A Study on Human Resource Accounting Disclosure Practices in Selected Private and Public Sectors Companies

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Abstract- Human Resource Accounting (HRA) plays a crucial role in improving corporate transparency by recognizing human resources as strategically significant assets. This study examines the nature, measurement, and extent of HRA disclosure practices among selected private and public sector companies in India. The research is based on secondary data collected from annual reports and sustainability disclosures over a specified period. A content analysis method is employed to analyse various components of HRA disclosures, such as employee strength, training and development, employee benefits, welfare measures, and value-added statements. A comparative approach is used to assess differences in disclosure practices between private and public sector enterprises. The findings reveal substantial variations in the level, consistency, and depth of HRA disclosures. Public sector companies generally follow more structured and comprehensive reporting practices, whereas private sector companies largely rely on voluntary and narrative-based disclosures. The absence of standardized HRA reporting norms is a major concern highlighted by the study. The research emphasizes the need for regulatory guidelines to ensure uniformity, comparability, and improved stakeholder decision-making, while also contributing empirical evidence to existing literature on HRA disclosure practices in India.

Key words: Human Resource Accounting; Corporate Transparency; Disclosure Practices; Public and Private Sector; India

I.   INTRODUCTION

Human Resource Accounting has emerged as a significant area of accounting research, reflecting the growing recognition of human resources as valuable organizational assets. Workers contribute significantly to innovation, productivity, and competitive advantages in the knowledge-driven economy, but the majority of their value is either unreported or unseen in traditional financial accounts. Human Resource Accounting estimates identification, measurement, and disclosures about investment in human capital in the form of the cost of recruitment, training, development, and welfare of employees. Disclosure of such information increases the transparency, adds to informed decision-making by stakeholders, and reflects the true value of an organization. The goals, structures of government, and reporting procedures of businesses in the public and private sectors vary, which may have an impact on the amount and quality of HRA disclosures. In light of the aforementioned context, the current study aims to investigate the Human Resource Accounting disclosure practices in a few chosen private and public sector organizations in order to assess the appropriateness, trends, and variety of disclosures. The study would highlight the importance of systematic HRA reporting for improving accountability, performance evaluation, and stakeholders' confidence.

II.   OBJECTIVE OF THE STUDY

- To highlight and discuss the human resource accounting practices followed by the private sector undertaking.
- To analyze human resource accounting practices followed by the public sector undertaking.
- To examine and compare the extent and nature of Human Resource Accounting (HRA) disclosure practices in selected private and public sector companies.
- To assess the consistency of HRA disclosures with existing accounting guidelines and reporting frameworks.
- To provide suggestions for improving HRA disclosure practices for better stakeholder decision-making.

III. RESEARCH DESIGN AND METHODOLOGY

Research Design
The present study adopts a descriptive and analytical research design. The design is suitable for examining and comparing the extent and nature of Human Resource Accounting (HRA) disclosure practices in selected public and private sector companies in India. The study focuses on analysing existing disclosure patterns rather than manipulating any variables.

Sample Selection
The study is based on a purposive sampling method, selecting companies that are large, well-established, and consistently disclose human resource–related information.

Public Sector Companies: NTPC, Indian Oil Corporation Ltd. (IOCL), Hindustan Petroleum Corporation Ltd. (HPCL), Bharat Petroleum Corporation Ltd. (BPCL), and GAIL (India) Ltd.

Private Sector Companies: Tata Consultancy Services (TCS), Hindustan Unilever Ltd. (HUL), Reliance Industries Ltd. (RIL), ITC Ltd., and Wipro Ltd.

Period of Study
The study covers the years from 2024–25, enabling an analysis of recent trends and changes in HRA disclosure practices over time.

Sources of Data
The study is based exclusively on secondary data, collected from: Annual Reports of selected companies, Sustainability Reports and Integrated Reports, Corporate websites, Published financial statements and disclosures.

Scope of the Study
The study is confined to selected companies and the specified time period. It evaluates only the disclosure practices related to Human Resource Accounting and does not attempt to assess the actual valuation of human resources.

