

**“A Study On Human Resource Accounting In Domestic Call  
Centre Industry”**

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## **Introduction:**

To ensure growth and development of any organization the efficiency of people must be augmented in the right perspective. Without human resources, the other resources cannot be operationally effective. The original health of the organization is indicated by the human behaviour variables, like group loyalty, skill, motivation and capacity for effective interaction, communication and decision making. Men, materials, machines, money and methods are the resources required for an organization. These resources are broadly classified into two categories, viz., animate and inanimate (human and physical) resources. Men, otherwise known as the human resources, are considered to be animate resources. Others, namely, materials, machines, money and methods are considered to be inanimate or physical resources. Thus human resource accounting is a process of identifying and reporting investment made in the human resource of the organisation that are presently unaccounted for in the conventional accounting practices. It is an extension of the standard accounting principles.

## **Human resource accounting in India:**

As far the statutory requirements go, the Companies Act, 1956 does not demand furnishing human resource accounting in the financial statement of the companies. The Institute of Chartered Accountants of India too, has not been able to bring any definitive standards or measurements in the reporting of human resource cost. While qualitative pronouncements regarding the importance of human resource is often made by the chairmen in the AGM, quantitative information about their contribution is rarely recorded or communicated.

There are few organizations, however that do recognize the value of their human resource, and furnish the related information in their annual reports. In India, some of these companies are: Infosys, BHEL, and the steel authority of India ltd, the oil and Natural gas commission, Oil India ltd, the Cement Corporation of India Ltd etc.

## **Need for human resource accounting:**

- ❖ Under conventional accounting, no information is made available about human resource employed in an organization, and without people the financial and physical resource cannot be operationally effective.
- ❖ The expenses related to the human organization are charged to current revenue instead of being treated as investment, to be amortized over a period of time, with the results that magnitude of net income is significantly distorted. This makes the assessment of firm and inter firm comparison difficult.
- ❖ If the value of human resource is not duly reported in profits and loss account and the balance sheet, the important act of management on human assets cannot be perceived.
- ❖ Expenses on recruitment, training, etc, are to be treated as expenses and written off

against revenue under conventional accounting. all expenses on human resource are to be treated as investment , since the benefits are accrued over a period of time

**Methods of valuation of human assets:**

There are number of methods for the valuation of human assets. Many of these methods are based on the valuation of physical and financial assets while others take into account human consideration. Major methods of valuation of human assets are historical cost ,replacement cost, standard cost, present value of future earning and expected realizable value. On scanning through literature , the approaches to human resource accounting can be broadly classified as follows:

- ❖ **Historical cost:** According to this method, the actual cost incurred on recruiting , selecting , training, placing and developing the human resource and an enterprise are capitalized and written off over the expected useful life of human resource. The procedure followed by human resource asset is the same as that of other physical asset.
- ❖ **Replacement cost:** In this method the cost of replacing employees is used as the measure of company's human resources. The human resource of the company are to be valued on the assumption as to what it will cost the concern if exiting human resources are required to be replaced with other persons of equivalent experience and talent.
- ❖ **Opportunity cost:**  
This method determines the value of human resource on the basis of an employee's value in alternative uses. Accordingly the value of an employee is based on his opportunity cost the other division are willing to pay for the services of an employee working in another division of an organization.
- ❖ **Economic valuation method:**  
According to economic valuation method, the value of human resource is determined on the basis of the expected services of the employees in each service state that they may occupy during their association with the organization.
- ❖ **Return on effort employed method:**  
This method measures the value of the firm's human resource on the basis of the effort made by the individuals for the organizational benefits. It makes possible inter-divisional comparison which ensures effective competition.
- ❖ **Reward valuation method:**  
The method seeks to measure the value of human resource on the basis of an employee's value to an organization at various services states that he is expected to occupy during the span of his working life with the organization. It is the most scientific model as it demonstrate the impact of the concept of human asset upon the management of human resources.
- ❖ **Standard cost method:**  
This method envisages establishment of a standard cost per grade employee, updated every year. Variances produced should be analyzed and would from a useful basis for control.
- ❖ **Current purchasing power method:**

Under this method instead of taking the replacement cost to capitalized the capitalized historic cost of investment in human resource is converted into current purchasing power of money with the help of index numbers. Its great advantage is its simplicity even though it might produce only approximate answer and approximately correct.

