

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.