2	Production	42	36	25
3	Pay and benefits	40	32	24
4	Future plans	33	28	22
5	Product market	23	22	23
6	Competitors information	21	22	18
7	Manpower	18	30	12
8	Quarterly sales report	16	16	20
9	Future prospects	15	10	7
10	Financial	14	24	28
11	Cost of product and services	13	7	6
12	Productivity	10	20	18
13	Achievements	9	4	17
14	Performance of the company(unit/plant)	7	14	3
15	Working condition and environment	7	10	2
16	Policies and changes	6	18	8
17	Marketing strategies	6	4	8
18	Acts, statutes and rules with amendment	6	2	3
19	Development plans	5	4	7
20	Promotion prospects	5	3	4
21	Leaves	5	4	1
22	Individual and company targets	5	3	3
23	Organisation relation and grievance	5	8	4
24	Reasons for action	5	10	5
25	Company objectives	5	4	10

26	Company organisation and changes	4	5	3
27	Welfare activities and amenities	4	6	15
28	Modernization and expansion	6	4	3
29	Process of production/operation	4	2	2
30	Health services	4	2	2
31	Distributions of profits	1	20	3
32	World socio-economic scenario	1	2	3
33	Technology adopted	1	4	2
34	Problems of company and employees	2	2	3
35	Product development and diversification	2	2	3
36	Employee rights and duties	3	0	3
37	Customers and their satisfaction	2	2	2
38	Employees' contribution in profits	1	8	3
39	Challenges and relevant strategies	1	2	3
40	Assets	1	2	2
41	Loans and outstanding	2	0	2
42	Latest administrative decisions	1	8	2
43	Safety and awareness	1	2	2
44	Carrier development opportunity	1	0	2
45	Company progress	1	2	0
46	International operation	1	0	3
47	Input output position	1	2	2
48	Financial statements	0	14	3
49	Employee representation in Management	0	2	2
50	Disciplinary measures	0	2	0
51	Personnel policy and mission	0	8	3
52	Job analysis	0	2	2
53	Employment ratios	0	2	0
54	Cash management	0	0	4

55	Company mission and philosophy	0	0	3
56	Training and development	0	0	2
57	Budget estimates	1	0	4
58	Conflicts and resolutions	0	0	2
59	Labour cost and comparative figures	0	0	2
60	Maintenance	1	2	2

Note: 1) Some other information items excluded from the table considering less important.

2) Since more than one answer was allowed the figures given do not add up to 100%.

From the above table, it is seen that profit and loss information is desired by most of the employees (workers 44%, TU leaders 52% and managers 32%). Production information is preferred by 42% workers, 36% TU leaders and 25% managers. There is a little difference in the choices of information by levels of employees.

5.3 Methods of Reporting to Employees

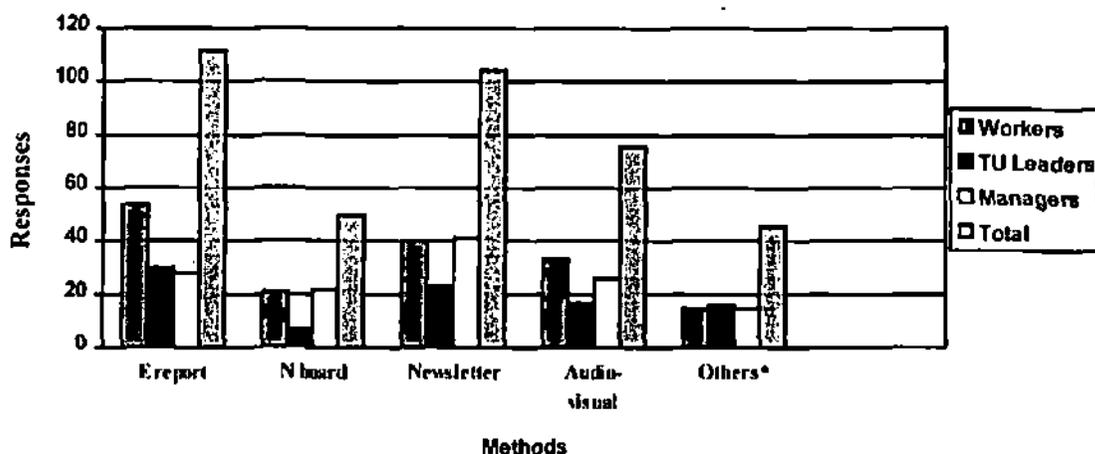
Table - 14

Reporting Methods to be Used by Levels of Employees

Methods	Number of responses			Total
	Workers	TU leaders	Managers	
Employee report	54	30	28	112
Notice board	21	7	22	50
Newsletter	40	23	41	104
Audio-visual aids	33	17	26	76
Others*	15	16	15	46
Total	97	49	59	205

* Others include: Direct oral communication, Consultative committee, Meetings, Training and Circulars.

Figure - 3:
Reporting Methods According to Levels of Respondents



It is evident from the table-14 and figure-3 that most of the workers and TU leaders preferred employee report but managers preferred newsletter as the most important method. On the basis of total responses employee report, newsletter and audio-visual aids are the first, second and third important methods to be followed. It is notable that most of the respondents argued that no single method is sufficient, therefore, combinations of methods should be used.

Table - 15

Methods of Reporting Rated by Private and Public Sector Respondents

Methods	Private sector respondents		Public sector respondents	
	Score	Rank order	Score	Rank order
Employee report	73	1	39	1
Notice board	25	4	25	4
Newsletter	67	2	37	2
Audio-visual aids	47	3	29	3
Others	20	5	26	5
Spearman's rank order correlation : 1.00, P < .001				

The table-15 reveals that there is perfectly positive rank order correlation (1.00) between the ratings of relative importance of methods of reporting to employees by the subjects of private and public sectors. According to their ratings, Employee report, Newsletter and Audio-visual aids are the first, second and third important methods to be followed in employee reporting.

Table - 16

Methods of Reporting Rated by Lower and Higher Educated Respondents

Methods	Lower educated respondents		Higher educated respondents	
	Score	Rank order	Score	Rank order
Employee report	59	1	53	2
Notice board	19	3	31	4.5
Newsletter	37	2.5	67	1
Audio-visual aids	37	2.5	39	3
Others	15	4	31	4.5
Spearman's rank order correlation: .95, $P < .01$				

The table shows that Spearman's rank order correlation (.95) is significantly positive, i.e. ratings of methods of reporting by lower and higher educated respondents are correlated. Though lower educated respondents rated employee report but higher educated respondents rated newsletter as the most important method.

Table - 17

Methods of Reporting Rated by Receiver and Non-receiver of Employee Report

Methods	Receiver of employee report		Non-receiver of ER	
	Score	Rank order	Score	Rank order
Employee report	55	2	57	1
Notice board	28	4	22	4
Newsletter	62	1	42	2
Audio-visual aids	44	3	32	3
Others	23	5	23	5
Spearman's rank order correlation: .90, $P < .01$				

The results reveal that the respondents who receive employee report rated newsletter and non-receiver rated employee report as the most important methods. However, their rating is positively correlated.

Table - 18

Methods of Reporting Rated by Lower and Higher Experienced Respondents

Methods	Lower experienced		Higher experienced	
	Score	Rank order	Score	Rank order
Employee report	54	1	58	1
Notice board	21	4	29	4
Newsletter	53	2	51	2
Audio-visual aids	35	3	41	3
Others	20	5	26	5
Spearman's rank order correlation : 1.00, $P < .001$				

Both lower and higher experienced employee respondents rated Employee report as the most important methods to be followed. Their ratings are significantly and positively correlated.

5.4 Impact of Employee Reporting

Table - 19

Impact of Employee Reporting (N=210)

Employee reporting	Responses of the subjects		
	Yes (%)	No (%)	Undecided (%)
will improve			
Employee motivation	198 (94.3)	8 (3.8)	4 (1.9)
Industrial relations	194 (92.4)	9 (4.3)	7 (3.3)
Productivity	192 (91.4)	7 (3.3)	11 (5.2)
Employee commitment	195 (92.9)	6 (2.9)	9 (4.3)
Job satisfaction	193 (91.9)	11 (5.2)	6 (2.9)
Cost consciousness	192 (91.4)	11 (5.2)	7 (3.3)
Others*	2 (1.0)	0	0

*Others include: Sense of belongings, family peace, performance, punctuality.

It is evident from the above table that absolute majority of the respondents perceive that employee reporting will improve employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 20

Impact of Employee Reporting (N=210)

Employee reporting will	Responses of the subjects		
	Yes (%)	No (%)	Undecided (%)
reduce			
Employee turnover	109 (51.9)	85 (40.5)	16 (7.6)
Absenteeism	151 (71.9)	48 (22.9)	11 (5.2)
Grievance	174 (82.9)	32 (15.2)	4 (1.9)
Resistance to change	177 (84.3)	23 (11.0)	10 (4.8)
Industrial disputes	162 (77.1)	23 (11.0)	25 (11.9)
Others*	9 (4.3)	12 (5.7)	0

*Others include: Union rivalry and misunderstanding.

From the above table it is observed that majority of the subjects perceive that employee reporting will reduce employee turnover, absenteeism, grievance, resistance to change and industrial disputes.

Table - 21

Composite Chi-square Showing Impact of Employee Reporting on Employee Motivation, Industrial Relation, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Levels of Subjects

Employee reporting will improve	Workers			TU Leaders			Managers			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided	Yes	No	Undecided		
Employee motivation	98(98.0)	1 (1.0)	1 (1.0)	48(96.0)	1 (2.0)	1 (2.0)	52(87.0)	6 (10.0)	2 (3.0)	9.20	N.S.
Industrial relations	97(97.0)	1 (1.0)	2 (2.0)	46 (92)	2 (4.0)	2 (4.0)	51 (85)	6 (10.0)	3 (5.0)	8.69	N.S.
Productivity	96(96.0)	1 (1.0)	1 (1.0)	46(92.0)	2 (4.0)	2 (4.0)	50(83.0)	4 (7.0)	6 (10.0)	7.87	N.S.
Employee commitment	96(96)	1 (1.0)	3 (3.0)	47(94.0)	1 (2.0)	2 (4.0)	52(87.0)	4 (6.5)	4 (6.5)	5.45	N.S.
Job satisfaction	96(96.0)	3 (3.0)	1 (1.0)	48(96.0)	1 (2.0)	1 (2.0)	49(82.0)	7 (12.0)	4 (6.0)	10.89	N.S.
Cost consciousness	91(91.0)	4 (4.0)	5 (5.0)	46(92.0)	2 (4.0)	2 (4.0)	55(92.0)	5 (8.0)	0	4.44	N.S.

Chi-squares were computed to see the association among the responses of different levels of subjects on impact of employee reporting. The results show that there are no significant differences in responses by workers, TU leaders and managers. They perceive that employee reporting will improve employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 22

Composite Chi-square Showing Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Levels of Subjects

Employee reporting will reduce	Workers			TU Leaders			Managers			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided	Yes	No	Undecided		
Employee turnover	45	49	6	42	7	1	22	29	9	31.6	P< .01
Absenteeism	71	27	2	43	5	2	37	16	7	13.9	P< .01
Grievance	83	16	1	47	3	0	44	13	3	10.27	N.S.
Resistance to change	80	16	4	47	1	2	50	6	4	7.46	N.S.
Industrial disputes	82	15	3	47	1	2	33	7	20	41.73	P< .01

Chi-squares were computed to see the association among the responses of different levels of subjects on impact of employee reporting. The results show that there are no significant difference in responses on grievance and resistance to change. But there are significant differences in opinion on employee turnover, absenteeism and industrial disputes. A number of managers(48%) argued that employee reporting will not reduce employee turnover.

Table - 23

Composite Chi-square Showing Impact of Employee Reporting on Employee Motivation, Industrial Relation, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Age of the Respondents

Employee reporting will improve	Lower aged respondent			Higher aged respondent			Chi-square	P
	Yes	No	Undecided	Yes	No	Undecided		
Employee motivation	51 (98.0)	1 (2.0)	0	147 (93.0)	7 (5.0)	4 (2.0)	2.07	N.S.
Industrial relations	49 (94.0)	2 (4.0)	1 (2.0)	145 (91.0)	7 (5.0)	6 (4.0)	.47	N.S.
Productivity	50 (96.0)	1 (2.0)	1 (2.0)	142 (90.0)	6 (4.0)	10 (6.0)	2.03	N.S.
Employee commitment	50 (96.0)	2 (4.0)	0	145 (92.0)	4 (2.0)	9 (6.0)	3.28	N.S.
Job satisfaction	50 (96.0)	2 (4.0)	0	143 (90.0)	9 (6.0)	6 (4.0)	2.37	N.S.
Cost consciousness	50 (96.0)	1 (2.0)	1 (2.0)	142 (90.0)	10 (6.0)	6 (4.0)	2.03	N.S.

Chi-squares were computed to see the significance of difference between the responses by low and high aged respondents, the results show that the values of chi-squares are not significant. That is, irrespective of age of the respondents, they perceive that employee reporting will improve employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 24

**Composite Chi-squares Showing Impact of Employee Reporting on Employee Motivation,
Industrial Relation, Productivity, Employee Commitment, Job Satisfaction and Cost
Consciousness by Sex of Respondents**

Employee reporting will improve	Male respondents			Female respondents			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided		
Employee motivation	185 (94.0)	8 (4.0)	4 (2.0)	13 (100.0)	0	0	.84	N.S.
Industrial relations	181 (92.0)	9 (5.0)	7 (3.0)	13 (100.0)	0	0	1.14	N.S.
Productivity	179 (91.0)	7 (3.0)	11 (6.0)	13 (100.0)	0	0	1.30	N.S.
Employee commitment	182 (92.0)	6 (3.0)	9 (5.0)	13 (100.0)	0	0	1.07	N.S.
Job satisfaction	180 (91.0)	11 (6.0)	6 (3.0)	13 (100.0)	0	0	1.22	N.S.
Cost consciousness	189 (91.0)	11 (6.0)	7 (3.0)	13 (100.0)	0	0	1.30	N.S.

A comparison was made between the responses by male and female subjects, the results show that there is no significant difference between their responses. That is both male and female respondents perceive that employee reporting will improve employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 25

Composite Chi-squares Showing Impact of Employee Reporting on Employee Motivation, Industrial Relation, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Education of the Respondents (N=210)

Employee reporting	Low educated			Higher educated			Chi-square	P
	Yes	No	Undecided	Yes	No	Undecided		
will improve								
Employee motivation	96 (100.0)	0	0	102 (89.0)	8 (7.0)	4 (4.0)	8.87	N.S.
Industrial relations	93 (97.0)	2 (2.0)	1 (1.0)	101 (88.0)	7 (6.0)	6 (6.0)	5.17	N.S.
Productivity	93 (97.0)	2 (2.0)	1 (1.0)	99 (87.0)	5 (4.0)	10 (9.0)	7.35	N.S.
Employee commitment	94 (98.0)	1 (1.0)	1 (1.0)	101 (89.0)	5 (4.0)	8 (7.0)	6.87	N.S.
Job satisfaction	94 (98.0)	2 (2.0)	0	99 (87.0)	9 (8.0)	6 (5.0)	9.10	N.S.
Cost consciousness	90 (94.0)	5 (5.0)	1 (1.0)	102 (90.0)	6 (5.0)	6 (5.0)	2.89	N.S.

The results of the table show that both lower and higher educated employees responded in the same way and there is no significant difference between their responses. That is, irrespective of education respondents perceive that employee reporting will improve employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 26

Composite Chi-squares Showing Impact of Employee Reporting on Employee Motivation, Industrial Relation, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Experience of the Respondents (N=210)

Employee reporting	Lower experienced			Higher experienced			Chi-square	P
	Yes	No	Undecided	Yes	No	Undecided		
will improve								
Employee motivation	92 (92.0)	6 (6.0)	2 (2.0)	106 (96.0)	2 (2.0)	2 (2.0)	2.52	N.S.
Industrial relations	93 (93.0)	5 (5.0)	2 (2.0)	101 (92.0)	4 (4.0)	5 (4.0)	1.25	N.S.
Productivity	89 (89.0)	5 (5.0)	6 (6.0)	103 (94.0)	2 (2.0)	5 (4.0)	1.92	N.S.
Employee commitment	92 (92.0)	5 (5.0)	3 (3.0)	103 (94.0)	1 (1.0)	6 (5.0)	3.82	N.S.
Job satisfaction	89 (89.0)	8 (8.0)	3 (3.0)	104 (94.0)	3 (3.0)	3 (3.0)	2.97	N.S.
Cost consciousness	92 (92.0)	6 (6.0)	2 (2.0)	100 (92.0)	5 (4.0)	5 (4.0)	1.24	N.S.

Non significant chi-square values indicate that higher and lower experienced employees' responses do not differ significantly. The respondents perceive that employee reporting will improve employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 27

Composite Chi-squares Showing Impact of Employee Reporting on Employee Motivation, Industrial Relation, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Receiver and Non-receiver of Employee report (N=210)

Employee reporting will improve	Receive ER			Do not receive ER			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided		
Employee motivation	93 (96.0)	3 (3.0)	1 (1.0)	105 (93.0)	5 (4.0)	3 (3.0)	1.01	N.S.
Industrial relations	89 (92.0)	3 (3.0)	5 (5.0)	105 (93.0)	6 (5.0)	2 (2.0)	2.40	N.S.
Productivity	89 (92.0)	3 (3.0)	5 (5.0)	103 (91.0)	4 (4.0)	6 (5.0)	.04	N.S.
Employee commitment	91 (94.0)	2 (2.0)	4 (4.0)	104 (93.0)	4 (3.0)	5 (4.0)	.43	N.S.
Job satisfaction	90 (93.0)	4 (4.0)	3 (3.0)	103 (91.0)	7 (6.0)	3 (3.0)	.41	N.S.
Cost consciousness	90 (93.0)	4 (4.0)	3 (3.0)	102 (90.0)	7 (6.0)	4 (4.0)	.49	N.S.

Chi-squares were computed to see the significance of differences of responses by employees receive and do not receive employee report. The results indicate that there is no difference between their responses. Both the groups of respondents perceive that employee reporting improves employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 28

Composite Chi-squares Showing Impact of Employee Reporting on Employee Motivation, Industrial Relation, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by Private and Public Sector Respondents (N=210)

Employee reporting	Private sector			Public sector			Chi-square	P
	Yes	No	Undecided	Yes	No	Undecided		
will improve								
Employee motivation	121 (93.0)	6 (5.0)	2 (2.0)	77 (95.0)	2 (2.5)	2 (2.5)	.85	N.S.
Industrial relations	116 (90.0)	7 (5.0)	6 (5.0)	78 (96.0)	2 (3.0)	1 (1.0)	2.98	N.S.
Productivity	115 (89.0)	6 (5.0)	8 (6.0)	77 (95.0)	1 (1.0)	3 (4.0)	2.53	N.S.
Employee commitment	118 (91.0)	5 (4.0)	6 (5.0)	77 (95.0)	1 (1.0)	3 (4.0)	1.39	N.S.
Job satisfaction	116 (90.0)	9 (7.0)	4 (3.0)	77 (95.0)	2 (2.5)	2 (2.5)	2.14	N.S.
Cost consciousness	117 (91.0)	7 (5.0)	5 (4.0)	75 (93.0)	4 (5.0)	2 (2.0)	.35	N.S.

A comparison was made to see the association between the responses of private and public sector employees, the results reveal that there is no significant difference between the responses by the subjects according to types of organisations. Both the groups of respondents believe that employee reporting improves employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 29

Composite Chi-squares Showing Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Types of Organisations of the Respondents (N=210)

Employee reporting will reduce	Private sector			Public sector			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided		
Employee turnover	66 (51.0)	52 (40.0)	11 (9.0)	43 (53.0)	33 (40.0)	5 (7.0)	.40	N.S.
Absenteeism	92 (71.0)	29 (23.0)	8 (6.0)	59 (73.0)	19 (23.0)	3 (4.0)	.63	N.S.
Grievance	109 (84.0)	18 (14.0)	2 (2.0)	65 (80.0)	14 (17.0)	2 (3.0)	.68	N.S.
Resistance to change	116 (90.0)	7 (5.0)	6 (5.0)	61 (75.0)	16 (20.0)	4 (5.0)	8.32	N.S.
Industrial disputes	100 (77.0)	9 (7.0)	20 (16.0)	62 (77.0)	14 (17.0)	5 (6.0)	8.47	N.S.