## **Cost of human resource**

- Training and development cost:
  - ❖ Formal training
  - ❖ On the job training
  - ❖ Special training
  - ❖ Development programmes
- Welfare cost:
  - ❖ Medical cost
  - ❖ nteen cost
  - ❖ Specific and general allowance
  - ❖ Children welfare expenses
  - ❖ Other cost

## **Call centre:**

A call centre also known as customer interaction centre is a centralised office used for receiving or transmitting a large volume of requests by [telephone](#). An inbound call centre is operated by a [company](#) to administer incoming product support or information inquiries from consumers. Outbound call centre are operated for [telemarketing](#), solicitation of charitable or political donations, debt collection and [market research](#). A contact centre is a location for centralised handling of individual communications, including [letters](#), [faxes](#), [live support software](#), [social media](#), [instant message](#), and [e-mail](#).

The next wave of outsourcing of call centre jobs came during late 1990's and early 2000, when these MNC organization began looking at cheaper destinations in developing economy like india , south Africa and far east for setting up their call centres. This gave rise tp the global call centre outsourcing industry. A sunrise industry which promised jobs to millions of educated unemployed youth in developing countries and millions of dollars as saving MNC organizations in the developed nations.

**REVIEW OF LITERATURE**

**Title: Comparative Analysis of Human Resource Accounting (HRA) Practices in Indian Companies by Prof. Anita Shukla, Mr. Nader Naghshbandi.**

This research paper is based upon the HR practices of disclosing the HR value and value per employee of selected 4 manufacturing companies in India. This study introduces the field of Human Resource Accounting (HRA) and suggests that it may play a role in facilitating the goals of enterprise sustainability. It is also clarify the effect of human resource accounting information on human resource investment and its benefit to organization improvement. The analysis found that the Indian companies' are using Lev & Schwartz model for evaluating their employees and the value per employee in the companies were found to be different in sample units. Human resource accounting is evaluated as a potential organizational measurement tool. Specifically, asset and cost models are examined in terms of reliability, validity, and usefulness.

**Title: Human Resource Accounting: a frame work for better Financial Accounting and Reporting by Dr. A. Lakshmana Rao.**

The present research paper aimed at the treatment of human resources with a true and fair view, like other elements involved in financial accounting and the inclusion of human resources not only from the expenditure perspective but also from the investment point of view is argued to depict the true and fair view of financial accounts and financial reports. Further, it is intended to discuss setting up of an apex body for valuation and treatment of human resources and other concerns which limits the practice of human resource accounting.

**Title : Application of Human Resource Accounting in Heavy Industries by Shalini Sharma and R.K. Shukla**

Accounting is a process of identifying and measuring data about human resources. This paper aims at analyzing the application of Human Resource Accounting in heavy industries covering the period from 2001-2010 with the case study of The Hindustan Copper Limited, a public sector undertaking. The basic Theory underlying the HRA is -

- That people are valuable resources of an organization or enterprise.
- Information on investment and value of human resource is useful for decision making in the organization.

In every business concern physical assets as well as human resources are required for its success. Physical assets like plants, machinery, building etc. are unproductive without human resources. Thus, human resource accounting provides quantitative information about the value of human assets, which helps the top management to take decisions regarding the adequacy of human resources.