Limitations of the study

- The study is limited to selected private and public sector companies in India; therefore, the results may not be fully representative of all organizations across different industries and sizes.
- The research relies mainly on secondary data sourced from annual reports and published disclosures, which may reflect managerial bias, selective disclosure, or inconsistencies in reporting practices.
- Due to the absence of mandatory accounting standards or uniform guidelines for Human Resource Accounting in India, meaningful comparison of HRA disclosure practices between companies and sectors becomes difficult.
- The study is confined to a specific time period, the year 2024-25, and any recent policy changes, regulatory developments, or improvements in HRA disclosure practices beyond the study period are not considered.

Data Analysis and Interpretation
The data collected for the study were systematically classified and presented through appropriate tables and graphical representations. Statistical analysis was carried out using suitable software tools such as MS Excel and SPSS. The analysis and conclusions were derived using correlation analysis and t-tests, along with factor analysis, at a 5 percent level of significance.

The primary objective of the study is to examine human resource accounting practices in India. For this purpose, the researcher identified 13 disclosure items to develop the Human Resource Accounting Disclosure Index (HRADI). These selected disclosure items form the basis for measuring and evaluating the extent of human resource accounting disclosures in the study.

Table 1: Items considered for the construction of HRADI

Sr. No	Discloser Items
1	Value Added
2	Number of Employees
3	EVA
4	Value of HR
5	Value of HR Per employee
6	Value Added per employee
7	Valuation model used
8	Discount rate applied
9	Age-wise Distribution
10	Group-wise Distribution
11	Gender wise distribution
12	Turnover per Employee
13	Employee Cost

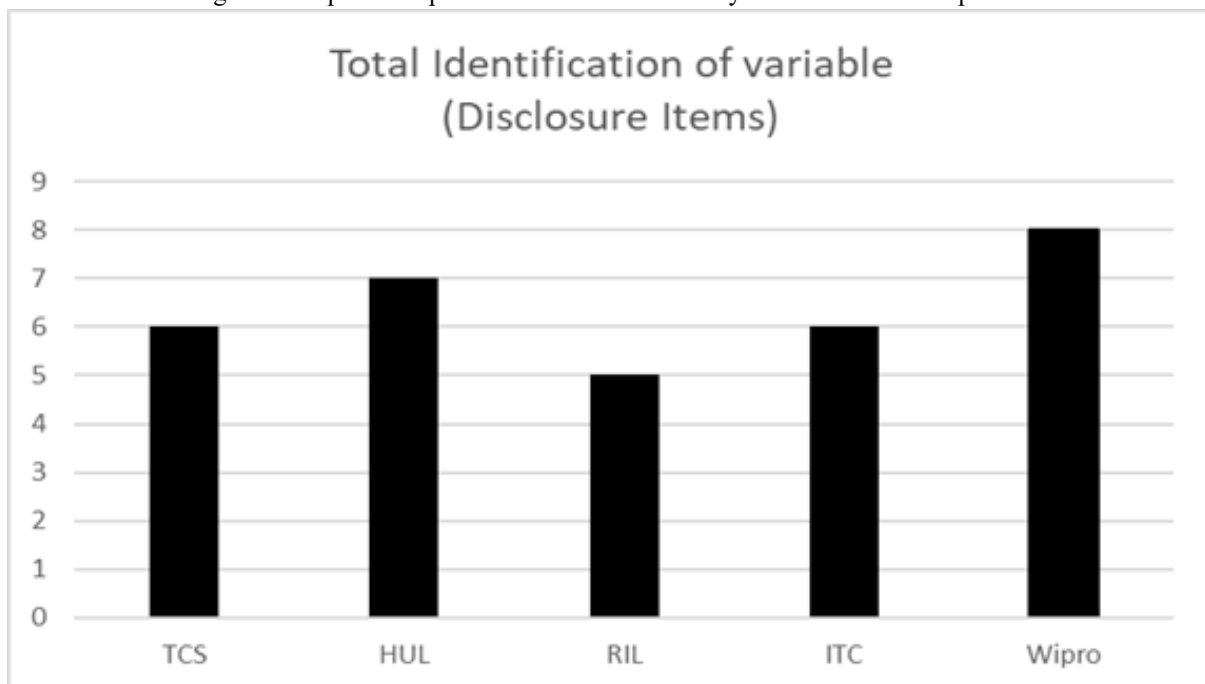A score of 1 has been assigned for every disclosed item, and subsequently, the individual scores are summed up to calculate the net score. Finally, the following formula has been applied to calculate the HRADI for different companies-