A comparison between responses of private and public sector employees was made and found that there is no significant difference in their responses, as chi-square values are not significant. That is, both private and public sector respondents perceive that employee reporting will reduce employee turnover, absenteeism, grievance, resistance to change and industrial disputes.

Table - 30

Composite Chi-squares Showing Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Education of the Respondents (N=210)

Employee reporting will reduce	Lower educated			Higher educated			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided		
Employee turnover	60 (63.0)	34 (35.0)	2 (2.0)	49 (43.0)	51 (45.0)	14 (12.0)	12.06	P< .01
Absenteeism	74 (77.0)	20 (21.0)	2 (2.0)	77 (67.0)	28 (25.0)	9 (8.0)	4.34	N.S.
Grievance	87 (91.0)	9 (9.0)	0	87 (76.0)	23 (20.0)	4 (4.0)	8.65	N.S.
Resistance to change	86 (90.0)	7 (7.0)	3 (3.0)	91 (80.0)	16 (14.0)	7 (6.0)	3.75	N.S.
Industrial disputes	86 (90.0)	8 (8.0)	2 (2.0)	76 (67.0)	15 (13.0)	23 (20.0)	18.98	P< .01

A comparison was made between the responses of employees according to their education on impact of employee reporting, the results show that there are significant difference between the response patterns on employee turnover and industrial disputes. In case of absenteeism, grievance and resistance to change the responses are significantly associated. Among high educated employees 51% believe that employee reporting will not reduce employee turnover.

Table - 31

Composite Chi-squares Showing Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Experience of the Respondents (N=210)

Employee reporting will reduce	Lower experienced			Higher experienced			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided		
Employee turnover	48 (48.0)	44 (44.0)	8 (8.0)	61 (56.0)	41 (37.0)	8 (7.0)	1.10	N.S.
Absenteeism	65 (65.0)	29 (29.0)	6 (6.0)	86 (78.0)	19 (17.0)	5 (5.0)	4.63	N.S.
Grievance	80 (80.0)	18 (18.0)	2 (2.0)	94 (85.0)	14 (13.0)	2 (2.0)	1.15	N.S.
Resistance to change	87 (87.0)	12 (12.0)	1 (1.0)	90 (82.0)	11 (10.0)	9 (8.0)	6.03	N.S.
Industrial disputes	75 (75.0)	12 (12.0)	13 (13.0)	87 (79.0)	11 (10.0)	12 (11.0)	.50	N.S.

It is evident from the above table that subjects of lower and higher experience responded in the similar manner. That is, there is no significant difference between their responses. Both lower and higher experienced respondents perceive that employee reporting will reduce employee turnover, absenteeism, grievance, resistance to change and industrial disputes.

Table - 32

Composite Chi-squares Showing Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Receiver and Non-receiver of ER (N=210)

Employee reporting will reduce	Receiver of ER			Non-receive of ER			Chi-square	P
	Yes	No	Undecided	Yes	No	Undecided		
Employee turnover	46 (47.0)	48 (50.0)	3 (3.0)	63 (56.0)	37 (33.0)	13 (11.0)	9.15	N.S.
Absenteeism	68 (70.0)	27 (28.0)	2 (2.0)	83 (73.0)	21 (19.0)	9 (8.0)	5.50	N.S.
Grievance	77 (79.0)	19 (20.0)	1 (1.0)	97 (86.0)	13 (11.0)	3 (3.0)	3.22	N.S.
Resistance to change	79 (82.0)	13 (13.0)	5 (5.0)	98 (87.0)	10 (9.0)	5 (4.0)	1.22	N.S.
Industrial disputes	75 (78.0)	13 (13.0)	9 (9.0)	87 (77.0)	10 (9.0)	16 (14.0)	2.03	N.S.

From the above table, it is evident that there is no significant difference between the responses of the employees receiver and non-receiver of employee report.

5.5 Legislative Provision for Employee Reporting

Table - 33

Subjects' Responses on Legal Provisions for Employee Reporting

Legislative provisions	Responses	Percent
Required	153	72.9
Do not required	57	27.1
Total	210	100.0

From the above table it is evident that 73% respondents are in favour of legal provisions for employee reporting and 27% respondents are against legal provisions.

Table - 34

Responses of Sample Employees on legal provisions for Employee Reporting According to Their Levels and Groups (N=210)

Groups	Legislative provisions required			Chi-square	Signific.
	Yes	No	Undecided		
Workers	81 (81.0)	19 (19.0)	0	19.09	P< .001
TU Leaders	41 (82.0)	9 (18.0)	0		
Managers	31 (51.7)	29 (48.3)	0		
Private sector	102 (78.3)	27 (20.9)	0	6.53	N.S.
Public sector	51 (63.0)	30(37.0)	0		
Receive ER	67 (69.1)	30 (30.9)	0	1.31	N.S.
Do not receive ER	86 (76.1)	27 (23.9)	0		
Lower educated	84 (87.5)	12 (12.5)	0	19.17	P< .001
Higher educated	69 (61.5)	45 (39.5)	0		
Lower experience	72 (72.0)	28 (28.0)	0	.07	N.S.
Higher experience	81 (73.6)	29 (26.4)	1		

Note: For cell value less than 5 Yates correction is applied.

It is evident from the table that three of the five chi-square values are not significant. The insignificant chi-square values indicate that there is no difference in responses by subjects of private and public sector, lower and higher experience and receiver and non receiver of employee reports. On the other hand, responses of subjects according to levels and education differ significantly. That is, among workers 81%, TU leaders 82% but managers 52% are in favour of legal provisions. And lower educated 88% but higher educated 62% are in favour of legal provisions. After all majority of the respondents think that legal provisions are required for proper and continuous employee reporting.

5.6 Annual Report and Information Needs of Employees

Table - 35

Respondents Receive Copy of Annual Reports

Groups	Copy of annual report		Chi-square	Signific.
	Receive	Do not receive		
Workers	22 (22.0)	78 (78.0)	17.05	P< .001
TU Leaders	11 (22.0)	39 (78.0)		
Managers	31 (51.7)	29 (48.3)		
Private sector	29 (22.5)	100 (77.5)	9.14	P< .01
Public sector	35 (43.2)	46 (56.8)		
Receive ER	43 (44.3)	54 (55.7)	16.32	P< .001
Do not receive ER	21 (18.6)	92 (81.4)		
Total	64 (30.5)	146 (69.5)		

From the above table it is seen that chi-square values are significant, which indicate that there are significant difference in receiving copy of annual report by the subjects. Workers 22%, TU leaders 22% and managers 52% get annual report; 22.5% private and 44.3% public sector employees, and 44.3% receiver and 18.6% non receiver get annual report. In total only 30% employees get copy of annual report. It is notable that companies are legally liable to provide annual reports to shareholders only. The employees get annual report in the capacity of shareholder not as an employee except in a few cases, where, companies voluntarily provide annual report to employees.

Table - 36

Annual Report and Employees' Information Needs (N=64)

Groups	Employees Information needs		Chi-square	Signific.
	Satisfy	Do not satisfy		
Workers	7 (31.8)	15 (68.2)	2.81	N.S.
TU Leaders	2 (18.2)	9 (81.8)		
Managers	14 (45.2)	17 (54.8)		
Private sector	9 (31.0)	20 (69.0)	.55	N.S.
Public sector	14 (40.0)	21 (60.0)		
Receive ER.	19 (44.2)	24 (55.8)	3.87	N.S.
Do not receive ER.	4 (19.0)	17 (81.0)		
Total	23 (35.9)	41 (64.1)		

In the table three insignificant chi-square values are observed, which mean that there is no difference in the feelings of the respondents by their levels, types of organisations and employee report that annual reports do not satisfy employees' information needs.

5.7 Employee Reporting in India

Table - 37

Employee Report Receive According to Levels of Subjects (N=210)

Levels of respondents	Employee report		Total
	Receive	Do not receive	
Workers	42 (42.0)	58 (58.0)	100 (47.6)
TU Leaders	23 (46.0)	27 (54.0)	50 (23.8)
Managers	32 (53.3)	28 (46.7)	60 (28.6)
Total	97 (46.2)	113 (53.8)	210 (100.0)

Chi-square = 1.94, DF - 2, N.S.

It is evident from the table that 46% respondents receive employee report from their companies. And there is no significant difference in receiving ER by levels of subjects

Table - 38

Employee Report Received by Subjects According to Type of Organisation

Types of organisations	Employee report		Total
	Receive	Do not receive	
Private sector	57 (44.2)	72 (55.8)	129 (61.4)
Public	40 (49.4)	41 (50.6)	81 (38.6)
Total	97 (46.2)	113 (53.8)	210 (100.0)

Chi-square - .54, DF - 1, N.S.

From the above table it is seen that 44% private and 49% public sector employees receive employee report. The difference is not statistically significant.

5.8 Subjects' Perception on Reasons for Not Issuing and Issuing Employee Reports

Table - 39

Reasons for Non-producing Employee Reports

Reasons	Number of respondents			Total
	Workers	TU leaders	Managers	
Not known	17	8	9	34 (30.0)
Lack of awareness	12	8	4	24 (21.0)
Company policy	9	4	4	17 (15.0)
System is not developed	5	3	4	12 (11.0)
No legal requirements	5	4	2	11 (10.0)
Reluctance to disclose	3	3	4	9 (7.0)
Poor communication	4	2	3	9 (7.0)
Lack of accountability	1	3	4	8 (6.0)
Causes of secrecy	3	2	3	8 (6.0)
Overlook global change	2	2	3	7 (5.0)

*Percent do not add up to 100 because more than one answer was allowed. ** Some other reasons are excluded.

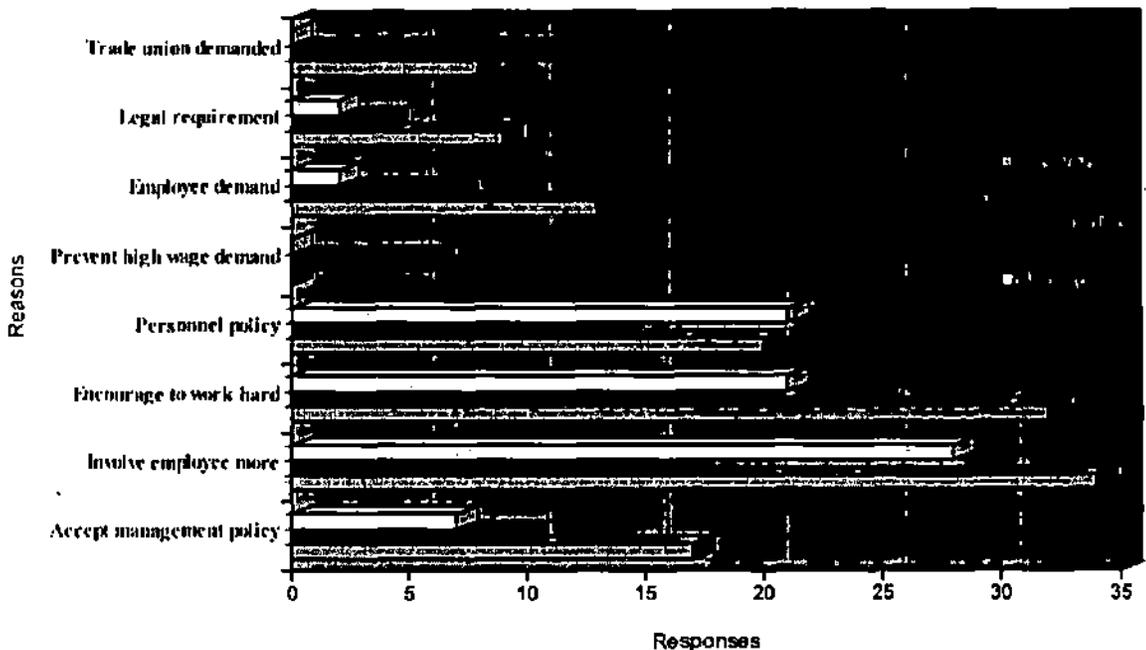
Table - 40

Reasons for Issuing Employee Reports as Perceived by the Subjects

Reasons	Number of responses			Total
	Workers	TU leaders	Managers	
Trade union demanded	8	12	0	20 (20.6)
Legal requirement	9	4	2	17 (17.2)
Employee demand	13	7	2	22 (22.7)
Prevent high wage demand	0	6	0	6 (6.2)
Personnel policy	20	14	21	55 (56.7)
Encourage to work hard	32	17	21	70 (72.2)
Involve employee more	34	17	28	79 (81.4)
Accept management policy	17	10	7	34 (35.1)
Others*	3	1	0	4 (4.1)

Note: Since more than one answer was possible the figures do not add up to 100%. *Others include: to encourage sense of responsibility, create homely atmosphere, and generate good faith.

Figure - 4:
Prime Objectives of Producing ER



The table-40 and figure-4 show that 81% respondents think employee report is issued to 'involve employee more in the company', and 72% believe it is for 'encouraging to work hard'.

Table - 41

Relative Importance Of Reasons for Employee Reporting as Perceived by the Private and Public Sector Employees

Reasons	Private sector		Public sector	
	Score	Rank order	Score	Rank order
Trade union demand	6	6	14	5.5
Legal requirements	3	8.5	14	5.5
Employees' demand	10	5	12	7
Prevent high wage demand	3	8.5	3	8
Personnel policy	30	3	25	2
Encourage to work hard	46	2	24	3
Involve employee more	52	1	27	1
Accept management policy	19	4	15	4
Spearman's rank order correlation = .85, n = 8, sigf. P < .01				

The table-41 shows that both the private and public sector employees rated 'involve employee more in the company' as the most important reason for producing employee report. 'Encourage to work hard' is rated second important reason by private sector employees but public sector employees rated 'personnel policy' as the second important reason. The Spearman's rank order correlation is positive and statistically significant, which indicate that rating by private and public sector employees are similar.

Table - 42

Relative Importance of Reasons for Employee Reporting as Perceived by the Lower and Higher Educated Employees

Reasons	Lower educated		Higher educated	
	Score	Rank order	Score	Rank order
Trade union demand	13	6	7	7
Legal requirements	4	7.5	13	5
Employees' demand	14	5	8	6
Prevent high wage demand	4	7.5	2	8
Personnel policy	17	4	38	2
Encourage to work hard	38	1.5	32	3
Involve employee more	38	1.5	41	1
Accept management policy	20	3	14	4
Spearman's rank order correlation = .93, n = 8, sigf. P < .01				

From the table - 42, it is evident that lower level employees rated 'involve employee more' and 'encourage to work hard' as the most important reason, but higher educated employees rated 'involve employee more' as the most important reason for issuing employee report. However, the Spearman's rank order correlation is positive and statistically significant. That is, rating by both the groups are similar.

Table - 43

Relative Importance of Reasons for Employee Reporting as Perceived by the Lower and Higher Experienced Employees

Reasons	Lower experienced		Higher experienced	
	Score	Rank order	Score	Rank order
Trade union demand	8	5.5	12	6
Legal requirements	7	7	10	7
Employees' demand	8	5.5	14	5
Prevent high wage demand	3	8	3	8
Personnel policy	29	3	26	3
Encourage to work hard	35	2	35	2
Involve employee more	40	1	39	1
Accept management policy	13	4	21	4
Spearman's rank order correlation = .99, n = 8, sigf. P < .01				

The table-43 shows that both lower and higher experienced respondents rated 'involve employee more,' 'encourage to work hard' and 'personnel policy' as the first, second and third important reason for issuing employee report. However, the Spearman's rank order correlation is positive and statistically significant. That is, ratings by both the groups are similar.

5.9 Reactions of Respondents on Employee Report Contents

Table - 44

Importance of Information in Employee Report to The Respondents by Their Levels

Levels of employees	Importance of information			Total
	Very important	Little important	Not important	
Workers	22 (52.4)	19 (45.2)	1 (2.4)	42 (43.3)
TU Leaders	9 (39.1)	12 (52.2)	2 (8.7)	23 (23.7)
Managers	25 (78.1)	7 (21.9)	-	32 (33.0)
Total	56 (57.7)	38 (39.2)	3 (3.1)	97 (100.0)
Chi-square = 11.11, DF = 4, Sigf.(at 1%) = N.S.				

From the table - 44, it is evident that 58% of the respondents considered the information provided in the employee report as very important and 38% considered as little important. The difference in responses are not statistically significant.

Table - 45

Importance of Information in Employee Report to The Respondents by Their Education, Experience and Type of Organisation (N=97)

Groups	Importance of information			Chi-square	P
	Very important	Little important	Not important		
Private sector	34 (59.6)	23 (40.4)	-	4.41	N.S.
Public sector	22 (55.0)	15 (37.5)	3 (7.5)		
Lower educated	18 (43.9)	21 (51.2)	2 (4.9)	5.71	N.S.
Higher educated	38 (67.8)	17 (30.4)	1 (1.8)		
Low experience	27 (54.0)	22 (44.0)	1 (2.0)	1.26	N.S.
High experience	29 (61.7)	16 (34.0)	2 (4.3)		

The results in the table - 45 reveal that chi-square values are not statistically significant. That means, the responses of the subjects do not vary significantly according to their education, experience and types of organisations. Most of them found that the information provided in employee report was very important.

Table - 46

Responses on Reliability of Information in Employee Report to The Respondents by Their Levels, Type of Organisation, Education and Experience (N=97)

Groups	Reliability of information		Chi-square	Signific.
	Always true	Seldom true		
Workers	35 (83.3)	7 (16.7)	9.74	P<.01
TU leaders	15 (65.2)	8 (34.8)		
Managers	31 (96.9)	1 (3.1)		
Private sector	54 (94.7)	3 (5.3)	12.66	P<.01
Public sector	27 (67.5)	13 (32.3)		
Lower educated	36 (87.8)	5 (12.2)	.95	N.S.
Higher educated	45 (80.4)	11 (19.6)		
Low experienced	45 (90.0)	5 (10.0)	3.16	N.S.
High experienced	36 (76.6)	11 (23.4)		
Total	81 (83.5)	16 (16.5)		

It is evident from the table-46 that 83% respondents found information in the report always true and 17% found seldom true. It is also evident that 97% managers and 65% TU leaders found information always true, 95% private sector but 67% public sector employees found information always true. There is no significant difference in responses of subjects according to education and experience.

Table - 47

Respondents' Satisfaction With the Contents of Employee Report According to their Levels, Education, Experience and Type of Organisation (N=97)

Groups	Satisfaction with information		Chi-square	Signific.
	Satisfied	Not satisfied		
Workers	19 (45.2)	23 (54.8)	17.04	P < .01
TU Leaders	3 (13.0)	20 (87.0)		
Managers	2 (6.2)	30 (93.8)		
Private sector	10 (17.5)	47(82.5)	3.8	N.S.
Public sector	14 (35.0)	26 (65.0)		
Lower educated	13 (31.7)	28 (68.3)	1.85	N.S.
Higher educated	11 (19.6)	45 (80.4)		
Lower experienced	8 (16.0)	42 (84.0)	4.23	N.S.
Higher experienced	16 (34.0)	31 (66.0)		
Total	24 (24.7)	73 (75.3)		

From the table it is evident that 75% respondents are not satisfied with the contents of employee report. They demanded more operational and financial information. It is also evident that there is no significant difference in responses by education, experience and type of organisation. Among the three levels of employees workers are satisfied in higher rate (35%) and managers are in lower rate (6%).

Table - 48

Understanding of Information in Employee Report by Users (N=97)

Understand information	Frequency	Percent
Fully	73	75.3
Partially	24	24.7
Not at all	0	0
Undecided	0	0
Total	97	100.0

The table shows that 75% respondents understand information in the employee report fully and 25% understand partially.

Table - 49

Understanding of information in the Employee Report by the Respondents According to Their Level, Type of Organisation, Education and Experience (N=97)

Groups of respondents	Understand information		Chi-square	Sigfic.
	Fully	Partially		
Workers	30 (71.4)	12 (28.6)	4.20	N.S.
TU Leaders	21 (91.3)	2 (8.7)		
Managers	22 (68.8)	10 (31.3)		
Private sector	50 (87.7)	7 (12.3)	11.53	P < .01
Public sector	23 (57.5)	17 (42.5)		
Lower educated	36 (87.8)	5 (12.2)	6.0	N.S.
Higher educated	37 (66.1)	19 (33.9)		
Lower experienced	42 (84.0)	8 (16.0)	4.23	N.S.
Higher experienced	31 (66.0)	16 (34.0)		

The table shows that three of the four chi-square values are not significant, which means that irrespective of level, education and experience respondents (66%-91%) understand information fully. Public sector employees in a lower rate (57.5%) fully understand than those of private sectors' (87.7%).