**Statement of problem:**

Human resource accounting is a new concept in india and only few top companies have adopted, but when it comes to the call centre industries they are facing a lot of problems with the people

management in the organisation. In the call centres there are two types of function i.e inbound

and out bound telemarketing. The out bound telemarketing process is facing a lot of problems in handling there human resources as every month there is a inflow and outflow of human resources. Under such circumstances there has to be proper management of human resource as capital, how the human resource accounting can be implemented with fluctuation in the numbers of employees and to what extent it can be beneficiary.

**Need for the study:**

Since human resource accounting is a new concept on india and few industries have already adopted and are adopting it day by day. But it involves a lot of confusion in the adoption process, because of the loopholes in the HRA concepts.

**Objectives:**

1. To know the status of implementation of human resource accounting in domestic call centres.
2. To check according to the HRA concept, if we can treat employees as capital.
3. What will be the result if employees are treated as an asset under the human resource accounting
4. Application of HRA in domestic call centre

**Sample size:**

The size of the sample used for my project is 15 questions with 50 respondents.

**Hypotheses:**

Ho: fluctuation in the human resource does impact on HRA system.

H1: fluctuation in human resource does not impact on the HRA system.

**DATA ANALYSIS AND INTREPRETATION****1. Essentiality of adoption of HRA in India****Statistical tool**

H<sub>0</sub> : adoption of human resource accounting is not essential in India

H<sub>1</sub>: adoption of human resource accounting is essential India.

Table 4.1

One- sample statistics on essentiality of human resource in India

|         | N  | Mean | Std deviation | Std error mean |
|---------|----|------|---------------|----------------|
| VAR0001 | 50 | 3.56 | 1.091         | 1.54           |

**One – sample Test**

|          | Test Value =0 |    |                |                 |                                           |       |
|----------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|          | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|          |               |    |                |                 | Lower                                     | Upper |
| VAR00001 | 23.074        | 49 | .000           | 3.560           | 3.25                                      | 3.87  |

**Interpretation:**

- $T\text{-test}_{cal} = 23.074$
- $T\text{-test}_{tab} = 2.0096$

Therefore  $t_{cal} > t_{tab}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-test is 0.000. thus we reject  $H_0$  and accept  $H_1$ , concluding that adopting human resource accounting, is required in all kinds of industries in India.

**2. Acceptability of HRA across the globe.**

- Statistical Testing:

$H_0$  : Human resource accounting is accepted across the globe.

$H_1$  : Human resource accounting is not accepted across the globe.

Table 4.2

**One- sample statistics on acceptance of HRA across the globe.**

|  | N | Mean | Std deviation | Std error mean |
|--|---|------|---------------|----------------|
|--|---|------|---------------|----------------|

|         |    |      |       |      |
|---------|----|------|-------|------|
| VAR0002 | 50 | 3.70 | 1.035 | 1.46 |
|---------|----|------|-------|------|

**One – sample Test**

|          | Test Value =0 |    |                |                 |                                           |       |
|----------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|          | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|          |               |    |                |                 | Lower                                     | Upper |
| VAR00002 | 25.267        | 49 | .000           | 3.700           | 3.41                                      | 3.99  |

**Interpretation:**

- $T\text{-test}_{cal} = 25.276$
- $T\text{-test}_{tab} = 2.0096$

Therefore  $t_{cal} > t_{tab}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-tests is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that human resource accounting is not accepted across the globe and only in few developed nations has adopted and accepted it.

**3. Modification of human resource accounting concept.**

- Statistical Testing:

$H_0$  : Modification is not at all required in human resource accounting .

$H_1$  : Modification is required in human resource accounting.

Table 4.3

**One sample statistics modification in HRA**

|          | N  | Mean | Std deviation | Std error mean |
|----------|----|------|---------------|----------------|
| VAR00003 | 50 | 3.36 | 1.083         | .153           |

## One – sample Test

|           | Test Value =0 |    |      |       |                                           |       |
|-----------|---------------|----|------|-------|-------------------------------------------|-------|
|           |               |    |      |       | 95% Confidence interval of the difference |       |
|           |               |    |      |       | Lower                                     | Upper |
| VAR000003 | 21.929        | 49 | .000 | 3.360 | 3.05                                      | 3.67  |

**Interpretation:**

- $T\text{-test}_{\text{cal}} = 21.929$
- $T\text{-test}_{\text{tab}} = 2.0096$

Therefore  $t_{\text{cal}} > t_{\text{tab}}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-test is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that modification and advancement of human resource accounting is important in order to solve the problem application in human resource across the globe.

