A STUDY ON IMPACT OF HUMAN RESOURCE ACCOUNTING POLICIES AND PRACTICES ON MOTIVATION LEVEL OF EMPLOYEES IN GOVERNMENT HOSPITALS IN MUMBAI AND SUBURBAN AREAS

Mr. Suraj Agarwala[*]
Dr. Chandrashekhar Deore[**]

ABSTRACT

In the current century, the knowledge and attitude of employees have greater significance than the physical assets. Human resources are identified as the main source of competitive advantage by any organization. So, employees should be valued. The method of valuing employees in monetary terms is called Human Resource Accounting. Human Resource Accounting measures the cost invested by the organization on the employee and the value in the form of employee service contribution to the organization. An individual's expected conditional value and expected realizable value will be equal if he is certain to remain in the organization in the predetermined roles throughout his expected service life. But it depends upon the motivation level of employees. When the services rendered by the employees are valued then they get a feeling of recognition and take more interest in their job. Awareness of investment made by the organization on the employees makes them responsible to contribute in terms of service worth higher than the investments. Centralization, little opportunity for advancement, great amount of formalization, and a high degree of specialization affects employee motivation negatively. HRA system can be useful to report the impact of motivation. The major objective of this study is to understand how the Human Resource Accounting Policies and Practices impact Motivational factors The study is based on Primary and Secondary data and an extension of related literature. A highly motivated employee imparts a lot of direct and indirect benefits to the organization. They are more loyal, creative, innovative, create a good work environment, perform better, etc. All these benefits help the organization to a great extent. Questions about all motivation factors are asked to gaze at the impact of the Motivation level of employees. The descriptive statistics in the form of Histogram charts are shown. The overall conclusion that can be drawn out of this research is that although HRA is a new concept that is very new to employees, implementation of HRA policies and practices has a positive impact on the motivational level of employees in government hospitals of research area taken.

_____

Keywords: *Human Resources, HRA Policies and Practices, Motivation, HR Value, Achievements.*

_____

Introduction

The American Accounting Association (1973) defines HRA as "the process of identifying and measuring data about human resources and communicating this information to interested parties." (American Accounting Association,, 1974). Accountants have acknowledged the value of human assets for seven decades. Rensis Likert has begun his research in Human Resource Accounting during the 1960's. The economy observed a general transition from manufacturing to a service-based economy during the early 1980's. This shift revived interest in HRA and made it gain momentum and prominence. Human Resource is a vital asset to organizations as their success is reliant on the quality of human resources. The human element has been eminent as the most crucial input in an organization. Therefore, the valuation of such an asset is necessary. HRA helps in the valuation of human assets, facilitating the

[*]   Research Scholar, B. K. Birla College of Science, Arts &Commerce, Kalyan, Maharashtra, India.
[**]   Associate Professor, K.P.B.Hinduja College of Commerce, Mumbai, Maharashtra, India.

management of human resources effectively and efficiently. In the knowledge-driven economy of current century, the knowledge and attitude of employees have greater significance than the physical assets. Human resources are identified as the main source of competitive advantage by any organization. The physical assets are man-driven. So, every employee should be valued. The method of valuing employees in monetary terms is called Human Resource Accounting. Human Resource Accounting measures both the cost invested by the organization on the employee in the form of recruitment, selection, hiring, training, and development and the value in the form of employee service contribution to the organization. Human Resource Accounting assists in the management of Employment and utilization of Human Resources. If HRA is implemented in the organization then each employee will know their value in money in the organization. The accomplishment of any organization is contingent on the quality of the Human Resource. The knowledge, skills, competence, motivation, and accepting the organizational culture are the main source of using all resources of any organization effectively. Human resources must be recognized as an integral part of the total worth of an organization. An individual's expected conditional value and expected realizable value will be equal if he is certain to remain in the organization in the predetermined roles throughout his expected service life. But it depends upon the motivation level of employees working in the organization. When the services rendered by the employees are valued then they get a feeling of recognition and take more interest in their job assigned. Awareness of investment made by the organization on the employees makes them responsible to contribute in terms of service worth higher than the investments. Motivation refers to reasons that the behavior of a person is characterized by willingness and volition Intrinsic motivation. It is animated by personal enjoyment, pleasure, whereas extrinsic motivation is governed by reinforcement factors. (Guay, 2010).