5.10 Respondents Perception on Claimed Disadvantages of Employee Reporting

Table - 50

Respondents' Perception on Claimed Disadvantages of Employee Reporting(N=210)

Employee reporting will cause	Employees' responses		
	Yes	No	Undecided
Excessive costs	16 (7.6)	183 (87.1)	11 (5.2)
Waste of employee time	13 (6.2)	191 (91.0)	6 (2.9)
Misunderstanding of information	9 (4.3)	193 (91.9)	8 (3.8)
Data leakage to competitors	8 (3.8)	191 (91.0)	11 (5.2)

Table - 50 shows that 87% - 92% respondents believe that employee reporting will not cause excessive costs, waste of employee time, misunderstanding and information leakage to competitors.

Table - 51

Respondents Perception on Claimed Disadvantages of Employee Reporting by Their Levels

Employee reporting will cause	Workers			TU Leaders			Managers			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided	Yes	No	Undecided		
Excessive costs	10(10.0)	87(87.0)	3 (3.0)	4(8.0)	44(88.0)	2 (4.0)	2(3.3)	52(86.7)	6(10.0)	5.87	N.S.
Misunderstanding of infor.	5(5.0)	94(94.0)	1(1.0)	5(10.0)	42(84.0)	3 (6.0)	3 (5.0)	55(91.7)	2 (3.3)	4.72	N.S.
Waste of employee time	4(4.0)	93(93.0)	3 (3.0)	3(6.0)	44(88.0)	3 (6.0)	2(3.3)	56(93.4)	2 (3.3.0)	1.33	N.S.
Data leakage to competitor	4(4.4)	93(93.0)	3 (3.0)	3(6.0)	43(86.0)	4 (8.0)	1(1.7)	55(91.7)	4 (6.7)	3.46	N.S.

The table -51 shows that chi-square values are not significant. That is, there is no significant difference between the responses by the subjects according to their levels. Most of the respondents perceive that employee reporting will not cause excessive costs, waste of employee time, misunderstanding and information leakage to competitors

Table - 52

Respondents' Perception on Claimed Disadvantages of Employee Reporting by Types of Organisations (N=210)

Employee reporting will cause	Private sector			Public sector			Chi-square	P
	Yes	No	Undecided	Yes	No	Undecided		
Excessive costs	8 (6.2)	144 (88.4)	7 (5.4)	8 (9.9)	69 (85.2)	4 (4.9)	.94	N.S.
Misunderstanding of information	7 (5.4)	119 (92.2)	3 (2.3)	6 (7.4)	72 (88.9)	3 (3.7)	.69	N.S.
Waste of employee time	8 (6.2)	118 (91.5)	3 (2.3)	1 (1.2)	75 (92.6)	5 (6.2)	4.80	N.S.
Information leakage to competitors	5 (3.9)	119 (92.2)	5 (3.9)	3 (3.7)	72 (88.9)	6 (7.4)	1.21	N.S.

Table - 53

Respondents' Perception on Claimed Disadvantages of Employee Reporting by Receiver and Non-receiver of ER (N=210)

Employee reporting will cause	Receiver of ER			Non-receiver of ER			Chi-square	P
	Yes	No	Undecided	Yes	No	Undecided		
Excessive costs	6 (6.2)	87 (89.7)	4 (4.1)	10 (8.8)	96 (85.0)	7 (6.2)	1.05	N.S.
Misunderstanding of information	4 (4.1)	91 (93.8)	2 (2.1)	9 (8.0)	100 (88.5)	4 (3.5)	1.81	N.S.
Waste of employee time	2 (2.1)	92 (94.8)	3 (3.1)	7 (6.2)	101 (89.4)	5 (4.4)	2.49	N.S.
Data leakage to competitors	1 (1.0)	9 (93.8)	5 (5.2)	7 (6.2)	100 (88.5)	6 (5.3)	3.82	N.S.

Table - 54

Respondents' Perception on Claimed Disadvantages of Employee Reporting by Their Education (N=210)

Employee reporting will cause	Lower educated			Higher educated			Chi- square	P
	Yes	No	Undecided	Yes	No	Undecided		
Excessive costs	7 (7.3)	88 (91.7)	1 (1.0)	9 (7.9)	95 (83.3)	10 (8.8)	6.39	N.S.
Misunderstanding of information	7 (7.3)	89 (92.7)	-	6 (5.3)	102 (89.5)	6 (5.3)	5.46	N.S.
Waste of employee time	5 (5.2)	90 (93.8)	1 (1.0)	4 (3.5)	103 (90.4)	7 (6.1)	3.97	N.S.
Information leakage to competitors	4 (4.2)	90 (93.8)	2 (2.1)	4 (3.5)	101 (88.6)	9 (7.9)	3.57	N.S.

Table - 54 shows that chi-square values are not significant, which indicate that there is no significant difference between the responses of lower and higher educated subjects. That is, irrespective of education respondents perceive that employee reporting will not cause excessive costs, misunderstanding of information, waste of employee time and information leakage to competitors.

Table - 55

Respondents' Perception on Claimed Disadvantages of Employee Reporting by Their Experience (N=210)

Employee reporting will cause	Lower experienced			Higher experienced			Chi-square	P
	Yes	No	Undecided	Yes	No	Undecided		
Excessive costs	9 (9.0)	88 (88.0)	3 (3.0)	7 (6.4)	95 (86.4)	8 (7.3)	2.32	N.S.
Misunderstanding of information	6 (6.0)	92 (92.0)	2 (2.0)	7 (6.4)	99 (90.0)	4 (3.6)	.53	N.S.
Waste of employee time	5 (5.0)	93 (93.0)	2 (2.0)	4 (3.6)	100 (90.9)	6 (5.5)	1.89	N.S.
Information leakage to competitors	6 (6.0)	90 (90.0)	4 (4.0)	2 (1.8)	101 (91.8)	7 (6.4)	2.98	N.S.

Table - 55 shows that chi-square values are not significant, which indicate that there is no significant difference between the responses of lower and higher experienced subjects. That is, irrespective of education respondents perceive that employee reporting will not cause excessive costs, misunderstanding of information, waste of employee time and information leakage to competitors.

5.11 Distribution of Employee reports: Employees' Preference

Table - 56

Responses on Distribution of Employee Reports at a Special Meeting According to Levels, Education, Experience and Type of Organisation of the Subjects

Groups of employees	Distribution at a special meeting			Chi-square	Signifi.
	Yes	No	Undecided		
Workers	77 (77.0)	23 (23.0)	-	21.50	P < .01
TU leaders	27 (54.0)	23 (46.0)	-		
Mangers	35 (58.3)	20 (33.3)	5 (8.4)		
Private sector	79 (61.2)	46 (35.7)	4 (3.1)	3.87	N.S.
Public sector	60 (74.1)	20 (24.7)	1 (1.2)		
Lower educated	65 (67.7)	31 (32.3)	-	4.31	N.S.
Higher educated	74 (64.9)	35 (30.7)	5 (4.4)		
Low experienced	67 (67.0)	29 (29.0)	4 (4.0)	2.45	N.S.
High experienced	72 (65.5)	37 (33.6)	1 (.9)		
Receive ER	58 (59.8)	38 (39.2)	1 (1.0)	5.94	N.S.
Do not receive ER	81 (71.7)	28 (24.8)	4 (3.5)		
Total	139 (66.2)	66 (31.4)	5 (2.4)		

Table - 56 shows that 66% respondents feel that distribution of employee report at a special meeting would be effective. Insignificant chi-squares indicate that subjects of different groups responded in a similar manner.

5.12 Results Relating to Inter Correlation, ANOVA, Mean Difference and Stepwise Multiple Regression of Some Variables

Table - 57

Inter Correlation Between Some Variables (Age, Experience, Education, Employee Reporting and Job Satisfaction) (N=210)

Variables	1	2	3	4	5
1. Age	1.00				
2. Experience	.81 P< .01	1.00			
3. Education	.01 N.S.	-.20 P< .01	1.00		
4. Employee report	-.16 P<.05	-.13 P< .05	.23 P<.01	1.00	
5. Job satisfaction	-.15 P<.05	-.15 P<.05	.19 P<.01	.40 P<.01	1.00

N.S. = Not significant. Two tailed test at 5%.

An observation of the table - 57 reveals the following relationship:

- (1) There is significant positive correlation between age and experience, and significant negative correlation between age and employee report and age and job satisfaction.
- (2) There is significant negative correlation between experience and education, experience and employee reporting and experience and job satisfaction.
- (3) There is significant positive correlation between education and employee report and education and job satisfaction.
- (4) There is significant positive correlation between employee report and job satisfaction.

Table - 58

Inter Correlation Among Some Variables of Private Sector Employees (N-129)

Variables	1	2	3	4	5
1. Age	1.00				
2. Experience	.72 P< .01	1.00			
3. Education	.06 N.S.	-.26 P<.01	1.00		
4. Employee report	-.15 N.S.	-.16 N.S.	.25 P<.01	1.00	
5. Job satisfaction	-.20 N.S.	-.21 P<.05	.09 N.S.	.39 P<.01	1.00

N.S. = Not significant. Two tailed test at 5%.

An observation of the table - 58 reveals the following relationship:

- (1) There is significant positive correlation between age and experience.
- (2) There exists significant negative correlation between experience and education and experience and job satisfaction.
- (3) There is significant positive correlation between education and employee report.
- (4) There is significant positive correlation between employee report and job satisfaction.

Table - 59

Inter Correlation Among Some Variables of Public Sector Employees (N -81)

Variables	1	2	3	4	5
1. Age	1.00				
2. Experience	.92 P< .01	1.00			
3. Education	-.26 P<.05	-.27 P<.05	1.00		
4. Employee report	-.22 P<.05	-.15 N.S.	.19 N.S.	1.00	
5. Job satisfaction	-.18 N.S.	-.21 N.S.	.38 P<.01	.42 P<.01	1.00

N.S. Not significant. Two tailed test at 5%.

An observation of the table - 59 reveals the following relationship:

- (1) There exists a significant positive correlation between age and experience and significant negative correlation between age and education and age and employee report.
- (2) There exists a significant negative correlation between experience and education.
- (3) There is a significant positive correlation between education and job satisfaction.
- (4) There is a significant positive correlation between employee report and job satisfaction.

Table - 60

Two-way ANOVA For Job Satisfaction According to Employee Report and Levels of Employees (N=210)

Sources of variation	Sum of squares	D.F.	Mean square	F	P
Main effects					
Levels of employees	45.512	2	22.756	23.648	P<.01
Employee report	43.324	1	43.324	45.022	P<.01
2-way interactions	.551	2	.276	.286	N.S.
Residual	196.308	204	.960	-	-
Total	285.695	209	1.367	-	-

It is evident from the table-60 that though 2-way interactions are not significant, both the main effects (Levels of employees and employee report) were significant. The significant results suggest that subjects' perception on job satisfaction differed according to levels on the one hand and employee report on the other.

Table - 61

Cell Means (including rows and columns) for the ANOVA Presented in table-60

Levels of employees	Employee report		Total
	Do not receive	Receive	
Workers	3.47 (58)	4.38 (42)	3.85 (100)
TU Leaders	2.41 (27)	3.48 (23)	2.90 (50)
Managers	3.71 (28)	4.50 (32)	4.13 (60)
Total	3.27 (113)	4.21 (97)	3.70 (210)

It is observed from the above table that the subjects receiving employee report have higher job satisfaction than those who do not receive such report. Among three levels, managers have higher job satisfaction than workers and leaders. Trade union leaders have lowest job satisfaction.

Table - 62

Two-way ANOVA For Job Satisfaction According to Employee Report and Type of Organisation (N=210)

Sources of variation	Sum of squares	D.F.	Mean square	F'	P
Main effects					
Types of companies	7.190	1	7.190	6.32	P<.05
Employees report	43.622	1	43.622	38.31	P<.01
2-way interactions	.344	1	.344	.303	N.S.
Residual	234.539	206	1.139	-	-
Total	285.695	209	1.367	-	-

An examination of the table-62 reveals that though 2-way interaction was not significant, both the main effects (type of company and employee report) were significant. The significant results suggest that subjects' perception on job satisfaction differed according to type of company on the one hand and employee report on the other. The results also suggest that type of company and employee report individually produce significant difference in job satisfaction of the respondents.

Table - 63

Cell Means (including rows and columns) for the ANOVA Presented in the Table-62

Types of organisations	Employee report		Total
	Receive	Do not receive	
Private sector	4.11 (57)	3.13 (72)	3.56 (129)
Public sector	4.35 (40)	3.54 (41)	3.94 (81)
Total	4.21 (97)	3.27 (113)	3.70 (210)

It is observed from the above table that the subjects receiving employee report have higher job satisfaction than those who do not receive such report. Public sector employees have higher job satisfaction than that of private sector employees. Further analysis reveals that public sector employees receiving employee reports have highest satisfaction than any other groups.

Table - 64

Two-way ANOVA For Job Satisfaction According to Types of Organisations and Levels of Employees (N=210)

Sources of variation	Sum of squares	D.F.	Mean square	F	P
Main effects					
Levels of employees	45.512	2	22.756	22.49	P<.01
Types of companies	5.470	1	5.470	5.41	P<.05
2-way interactions	28.261	2	14.131	13.96	P<.01
Residual	206.452	204	1.012	-	-
Total	285.695	209	1.367	-	-

It is evident from the table-64 that F - ratio for 2-way interactions and the main effects of levels of employees and types of organisations were statistically significant. The significant results suggest that subjects' perception on job satisfaction differed according to their levels on the one hand and types of organisations on the other. The results also suggest that types of companies and levels of employees individually and by interactions produce significant difference in job satisfaction.

Table - 65

Cell Means (including rows and columns) for the ANOVA Presented in Table-64

Levels of employees	Types of companies		Total
	Private	Public	
Workers	3.95 (56)	3.73 (44)	3.85 (100)
TU Leaders	2.35 (34)	4.06 (16)	2.90 (50)
Managers	4.05 (39)	4.29 (21)	4.13 (60)
Total	3.56 (129)	3.94 (81)	3.70 (210)

It is observed from the above table that among the subjects, managers of public sector have highest job satisfaction. Trade union leaders of private sector have lowest job satisfaction.

Table - 66

Mean Difference of Job Satisfaction According to Some Personal Factors (Age, Experience, Education and Sex) (N=210)

Groups	Number	Mean	S.D.	t-ratio	D.F.	P
Lower age	52	4.0	.84	2.12	208	P<.05
Higher age	158	3.6	1.25			
Low experience	100	3.84	1.01	1.60	208	N.S.
High experience	110	3.58	1.30			
Lower educated	96	3.45	1.27	-2.98	208	P<.01
Higher educated	114	3.92	1.03			
Male	197	3.68	1.19	-1.19	208	N.S.
Female	13	4.08	.64			

It is observed from the table that two out of four t-ratios are significant, the other two are not significant. Sex and experience have no significant impact on job satisfaction of the subjects. On the other hand age and education have significant impact on job satisfaction. Further analysis reveals that the subjects with low age are more satisfied than those of higher age, and high educated employees are more satisfied than low educated ones.

Table - 67

Mean Difference of Job Satisfaction According to Types of Organisations, Employee Report and Rank (N=210)

Groups	Number	Mean	S.D.	t-ratio	D.F.	P
Private sector	129	3.56	1.26	-2.32	208	P<.05
Public sector	81	3.94	.98			
Receive ER	97	4.21	1.03	6.26	208	P<.01
Do not receive	113	3.27	1.11			
Non-managers	150	3.53	1.23	-3.45	208	P<.01
Managers	60	4.13	.87			

The result in table 67 shows that three t ratios are significant, which means, public sector employees, receiver of ER and managers have higher job satisfaction than their counterparts.

Table - 68

Matrix Showing Bivariate Correlation between Some Selected Independent Variables (Age, Experience, Education, Type of company and Employee Report) and One Dependent Variable: Employee Job Satisfaction (N=210)

Variables	1	2	3	4	5
1. Age	1.00				
2. Experience	.81 P<.01	1.00			
3. Education	.01 N.S.	-.20 P<.01	1.00		
4. Employee report	-.16 P<.05	-.13 P<.05	.23 P<.01	1.00	
5. Type of company	.23 P<.01	.28 P<.01	.18 P<.01	.05 N.S.	1.00
6. Job satisfaction	-.15 P<.05	-.15 P<.05	.19 P<.01	.40 P<.01	.16 P<.01

N.S. = Not significant. Two tailed test at 5%. In case of sample size more than 30 t value is compared with table value of Z for the test of significance.

The analysis (table-68) shows that all the variables selected are significantly correlated with employees' job satisfaction and are relevant for explaining variation. It may be noted that the magnitude of relationship between job satisfaction and other variables is not uniform and ranges widely between -.15 (lowest) to .40 (highest). Of all the pairs of variables employee report and job satisfaction have highest correlation (.40). The table further reveals that job satisfaction has significant positive correlation with education and type of company (.19 & .16) and negative correlation with age and experience (-.15) .

Table.- 69

Summary of Step Wise Multiple Regression

(Dependent variable: Employees' Job Satisfaction)

Variation in the equation	Multiple R	R Square	F Equation	Signif. F	Beta
1. Employee report	.398	.159	39.22	P<.01	.398
2. Type of company	.422	.178	22.39	P<.01	.139
3. Experience	.446	.199	17.06	P<.01	-.153

The results show that three of independent variables were entered in the equation and the order of the inclusion was: employee report, type of company and experience. As each additional variable was entered, the multiple R and R^2 increased. This indicates that employee report, type of company and experience were the best set of predictors of job satisfaction having combined contribution of about 20 percent. Allowing one of the independent variables to operate while controlling the other variables in the equation, it was found that employee report has the highest contribution to job satisfaction (Beta = .398) followed by type of company (Beta = .139) and experience have a negative contribution (Beta = -.153). The individual contribution of these variables was, however, statistically significant.

CHAPTER 6

SURVEY RESULTS: COMPANY POINT OF VIEW

Responses of the selected companies collected for the study were analysed and presented in this chapter. For comparison of different aspects respondent companies were grouped according to type of organisation (private and public), size of the company (small and large: in terms of number of employees) and employee report (producer and non-producer).

The results are presented according to the sequence of questions designed in the questionnaire such as companies' views on information disclosure to employees, types of information to be disclosed, methods to be followed, impact of employee reporting, legal provisions required for employee reporting, copy of annual report and employees' information needs, present practices of employee reporting, reasons for non-issuing and issuing of employee reports, types of report, distribution system, reactions on employee report, and employee reporting and firm performance, employee turnover, industrial disputes and others.

6.1 Respondent Companies' Views on Information Disclosure to Employees and Types of Information

Table - 70

Company Respondents' Intention to Disclose Information to Employees According to Types, Sizes and Employee Report (N=60)

Groups	Information to be given to employees		Chi- square	P
	Yes	No		
Private sector	39 (97.5)	1 (2.5)	.26	N.S.
Public sector	19 (95.0)	1 (5.0)		
Small company	39 (97.5)	1 (2.5)	.26	N.S.
Large company	19 (95.0)	1 (5.0)		
Producer of ER	30 (100.0)	0	2.07	N.S.
Non-producer	28 (93.3)	2 (6.7)		
Total	58 (96.7)	2 (3.3)		

It is evident from the table-70 that 97% respondents intend that information should be given to the employees. Only 3% respondents are against the disclosure to employees. The companies against disclosure to employees argued that it will create management problems. It is also evident that chi-square values are not significant, that is, the responses by the subjects are significantly associated.