$$HRADI = \frac{\text{Total Score of Individual Company}}{13} \times 100$$

Table 2: Variables for Human Resource-Related Information by Selected Private Sector Companies

Sr. No.	Disclosure of Variable	TCS	HUL	RIL	ITC	Wipro
1	Total Identification of variable (Disclosure Items)	06	07	05	06	08

Figure 1 Graphical Representation of Disclosure by Private Sector Companies
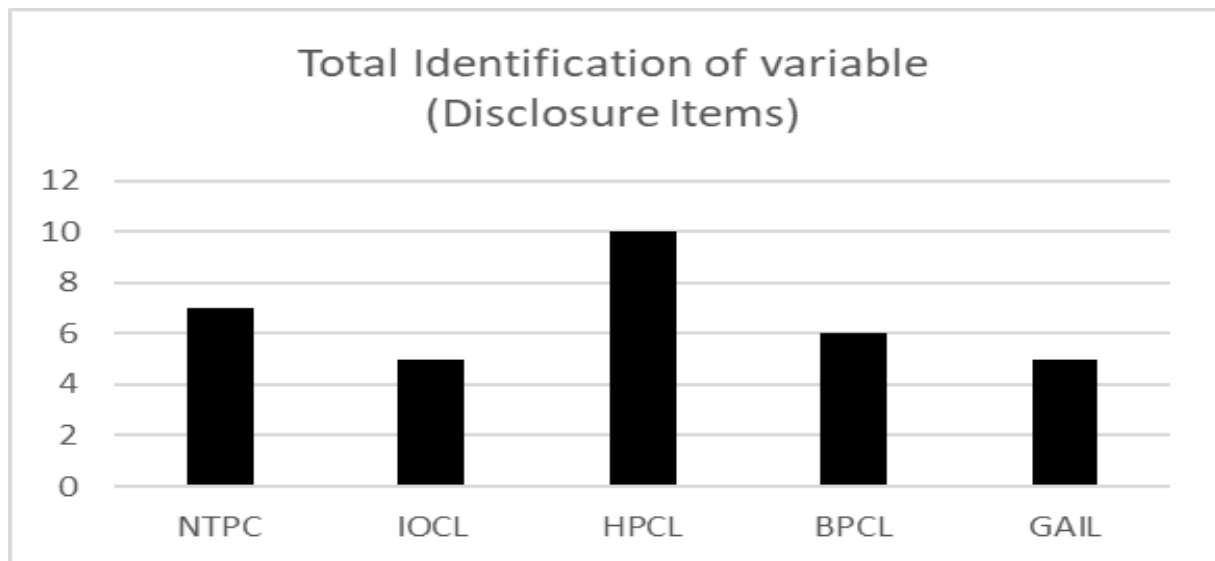

Interpretation of the Above Data: The table and graphical representation depict the extent of disclosure of human resource–related variables by selected private sector companies, namely TCS, HUL, RIL, ITC, and Wipro. The number of disclosure items identified varies across companies, indicating differences in the level of emphasis placed on human resource information. Among the selected companies, Wipro reports the highest number of disclosure items (8), reflecting a comparatively more comprehensive approach towards human resource–related disclosures. HUL follows with 7 items, suggesting a strong focus on identifying and reporting HR variables. TCS and ITC each disclose 6 items, indicating a moderate and fairly balanced level of HR disclosure practices. In contrast, RIL reports the lowest number of disclosure items (5), implying relatively limited disclosure of human resource variables compared to the other companies.