Motivation Theory by Maslow's Theory and by Herzberg Theory			
Maslow's Theory of Motivation		**Herzberg Theory of Motivation**	
Sr. No.	**Factors**	**Sr. No.**	**Factors**
1.	Physiological needs	1.	Achievement and Recognition
2.	Safety needs	2.	Work itself
3.	Needs for love, affection, and belongingness	3.	Responsibility
4.	Needs for esteem	4.	Advancement
5.	Needs for self-actualization	5.	Possibility of Growth

Review of Literature

- Mr. Patil Shripada Dinesh (November 2014) completed his research on 'Study of human resource accounting practices in information technology sector in India and its impact on strategic human resource management' where one of the objectives was taken for the study is to find the impact of HRA on motivation level of employees. It was concluded that HRA practices motivates employees but for that HRA value should be communicated to the employees.

- Rensis Likert (1967) propounded that the "Human Capital Accounting (HCA) would play a key role in the development of value and, thus, increases the performance of an organization through the introduction and participatory management structure and processes which he called System 4". Likert argues that changes in causal variables viz. management style, leadership strategies and organizational structures, not only result in enhanced productivity, cost, results, or variables of the final results of similar organizations, but also manifest themselves in enhanced attitudes, loyalties, motivations and objectives of performance, perceptions, skills, among others, between employees.

- Duc Tai Doa, Son Tung Hab , Manh Dung Tranb and Thanh Trung Nguyen (June 28 2019) in their study named 'Motivation for accounting human resources by material stimulation: The case of accounting service firms in Hanoi, Vietnam' was conducted for evaluating the motivation for accounting human resources by material stimulation in the accounting service firms in Hanoi via payroll, evaluating the work performance, bonus measures, welfare, etc. Some recommendations were also given for improving the motivation for accounting human resources by material stimulation in the accounting service firms in Hanoi.

Objective of the Study

- To study the impact of Human Resource Accounting Practices on Motivational level of employees in selected government Hospitals in Mumbai & Suburban area.

Hypothesis of the Study

H (0): Gender wise there is no significant difference in impact of Human Resource Accounting practices on the employees' motivation level in selected Government Hospitals in Mumbai & Suburban area.

H (1): Gender wise there is significant difference in impact of Human Resource Accounting practices on the employees' motivation level in selected Government Hospitals in Mumbai & Suburban area.

H (0): There is no significant impact of Human resource accounting practices on the factors contributing to employee's motivation level in selected Government Hospitals in Mumbai & Suburban area.

H (2): There is significant impact of Human resource accounting practices on the factors contributing to employee's motivation level in selected Government Hospitals in Mumbai & Suburban area.

Research Methodology

The research is done based on primary data. A set of questionnaires were prepared on 5-point Likert scale. A total of 100 responses were collected from employees of Government hospital of Mumbai and Mumbai Suburban areas. Out of 100 respondents, 60 were female and 40 were male.

The secondary data also considered while covering the research.

Data Interpretation

For the first hypothesis z-Test: Two Sample for Means is used to analyze the data. Data Interpretation: As per Z-Test: Two Sample Means the P value is more than 0.05.

z-Test: Two Sample for Means		
	4	5
Mean	4.333333333	4.375
Known Variance	0.624	0.843
Observations	60	40
Hypothesized Mean Difference	0	
z	-0.234858287	
P(Z<=z) one-tail	0.407159363	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.814318726	
z Critical two-tail	1.959963985	

The second test Chi-square is applied & it is validated using Cramer's V used (The tool used is Vassar stats). As per the Chi-square test the P value is 0.6005.

Chi-Square	df	P
2.75	1	0.6005

Cramer's V = 0.3134

So, as per the test, the P value is more than 0.05. So, the alternative hypothesis is rejected, and Null Hypothesis is Accepted. So, Gender wise there is no significant difference in impact of Human Resource Accounting practices on the employees' motivation level in selected Government Hospitals in Mumbai & Suburban area.

For the second hypothesis, Factor analysis is done. The factors are considered as below:

Recognition	Contribution
Monetary	Value
Satisfaction	Personal growth
Remuneration	Teamwork
Self-contended	Self-respect

The analysis is as below:

Communalities		
	Initial	**Extraction**
Recognition	1.000	.855
Contribution	1.000	.744
Monetary	1.000	.902
Value	1.000	.493
Satisfaction	1.000	.883
Personal growth	1.000	.891
Remuneration	1.000	.693
Teamwork	1.000	.799
Self-contended	1.000	.932
Self-respect	1.000	.841
Extraction Method: Principal Component Analysis.		