Table - 71

Types of Information Should be Given to Employees

SL.	Items of Information	Frequency	Percent
1	Achievements of the company	22	36.7
2	Production details	20	33.3
3	Market condition	19	31.7
4	Profits and loss	18	30.0
5	Performance	17	28.3
6	Work instruction	16	26.7
7	Future plans	15	25.0
8	Financial information	14	23.3
9	Business goals and objectives	13	21.6
10	Recreational activities	12	20.0
11	Personnel/Manpower details	11	18.3
12	Pay and benefits	10	16.7
13	New product/service development	9	15.0
14	Sales	8	13.3
15	Future changes	7	11.7
16	Company policies	7	11.7
17	Functions and processes	7	11.7
18	Welfare activities for the employees	6	10.0
19	Productivity	6	10.0
20	Company mission and philosophy	5	8.3
21	Growth of the company	5	8.3
22	Working condition	5	8.3
23	Personnel policy	5	8.3
24	Strategies in changing environment	4	6.7
25	Changes in policies	4	6.7
26	Future prospects	4	6.7
27	Promotion prospect and incentives	4	6.7
28	Environmental changes	3	5.0

29	Quality parameter and customer satisfaction	3	5.0
30	Comparative information of other company	3	5.0
31	Training and development program	3	5.0
32	Employees contribution to the results	2	3.3
33	Causes of low performance	2	3.3
34	Employee right and duties	2	3.3
35	Individual employees target	2	3.3
36	Competitors position	2	3.3
37	Disciplinary measures	2	3.3
38	Balance sheet	2	3.3
39	Technology adopted	2	3.3
40	Latest administrative decisions	2	3.3
41	Grievance handling procedure	2	3.3
42	Social involvement of the company	2	3.3
43	Costs of inputs and outputs	2	3.3
44	Areas of wastage	2	3.3
45	Safety of life and equipment	2	3.3
46	Budget variances	2	3.3
47	Sources and uses of funds	2	3.3
48	Modernization and expansion	1	1.7
49	Maintenance	1	1.7
50	Expectations from the employees	1	1.7

Note: 1) Some other information items excluded from the table. 2) Since more than one items mentioned by the respondents, the figures do not add up to 100%.

6.2 Methods of Reporting to Employees

Table - 72

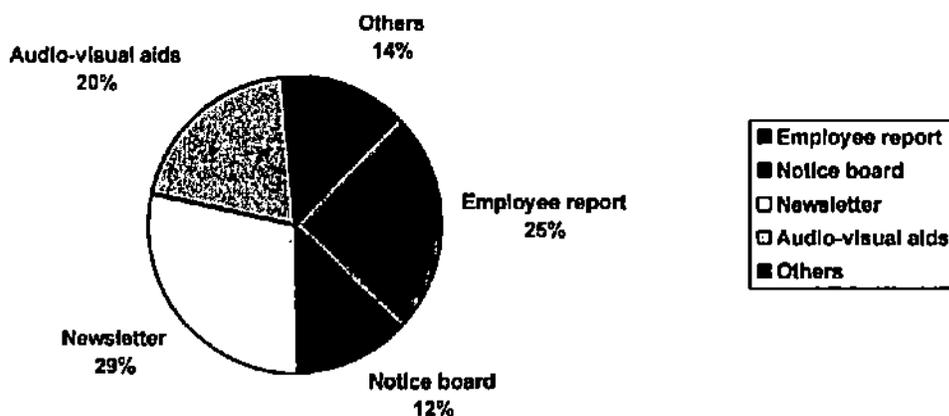
Methods Should be Used for Disclosing Information to Employees

Methods	Frequency	Percent
Employee report	32	24.8
Notice board	16	12.4
Newsletter	37	28.7
Audio-visual aids	26	20.2
Others	18	14.0

Note: Respondents were allowed to choose more than one answer. Others include: Letters, meetings, oral communication, training program and circulars.

Figure - 5:

Methods of Reporting to be Used as Perceived by The Respondent Companies



The table-72 and figure-5 show that most of the respondents (28.7%) prefer newsletter as important method of reporting information to employees. The other methods preferred according to importance were employee report, audio-visual aids, others and notice board. It is also notable that most of them mentioned no single method is sufficient and according to them combination of methods should be used.

Table - 73

Relative Importance of Methods of Reporting As Perceived by Private and Public Sector Companies (N=60)

Methods	Private sector		Public sector	
	Score	Rank order	Score	Rank order
Employee report	24	2	8	3.5
Notice board	8	5	8	3.5
Newsletter	25	1	12	1
Audio-visual aids	16	3	10	2
Others	11	4	7	5
Spearman's rank order correlation: .675, N.S.				

It is observed from the table that both private and public sector companies rated newsletter as the most important method of reporting information to employees. Private sector companies rated employee report as the second important method but public sector companies prefer audio-visual aids as the second important method. The Spearman's rank order correlation is not significant, which means that the ratings by the subjects are not significantly correlated.

Table - 74

Relative Importance of Methods of Reporting As perceived by Producer and Non-producer of Employee report (N=60)

Methods	Producer of ER		Non-producer of ER	
	Score	Rank order	Score	Rank order
Employee report	16	2	16	1
Notice board	9	5	7	5
Newsletter	23	1	14	2
Audio-visual aids	15	3	11	3
Others	10	4	8	4
Spearman's rank order correlation = .90, $P < .05$				

It is observed from the table that respondents producing employee report rated newsletter but non-producer rated employee report as the most important method of reporting to employees. Second important method to producer companies was employee report but newsletter to non-producer companies. Both the groups rated audio-visual aids as the third important method. The Spearman's rank order correlation is significant, which means that the ratings by the subjects are significantly correlated.

6.3 Respondents' Perception on Impact of Employee Reporting

Table - 75

Impact of Employee Reporting on Employee Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness as Perceived by Respondent Companies (N=60)

Employee reporting will improve	Responses of the subjects	
	Yes (%)	No (%)
Employee motivation	58 (96.7)	2 (3.3)
Industrial relations	55 (91.7)	5 (8.3)
Productivity	55 (91.7)	5 (8.3)
Employee commitment	54 (90.0)	6 (10.0)
Job satisfaction	52 (86.7)	8 (13.3)
Cost consciousness	56 (93.3)	4 (6.7)
Others*	6 (10.0)	0

*Others include: Sense of belonging, quality consciousness and ability to deal with clients.

It is evident from the above table that absolute majority of the respondents perceive that employee reporting will improve employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 76

Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change, Industrial Disputes and Others as Perceived by Respondent Companies (N=60)

Employee reporting will . reduce	Responses of the subjects	
	Yes (%)	No (%)
Employee turnover	35 (58.3)	25 (41.7)
Absenteeism	47 (78.3)	13 (21.7)
Grievance	51 (85.0)	9 (15.0)
Resistance to change	54 (90.0)	6 (10.0)
Industrial disputes	50 (83.3)	10 (16.7)
Others*	5(8.3)	0

*Others include: Costs, irresponsibility and dissatisfaction.

From the table it is observed that majority of the subjects perceive that employee reporting will reduce employee turnover, absenteeism, grievance, resistance to change and industrial disputes.

Table - 77

Responses on Impact of Employee Reporting on Employee Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness as Perceived by Private and Public Sector Companies (N=60)

Employee reporting will improve	Private sector		Public sector		Chi- square	P
	Yes	No	Yes	No		
Employee motivation	39 (97.5)	1 (2.5)	19 (95.0)	1 (5.0)	.26	N.S.
Industrial relations	36 (90.0)	4 (10.0)	19 (95.0)	1 (5.0)	.44	N.S.
Productivity	37 (92.5)	3 (7.5)	18 (90.0)	2 (10.0)	.11	N.S.
Employee commitment	35 (87.5)	5 (12.5)	19 (95.0)	1 (5.0)	.83	N.S.
Job satisfaction	35 (87.5)	5 (12.5)	17 (85.0)	3 (15.0)	.07	N.S.
Cost consciousness	38 (95.0)	2 (5.0)	18 (90.0)	2 (10.0)	.54	N.S.

Chi-square values were calculated to see the association between the responses by private and public sector companies on impact of employee reporting, the result shows that none of the chi-square values are significant. That is, there is no significant difference between the responses of the subjects of private and public sector. In other words, irrespective of types of organisations respondents perceive that employee reporting improves employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 78

Responses on Impact of Employee Reporting on Employee Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness as Perceived by Small and Large Companies (N=60)

Employee reporting will improve	Small companies		Large companies		Chi-square	P
	Yes	No	Yes	No		
Employee motivation	39 (97.5)	1 (2.5)	19 (95.0)	1 (5.0)	.26	N.S.
Industrial relations	37 (92.5)	3 (7.5)	18 (90.0)	2 (10.0)	.11	N.S.
Productivity	36 (90.0)	4 (10.0)	19 (95.0)	1 (5.0)	.44	N.S.
Employee commitment	35 (87.5)	5 (12.5)	19 (95.0)	1 (5.0)	.83	N.S.
Job satisfaction	35 (87.5)	5 (12.5)	17 (85.0)	3 (15.0)	.07	N.S.
Cost consciousness	39 (97.5)	1 (2.5)	17 (85.0)	3 (15.0)	3.35	N.S.

Chi-square values were calculated to see the associations between the responses by small and large companies on impact of employee reporting, the result shows that none of the chi-square values are significant. That is, companies of small and large in sizes perceive that employee reporting will improve employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 79

Impact of Employee Reporting on Employee Motivation, Industrial Relations, Productivity, Employee Commitment, Job Satisfaction and Cost Consciousness by ER Producer and Non-producer Companies (N=60)

Employee reporting will improve	Producer of ER		Non-producer of ER		Chi- square	P
	Yes	No	Yes	No		
Employee motivation	30 (100.0)	0	28 (93.3)	2 (6.7)	2.07	N.S.
Industrial relations	28 (93.3)	2 (6.7)	27 (90.0)	3 (10.0)	.22	N.S.
Productivity	28 (93.3)	2 (6.7)	27 (90.0)	3 (10.0)	.22	N.S.
Employee commitment	28 (93.3)	2 (6.7)	26 (86.7)	4 (13.3)	.74	N.S.
Job satisfaction	28 (93.3)	2 (6.7)	24 (80.0)	6 (20.0)	2.31	N.S.
Cost consciousness	28 (93.3)	2 (6.7)	28 (93.3)	2 (6.7)	.001	N.S.

Chi-square values were calculated to see the associations between the responses by subjects of producer and non-producer of employee report on impact of employee reporting, the result shows that none of the chi-square values are significant. That is, there is no significant difference between the responses of the subjects of producer and non-producer of employee report. In other words, producer and non-producer of ER perceive that employee reporting improves employee motivation, industrial relation, productivity, employee commitment, job satisfaction and cost consciousness.

Table - 80

Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Types of Companies (N=60)

Employee reporting will reduce	Private sector		Public sector		Chi-square	P
	Yes	No	Yes	No		
Employee turnover	23 (57.5)	17 (42.5)	12 (60.0)	8 (40.0)	.03	N.S.
Absenteeism	32 (80.0)	8 (20.0)	15 (75.0)	5 (25.0)	.20	N.S.
Grievance	34 (85.0)	6 (15.0)	17 (85.0)	3 (15.0)	.001	N.S.
Resistance to change	38 (95.0)	2 (5.0)	16 (80.0)	4 (20.0)	3.11	N.S.
Industrial disputes	33 (82.5)	7 (17.5)	17 (85.0)	3 (15.0)	.06	N.S.

Chi-square values were calculated to see the associations between the responses by private and public sector companies on impact of employee reporting, the result shows that none of the chi-square values were significant, which means, there is no significant difference between the responses of the subjects of private and public sector. That is, irrespective of types of organisations respondents perceive that employee reporting will reduce employee turnover, absenteeism, grievance, resistance to change and industrial disputes.

Table - 81

Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes as Perceived by Small and Large Companies (N=60)

Employee reporting will reduce	Small companies		Large companies		Chi- square	P
	Yes	No	Yes	No		
Employee turnover	23 (57.5)	17 (42.5)	12 (60.0)	8 (40.0)	.03	N.S.
Absenteeism	31 (77.5)	9 (22.5)	16 (80.0)	4 (20.0)	.05	N.S.
Grievance	34 (85.0)	6 (15.0)	17 (85.0)	3 (15.0)	.001	N.S.
Resistance to change	38 (95.0)	2 (5.0)	16 (80.0)	4 (20.0)	3.11	N.S.
Industrial disputes	33 (82.5)	7 (17.5)	17 (85.0)	3 (15.0)	.06	N.S.

Chi-square values were calculated to see the associations between the responses by small and large companies on impact of employee reporting, the result shows that none of the chi-square values are significant. That is, there is no significant difference between the responses of the subjects of small and large in size. In other words, both small and large companies perceive that employee reporting will reduce employee turnover, absenteeism, grievance, resistance to change and industrial disputes.

Table - 82

Impact of Employee Reporting on Employee Turnover, Absenteeism, Grievance, Resistance to Change and Industrial Disputes by Producer and Non-producer of ER (N=60)

Employee reporting will reduce:	Producer of ER		Non-producer of ER		Chi- square	P
	Yes	No	Yes	No		
Employee turnover	18 (60.0)	12 (40.0)	17 (56.7)	13 (43.3)	.10	N.S.
Absenteeism	23 (76.7)	7 (23.3)	24 (80.0)	6 (20.0)	.10	N.S.
Grievance	25 (83.3)	5 (16.7)	26 (86.7)	4 (13.3)	.13	N.S.
Resistance to change	26 (86.7)	4 (13.3)	28 (93.3)	2 (6.7)	.74	N.S.
Industrial disputes	24 (80.0)	6 (20.0)	26 (86.7)	4 (13.3)	.48	N.S.

Chi-square values were calculated to see the association between the responses by producer and non-producer of employee report on impact of employee reporting, the result shows that none of the chi-square values is significant. That is, there is no significant difference between the responses of the subjects of producer and non-producer of employee report. In other words, both producer and non-producer of ER perceive that employee reporting will reduce employee turnover, absenteeism, grievance, resistance to change and industrial disputes.

6.4 Legal Provisions For Employee Reporting

Table - 83

Companies' Views on Legislative Provisions Required for Employee Reporting

Legal provisions required	Frequency	Percent
Yes	34	56.7
No	26	43.3
Total	60	100.0

From table-83 it is evident that 57% respondents perceived, legislative provisions are required for employee reporting. On the other hand, 43% believe that legislative provisions are not required.

Table - 84

Responses on Legal Provisions Required for Employee Reporting According to Subjects' Types, Sizes and Employee Reports (N=60)

Groups	Legislative provisions		Chi-square	P
	Required	Not required		
Private sector	22 (55.0)	18 (45.0)	.14	N.S.
Public sector	12 (60.0)	8 (40.0)		
Small companies	26 (65.0)	14 (35.0)	3.39	N.S.
Large companies	8 (40.0)	12 (60.0)		
Producer of ER	17 (56.7)	13 (43.3)	.001	N.S.
Non-producer of ER	17 (56.7)	13 (43.3)		

The results reveal that majority of respondent companies are in favour of legal provisions for employee reporting. Only exception is that 60% of the large companies perceived that legal provisions are not required.

6.5 Annual Report and Employees' Information needs

Table - 85

Companies Providing Copy of Annual Report to Employees According to Types, Sizes and Employee Report (N=60)

Groups	Copy of annual report to employees		Chi-square	P
	Provide	Do not provide		
Private sector	9 (22.5)	31 (77.5)	.40	N.S.
Public sector	6 (30.0)	14 (70.0)		
Small companies	11 (27.5)	29 (72.5)	.40	N.S.
Large companies	4 (20.0)	16 (80.0)		
Producer of ER	9 (30.0)	21 (70.0)	.80	N.S.
Non-producer of ER	6 (20.0)	24 (80.0)		
Total	15 (25.0)	45 (75.0)		

It is evident from the table that only 25% respondent companies provide copy of annual report to the employees. According to Indian companies Act 1956 companies are legally liable to provide copy of annual report to shareholders only. In some companies employees are also shareholders and only a few companies provide annual report to employees voluntarily.

Table- 86

Responses on Whether Annual Reports Satisfy Employees' Information Needs (N=15)

Groups	Annual reports		Chi-square	P
	Satisfy	Do not satisfy		
Private sector	2 (22.2)	7 (77.8)	.23	N.S.
Public sector	2 (33.3)	4 (66.7)		
Small company	3 (27.3)	8 (72.7)	.01	N.S.
Large company	1 (25.0)	3 (75.0)		
Producer of ER	2 (22.2)	7 (77.8)	.23	N.S.
Non-producer of ER	2 (33.3)	4 (66.7)		
Total	4 (26.6)	11 (73.4)		

The table shows that out of 15 respondent companies providing copy of annual report to employees 11 feel that annual report will not satisfy information needs of the employees. The insignificant chi-square values indicate that there is no significant difference in responses of the subjects according to their types, sizes and employee reports.

6.6 Calculation of Costs and Benefits of Employee Reporting

Table - 87

Calculation of Costs and Benefits of Employee Reporting According to Respondents' Types, Sizes and Employee Reports (N=60)

Groups	Costs and benefits		Chi-square	P
	Calculate	Do not calculate		
Private sector	17 (42.5)	23 (57.5)	.30	N.S.
Public sector	10 (50.0)	10 (50.0)		
Small companies	14 (35.0)	26 (65.0)	4.85	N.S.
Large companies	13 (65.0)	7 (35.0)		
Producer of ER	23 (76.7)	7 (23.3)	24.30	P<.01
Non-producer of ER	4 (13.3)	26 (86.7)		
Total	27 (45.0)	33 (55.0)		

The results show that 45% respondents calculate costs and benefits of employee reporting. Among the producer of employee reports 76% calculate costs and benefits. And the non-producers of employee report do not calculate costs and benefits of such reporting.

6.7 Present Practices of Employee Reporting

Table - 88

Companies Produce Employee Report According to their Types and Sizes (N=60)

Groups	Companies produce employee report		Chi-square	P
	Produce	Do not produce		
Private sector	18 (45.0)	22 (55.0)	1.20	N.S.
Public sector	12 (60.0)	8 (40.0)		
Small companies	17 (42.5)	23 (57.5)	2.70	N.S.
Large companies	13 (65.0)	7 (35.0)		
Total	30 (50.0)	30 (50.0)		

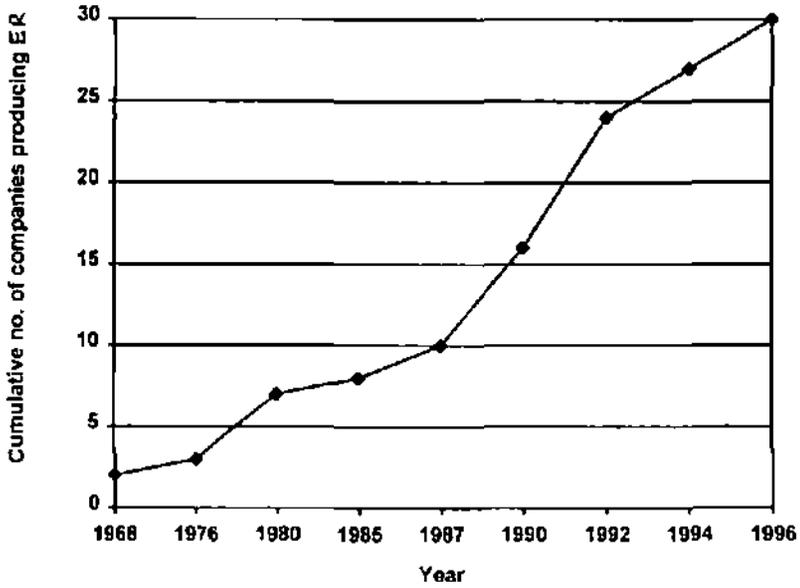
The results show that 50 percent respondent companies produce employee reports. Private sector company 45%, public sector company 60%, small company 42.5% and large company 65% produce such report. Chi-square values are not significant. That is, there is no significant difference between producing ER by types and sizes of companies.

Table - 89

Year of Starting Issuing Employee Report

Year	Number of companies	Cumulative number
1968	2	2
1976	1	3
1977	1	4
1980	3	7
1985	1	8
1986	1	9
1987	1	10
1989	2	12
1990	4	16
1991	5	21
1992	3	24
1993	2	26
1994	1	27
1996	3	30

Figure - 6:
Sample Companies Started Producing Employee Report by Year



The table-89 and figure-6 show that 30 respondent companies producing employee report. The practice of producing employee report has been started from 1968 and it has got an increasing trend from 1990.