**4. Fluctuation of employees in call centre industry**

- Statistical Testing :

$H_0$  : Call centre industries are not facing high employee fluctuation.

$H_1$  : Call centre industries are facing high employee fluctuation

Table 4.4

**One –sample statistic stability of employees in call centre industry**

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000004 | 50 | 3.28 | .004          | .128           |

## One – sample Test

|           | T      | df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|-----------|--------|----|----------------|-----------------|-------------------------------------------|-------|
|           |        |    |                |                 | Lower                                     | Upper |
| VAR000004 | 25.644 | 49 | .000           | 3.280           | 3.02                                      | 3.54  |

**Interpretation:**

- $T\text{-test}_{\text{cal}} = 25.644$
- $T\text{-test}_{\text{tab}} = 2.0096$

Therefore  $t_{\text{cal}} > t_{\text{tab}}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-test is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that call centre industry is facing high level of fluctuation in the number of employees.

#### 5. Human resource fluctuation effect more the domestic call centre industry or international call centre industry

- Statistical Testing:

$H_0$ : Domestic call centre industry are more affected compared to international call centre industry.

$H_1$ : Domestic call centre industry are more affected compared to international call centre industry.

Table 4.5

#### One sample statistics impact of domestic call centre industry.

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000005 | 50 | 1.74 | .828          | .117           |

One – sample Test

|           | T      | df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|-----------|--------|----|----------------|-----------------|-------------------------------------------|-------|
|           |        |    |                |                 | Lower                                     | Upper |
| VAR000005 | 14.854 | 49 | .000           | 1.740           | 1.50                                      | 1.98  |

**Interpretation:**

- $T\text{-test}_{\text{cal}} = 14.854$
- $T\text{-test}_{\text{tab}} = 2.0096$

Therefore  $t_{\text{cal}} > t_{\text{tab}}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-tests is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that domestic call centre industry are affected severely by fluctuation in number of employees compared to international call centre industry.

**6. Outbound process call process high fluctuating problems with human resource.**

- Statistical Testing:

$H_0$ : Employees in out-bound process are stable then inbound process.

$H_1$ : Outbound process is more affected than inbound process from fluctuating in numbers of employees.

Table 4.6

**One –sample statistics on stability of employees in outbound call process**

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000006 | 50 | 3.44 | 1.110         | .157           |

**One – sample Test**

|               |
|---------------|
| Test Value =0 |
|---------------|

|           | T      | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|-----------|--------|----|----------------|-----------------|-------------------------------------------|-------|
|           |        |    |                |                 | Lower                                     | Upper |
| VAR000006 | 21.924 | 49 | .000           | 3.440           | 3.12                                      | 3.76  |

**Interpretation:**

- $T\text{-test}_{\text{cal}} = 21.924$
- $T\text{-test}_{\text{tab}} = 2.0096$

Therefore  $t_{\text{cal}} > t_{\text{tab}}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-test is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that out bound call process in call centre industry is facing really problems with the stability of human resource.

**7. Existence of human resource fluctuation in the longer period.**

- Statistical Testing :

$H_0$  : highly fluctuating in numbers of employees will exit for specified or shorter period.

$H_1$  : highly fluctuating in numbers of employees will exist for longer period.