Table 3: Variables for Human Resource-Related Information by selected public sector companies

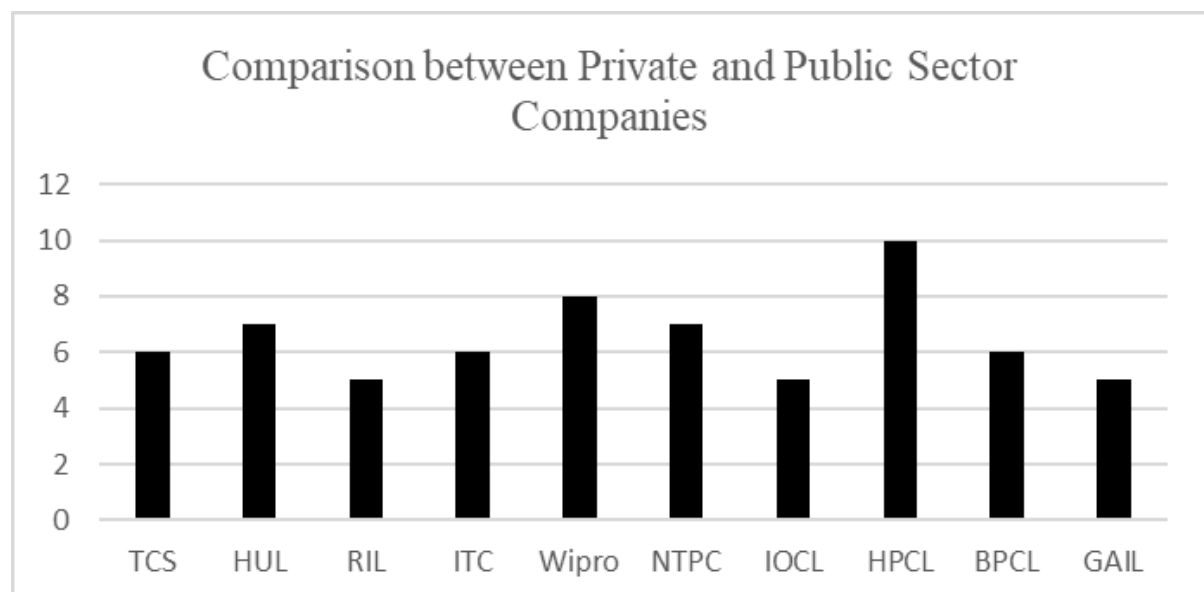| S. No.	Disclosure of Variable	NTPC	IOCL	HPCL	BPCL	GAIL
1	Total Identification of variable (Disclosure Items)	07	05	10	06	05

Figure 2: Graphical Representation of Disclosure by Private Sector Companies

Interpretation of the Above Data: The provided data illustrates the extent of human resource-related disclosures across five major public sector companies. HPCL leads the group significantly, disclosing 10 distinct variables, suggesting a high level of transparency regarding its workforce information. In contrast, IOCL and GAIL exhibit the lowest disclosure levels, each reporting only 05 items. NTPC and BPCL maintain a moderate stance with 07 and 06 disclosures, respectively. Overall, the data reveal a lack of uniformity in HR reporting practices, highlighting a varied commitment to disclosing personnel-related variables within these public enterprises.

Comparison between Private and Public Sector Companies: The provided data compares human resource-related disclosures across ten major companies, spanning both private and public sectors. HPCL exhibits the highest level of transparency, identifying 10 disclosure variables, followed by Wipro with 8. Both HUL and NTPC report 7 items each, showing moderate disclosure levels. Conversely, companies like TCS, ITC, and BPCL maintain a consistent count of 6 variables. The lowest reporting is observed in RIL, IOCL, and GAIL, which each disclose only 5 items. This analysis highlights a significant disparity in reporting standards, with HPCL disclosing twice as many variables as the lowest-ranked firms.