Scree Plot

Total Variance Explained
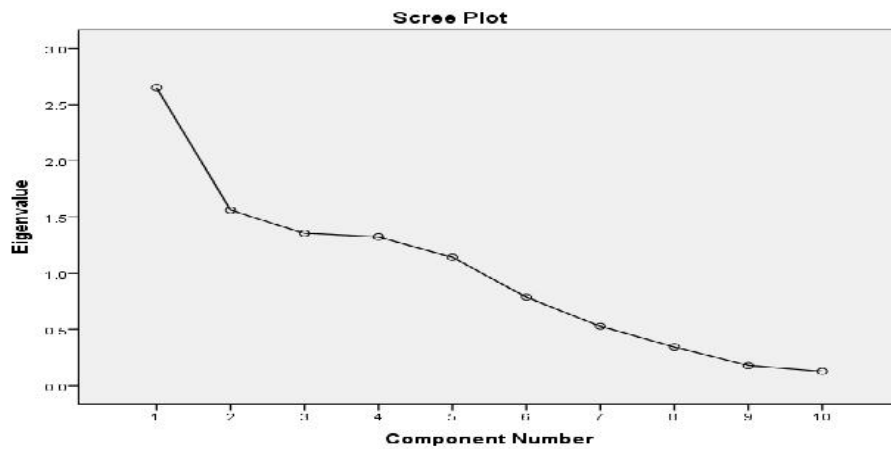
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.651	26.511	26.511	2.651	26.511	26.511	2.054	20.543	20.543
2	1.561	15.615	42.126	1.561	15.615	42.126	1.846	18.462	39.005
3	1.355	13.549	55.675	1.355	13.549	55.675	1.495	14.948	53.953
4	1.323	13.234	68.908	1.323	13.234	68.908	1.387	13.870	67.823
5	1.142	11.422	80.330	1.142	11.422	80.330	1.251	12.507	80.330
6	.787	7.872	88.202						
7	.528	5.280	93.482						
8	.344	3.444	96.926						
9	.179	1.791	98.717						
10	.128	1.283	100.000						

Extraction Method: Principal Component Analysis.

	Component				
	1	2	3	4	5
Recognition	.654	-.063	-.096	.609	.208
Contribution	.612	-.015	-.073	.603	-.023
Monetary	.245	.597	.434	.063	-.542
Value	.570	.178	.186	-.254	.193
Satisfaction	.635	.283	-.165	-.599	.117
Personal growth	-.445	.578	.454	.353	.168
Remuneration	.705	.360	-.085	-.103	-.221
Teamwork	.601	-.561	.331	-.028	.114
Self-contended	.066	-.558	.566	-.081	-.538
Self-respect	.039	.025	.669	-.135	.611

Extraction Method: Principal Component Analysis.

a. 5 components extracted.

In Factor Analysis it is observed that 80% cumulative % is present. In Scree Plot also proves that alternative hypothesis (H2) is accepted.

Factor 1: Recognition, Satisfaction and Remuneration has deep impact on Motivation Level if HRA Practices is implemented

Factor 2: The Monetary and Personal Growth Factors plays important role in motivation

Factor 3: Self-contended, Self-Respect and Contribution has an impact on Motivation Level.

Hence HRA has impact on Motivation level through different factors of motivation as per the Maslow and Herzberg Theory of Motivation.

Conclusion

The overall conclusion that can be drawn out of this research is that:

- HRA implementation has impact on motivation level of employees in hospital.
- Employees will be benefited if HRA information is made available to employees of hospitals, and the results are universally relevant.
- Use of HRA in framing HR Policies motivates employees of hospitals.
- Gender wise, there is no significant difference in impact of HRA on motivation level on employees in hospitals.
- HRA Practices influence the factors which are important in Motivation level as per Maslow's Theory and Herzberg Theory

Recommendation

Further Research can take place by the researcher that how HRA Reporting system can enhance the work culture through positive motivational factors in the organization.

References

1. American Accounting Association,. (1974). Report of the Committee on Accounting for Human Resources. *The Accounting Review, Supplement to Volume XLIX*, 115-124.
2. Guay, F. C. (2010). ntrinsic, identified, and controlled types of motivation for school subjects in young elementary school children. *British Journal of Educational Psychology, 80(4)*, 711 - 735.
3. Nickerson, C. (2021, November 16). *simply psychology.* Retrieved from www.simplypsychology.org: https://www.simplypsychology.org/herzbergs-two-factor-theory.html
4. Shripada, D. P. (November, 2014). *Study of human resource accounting practices in information technology sector in India and its impact on strategic human resource management.*
5. SMITHA, P. (JULY 2017). *INEVITABILITY OF HUMAN RESOURCE ACCOUNTING IN INDIAN INDUSTRIES – A STUDY.*

◉○○