Table 4.7

**One –sample statistics on existence of fluctuation**

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000007 | 50 | 3.58 | 992           | .140           |

**One – sample Test**

|               |
|---------------|
| Test Value =0 |
|---------------|

|           | T      | df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|-----------|--------|----|----------------|-----------------|-------------------------------------------|-------|
|           |        |    |                |                 | Lower                                     | Upper |
| VAR000007 | 25.529 | 49 | .000           | 3.58            | 3.30                                      | 3.86  |

**Interpretation :**

- $T\text{-test}_{cal} = 25.529$
- $T\text{-test}_{tab} = 2.0096$

Therefore  $t_{cal} > t_{tab}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-tests is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that fluctuation will exit for a longer period in call centre industry compared with other industries.

**8. Treatment of human resource as an asset.**

- Statistical Testing:

$H_0$  : Human resource is an asset in highly fluctuating employee's scenario.

$H_1$  : Human resource is not as asset in highly fluctuating employee's scenario.

Table 4.8

**One sample statistics on treatment of HRA as an asset**

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000008 | 50 | 2.46 | 1.014         | .143           |

One –  
sample Test

|           | Test Value =0 |    |                |                 |                                           |       |
|-----------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|           | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|           |               |    |                |                 | Lower                                     | Upper |
| VAR000008 | 17.148        | 49 | .000           | 2.460           | 2.17                                      | 2.75  |

**Interpretation:**

- $T\text{-test}_{\text{cal}} = 17.148$
- $T\text{-test}_{\text{tab}} = 2.0096$

Therefore  $t_{\text{cal}} > t_{\text{tab}}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-test is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that we cannot treat human resource as an asset in the situations where the rate of human resource fluctuation is more.

9. Treatment of profit in fluctuating scenario
  - Statistical Testing :

$H_0$  : HRA will raise profit against unrecoverable expenses in call centre industry.

$H_1$  : HRA will raise more unrecoverable expenses in call centre industry.

Table 4.9

**One sample statistics on treatment of profit in this scenario**

|          | N  | Mean | Std deviation | Std error mean |
|----------|----|------|---------------|----------------|
| VAR00009 | 50 | 3.50 | 1.015         | .144           |

**One – sample Test**

|           | Test Value =0 |    |                |                 |                                           |       |
|-----------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|           | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|           |               |    |                |                 | Lower                                     | Upper |
| VAR000009 | 24.378        | 49 | .000           | 3.500           | 3.21                                      | 3.79  |

**Interpretation:**

- $T\text{-test}_{\text{cal}} = 24.378$

- $T\text{-test}_{\text{tab}}=2.0096$

Therefore  $t_{\text{cal}} > t_{\text{tab}}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-test is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that HRA will raise more expenses as investment on employees and these expenses will reduce the percentage of profitability.

10 applicability of HRA in all scenarios

Statistical Testing :

$H_0$  : HRA is applicable in all scenario

$H_1$  : HRA is not applicable in all the scenario especially with unstable human resource.

Table 4.10

One sample statistics on applicability of HRA in all scenario

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000010 | 50 | 3.14 | 1.030         | .146           |

One – sample Test

|           |               |    |                |                 |                                           |       |
|-----------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|           | Test Value =0 |    |                |                 |                                           |       |
|           | Test Value =0 |    |                |                 |                                           |       |
|           | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|           |               |    |                |                 | Lower                                     | Upper |
| VAR000007 | 21.549        | 49 | .000           | 3.140           | 2.85                                      | 3.43  |

**Interpretation :**

- $T\text{-test}_{\text{cal}} = 21.549$
- $T\text{-test}_{\text{tab}} = 2.0096$

Therefore  $t_{\text{cal}} > t_{\text{tab}}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-test is 0.000. thus we reject  $H_0$  and accept  $H_1$ , concluding that HRA can not be applicable in all situation especially with unstable human resource in numbers.

#### 11. Performance appraisal after adopting HRA in call centres.

##### Statistical testing

$H_0$  : HRA adoption will lead more problems when performance appraisal is made.