Figure 3: Comparison Graphical Representation of Disclosure between Private Sector Companies & Public Sector Companies

The table presents the total identification of disclosure variables across selected companies. HPCL reports the highest disclosure score (10), indicating relatively stronger disclosure practices. Wipro (8), HUL, and NTPC (7 each) also show better performance. TCS, ITC, and BPCL record moderate disclosure levels (6), while RIL, IOCL, and GAIL show comparatively lower disclosure (5), reflecting variations in human resource disclosure practices across companies.

Testing of Hypothesis

H_0: There is no significant difference between the average disclosures of selected companies.

H_1: There is a significant difference between the average disclosures of selected companies.

One-Sample Statistics

Category	Size	Mean	Std. Deviation	Table Value T-Test	Calculated Value T-Test
Private	05	6.4	1.14		
Public	05	6.6	2.07	2.3060	0.189*

* denotes 5% level of significance

Based on the statistical analysis provided in the "One-Sample Statistics" table, the research examined Human Resource-related disclosure variables across public and private sector companies. The public sector (N=5) yielded a mean score of 6.4 with a standard deviation of 1.14, while the private sector (N=5) showed a slightly higher mean of 6.6 with a greater standard deviation of 2.07. To determine the statistical significance of these differences, a t-test was conducted at a 5% significance level. The results show a calculated t-value of 0.189, which is significantly lower than the critical t-value of 2.3060 from the table. Consequently, the null hypothesis is accepted, indicating that there is no statistically significant difference in HR average disclosure practices between the two sectors. This suggests that both sectors maintain a comparable level of transparency regarding human resource variables.

IV. FINDINGS

The study finds that Human Resource Accounting (HRA) disclosure practices among selected private and public sector companies in India vary considerably in terms of extent, depth, and consistency. Analysis using the Human Resource Accounting Disclosure Index (HRADI), based on 13 disclosure items, reveals that companies disclose HR-related information selectively, with no uniform reporting pattern. Among private sector companies, Wipro and HUL demonstrate relatively higher disclosure levels, while RIL shows comparatively lower disclosure. In the public sector, HPCL emerges as the most transparent entity, whereas IOCL and GAIL report fewer HR variables. Overall, public sector companies tend to follow more structured disclosure practices, while private sector disclosures are largely narrative and voluntary. The t-test results indicate no statistically significant difference between the average HR disclosure levels of private and public sector companies at the 5% level of significance. The absence of standardized HRA reporting guidelines remains a major concern, limiting comparability and consistency across companies.

V. SUGGESTIONS

Based on the findings of the study, it is suggested that Indian companies should adopt a more systematic and standardized approach to Human Resource Accounting (HRA) disclosures. Regulatory bodies such as ICAI and SEBI may consider issuing formal guidelines or standards to ensure uniformity and comparability of HRA reporting across industries and sectors. Companies should move beyond narrative disclosures and incorporate quantitative measures such as the value of human resources, value added per employee, and valuation models used. Greater consistency in reporting employee-related variables will enhance transparency and support informed decision-making by investors and other stakeholders. Public sector enterprises with relatively better disclosure practices can act as benchmarks for private sector companies. Further, the use of integrated reporting frameworks and digital reporting tools can improve the accessibility and reliability of HR information. Overall, strengthened HRA disclosure practices will contribute to improved corporate governance,

accountability, and long-term organizational sustainability

VI. CONCLUSION

The study concludes that Human Resource Accounting disclosure practices among selected private and public sector companies in India show noticeable variation in terms of extent, consistency, and depth. While some companies demonstrate relatively comprehensive HR disclosures, overall practices remain largely voluntary and non-uniform. Statistical analysis indicates no significant difference between the average disclosure levels of private and public sector companies. The absence of standardized HRA guidelines limits comparability and transparency. Therefore, the study emphasizes the need for regulatory frameworks to strengthen HRA reporting and enhance stakeholder decision-making

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