6.8 Reasons for Non-producing and Producing Employee Report

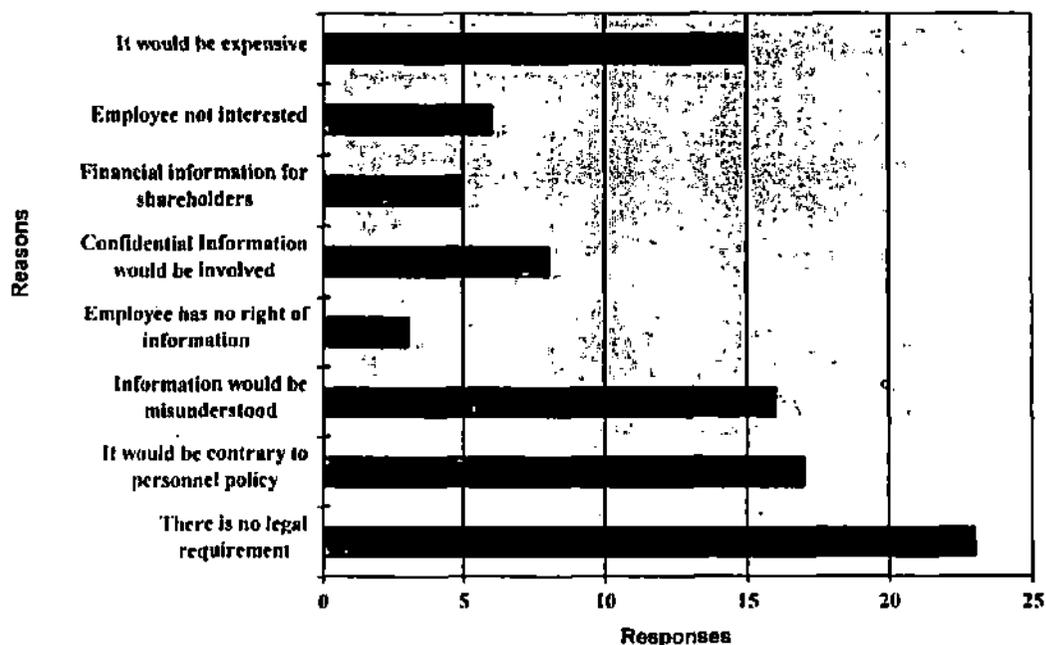
Table - 90

Reasons for Non-producing Employee Reports (N=30)

Reasons	Frequency	Percent
It would be expensive	15	15.8
Employee not interested	6	6.3
Financial information for share holders	5	5.3
Confidential information would be involved	8	8.4
Employee has no right of information	3	3.2
Information would be misunderstood	16	16.3
It would be contrary to personnel policy	17	17.9
There is no legal requirement	23	24.2
Others	2	2.3

Figure - 7

Reasons for Not Producing Employee Report (N=30)



It is evident from the table-90 and figure-7 that 24% respondent companies (not producing employee report) rated 'no legal requirement' as the most important reasons for not issuing employee reports, and 18% rated 'it would be contrary to personnel policy'.

Table - 91

Relative Importance of Reasons for Non-producing Employee Report as Rated by Private and Public Sector Companies (N=30)

Reasons	Private sector		Public sector	
	Score	Rank order	Score	Rank order
It would be expensive	12	3	3	4.5
Employee not interested	5	5.5	1	6.5
Financial information for share holders	4	7	1	6.5
Confidential information would be involved	5	5.5	3	4.5
Employee has no right of information	3	8	0	8.5
Information would be misunderstood	11	4	5	2
It would be contrary to personnel policy	13	2	4	3
No legal requirement	17	1	6	1
Others	2	9	0	8.5
Spearman's rank order correlation = .92, Signif. P<.01				

The results show that both private and public sector companies rated 'no legal requirement' as the most important reason for not issuing employee report. The second reason rated is 'it would be contrary to personnel policy'. The ratings by the subjects are positively correlated, as the Spearman's rank order correlation is significant.

Table - 92

Relative Importance of Reasons for Non-producing Employee Report As Rated by Small and Large Companies (N=30)

Reasons	Small companies		Large companies	
	Score	Rank order	Score	Rank order
It would be expensive	11	4	4	3
Employee not interested	3	6.5	3	4.5
Financial information for shareholders	3	6.5	2	6.5
Confidential information would be involved	6	5	2	6.5
Employee has no right of information	2	8	1	8.5
Information would be misunderstood	13	2	3	4.5
It would be contrary to personnel policy	12	3	5	1.5
No legal requirement	18	1	5	1.5
Others	1	9	1	8.5
Spearman's rank order correlation = .86, Signif. P<.01				

The results show that both small and large companies rated 'no legal requirement' as the most important reason for not issuing employee report though large companies rated 'no legal requirement' and 'it would be contrary to personnel policy' as the most important reasons. The ratings by the subjects are positively correlated, as the Spearman's rank order correlation is significant.

Table - 93

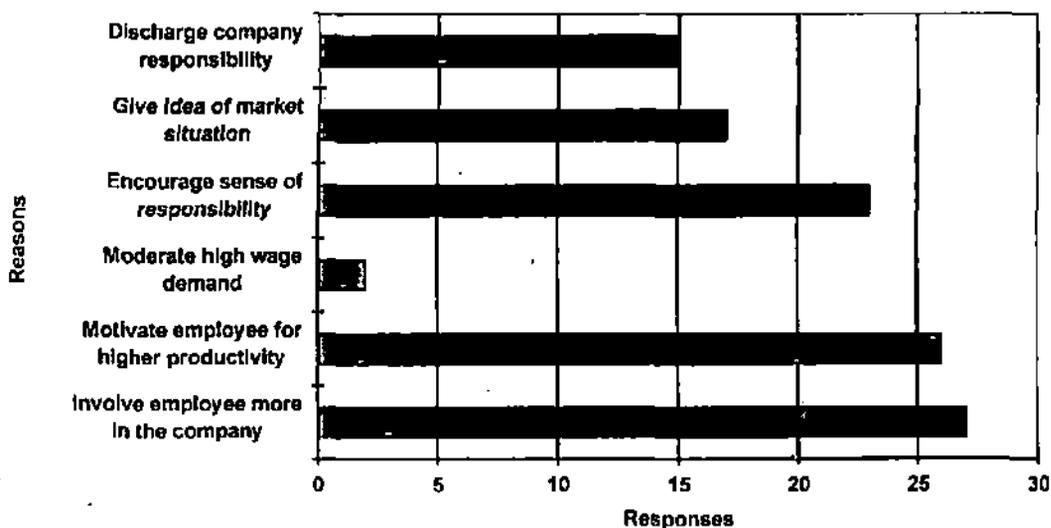
Prime Objectives in Producing Employee Reports

Objectives	Frequency	Percent
Involve employee more in the company	27	23.9
Motivate employee for higher productivity	26	23.0
Moderate high wage demand	2	1.8
Encourage sense of responsibility	23	20.4
Give idea of market situation	17	15.0
Discharge company responsibility	15	13.3
Others*	3	2.7

*Others include: Bringing out hidden talents and faster sense of belonging.

Figure - 8

Reasons for Producing Employee Report



The results in the table-93 and figure-8 show that 'involve employee more in the company' is rated as the most important reason for producing employee report. The second and third reasons are 'motivate for higher productivity' and 'encourage sense of responsibility'

Table - 94

Relative Importance of Prime Objectives of Producing Employee Reports as Rated by Small and Large companies (N=30)

Objectives	Small companies		Large companies	
	Score	Rank order	Score	Rank order
Involve employee more in the company	15	1	12	2.5
Motivate for higher productivity	13	2	13	1
Moderate high wage demand	2	6.5	0	7
Encourage sense of responsibility	11	3	12	2.5
Give idea of market situation	8	4	9	4
Discharge company responsibility	7	5	8	5
Others*	2	6.5	1	6
Spearman's rank order correlation = .93, Signif. P<.01				

The table shows that small companies rated 'involve employee more' as the most important objective which is rated second important by large companies. On the other hand, Large companies rated 'motivate for higher productivity' as the most important objective but small companies rated as the second important reason. However, the ratings by the respondents are positively correlated.

Table - 95

Relative Importance of Prime Objectives of Producing ER by Types of Companies (N=30)

Objectives	Private sector		Public sector	
	Score	Rank order	Score	Rank order
Involve employee more in the company	16	1	11	1.5
Motivate employee for higher productivity	15	2	11	1.5
Moderate high wage demand	2	6.5	0	7
Encourage sense of responsibility	14	3	9	3
Give idea of market situation	9	4.5	8	4
Discharge company responsibility	9	4.5	6	5
Others*	2	6.5	1	6
Spearman's rank order correlation = .97, Signif. P<.01				

The table shows that private sector companies rated 'involve employee more' as the most important objective of employee reporting but public sector companies rated 'involve employee more' and 'motivate for higher productivity' as the most important objective. However, the ratings by the respondents are positively correlated.

6.9 Types of Report Produced, Distribution Procedure and Reactions of Employees

Table - 96

Types of Report Produced by the Respondent Companies

Types of report	Frequency	Percent
Annual	3	10.0
Bi-annual	-	-
Quarterly	21	70.0
Others	6	20.0
Total	30	100.0

From table-96 it is seen that majority (70%) of the respondent companies produce quarterly employee report.

Table - 97

Types of Employee Report Produced by Types and Sizes of Companies (N=30)

Groups	Annual	Quarterly	Others	Chi-square	P
Private	3 (16.7)	12 (66.7)	3 (16.6)	2.32	N.S.
Public	-	9 (75.0)	3 (25.0)		
Small	2 (11.8)	11 (64.7)	4 (23.5)	.52	N.S.
Large	1 (7.7)	10 (76.9)	2 (15.4)		

Table - 97 shows that majority of the respondents produce quarterly employee report. The insignificant chi-squares indicate that there is no significant difference in types of reports produced by the subjects according to their types and sizes.

Table - 98

Distribution of Employee Report

Distribution	Frequency	Percent
By post	6	20.0
With wage package	-	-
At work place	24	80.0
At special meeting	-	-
Others	-	-
Total	30	100.0

The table shows that most of the respondent companies (80%) distributed employee report at work place and only 20% distributed by post.

Table - 99

Distribution of Employee Reports by Types and Sizes of Companies

Groups	By post	At work place	Chi-square	P
Private	4 (22.2)	14 (77.8)	.14	N.S.
Public	2 (16.7)	10 (83.3)		
Small	4 (23.5)	13 (76.5)	.31	N.S.
Large	2 (15.4)	11 (84.6)		

Table - 99 shows that majority of respondent companies distribute their employee report at work place irrespective of their types and sizes. The chi-square values are not significant, that is, the differences in responses are not significant.

Table - 100

Reactions of Employees on Employee Report

Reactions	Frequency	Percent
Positive	30	100.0
Negative	-	-
Others	-	-
Total	30	100.0

The table shows that 100% companies mentioned that their employees' reaction on employee report was positive.

6.10 Results on Two-way ANOVA and Cell Means

Table - 101

Two-way ANOVA for Number of Industrial Disputes According to Types of Company and Employee Report (N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Type of company	.302	1	.302	.162	N.S.
Employee report	24.145	1	24.145	12.97	P<.01
2-way interactions	.314	1	.314	.169	N.S.
Residual (error)	96.793	52	1.861	-	-
Total	121.554	55	2.210	-	-

An examination of the table shows that main effects of types of organisations and two-way interactions are not significant. The main effect of employee report (producer and non-producer) has only significant F ratio, which suggests that employee report individually produces significant difference in industrial disputes of the respondent companies.

Table - 102

Cell Means (including rows and columns) for ANOVA Presented in Table-101

Types of companies	Employee report		Total
	Non-producer	Producer	
Private sector	1.45 (20)	.24 (17)	.89 (37)
Public sector	1.63 (8)	.09 (11)	.74 (19)
Total	1.50 (28)	.18 (28)	.84 (56)

It is evident from the table that non-producers have higher industrial disputes than that of producers of employee report. Among the four groups public sector companies producers of employee report have lowest mean industrial disputes and public sector non-producers have highest industrial disputes.

Table - 103

Two-way ANOVA for Number of Industrial Disputes According to Employee Report and Size of Company (N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Employee report	24.446	1	24.446	13.66	P<.01
Size of company	.298	1	.298	.167	N.S.
2-way interactions	3.766	1	3.766	2.10	N.S.
Residual (error)	93.044	52	1.789	-	-
Total	121.554	55	2.210	-	-

An analysis of data was made to see the main effects and two-way interactions of employee report and size of company on industrial disputes. It is evident from the result that the main effect of employee report (producer and non-producer) has only significant F ratio, which suggests that employee report individually produces significant difference in industrial disputes of the respondent companies. Main effect of size of company and interactions are not significant.

Table - 104

Cell Means (including rows and columns) for ANOVA Presented in Table-103

Employee report	Size of company		Total
	Small companies	Large companies	
Non-producer	1.32 (22)	2.17 (6)	1.50 (28)
Producer	.31 (16)	.00 (12)	.18 (28)
Total	.89 (38)	.72 (18)	.84 (56)

The table shows that non-producers have higher industrial disputes than that of producers of employee report. On the other hand, small companies have higher disputes than that of large ones. Among the four groups large companies producers of employee report have lowest mean industrial disputes and large non-producers have highest industrial disputes.

Table - 105

Two-way ANOVA for Rate of Employee Turnover According to Employee Report and Size of Company (N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Employee report	74.290	1	74.290	22.47	P<.01
Size of company	6.725	1	6.725	2.03	N.S.
2-way interactions	1.776	1	1.776	.54	N.S.
Residual (error)	171.919	52	3.306	-	-
Total	254.710	55	4.631	-	-

It is evident from the results that the main effect of employee report (producer and non-producer) has only significant F ratio, which suggests that employee report individually produces significant difference in employee turnover of the respondent companies. Main effect of size of company and interactions are not significant.

Table - 106

Cell Means (including rows and columns) for ANOVA Presented in Table-105

Employee report	Size of company		Total
	Small company	Large company	
Non-producer	3.32 (22)	2.08 (6)	3.05 (28)
Producer	.94 (16)	.50 (12)	.75 (28)
Total	2.32 (38)	1.03 (18)	1.90 (56)

It is evident from the table that non-producers have higher employee turnover than that of producers of employee report. On the other hand, small companies have higher turnover than that of large ones. Among the four groups large companies producers of employee report have lowest mean employee turnover and small non-producers have highest employee turnover.

Table - 107

Two-way ANOVA for Rate of Employee Turnover According to Type of Company and Employee Report (N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Types of companies	4.758	1	4.758	1.418	N.S.
Employee report	74.290	1	74.290	22.14	P<.01
2-way interactions	1.158	1	1.158	.35	N.S.
Residual (error)	174.504	52	3.356	-	-
Total	254.710	55	4.631	-	-

An examination of the table shows that main effect of types of organisations and two-way interactions are not significant. The main effect of employee report (producer and non-producer) has only significant F ratio, which suggests that employee report individually produces significant difference in employee turnover of the respondent companies.

Table - 108

Cell Means (including rows and columns) for ANOVA Presented in Table-107

Employee report	Types of companies		Total
	Private sector	Public sector	
Non-producer	3.33 (20)	2.38 (8)	3.05(28)
Producer	.88 (17)	.55 (11)	.75 ((28)
Total	2.20 (37)	1.32 (19)	1.90 (56)

It is evident from the table that non-producers have higher employee turnover than that of producers of employee report. Among the four groups public sector companies producers of employee report have lowest rate of employee turnover and private sector non-producers have highest rate of employee turnover.

Table - 109

Two-way ANOVA for Productivity According to Employee Report and Type of Company
(N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Employee report	23.349	1	23.349	4.281	P<.01
Types of companies	15.244	1	15.244	2.80	N.S.
2-way interactions	38.022	1	38.022	7.00	P<.05
Residual (error)	305.405	56	5.454	-	-
Total	382.020	59	6.475	-	-

An examination of the table shows that main effect of types of organisations is not significant. The main effect of employee report (producer and non-producer) and two-way interactions have significant F ratios, which suggest that employee report individually and by interaction produce significant difference in productivity of the respondent companies.

Table - 110

Cell Means (including rows and columns) for ANOVA Presented in Table-109

Employee report	Types of companies		Total
	Private sector	Public sector	
Non-producer	2.66 (22)	1.65 (8)	2.39 (30)
Producer	2.80 (18)	5.22 (12)	3.77 (30)
Total	2.72 (40)	3.79 (20)	3.08 (60)

It is evident from the table that producers have higher productivity than that of non-producers of employee report. Among the four groups public sector companies producers of employee report have highest productivity and public sector non-producers of employee report have lowest productivity.

Table -111

Two-way ANOVA for Productivity According to Size of Company and Employee Report
(N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Size of company	.410	1	.410	.07	N.S.
Employee report	28.469	1	28.469	4.75	P<.05
2-way interactions	17.613	1	17.613	2.94	N.S.
Residual (error)	335.528	56	5.992	-	-
Total	382.020	59	6.475	-	-

It is evident from the results that the main effect of employee report (producer and non-producer) has only significant F ratio, which suggests that employee report individually produces significant difference in productivity of the respondent companies. Main effect of size of company and interactions are not statistically significant.

Table - 112

Cell Means (including rows and columns) for ANOVA Presented in Table-111

Employee report	Size of company		Total
	Small companies	Large companies	
Non-producer	2.67 (23)	1.47 (7)	2.39 (30)
Producer	3.26 (17)	4.44 (13)	3.77 (30)
Total	2.92 (40)	3.40 (20)	3.08 (60)

It is evident from the table that non-producers have lower productivity than that of producers of employee report. On the other hand, small companies have lower productivity than that of large ones. Among the four groups large companies producers of employee report have highest rate of productivity and large non-producers have lowest rate of productivity.

Table - 113

Two-way ANOVA for Profitability According to Type of Company and Employee Report
(N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Types of companies	57.215	1	57.215	.30	N.S.
Employee report	1146.708	1	1146.708	6.03	P<.05
2-way interactions	29.465	1	29.465	.16	N.S.
Residual (error)	10644.473	56	190.079	-	-
Total	11877.824	59	201.319	-	-

An examination of the table shows that main effect of types of organisations and two-way interactions are not significant. The main effect of employee report (producer and non-producer) has only significant F ratio, which suggests that employee report individually produces significant difference in profitability of the respondent companies.

Table - 114

Cell Means (including rows and columns) for ANOVA Presented in Table-113

Types of companies	Employee report		Total
	Non-producer	Producer	
Private sector	8.24 (22)	16.08 (18)	11.77 (40)
Public sector	3.18 (8)	14.04 (12)	9.70 (20)
Total	6.89 (30)	15.27 (30)	11.08 (60)

It is evident from the table that non-producers have lower profitability than that of producers of employee report. Among the four groups private sector companies producing employee report have highest profitability and public sector non-producers have lowest profitability.

Table - 115

Two-way ANOVA for Profitability According to Employee Report and Size of Company
(N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Employee report	1053.198	1	1053.198	5.841	P<.05
Size of company	100.922	1	100.922	.56	N.S.
2-way interactions	626.008	1	626.008	3.47	N.S.
Residual (error)	10097.695	56	180.316	-	-
Total	11877.824	59	201.319	-	-

It is evident from the results that the main effect of employee report (producer and non-producer) has only significant F ratio, which suggests that employee report individually produces significant difference in profitability of the respondent companies. Neither main effect of size of company nor two-way interaction produces significant difference in profitability of the sample companies.

Table - 116

Cell Means (including rows and columns) for ANOVA Presented in Table-115

Employee report	Size of company		Total
	Small company	Large company	
Non-producer	9.46 (23)	-1.57 (7)	6.89 (30)
Producer	13.90 (17)	17.06 (13)	15.27 (30)
Total	11.35 (40)	10.54 (20)	11.08 (60)

It is evident from the table that non-producers have lower profitability than that of producers of employee report. On the other hand, small companies have higher profitability than that of large ones. Among the four groups large companies producers of employee report have highest profitability and large non-producers have lowest profitability.