$H_1$  :HRA adoption will not lead to any problem when performance appraisal is made

Table 4.11

One sample statistics on probability of HRA after adoption

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000011 | 50 | 2.08 | 1.047         | .148           |

##### One – sample Test

|            | Test Value =0 |    |      |       |                                           |       |
|------------|---------------|----|------|-------|-------------------------------------------|-------|
|            |               |    |      |       | 95% Confidence interval of the difference |       |
|            |               |    |      |       | Lower                                     | Upper |
| VAR0000011 | 14.052        | 49 | .000 | 2.080 | 1.78                                      | 2.38  |

##### Interpretation:

- $T\text{-test}_{\text{cal}} = 14.052$

- $T\text{-test}_{\text{tab}}=2.0096$

Therefore  $t_{cal} > t_{tab}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-tests is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that HRA will do more favourable for the method of performance appraisal and other human resource department activities.

12. HRA to be used as tax saver tool.

Statistical testing

$H_0$  : HRA will not be a tax saver tool for the call centre industries of HRA in accepted

$H_1$  :HRA will be tax saver tool for call centre industries if HRA is accepted as a concept from tax authorities.

Table 4.12

One sample statistics on HRA as tax saver tool

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000012 | 50 | 3.60 | 1.178         | .167           |

One – sample Test

|            | Test Value =0 |    |                |                 |                                           |       |
|------------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|            | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|            |               |    |                |                 | Lower                                     | Upper |
| VAR0000012 | 21.609        | 49 | .000           | 3.600           | 3.27                                      | 3.93  |

**Interpretation:**

- $T\text{-test}_{cal} = 24609$
- $T\text{-test}_{tab} = 2.0096$

Therefore  $t_{cal} > t_{tab}$ . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-tests is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that if HRA is adopted in future in call centre industries, it can be one of the tool where company can show expenses on employees and can reduce the burden of tax if, tax authority accepts it.

### 13. Benefits of HRA in call centre industry

#### Statistical testing

$H_0$  : HRA is adverse in call centre industry

$H_1$  :HRA is beneficial is call centre industries

Table 4.13

#### One sample statistics effect of HRA in call centre industry

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000013 | 50 | 2.76 | 1.318         | .186           |

#### One – sample Test

|            | Test Value =0 |    |                |                 |                                           |       |
|------------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|            | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|            |               |    |                |                 | Lower                                     | Upper |
| VAR0000013 | 14.807        | 49 | .000           | 2.760           | 2.39                                      | 3.13  |

#### Interpretation:

- $T\text{-test}_{cal} =$
- $T\text{-test}_{tab} =$

Therefore  $t_{cal} > t_{tab}$  . Thus we reject  $H_0$  and accept  $H_1$

The significant at 2 tailed t-tests is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that if

## 14 Treating employees as an asset who quit the job in 6months

Table 4.14

One sample statistics on treatment of who quit the job within 6 months

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000014 | 50 | 2.20 | .990          | .140           |

## One – sample Test

|            | Test Value =0 |    |                |                 |                                           |       |
|------------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|            | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|            |               |    |                |                 | Lower                                     | Upper |
| VAR0000014 | 15.718        | 49 | .000           | 2.200           | 1.92                                      | 2.48  |

**Interpretation:**

- $T\text{-test}_{cal} = 15.718$
- $T\text{-test}_{tab} = 2.0096$

Therefore  $t_{cal} > t_{tab}$ . Thus we reject  $H_0$  and accept  $H_1$ .

The significant at 2 tailed t-tests is 0.000. Thus we reject  $H_0$  and accept  $H_1$ , concluding that the employees who quit their job within 6 months won't be treated as human asset.

## 15. Time required to treat human as an asset in a company

## Statistical testing

$H_0$ : No time period is required to treat employees as an asset.

$H_1$ : Minimum time is required to treat human as an asset.

Table 4.15

## One sample statistics on treatment of who quit the job within 6 months

|           | N  | Mean | Std deviation | Std error mean |
|-----------|----|------|---------------|----------------|
| VAR000015 | 50 | 1.12 | 1.534         | .385           |

## One – sample Test

|            | Test Value =0 |    |                |                 |                                           |       |
|------------|---------------|----|----------------|-----------------|-------------------------------------------|-------|
|            | T             | Df | Sig (2-tailed) | Mean Difference | 95% Confidence interval of the difference |       |
|            |               |    |                |                 | Lower                                     | Upper |
| VAR0000015 | 15.718        | 49 | .000           | 3.120           |                                           |       |

**Interpretation:**

- $T\text{-test}_{cal} = 14.383$
- $T\text{-test}_{tab} = 2.0096$

Therefore  $t_{cal} > t_{tab}$ . Thus we reject  $H_0$  and accept  $H_1$ .

The significance at 2 tailed t-test is 0.000. Thus we reject  $H_0$  and accept  $H_1$ . thus minimum time is required to treat human as an asset.

**Finding and conclusion**

- ❖ Human resource accounting is a new concept and its being implemented step by step on a day to day basis, by various industries. As far as industries in our country is concerned human resource accounting is still in the development stage.
- ❖ Most of the respondent felt that adoption of human resource accounting is essential for India after globalisation as objective of HRA is not merely the recognition of the value of all resources used by the organization, but also includes the management of human resource which will enhance the quantity and quality of goods and services.
- ❖ The study found that modification is required in human resources accounting because of the drawback in the concept in human resource. As there is no proper clear cut and

specific procedure or guideline for finding cost and value of human resource of an organization. There is no universally accepted method for human resource accounting.

- ❖ The study found out that domestic call centre industries are facing high fluctuating human resource, where this causes various problems on the implementation of human resource accounting system in industry.
- ❖ Domestic call centre industries are facing high fluctuating problems towards the number of employees in company if compared with international companies. The period of existence of human resource is uncertain and hence valuing them under uncertainty in future seems to be unrealistic.
- ❖ In spite of all its significance and necessity, tax laws do not recognize human beings as assets. In future HRA concept can be a tax saver tool for the call centre industry if tax industry accepts it as another accounting concept for preparation of financial statement.
- ❖ The study found that there should be a minimum time period concerned with the treatment of human resource as an asset.
- ❖ The study found that fluctuation in human resource will have an impact on implication on human resource accounting in all the call centre industries.\

## **Suggestions:**

- ❖ Though HRA is new concept, which is still in the developing stage. HRM and HRA is now followed by most of the medium and large scale companies in India as there is awareness of the benefits in terms of Revenue, productivity, flexibility in skill development and so on. It requires lot of studies in its modification of the concept because when it comes for adopting this concept various doubts arises in terms of methods of evaluation. There is need to prescribe the specific provisions for valuing human resources and disclosing the details of investment in human assets. HRA measures can be used to show that investments in a company's human resources may result in long-term profit for the company.
- ❖ The call centre industry can easily come out the problem if the government makes legally strong of job contract between the employer and employee.
- ❖ Many employees find call centre jobs to be routinized and boring, leading to high levels of employee dissatisfaction, absenteeism, and turnover. There should be minimum time bound to treat human resource that who joins company to be treated as assets, so the company can avoid losses against human assets and they can show it as an opening expenses.

## **Conclusion:**

Human resource accounting can be useful in every company. In recent years, the importance of Call Centres has increased exponentially in the customer care industry. The call centre company is facing high unstable employees in numbers and automatically face the problems labour turnover. The study found that there should be certain time parameter regarding the treatment of

employees as assets in the company. HR managers need to put in efforts on the development of their employees, building new and innovative retention and motivational schemes, making the

environment challenging by providing effective leadership so that the employees get motivated while working in this environment. The majority of the employees working in call centres are young, energetic and are able to work continuously at a very long stretch. Thus, managing the human resource in domestic call centre industry is a challenge.

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