Table - 117

Two-way ANOVA for Growth Rate According to Employee Report and Type of Company
(N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Employee report	3875.335	1	3875.335	6.11	P<.05
Types of companies	3.526	1	3.526	.01	N.S.
2-way interactions	688.871	1	688.871	1.09	N.S.
Residual (error)	35519.485	56	634.277	-	-
Total	40087.218	59	679.444	-	-

An examination of the table shows that main effect of types of organisations and two-way interactions are not significant. The main effect of employee report (producer and non-producer) has significant F ratio, which suggests that employee report individually produces significant difference in growth rate of the respondent companies.

Table - 118

Cell Means (including rows and columns) for ANOVA Presented in Table-117

Employee report	Types of companies		Total
	Private sector	Public sector	
Non-producer	5.77 (22)	10.86 (8)	7.13 (30)
Producer	26.77 (18)	17.27 (12)	22.97 (30)
Total	15.22 (40)	14.70 (20)	15.05 (60)

It is evident from the table that producers have higher growth rate than that of non-producers of employee reports. Among the four groups, private sector companies producers of employee report have highest growth rate and private sector non-producers of employee report have lowest growth rate.

Table - 119

Two-way ANOVA for Growth Rate According to Employee Report and Size of Company
(N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Employee report	3765.168	1	3765.168	5.98	P<.05
Size of company	1049.600	1	1049.600	1.67	N.S.
2-way interactions	37.605	1	37.605	.06	N.S.
Residual (error)	35234.845	56	629.194	-	-
Total	40087.218	59	679.444	-	-

It is evident from the results that the main effect of employee report (producer and non-producer) has only significant F ratio, which suggests that employee report individually produces significant difference in growth rate of the respondent companies. Neither main effect of size of company nor two-way interaction produces significant difference in growth rate of the sample companies.

Table - 120

Cell Means (including rows and columns) for ANOVA Presented in Table-119

Employee report	Size of company		Total
	Small company	Large company	
Non-producer	9.71 (23)	-1.38 (7)	7.13 (30)
Producer	27.14 (17)	18.66 (13)	22.97 (30)
Total	16.75 (40)	11.64 (20)	15.05 (60)

It is evident from the table that non-producers have lower growth rate than that of producers of employee report. On the other hand, small companies have higher growth rate than that of large ones. Among the four groups small companies producers of employee report have highest growth rate and large non-producers have lowest growth rate.

Table - 121

Two-way ANOVA for Labour Costs According to Employee Report and Type of Company
(N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Employee report	173.487	1	173.487	6.44	P<.05
Types of companies	35.818	1	35.818	1.33	N.S.
2-way interactions	.720	1	.720	.03	N.S.
Residual (error)	1507.449	56	26.919	-	-
Total	1717.459	59	29.109	-	-

An examination of the table shows that main effects of types of organisations and two-way interactions are not significant. The main effect of employee report (producer and non-producer) has significant F ratio, which suggests that employee report individually produces significant difference in labour costs of the respondent companies.

Table - 122

Cell Means (including rows and columns) for ANOVA Presented in Table-121

Employee report	Types of companies		Total
	Private sector	Public sector	
Non-producer	10.00 (22)	12.89 (8)	11.50 (30)
Producer	7.41 (18)	9.78 (12)	8.36 (30)
Total	9.38 (40)	11.02 (20)	9.93 (60)

It is evident from the table that producers of employee report have lower labour costs than that of non-producers of employee report. Among the four groups, private sector companies producers of employee report have lowest rate of labour costs and public sector non-producers of employee report have highest rate of labour costs.

Table - 123

Two-way ANOVA for Labour Costs According to Employee Report and Size of Company
(N=60)

Sources of variation	Sum of squares	DF	Mean square	F	P
Main effects					
Employee report	148.649	1	148.649	6.48	P<.05
Size of company	270.395	1	270.395	11.79	P<.01
2-way interactions	14.475	1	14.475	.63	N.S.
Residual (error)	1283.941	56	22.928	-	-
Total	1717.459	59	29.109	-	-

It is evident from the results that the main effects of employee report (producer and non-producer) and size of company (small and large) have significant F ratios, which suggest that employee report and size of company individually produce significant difference in labour costs of the respondent companies. Two-way interaction does not produce significant difference in labour costs of the sample companies.

Table - 124

Cell Means (including rows and columns) for ANOVA Presented in Table-123

Employee report	Size of company		Total
	Small companies	Large companies	
Non-producer	10.72 (23)	14.08 (7)	11.50 (30)
Producer	5.96 (17)	11.48 (13)	8.36 (30)
Total	8.70 (40)	12.39 (20)	9.93 (60)

It is evident from the table that non-producers have higher labour costs than that of producers of employee report. On the other hand, small companies have lower labour costs than that of large ones. Among the four groups small companies producers of employee report have lowest labour costs and large non-producers have highest rate of labour costs.

6.11 Results Relating to Correlation Between Some Variables

Table - 125

Inter Correlation Among Some Major Variables (N=60)

Variables	1	2	3	4	5	6	7
1. No. of employees	1.00						
2. Employee report	.20 N.S.	1.00					
3. Industrial Disputes	-.10 N.S.	-.45 P<.01	1.00				
4. Employee turnover	-.18 N.S.	-.54 P<.01	.46 P<.01	1.00			
5. Productivity	.16 N.S.	.27 P<.05	-.22 N.S.	-.24 N.S.	1.00		
6. Profitability	.06 N.S.	.30 P<.05	-.21 N.S.	-.25 N.S.	.36 P<.01	1.00	
7. Growth rate	.01 N.S.	.31 P<.05	-.09 N.S.	-.07 N.S.	.16 N.S.	.42 P<.01	1.00
8. Labour cost	.11 N.S.	-.29 P<.05	.23 N.S.	-.05 N.S.	-.45 P<.01	-.16 N.S.	-.24 N.S.

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

An observation of the table reveals the following correlation:

(1) There are significant positive correlation between employee report and productivity, employee report and profitability, and employee report and growth rate. However, there are significant negative correlation between employee report and industrial disputes, employee report and employee turnover, and employee report and labour cost.

(2) There is significant positive correlation between industrial disputes and employee turnover.

(3) There exists significant positive correlation between productivity and profitability. However, there is significant negative correlation between productivity and labour cost.

(4) There is significant positive correlation between profitability and growth rate.

Table - 126

Inter Correlation Among Some Major Variables of Private Sector Companies (N=40)

Variables	1	2	3	4	5	6	7
1. No. of employees	1.00						
2. Employee report	.12 N.S.	1.00					
3. Industrial Disputes	.03 N.S.	-.40 P<.05	1.00				
4. Employee turnover	-.21 N.S.	-.56 P<.01	.29 N.S.	1.00			
5. Productivity	.01 N.S.	.05 N.S.	-.08 N.S.	-.18 N.S.	1.00		
6. Profitability	.23 N.S.	.33 P<.05	-.07 N.S.	-.23 N.S.	.32 P<.05	1.00	
7. Growth rate	-.01 N.S.	.36 P<.05	-.10 N.S.	-.06 N.S.	.25 N.S.	.40 P<.05	1.00
8. Labour cost	.15 N.S.	-.36 P<.05	.27 N.S.	-.05 N.S.	-.56 P<.01	-.20 N.S.	-.32 P<.05

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

An observation of the table reveals the following significant correlation:

(1) There are significant positive correlation between employee report and profitability, and employee report and growth rate. However, there are significant negative correlation between employee report and industrial disputes, employee report and employee turnover, and employee report and labour cost.

(2) There exists significant positive correlation between productivity and profitability. However, there is significant negative correlation between productivity and labour cost.

(3) There is significant positive correlation between profitability and growth rate.

(4) There is significant negative correlation between growth rate and labour cost.

Table - 127

Inter Correlation Among Some Major Variables of Public Sector Companies (N=20)

Variables	1	2	3	4	5	6	7
1. No. of employees	1.00						
2. Employee report	.27 N.S.	1.00					
3. Industrial Disputes	.16 N.S.	-.54 P<.05	1.00				
4. Employee turnover	-.21 N.S.	-.47 P<.05	.85 P<.01	1.00			
5. Productivity	.12 N.S.	.47 P<.05	-.37 N.S.	-.29 N.S.	1.00		
6. Profitability	.09 N.S.	.30 N.S.	-.42 N.S.	-.36 N.S.	.43 N.S.	1.00	
7. Growth rate	.02 N.S.	.18 N.S.	-.05 N.S.	-.14 N.S.	.15 N.S.	.60 P<.01	1.00
8. Labour cost	.08 N.S.	-.26 N.S.	.19 N.S.	-.02 N.S.	-.51 P<.05	-.09 N.S.	-.06 N.S.

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

An observation of the table reveals the following significant correlation:

- (1) There are significant positive correlation between employee report and productivity. However, there are significant negative correlation between employee report and industrial disputes, and employee report and employee turnover.
- (2) There is significant positive correlation between industrial disputes and employee turnover.
- (3) There is significant negative correlation between productivity and labour cost.
- (4) There is significant positive correlation between profitability and growth rate.

Table - 128

Inter Correlation Among Some Major Variables of Companies Not Producing Employee Report (N=30)

Variables	1	2	3	4	5	6	7
1. No. of employees	1.00						
2. Industrial Disputes	.21 N.S.	1.00					
3. Employee turnover	-.21 N.S.	.29 N.S.	1.00				
4. Productivity	-.16 N.S.	-.15 N.S.	-.18 N.S.	1.00			
5. Profitability	-.14 N.S.	-.10 N.S.	-.15 N.S.	.42 P<.05	1.00		
6. Growth rate	-.08 N.S.	.11 N.S.	.09 N.S.	.27 N.S.	.54 P<.01	1.00	
7. Labour cost	.21 N.S.	.10 N.S.	-.35 N.S.	-.57 P<.01	-.03 N.S.	-.15 N.S.	1.00

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

An observation of the table reveals the following significant correlation:

(1) There is significant positive correlation between productivity and profitability. However, there is significant negative correlation between productivity and labour cost.

(2) There is significant positive correlation between profitability and growth rate.

Table - 129

Inter Correlation Among Some Major Variables of Companies Providing Employee Reports
(N=30)

Variables	1	2	3	4	5	6	7
1. No. of employees	1.00						
2. Industrial Disputes	-.11 N.S.	1.00					
3. Employee turnover	-.20 N.S.	.31 N.S.	1.00				
4. Productivity	.14 N.S.	-.12 N.S.	-.06 N.S.	1.00			
5. Profitability	.02 N.S.	.01 N.S.	.07 N.S.	.27 N.S.	1.00		
6. Growth rate	-.07 N.S.	-.10 N.S.	.20 N.S.	-.02 N.S.	.13 N.S.	1.00	
7. Labour cost	.24 N.S.	.14 N.S.	-.15 N.S.	-.32 N.S.	-.18 N.S.	-.18 N.S.	1.00

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

6.12 Results Relating to Mean Difference of Some Variables

Table - 130

Mean Difference of Industrial Disputes According to Type of Organisation, Employee Report and Size of Company (N=60)

Groups	Number	Mean	S.D.	DF	t	P
Private	37	.89	1.52			
				54	.37	N.S.
Public	19	.74	1.45			
Producer of ER	28	.18	.55			
				54	-3.69	P<.01
Non-producer of ER	28	1.50	1.82			
Small companies	38	.89	1.57			
				54	.40	N.S.
Large companies	18	.72	1.32			

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

In the table t-ratios are calculated to see the significance of mean difference of industrial disputes according to type of organisation, employee report and size of company. The results show that only employee report has significant influence on industrial disputes. That is, companies providing employee reports have lower disputes. It is also seen that disputes of the respondents do not differ significantly according to type and size of company.

Table - 131

Mean Difference of Employee Turnover According to Type of Organisation, Employee Report and Size of Company (N=60)

Groups	Number	Mean	S.D.	t	DF	P
Private sector	37	2.20	2.20			
				1.48	54	N.S.
Public sector	19	1.32	1.97			
Producer of ER	28	.75	.93			
				-4.72	54	P<.01
Non-producer of ER	28	3.05	2.41			
Small companies	38	2.32	2.35			
				2.16	54	P<.05
Large companies	18	1.03	1.33			

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

In the table t-ratios are calculated to see the significance of mean difference of employee turnover according to type of organisation, employee report and size of company. The result shows that employee report and company size have significant influence on employee turnover. That is, companies providing employee reports and large companies have lower employee turnover. It is also seen that employee turnover of the respondent companies do not differ significantly according to type of company.

Table - 132

Mean Difference of Productivity According to Type of Organisation, Employee Report and Size of Company (N=60)

Groups	Number	Mean	S.D.	t	DF	P
Private sector	40	2.72	1.55			
Public sector	20	3.79	3.79			
Producer of ER	30	3.77	2.95			
Non-producer of ER	30	2.39	1.87			
Small companies	40	2.92	1.93			
Large companies	20	3.40	3.51			
				-1.55	58	N.S.
				2.16	58	P<.05
				-.69	58	N.S.

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

From the above table it is evident that two of the t-ratios calculated are not significant, which means, productivity of the respondents does not vary significantly according to types and sizes of companies. On the other hand, productivity differs significantly according to employee report. That is, companies producing employee report have higher productivity than that of non-producers.

Table - 133

Mean Difference of Profitability According to Type of Organisation, Employee Report and Size of Company (N=60)

Groups	Number	Mean	S.D.	t	DF	P
Private sector	40	11.77	11.88			
Public sector	20	9.70	18.24	.53	58	N.S.
Producer of ER	30	15.27	8.81			
Non-producer of ER	30	6.89	17.19	2.38	58	P<.05
Small companies	40	11.35	10.71			
Large companies	20	10.54	19.73	.21	58	N.S.

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

From the above table it is evident that two of the t-ratios calculated are not significant, which means, profitability of the respondents does not vary significantly according to types and sizes of companies. On the other hand, profitability differs significantly according to employee report. That is, companies producing employee report have higher profitability.

Table - 134

Mean Difference of Growth Rate According to Type of Organisation, Employee Report and Size of Company (N=60)

Groups	Number	Mean	S.D.	t	DF	P
Private sector	40	15.22	29.48			
				.07	58	N.S.
Public sector	20	14.70	18.04			
Producer of ER	30	22.97	26.74			
				2.45	58	P<.05
Non-producer of ER	30	7.13	23.19			
Small companies	40	16.75	29.63			
				.71	58	N.S.
Large companies	20	11.64	17.03			

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

From the above table it is evident that two of the t-ratios calculated are not significant, which means, growth rates of the respondents do not vary significantly according to types and sizes of companies. On the other hand, growth rate differs significantly according to employee report. That is, companies producing employee report have significantly higher growth rate.

Table - 135

Mean Difference of Labour Cost According to Type of Organisation, Employee Report and Size of Company (N=60)

Groups	Number	Mean	S.D.	t	DF	P
Private sector	40	9.38	5.00			
				-1.11	58	N.S.
Public sector	20	11.02	6.09			
Producer of ER	30	8.36	4.90			
				-2.34	58	P<.05
Non-producer of ER	30	11.50	5.49			
Small companies	40	8.70	5.09			
				-2.62	58	P<.05
Large companies	20	12.39	5.25			

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

From the above table it is evident that two of the t-ratios calculated are significant, which means, labour costs of the respondent companies vary significantly according to employee report and sizes of the companies. On the other hand, labour costs do not differ significantly according to types of companies. That is, companies producing employee report and small in size have lower labour costs.

6.13 Results Relating to Step Wise Multiple Regression

Table - 136

Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Industrial Dispute

Variables	1	2	3	4	5	6
1. No. of employees	1.00					
2. Type of company	.28 P<.05	1.00				
3. Employee report	.20 N.S.	.11 N.S.	1.00			
4. Employee turnover	-.18 N.S.	-.20 N.S.	-.54 P<.01	1.00		
5. Profitability	.06 N.S.	-.07 N.S.	.30 P<.05	-.25 P<.05	1.00	
6. Industrial disputes	-.10 N.S.	-.05 N.S.	-.45 P<.01	.46 P<.01	-.21 N.S.	1.00

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

The result in the table shows that two of the variables selected are significantly correlated with industrial disputes and are relevant for explaining variation in the level of industrial disputes. It may be noted, however, that the magnitude of relationship between industrial disputes and other variables is not uniform but ranges widely between -.45 (lowest) and .46 (highest). The table further reveals that industrial dispute has significant positive correlation with employee turnover and negative correlation with employee report.

Table - 137

Summary of Stepwise Regression (Dependent Variable: Industrial Disputes)

Variables in the equation	Multiple R	R square	F	P	Beta
Employee turnover	.46	.21	14.35	.001	.30
Employee report	.52	.27	9.65	.001	-.28

Table shows that two of the independent variables were entered in the equation and the order of inclusion was: employee turnover and employee report. As each additional variable was entered, the multiple R and R^2 increased. This indicates that employee turnover and employee report are the best set of predictors of industrial disputes having a combined contribution of about 27%. Allowing one of the independent variables to operate while controlling the other variables in the equation, it was found that employee turnover has a positive contribution (beta = .30) and employee report has a negative contribution (beta = -.28). The individual contribution of these variables was statistically significant.

Table - 138

Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Employee Turnover

Variables	1	2	3	4	5	6	7
1. No. of employees	1.00						
2. Type of company	.28 P<.05	1.00					
3. Employee report	.20 N.S.	.11 N.S.	1.00				
4. Industrial disputes	-.10 N.S.	-.05 N.S.	-.45 P<.01	1.00			
5. Productivity	.15 N.S.	.19 N.S.	.28 P<.05	-.22 N.S.	1.00		
6. Profitability	.06 N.S.	-.07 N.S.	.30 P<.05	-.21 N.S.	.36 P<.01	1.00	
7. Labour cost	.10 N.S.	.14 N.S.	-.32 P<.01	.23 P<.05	-.46 P<.01	-.17 N.S.	1.00
8. Employee turnover	-.18 N.S.	-.20 N.S.	-.54 P<.01	.46 P<.01	-.24 P<.05	-.25 P<.05	-.05 N.S.

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

The result in the table-138 shows that employee turnover has significant positive correlation with industrial disputes and significant negative correlation with employee report, productivity and profitability, and are relevant for explaining variation in the level of employee turnover.

Table - 139

Summary of Stepwise Regression (Dependent Variable: Employee Turnover)

Variables in the equation	Multiple R	R square	F	P	Beta
Employee report	.54	.29	22.24	.001	-.49
Industrial disputes	.59	.35	14.27	.001	.30
Labour cost	.65	.42	12.45	.001	-.28

The above table shows that three of the independent variables were entered in the equation and the order of inclusion was: employee report, industrial dispute and labour cost. As each additional variable was entered, the multiple R and R^2 increased. This indicates that employee report, industrial dispute and labour cost are the best set of predictors of employee turnover having a combined contribution of about 42%. Allowing one of the independent variables to operate while controlling the other variables in the equation, it was found that industrial dispute has a positive contribution (beta =.30) and employee report and labour costs have a negative contribution (beta = -.49 & -.28). The individual contribution of these variables was statistically significant.

Table - 140

Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Productivity

Variables	1	2	3	4	5	6
1. No. of employees	1.00					
2. Type of company	.28 P<.05	1.00				
3. Employee report	.20 N.S.	.11 N.S.	1.00			
4. Industrial disputes	-.10 N.S.	-.05 N.S.	-.45 P<.01	1.00		
5. Employee turnover	-.18 N.S.	-.20 N.S.	-.54 P<.01	.46 P<.01	1.00	
6. Growth rate	.01 N.S.	-.01 N.S.	.29 P<.05	-.09 N.S.	-.07 N.S.	1.00
7. Productivity	.15 N.S.	.19 N.S.	.28 P<.05	-.22 N.S.	-.24 P<.05	.16 N.S.

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

The result in the table shows that there is significant positive correlation between productivity and employee reporting. However, there is significant negative correlation between productivity and employee turnover. The relationships are relevant for explaining variation in the level of productivity.

Table - 141

Summary of Stepwise Regression (Dependent Variable: Productivity)

Variables in the equation	Multiple R	R square	F	P	Beta
Employee report	.28	.08	4.64	.05	.28

The above table shows that only one of the independent variables entered in the equation. The result indicates that employee reporting has a contribution of about 8% to productivity.

Table - 142

Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Profitability

Variables	1	2	3	4	5	6
1. No. of employees	1.00					
2. Type of company	.28 P<.05	1.00				
3. Employee report	.20 N.S.	.11 N.S.	1.00			
4. Industrial disputes	-.10 N.S.	-.05 N.S.	-.45 P<.01	1.00		
5. Employee turnover	-.18 N.S.	-.20 N.S.	-.54 P<.01	.46 P<.01	1.00	
6. Profitability	.06 N.S.	-.07 N.S.	.30 P<.05	-.21 N.S.	-.25 P<.05	1.00

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

The result in the table shows that there is significant positive correlation between profitability and employee report. However, there is significant negative correlation between profitability and employee turnover. The relationships are relevant for explaining variation in the level of profitability.

Table - 143

Summary of Stepwise Regression (Dependent Variable: Profitability)

Variables in the equation	Multiple R	R square	F	P	Beta
Employee report	.29	.09	5.14	.05	.29

The above table shows that only one of the independent variables entered in the equation. The result indicates that employee reporting has a contribution of about 9% to profitability.

Table - 144

Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Growth Rate

Variables	1	2	3	4	5	6
1. No. of employees	1.00					
2. Type of company	.28 P<.05	1.00				
3. Employee report	.20 N.S.	.11 N.S.	1.00			
4. Industrial disputes	-.10 N.S.	-.05 N.S.	-.45 P<.01	1.00		
5. Employee turnover	-.18 N.S.	-.20 N.S.	-.54 P<.01	.46 P<.01	1.00	
6. Labour cost	.10 N.S.	.14 N.S.	-.32 P<.01	.23 P<.05	-.05 N.S.	1.00
7. Growth rate	.01 N.S.	-.01 N.S.	.29 P<.05	-.09 N.S.	-.07 N.S.	-.26 P<.05

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

The result in the table shows that growth rate is significantly correlated with two variables and are relevant for explaining in the level of growth rate. The result also reveals that growth rate is correlated with employee report positively and with labour cost negatively.

Table - 145

Summary of Stepwise Regression (Dependent Variable: Growth Rate)

Variables in the equation	Multiple R	R square	F	P	Beta
Employee report	.29	.08	4.94	.05	.29

The above table shows that only one of the independent variables entered in the equation. The result indicates that employee report has a contribution of about 8% to growth rate.

Table - 146

Matrix Showing Correlation Between Selected Independent Variables and One Dependent Variable: Labour Cost

Variables	1	2	3	4	5	6	7
1. No. of employees	1.00						
2. Type of company	.28 P<.05	1.00					
3. Employee report	.20 N.S.	.11 N.S.	1.00				
4. Industrial disputes	-.10 N.S.	-.05 N.S.	-.45 P<.01	1.00			
5. Employee turnover	-.18 N.S.	-.20 N.S.	-.54 P<.01	.46 P<.01	1.00		
6. Profitability	.06 N.S.	-.07 N.S.	.30 P<.05	-.21 N.S.	-.25 P<.05	1.00	
7. Growth rate	.01 N.S.	-.01 N.S.	.29 P<.05	-.09 N.S.	-.07 P<.05	.41 P<.01	1.00
8. Labour cost	.10 N.S.	.14 N.S.	-.32 P<.05	.23 P<.05	-.05 N.S.	-.17 N.S.	-.26 P<.05

Note: N.S.= Not significant, Two tailed test of signif. at 5%.

The result in the table-146 shows that labour cost is significantly correlated with employee report, industrial dispute and growth rate, and the relations are relevant for explaining variation in the level of labour cost.

Table - 147

Summary of Stepwise Regression (Dependent Variable: Labour Cost)

Variables in the equation	Multiple R	R square	F	P	Beta
Employee report	.32	.10	6.16	.05	-.32
Employee turnover	.42	.17	5.52	.01	.31

Table shows that two of the independent variables were entered in the equation and the order of inclusion was: employee report and employee turnover. As each additional variable was entered, the multiple R and R^2 increased. This indicates that employee report and employee turnover are the best set of predictors of labour cost having a combined contribution of about 17%. Allowing one of the independent variables to operate while controlling the other variables in the equation, it was found that both employee report and employee turnover have negative contribution (beta = -.32 & .31) to labour cost. The individual contribution of these variables was statistically significant.

6.14 Towards a Model Reporting Company

Among the companies surveyed for the study at least one can be nominated as the model reporting company. It is one of the plants (DSP) of a large public sector company (SAIL). It built up a township near by the factory. It produces two newsletters for the employees: one is monthly and the other is yearly. Different languages are also used for those publications. But most important is that it has own cable network for employee communication. Each and every house of the employees is connected with the network. The company telecasts a daily news bulletin for the employees at everyday evening. The daily operations and activities of the plant and required information are covered in that news bulletin of 15 minutes. On the holiday, a recreation program of one hour is also presented for the employees. The company is very much aware about the employee reporting and in this respect it can be selected as a model reporting company.

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%).

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%).

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.

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 outweigh 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.

REFERENCES

- Akhtar, M. and Hoque, M. (1993), 'Disclosure Practices in Bangladesh: A Case Study of the Banking Sector,' *Dhaka University Journal of Business Studies*, XIV, 2, 29-42.
- Albin, P. S. (1978), *Progress Without Poverty: Socially Responsible Economic Growth*, New York: Basic Books.
- Andrews, J. M. (1988), *A Study into The Effectiveness of The Process of Disclosing Information to Employees*, M. Phil. Thesis, Council for National Academic Awards, Birmingham Polytechnic, UK.
- Armenic, Joel H. (1985), 'The Roles of Accounting in Collective Bargaining,' *Accounting Organisation and Society*, 10, 29, 227-253.
- Arpan, Jeffrey S. and Radebaugh, L. H. (1981), *International Accounting and Multinational Enterprises*, Boston: Warren, Gorham & Lamont Inc., p.205.
- Banerjee, Bhabatosh (1988), *Cost Accounting*, Calcutta: The World Press Private Ltd.
- Barloon, M. J. (1941), 'Financial Reports to Employees,' *Harvard Business Review*, Autumn, 124-131.*
- Batty, J. (1978), *The Board and The Presentation of Financial Information To Management*, England: Business books.
- Beaumont, P. and Deaton, D. (1981), 'The Enterprise Response to Industrial Relations Legislation,' *Industrial Relations Journal*, 12, 4, 71-75.
- Bellace, Janice R. and Gospel, Howard, F. (1983), 'Disclosure of Information to Trade Unions: A Comparative Perspective,' *International Labour Review*, 122, 1, 57-74.
- Bennett, G. E (1941), 'Corporate Financial Report Content of Interest to Employees,' *New York Certified Public Accountant*, October, 63-68.

- Bennett, L. W. (1939), 'Annual Report to Employees,' *Cost and Management*, October, 308.*
- Benston, G. J. (1982), 'Accounting and Corporate Accountability,' *Accounting, Organisation and Society*, 7, 2, 87-105.
- Bollom, William J. (1984), 'The Employee Report: It's Needed Now,' *Management Accounting*, LXVI, 2, 51-55.
- Bostford, Harry (1923), 'How a Plant Publication Helps,' *Trained Men*, April 3, 6.*
- British Institute of Management (1957), *Presenting Financial Information to Employees*, London.
- Brown, Richard E. & Trumble, Robert R. (1995), 'Accounting Can Improve Labor-Management Negotiations', *Management Accounting*, LXXVI, 12, 46-52.
- Brubaker, Otis, et al. (1949), 'What Kind of Information Do Labour Unions Want in Financial Statements?' *Journal of Accountancy*, 87, 5, 368-377.*
- Budd, Britton I. (1923), 'The Use of Company Publications,' *Proceedings of 1922 Conference of the American Electrical Railway Association*, 156-161.*
- Burnham, W. C. (1949), 'A Simplified Income Statement for Employee Use,' *National Association of Cost Accountants Bulletin*, 30, 22, 1325-1335.*
- Business (1955), 'Company Annual Report: A Special Survey,' *Business*, September.
- Chr. Breviere (Ministry of Economic Affairs, Belgium) (1983), 'Communicating Information to Workers in Belgian Undertakings', *International Labour Review*, 122, 2, 197-210.
- Climo, Tom (1976), 'The Role of Accounting in Industrial Relations,' *The Accountant*, December 16, 701-703.*

- Cooper, David and Essex, Simon (1977), 'Accounting Information and Employee Decision Making,' *Accounting, Organisation and Society*, 2, 3, 201-217.*
- Corporate Statistics, *Company News & Notes*, A Journal of the Department of Company Affairs, XXXIII, II, May 1996, 39.
- Craig, R. and Hussey, R. (1982), *Keeping Employees Informed*, Butterworth.
- Dale, Earnest (1950), 'The Accountant's Part's in Labour-management Relations,' *Journal of Accountancy*, July, 12-25.*
- Department of Labour, *Plant Magazines*, Canada, 1921, 7-12.
- Derry, S. A. (1948), 'Presenting the Facts on Company Operations to the Employees,' *Proceedings of the Ohio State University Tenth Annual Institute on Accounting*, May 21, 41-53.*
- Derry, S. A. (1949), 'How to Communicate Financial Information to Employees and What to Say,' *Journal of Accountancy*, April, 307-311.*
- Dillon, P. M. (1977), 'Reports for Employees: The Other View,' *The Accountant's Magazine*, September, 389-390.
- Dyson, J. R. (1973), 'Audits for Employees: The Right to know,' *The Accountant*, April 8, 307-311.
- Eakin, Franzy (1938), 'Business Resorting to Issuance of Special Reports to Employees,' *The Controller*, July, 184-190.*
- Encyclopedia Britannica*, Vol. 12, London, 1961, p. 297.
- Fahlbeck, R. (1980), *Labour Law in Sweden*, Lund, Juridiska Foreningen, p. 26.
- Firth, Michael (1990), 'The Incremental Information Content of Employee Report for Stock Market Investment Decisions,' *Journal of Accounting and Public Policy*, 9, 3, 293-305.

- Firth, Michael and Smith A. (1984), *Reporting to Employees*, CMA Bulletin No. 26, Wellington: CMA Division, New Zealand Society of Accountants.
- Flint, David (1958), 'Employees' Interest in Business: Financial and other Information,' *The Accountant's Magazine*, November, 778-790.
- Foley, B. J. and Maunders, K. T. (1977), *Accounting Information Disclosure and Collective Bargaining*, London: Macmillan.
- Freeman, R. B. and Medoff, J. L. (1984), *What Do Unions Do*, New York: McGraw-Hill.
- Fuller, J. A (1948), 'Presentation of Company Information to Shareholders and Employees,' *Cost and Management*, September, 280-286.*
- Gappert, G. (1979), *Post Affluent America: Social Economy of the Future*, New York: New Viewpoints.
- Goodlad, J. B. (1978), 'Disclose, Present or Communicate ?' *Management Accounting*, November, 446-447.
- Gower, L. C. B. (1969), *The Principles of Modern Company Law*, London: Steven and Sons, p. 307.
- Gray, R., Owen, D. & Maunders, K. (1987), *Corporate Social Reporting - Accounting and Accountability*, London: Prentice Hall.
- Gupta, Deepak (1995), *Corporate Social Accountability: Disclosure and Practices*, New Delhi: Mittal Publications, India.
- Harrison, A. (1977), 'Employee Accounts', *The Accountant*, 22-29 December, 79-97.
- Hartwell, D. (1941), 'Telling the Employees,' *Public Opinion Quarterly*, March, 93-101.*
- Heacock, B. C. (1940), 'Making the Annual Report Speak,' *Executive Service Bulletin*, April, 3-4,6.*

- Heckert, J. B. and Willson, J. D. (1952), 'Reports to Employees and to The General Public' *Controllershship*, New York: Ronald Press Co., 445-62.
- Hennessy, D. J. (1948), 'Survey Reveals Financial Information: People Want to Know About a Corporation,' *Journal of Accountancy*, September, 224-227.*
- Hermanson, Roger H., Edward, J. D. and Salmonson, R. F. (1989), *Accounting Principles*, Fourth Edition, Boston: IRWIN.
- Hill, Wan Ying (1990), *Employee Reporting in UK: AN Empirical Study of Managerial Objectives and Behaviour*, Ph.D. Dissertation, Department of Accounting and Finance, University of Glasgow.
- Hilton, A. (1978), *Employee Reports: How to Communicate Financial Information to Employees*, Cambridge: Woodhead-Faulkner.
- Holmes, Geoffrey (1977), 'How UK Companies Report to Their Employees,' *Accountancy*, November, 64-66, 68.*
- Hoppock, R. (1935), *Job Satisfaction*, New York: Harper and Brothers.
- Hossain, A. B. M. A. (1985), 'An Analysis of Factors Related to the Job Satisfaction of the Teachers of Secondary Schools', *Dhaka University Journal of Psychology*, 15, 7-21.
- Hossain, M. M. (1995), *Job Satisfaction of Commercial Bank Employees in Bangladesh*, Ph. D. Thesis, Department of Management, Dhaka University.
- Hossain, M. M. and Miah, K. M. (1992), 'Job Satisfaction and Performance of Bank Employees: A Comparative Study of Private and Public Sector Bank in Bangladesh,' *Management Development*, 21, 4, 87-101.
- Hussey, R. (1978), *Employees and the Employee Report*, London: Touche Ross & Co.
- Hussey, R. (1979), *Who Reads Employee Report?*, London: Touche Ross and Co.

- Hussey, R. (1988), *The Provision of Information to Stakeholders*, Ph. D. Thesis, University of Bath, UK.
- Hussey, R. and Craig, R. (1980), 'Why Some Companies Do Not Issue Employee Reports', *The Chartered Accountant in Australia*, March, 45-49.
- Hussey, R. and Marsh, A. (1983), *Disclosure of Information and Employee Reporting*, England: Gower Publishing Company Limited.
- Hussey, R. and Morris, C. (1987), *Financial Reporting to Employees: Pattern of Development 1919-1979 - A Critique and Further Evidence*, Paper to British Accounting Association Conference, April 1989, At the University of Glasgow.
- Hussey, Roger and Craig, R. J. (1979), 'Employee Reports: What Employee Think,' *The Chartered Accountant in Australia*, May, 39-40, 42-44.*
- Indian Factories Act, 1948.
- Indian Labour Journal*, Labour Bureau, Ministry of Labour, Government of India, March, 1996.
- Irvine, Alec (1970), *Improving Industrial Communication*, London: Gower Press Limited.
- Irwin, J. W. (1939), 'Periodical Report to Employees,' *Executive Service Bulletin*, January, 7-8.*
- Jackson-Cox, J., McQueeney, J. and Thirkell, J. E. M. (1987), *Strategies, Issues and Events in Industrial Relations: Disclosure of Information in Context*, London: Routledge & Kogan Paul.
- Jahan, R. and Haque, S. (1993), 'Effects of Organisational Climate on Job Involvement, Job Satisfaction, and Personality of Mid-level Managers', *The Bangladesh Journal of Psychology*, 14, 35-42.

- Jain, K. C. and Aggarwal, L. N. (1995), *Production Planning, Control and Industrial Management*, New Delhi: Khanna Publishers.
- Jain, S. P. and Narang, K. L. (1989), *Advanced Accounting*, Seventh Edition, New Delhi: Kalyani Publishers.
- Janner, Greville (1979), 'Who is An Employee in Law,' *Accountancy*, 90, 1025, 75-79.
- Jarett, I. M. (1981), 'Computer Graphics: A Reporting Revolution?', *Journal of Accountancy*, May, 46-57.
- Kelly, J. (1974), *Organisational Behavior*, Illinois: Richard D. Irwin Inc.
- Kleiner, M. M. and Bouillon, M. L. (1988), 'Providing Business Information to Production Workers: Correlates of Compensation and Profitability,' *Industrial and Labor Relations Review*, 41, 4, 605-617.
- Kleiner, Morris M. and Bouillon, Marvin L. (1991), 'Information Sharing of Sensitive Business Data With Employees,' *Industrial Relations*, 30, 3, 480-491.
- Kulkarni, G. R. (1978), 'The Use of Accounting Information in Labour Negotiation,' *The Chartered Accountant*, August, 75-80.
- Labour Statistics, *The Indian Journal of Labour Economics*, 40, 1, 1997, 183-189.
- Lal, Jawahar (1985), *Corporate Annual Reports: Theory & Practice*, New Delhi: Sterling Publishers Private Ltd.
- Lee, T. A. (1981), 'Developments in Financial Reporting: a History and an Introduction,' In Lee, T.A. ed., *Developments in Company Financial Reporting*, Oxford: Philip Allan Publishers Ltd.
- Lee, T. A. (1982), *Corporate Financial Reporting*, England: Van Nostrand Reinhold (UK) Co. Ltd.

- Lewin, David (1984), *Opening The Books: Corporate Information Sharing With Employees*, New York: The Conference Board.
- Lewis, N. R., Parker, L. D. & Sutcliffe, P. (1984a), 'Financial Reporting to Employees: Towards a Research Framework,' *Accounting And Business Research*, 14, 55, 229-239.
- Lewis, N. R., Parker, L. D. and Sutcliffe, P. (1984b), 'Financial Reporting to Employees: The Pattern of Development 1919 to 1979,' *Accounting Organisation and Society*, 9, 3/4 275-289.
- Lewis, Richard and Pendrill, D. (1985), *Advanced Financial Accounting*, London: Pitman Publishing Limited, 558.
- Libby, J. C. (1952), 'Employee Interest in Financial Report,' *Illinois Certified Public Accountant*, September, 43-46.*
- Locke, E. A. (1970), 'Job Satisfaction and Performance: A Theoretical Analysis', *Organisational Behaviour and Human Performance*, 5, 484-500.
- Luthans, Fred et al. (1990), *Social Issues in Business*, University of Nebraska, New York: Macmillan.
- Lyons, Charles Barker (1980a), *Employee Communication in the Eighties*, London.
- Malgwi, C. A. (1993), *Financial Accounting Reporting to Employees: The Stated Usefulness of The Value Added Statement in The Context of Nigeria*, Ph.D. Thesis, Department of Economics, University of Reading, UK.
- Mamoria, C. B. & Mamoria, S. (1995), *Dynamics of Industrial Relations in India*. Mumbai: Himalaya Publishing House, India.
- Mamoria, C. B. (1989), *Personnel Management*, Seventh Edition, Mumbai: Himalaya Publishing House, 652.

- Mannan, M. A. (1987), *Participation in Managerial Decision Making, A Study in a Developing Country*, Delhi: Daya Publishing House.
- Marsh, A. and Hussey, R. (1979), *Company Secretary's Review - Survey of Employee Reports*, Croydon: Tolly Publishing Company.
- Marsh, Arthur and Rosewell, Roger (1976), 'A Question of Disclosure,' *Industrial Relations Journal*, 7, 2, 4-16.
- Mathews, M. R. (1982), 'Accounting of the Future', *The Accountant's Journal*, 3, October, 199-221
- Maunder, K. T. (1981), 'Employee Reporting,' in Lee, T. A., (ed.) *Developments in Company Financial Reporting*, London: Philip Allan Publishers Ltd.
- Ministry of Labour (1985). *Survey on Communication Between Labour and Management*, Tokyo: Okurasho Insatsukyku.
- Mitchell, F. Sams, K. I. and White, P. J. (1981), 'Financial Disclosure to Employees.' in Burns, Thomas J. and Hendrickson, Harvey S. (1986), *Accounting Sampler*, New York: McGraw-Hill Book Company, 538-545.
- Moriarty, Shane (1979), 'Communicating Financial Information Through Multidimensional Graphics,' *Journal of Accounting Research*, 17, 1, 205-224.
- Morishima, Motohiro (1991a), 'Information Sharing and Collective Bargaining in Japan: Effects on Wage Negotiation,' *Industrial and Labor Relations Review*, 44, 3, 469-85.
- Morishima, Motohiro (1991b), 'Information Sharing and Firm Performance in Japan,' *Industrial Relations*, 30, 1, 37-61.
- Murshed, A. J. M. H. (1989), *The Role of Financial Information in Collective Bargaining in a Developing Country: The Case of Bangladesh*, Ph.D. Thesis, University of Manchester.

- Myers, H. (1979), 'Good and Bad in Employee Annual Reports,' *Ryldges*, January, 22-24.
- Myers, John H. (1956), "Annual Report to Employees," *New York Certified Public Accountant*, February, 100-102, 122.*
- National Association of the Manufacturers of the USA (1938), *Making the Annual Report Speak for the Industry*, 73-168.
- Newcomb, R. and Sammons, M. (1961), *Employee Communication in Action*, New York: Harper and Brothers Publishers.
- Nie, N. H., Hull, C. H., Jenkins, J. G., Steinbrenner, K. and Bent, D. H. (1975), *Statistical Package for Social Sciences (SPSS)*, New York: McGraw-Hill Book Company.
- Norkett, P. (1976), *Disclosure of Information to Employees*, Middlesex Polytechnic.
- Norkett, P. (1977), Participant Reporting, *Certified Accountant*, April, 115-116.
- Opinion Research Centre (1974), *What About the Workers?*, UK.
- Page, C. T. (1978), *An Employer's Guide to Disclosure of Information*, Kogan Page.
- Parker, L. D. (1977a), 'Financial Reporting to Corporate Employees: A Growing Practice in Australia,' *The Chartered Accountant in Australia*, March, 5-9.*
- Parker, L. D. (1977b), 'The Accounting Responsibility Towards Corporate Financial Reporting to Employees', *Accounting Education*, November, 62-63.
- Peel, M., Pendlebury, M. and Groves, R. (1991), 'Wider Share Ownership and Employee Reporting', *Management Accounting*, 69, 5, 38-40.
- Pocket Book of Labour Statistics*, Directorate of Labour, Government of India, Shimla, 1996.
- Pope, F. P. and Peel, D. A. (1981), 'Information Disclosure to Employees and Rational Expectations,' *Journal of Business, Finance & Accounting*, 8, 1, 139-146.

- Pradhan, B. B. (1992), 'Historical Analogies of Corporate Reporting in India,' *The IDEA Journal*, II, January-June, 19-22.
- Purdy, D. E. (1977), *The Provision of Financial Information by Public Companies to Their Employees*, City of London Polytechnic.
- Purdy, D. E. (1988), *The Effect of The Provisions of Financial Information Upon The Construing of Employees*, Ph.D. Thesis, Council for National Academic Awards, City of London Polytechnic, UK.
- Pyle, M. V. and George, A. S. (1995), *Industrial Relations and Personnel Management*, New Delhi: Vikas Publishing House Private Limited.
- Rahman, A. (1992), 'Job Anxiety, Job Satisfaction and Organisational Climate as Perceived by the Public and the Private Sector Bank Employees,' *Dhaka University Studies*, Part - E, 7, 1, 31-36.
- Report of the High Powered Expert Committee on Companies and MRTP Acts (1978)*, Ministry of Law, Justice and Company Affairs, New Delhi, August 1978.
- Saberson, R. E. (1920), *Employees House Organics*, Prize Winning Essay of the US Direct Mail Advertising Association Contest.
- Schoen, S. H. and Lux, M. P. (1957), 'The Annual Report: How Much Do Employees Care?', *Personnel*, July-August, 40-45.*
- Sengupta, P. R. and Shaikh, M. A. H. (1997a), 'Keeping Your Employees Informed..', *Indian Management*, 36, 7, 63-66.
- Sengupta, P. R. and Shaikh, M. A. H. (1997b), 'Employee Information Needs and Corporate Annual Report,' Paper Submitted for Publication.
- Seybold, Geneva (1966), *Employee Communication: Policy and Tools*, New York: National Industrial Conference Board, Inc.

- Sharma, K. K. and Agarwal, R. K. (1990), 'Employee Motivation Through Accounting Information and Reporting System,' *The Chartered Accountant*, November, 389-393.
- Shimada, H. (1982), 'Perception and the Reality of Japanese Industrial Relations: Role in Japan's Postwar Success,' *Keto Economic Studies*, 19, 2, 1-21.
- Shimada, H. (1983), 'Wage Determination and Information Sharing: Alternative Approach to Incomes Policy?' *Journal of Industrial Relations*, 25, 2, 177-200.
- Shirai, T. (1983), 'A Theory of Enterprise Unionism,' In Shirai, Taishiro, ed., *Contemporary Industrial Relations in Japan*, Madison, University of Wisconsin Press, 117-43.
- Skerratt, L. C. L. (1980), *Financial Accounting: A Survey of UK Published Accountants*, ICAEW.
- Smith, J. L., Keith, R. M. and Stephens, W. L. (1983), *Accounting Principles*, Second Edition, New York: McGraw-Hill.
- Smith, P. C. (1955), 'The Prediction of Individual Differences in Susceptibility to Individual Monotony,' *Journal of Applied Psychology*, 39, 322-329.
- Smith, R. (1975), *Keeping Employees Informed: Current UK Practice and Disclosure*, Management Survey Report No. 31, BIM.
- Solomon, E. E. (1986), 'Private and Public Sector Managers: An Empirical Investigation of Job Characteristics and Organisational Climate,' *Journal of Applied Psychology*, 71, 247-259.
- Srivastava, S. K. (1990), *Industrial Psychology*, Jaipur: Print-well Publishers.
- Taylor, D. Webb, L. and McGinley, L. (1979), 'Annual Report to Employees - The Challenge to the Corporate Accountant,' *Chartered Accountant in Australia*, May, 33-39.

Taylor, K. (1975), 'Social Accounting - Whose Responsibility', *Management Accounting*, November, 361-364.

Telling Your Story to Your Employees, Illinois Manufacturers' Costs Association, Monthly Bulletin, February 1939, 1-2.*

The Employers Federation of India (1963), *Who is an Employee?*, 148 Mahatma Gandhi Road, Mumbai.

The Payment of Bonus Act, 1965 of India.

The Stock Exchange Foundation (1997), 'Statistical Profile of Indian Economy', *The Stock Exchange Official Directory*, Mumbai, XXXI/18(1/2), 5 May.

Wallace, Frank (1946), 'Getting Down to Earth in Explaining Profits to Employees,' *Controller*, February, 75-77.*

Waller, William S. (1985), 'Self - Selection and the Probability of Quitting: A Contracting Approach to Employee Turnover in Public Accounting', *Journal of Accounting Research*, 23, 2, 817-28.

Webb, L. and Taylor, D. W. (1980), 'Employee Reporting: Don't Wait for It,' *The Australian Accountant*, January-February, 30-34.

Yamaji, Hidetoshi, (1986), 'Collective Bargaining and Accounting Disclosure: An Inquiry into the Changes in Accounting Policy,' *International Journal of Accounting*, 22, 1, 11-23.

Yorston, K. R. (1960), 'Reporting Financial Information to Employees,' *The Australian Accountant*, February, 80-88.*

* Marked articles collected from Parker, L. D. (1988) (ed.), *Financial Reporting to Employees: From Past to Present*, New York: Garland Publishing, Inc.

APPENDICES

APPENDIX - A

Questionnaire for Workers

NORTH BENGAL UNIVERSITY, DARJEELING

DEPARTMENT OF COMMERCE

Questionnaire for Workers

(For academic research only and secrecy will be maintained strictly)

[In this questionnaire, 'employee report' means a special report prepared for the employees containing company financial and other information. The study intends to see the employees' attitudes towards 'employee reporting,' its impact, present practices and related issues. Please answer as frankly as you can.]

Name of your Company

Address

Your Age

Sex M F

Education

Your position

No. of years in this Company

1. Do you know the following information of your company ?

Year of establishment yes no

The products or services produced yes no

Profit earns each year yes no

The future plan of change yes no

Your legal rights yes no

2. Do you think that company should give you information about your company ? yes no

3. What type of information do you want:

a.

b.

c.

d.

e.

4. According to your opinion, what should be the method of providing the above information:

- Employee reports Notice boards Newsletter Audio-video aids
 Others (*please specify*)

5. According to your opinion, will employee reports improve: (please tick one or more as appropriate)

- | | | | |
|--|--|---------------------|--|
| Motivation | <input type="checkbox"/> yes <input type="checkbox"/> no | Industrial relation | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Productivity | <input type="checkbox"/> yes <input type="checkbox"/> no | Employee commitment | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Job satisfaction | <input type="checkbox"/> yes <input type="checkbox"/> no | Cost consciousness | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Others (<i>please specify</i>) | | | |

6. Do you think that employee reporting will reduce:

- | | | | |
|---------------------|--|--|--|
| Employee turnover | <input type="checkbox"/> yes <input type="checkbox"/> no | Absenteeism | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Grievance | <input type="checkbox"/> yes <input type="checkbox"/> no | Resistance to change | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Industrial disputes | <input type="checkbox"/> yes <input type="checkbox"/> no | Others (<i>please specify</i>) | |

7. Do you think that legislative provision is required for employee reporting ? yes no

8. Do you get copy of annual report of your company ? yes no

9. If yes, does it cover all information you need ? yes no

10. Did you receive any report prepared for employees ? yes no

If no, what may be the reasons ? (*Please specify*)

If yes,

a) Do you think that information contained in the report is:

Very important A little important Not important at all

b) Do you think that information provided in the report is :

Always true Seldom true Never true

c) According to your opinion, why company issued the report: (*please tick one or more as appropriate*)

- Trade unions have demanded it
- The law states they must do so
- Employees have been asking for it
- To prevent demand for high wages
- It is part of company personnel policy
- To encourage people to work harder
- To involve employees more in the company
- To get the employees to accept the management policy
- Don't know
- Others (*please specify*)

d) Are you satisfied with the information provided in the report: yes no

e) Did you understand the information of the report ? Fully Partially Not at all

11. If employee report is provided, do you think that it will cause:

- Excessive costs yes no Misunderstanding of information yes no
- Waste of employee time yes no Information leakage to competitors yes no
- Others (*please specify*)

12. Do you think that distribution of employee reports at a discussion meeting would be more effective: yes no

13. How satisfied you are at your present job ?

Highly satisfied Satisfied Indifferent Dissatisfied Highly dissatisfied

15. If you have any comment or suggestion regarding employee reporting, please specify

Date of supplying this information/...../199..

Thank you very much for your kind co-operation

APPENDIX - B

Questionnaire for Trade Union Leaders

NORTH BENGAL UNIVERSITY, DARJEELING

DEPARTMENT OF COMMERCE

Questionnaire for Trade union leaders

(For academic research only and secrecy will be maintained strictly)

[In this questionnaire, 'employee report' means a special report prepared for the employees containing company financial and other information. The study intends to see the trade union leaders' attitudes towards 'employee reporting,' its impact, present practices and related issues. Please answer as frankly as you can.]

Name of your Company

Address

No. of employees

Your Age

Sex M F

Education

Your position

No. of years in this Company

1. What is your present position in trade union ? *(Please specify)*

2. Do you think that the company should disclose information to trade union for collective bargaining ?

yes no

3. If yes, what type of information should be provided:

a.

b.

c.

d.

e.

4. Which method of reporting should be used ?

Employee reports Notice boards Newsletters Audio-visual aids

Others *(please specify)*

5. According to your opinion, will employee reporting improve: (please tick one or more as appropriate)

Motivation yes no

Industrial relation yes no

Productivity yes no

Employee commitment yes no

Job satisfaction yes no

Cost consciousness yes no

Others (*please specify*)

6. Do you think that employee reporting will reduce:

Employee turnover yes no

Absenteeism yes no

Grievance yes no

Resistance to change yes no

Industrial disputes yes no

Others (*please specify*)

7. Do you think that information should be given to: Trade unions only All employees

8. Do you think that legal provision is required for information disclosure to employees ? yes no

9. Do you get copy of annual report ? yes no

10. If yes, does it cover all information you need ? yes no

11. Did you receive any report of information for employees ? yes no

If no, what may be the reasons ? (*Please specify*)

If yes,

a) Do you think that information contained in the report is:

Very important A little important Not important at all

b) Do you think that information provided in the report is :

Always true Seldom true Never true

c) According to your opinion , why does your company issue the report ?

(Please tick one or more as appropriate)

- Trade unions have demanded
- Legal requirements
- Employee has been asking for it
- To prevent demand for higher wages
- It is part of the company personnel policy
- To encourage people to work harder
- To involve employee more in the company
- To get employees to accept the management policy
- Others (please specify)

d) Are you satisfied with the information provided in the report

yes no

e) Did you understand the information of the report ?

Fully Partially Not at all

12. If employee report is provided, do you think that it will cause:

- Excessive costs yes no Misunderstanding of information yes no
- Waste of employee time yes no Information leakage to competitors yes no
- Others (*please specify*)

13. Do you think that distribution of employee reports at a discussion meeting would be more effective:

yes no

14. How satisfied you are at your present job ?

Highly satisfied Satisfied Indifferent Dissatisfied Highly dissatisfied

15. If you have any comment or suggestions regarding employee reports, please specify

Date of supplying this information / / 199..

Thank you very much for your kind co-operation

APPENDIX - C
Questionnaire for Managers

NORTH BENGAL UNIVERSITY, DARJEELING
DEPARTMENT OF COMMERCE

Questionnaire for Managers

(For academic research only and secrecy will be maintained strictly)

[In this questionnaire, 'employee report' means a special report prepared for the employees containing company financial and other information. The study intends to see the managers' attitudes towards 'employee reporting,' its impact, present practices and related issues. Please answer as frankly as you can.]

Name of your Company

Address

No. of employees

Your Age

Sex..... M F

Education

Your position

No. of years in this Company

1. Do you think that company considers efficient employees as valuable assets ? yes no

2. Do you think that company should disclose financial and other information to employees ?
 yes no

3. If yes, what type of information should be disclosed:

a.

b.

c.

d.

e.

4. Which method of reporting should be used ?

Employee reports Notice boards Newsletter Audio-visual aids

Others (*Please specify*)

5. Do you think that information disclosure to employees will improve the following ?

Employee motivation	<input type="checkbox"/> yes <input type="checkbox"/> no	Industrial relation	<input type="checkbox"/> yes <input type="checkbox"/> no
Productivity	<input type="checkbox"/> yes <input type="checkbox"/> no	Employee commitment	<input type="checkbox"/> yes <input type="checkbox"/> no
Job Satisfaction	<input type="checkbox"/> yes <input type="checkbox"/> no	Cost consciousness	<input type="checkbox"/> yes <input type="checkbox"/> no
Others (<i>Please specify</i>)			

6. Do you think that disclosure of information to your employees will reduce:

Employee turnover	<input type="checkbox"/> yes <input type="checkbox"/> no	Absenteeism	<input type="checkbox"/> yes <input type="checkbox"/> no
Grievance	<input type="checkbox"/> yes <input type="checkbox"/> no	Resistance to change	<input type="checkbox"/> yes <input type="checkbox"/> no
Industrial disputes	<input type="checkbox"/> yes <input type="checkbox"/> no	Others (<i>Please specify</i>).....	

7. Do you think that legislative provisions are required for employee reporting ? yes no

8. Do you think that information to be given only to managers not to all employees? yes no
why (*Please specify*).....

9. Do you get copy of annual report ? yes no

10. If yes, does it cover all information you need? yes no

11. Did you get any employee report from your company ? yes no

If no, what may be the reasons (*Please specify*).....

If yes,

a) Do you think that information contained in the report is:

Very important	A little important	Not important at all
----------------	--------------------	----------------------

b) Do you think that information provided in the report is :

Always true	Seldom true	Never true
-------------	-------------	------------

c) According to your opinion , why does your company issue the report ?

(Please tick one or more as appropriate)

- Trade unions have demanded
- Legal requirements
- Employee has been asking for it
- To prevent demand for higher wages
- It is part of the company personnel policy
- To encourage people to work harder
- To involve employee more in the company
- To get employees to accept the management policy
- Others (please specify)

d) Are you satisfied with the information provided in the report yes no

e) Did you understand the information of the report ? Fully Partially Not at all

12. If employee report is provided, do you think that it will cause:

- Excessive costs yes no Misunderstanding of information yes no
- Waste of employee time yes no Information leakage to competitors yes no
- Others (please specify)

13. Do you think that distribution of employee reports at a discussion meeting would be more effective: yes no

14. How satisfied you are at your present job ?

Highly satisfied Satisfied Indifferent Dissatisfied Highly dissatisfied

15. If you have any comment or suggestions regarding employee reports, please specify

Date of supplying this information/...../199..

Thank you very much for your kind co-operation

APPENDIX - D
Questionnaire for Company Secretary

NORTH BENGAL UNIVERSITY, DARJEELING
 DEPARTMENT OF COMMERCE

Questionnaire for Company Secretary

(For academic research only and secrecy will be maintained strictly)

[In this questionnaire, 'employee report' means a special report prepared for the employees containing company financial and other information. The study intends to see the company attitudes towards 'employee reporting,' its impact, present practices and related issues. Please answer as frankly as you can.]

Name of your Company

Address

1. How many employees are there in your enterprise (Total) ? *(please specify)*

2. What is the activity of your company ? *(please specify)*

3. Do you think, reporting of company information to employees is necessary ? yes no

Why *(please specify)*

5. What type of information should be given to your employees ?

a.

b.

c.

d.

e.

6. Which method of communication should be used ?

Employee report Notice Board Company newsletter Audio-visual aids

Others *(please specify)*

7. Do you think that information disclosure to your employees will improve the following ?

- | | | | |
|--|--|---------------------|--|
| Employee motivation | <input type="checkbox"/> yes <input type="checkbox"/> no | Industrial relation | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Productivity | <input type="checkbox"/> yes <input type="checkbox"/> no | Employee commitment | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Job Satisfaction | <input type="checkbox"/> yes <input type="checkbox"/> no | Cost consciousness | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Others (<i>please specify</i>) | | | |

8. Do you think that disclosure of information to your employees will reduce :

- | | | | |
|---------------------|--|----------------------------------|--|
| Employee turn over | <input type="checkbox"/> yes <input type="checkbox"/> no | Absenteeism | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Grievance | <input type="checkbox"/> yes <input type="checkbox"/> no | Resistance to change | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Industrial disputes | <input type="checkbox"/> yes <input type="checkbox"/> no | Others (<i>please specify</i>) | |

9. Do you think legislative provisions are required for employee reporting ? yes no

10. Is it practice of your company to give copy of annual report to employees ? yes no

11. If yes, does annual report satisfy employees information needs ? yes no

12. Do you calculate costs and benefits of Employee Reporting ? yes no

13. Kindly give the following information of the year 1995-96 :

No. of industrial disputes Employee turnover (rate).....

Section - B (For Companies Not Providing Employee Report)

1. The company does not issue employee reports because: (Please tick one or more)

- It would be too expensive
- Employees are not interested
- Financial information is the business of shareholders
- Confidential information would be involved
- Employees have no right to such information
- The information would be misunderstood
- It would be contrary to the company personnel policy
- No legal requirements
- Others (*please specify*)

2. Do you consider giving information to employees in the near future ? yes no
3. Is there any demand from employees for information disclosure in your company ? yes no
4. How trade union(s) in your company get information for collective bargaining ?
Please specify
5. If you have any comment and suggestion relating to employee reporting, *Please specify*

Section C (For Companies Providing Employee Reports)

1. When did you start to issue employee reports ? Year 19...
2. Why did you start giving employee reports ? (*Please tick one or more as appropriate*)
- | | | | |
|--------------------|--|--|--|
| Legal requirements | <input type="checkbox"/> yes <input type="checkbox"/> no | Trade union request | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Employee request | <input type="checkbox"/> yes <input type="checkbox"/> no | Other companies were producing reports | <input type="checkbox"/> yes <input type="checkbox"/> no |
| Own initiative | <input type="checkbox"/> yes <input type="checkbox"/> no | Other reasons (<i>please specify</i>)..... | |
3. What type of reports you prepare for your employees ?
- Annual Bi-annual Quarterly Others (*please specify*).....
4. How did you distribute your employee reports ?
- By post With wage package At work place At a special meeting
 Others (*please specify*).....
5. When did the last employee report come out ?
- year 199..... Total number of reports
6. What was the approximate cost per copy of the report ? (*Please specify*)

7. What were your prime objectives in producing employee reports ? *(Please tick one or more as appropriate)*

- To involve employees more in the company affairs
- To motivate employees towards higher productivity
- To moderate high wage demands
- To encourage sense of responsibility
- To enable the market situation to be better appreciated
- To discharge the responsibility of the company
- Other objectives *(please specify)*

8. Are shareholders also given a copy of employee report ?

yes no

9. Do you think that information should be given to: *(please tick one or more as appropriate)*

- All employees Managers Trade union leaders Supervisors clerks

10. In your opinion what is the reaction of employees towards employee reports:

- Positive Negative Others *(please specify)*

12. If you have any comment and suggestion relating to employee reports *(please specify)*....

Date of supplying this information / / 199..

Thank you very much for your kind co-operation