Chapter 6

Findings and Suggestions
CHAPTER 6

FINDINGS AND SUGGESTIONS

The data collected from the two organizations under consideration was analyzed statistically and presented as under.

6.1 FINDINGS AT A GLANCE:

The Karl Pearson’s coefficient of correlations between different variables for both the organizations is presented in the following table.

<table>
<thead>
<tr>
<th>Variables</th>
<th>M/s Menon &amp; Menon Pvt. Ltd. Kolhapur</th>
<th>M/s Bemco Hydraulics Ltd. Belgaum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Evaluation points and contribution</td>
<td>0.824 (5.10)</td>
<td>0.999 (5.23)</td>
</tr>
<tr>
<td>2. Evaluation points and Valuation</td>
<td>0.963 (5.10)</td>
<td>0.999 (5.23)</td>
</tr>
<tr>
<td>3. Contribution and Valuation of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Organization in total</td>
<td>0.943 (5.14)</td>
<td>0.758 (5.27)</td>
</tr>
<tr>
<td>b) Group of managers</td>
<td>0.926 (5.15)</td>
<td>0.992 (5.28)</td>
</tr>
<tr>
<td>c) Individuals</td>
<td>0.940 (5.10)</td>
<td>0.999 (5.23)</td>
</tr>
</tbody>
</table>
4) Qualifications and experience

Vis-à-vis & handling the people 0.201 (5.11) 0.147 (5.24)

and task.

5. Tests of Enquiry Schedule

(Test – Retest Method)

Coefficient of correlation ‘r’

<table>
<thead>
<tr>
<th>Tests</th>
<th>0.824 (5.13)</th>
<th>0.537 (5.26)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I &amp; II</td>
<td>0.836 (5.13)</td>
<td>0.617 (5.26)</td>
</tr>
<tr>
<td>I &amp; III</td>
<td>0.760 (5.13)</td>
<td>0.762 (5.26)</td>
</tr>
</tbody>
</table>

6. Scaling pattern

(Task Vs People)

a) Coefficient of correlation ‘r’

- 0.223 (5.12) 0.124 (5.25)

(Figures in parentheses indicate respective table numbers.)

It is observed from the above table 6.1 that the instrument (enquiry schedule) developed is highly reliable to use in the present study based on the following findings.
i) Higher the coefficient, higher the degree of reliability.

ii) In case of scaling pattern, the obtained values point out negligible negative and positive correlation between the variables. This indicates that the scaling pattern is independent.

6.2 CONCLUSIONS:

The following findings and conclusions can be drawn from the analysis of the data collected, that:

1. Qualitative aspects like abilities and skills can be quantified with the help of marking schemes evolved in the model in the present study (Ref. Tables 5.9 A, B, C. and 5.22 A, B, C)

2. There is positive correlation between evaluation points i.e. (abilities and skills) and contribution. (Ref. Tables 5.10, 5.23) This means the contribution of an individual varies in proportion to the abilities and skills of the person.

3. Positive correlation is also found between the evaluation points and valuation of an individual. (Ref. Tables 5.10, 5.23)

4. The correlation between qualification and experience Vis-a-Vis handing the people and task is not significant. (Ref. Tables 5.11, 5.24) The negligible correlation indicates that all qualified and experienced person may or may not handle the people and task properly.
All the hypotheses set to be tested in the development of HRA model are tested. The first three research hypotheses are supported whereas the last one is rejected. (Ref. Tables 5.29 to 5.32).

5. It is possible to identify the contribution and to arrive at the valuation of human resources of the organization in total, of the group, and of an individual. (Ref. Tables 5.6, 5.8, 5.10 and 5.19, 5.21, 5.23)

6. There is also positive correlation between contribution and valuation of human resources in total, of a group, and of an individual. (Ref. Tables 5.14, 5.27, 5.15, 5.28, 5.10 and 5.23) This indicates that at any level the valuation varies in proportion to contribution.

Thus, it is evident that the conceptual model based on the contribution of management personnel to the organizations in the present research for both the manufacturing units have been tested and found useful. Hence, it is possible for the organization to value the human resources (management staff) entirely based on the contribution of the employees. Not only is the present model focused on valuation but it can help management to evaluate periodically and to take remedial steps to improve the performance of both individuals as well as the organization.

It is interesting to note that this model is not based on the present value of the future earnings of the employees unlike all the models suggested in the literature. Hence, the model encompasses the criticisms of the human resource accounting models in vogue.
6.3 Suggestions

1. Testing and accepting the hypothesis makes it clear that the developed valuation model of human resources is much more useful to the manufacturing industry. However, it can also be tested and used in tertiary industry, with suitable modification, if any.

2. It can help the management to monitor the human resource as an asset for decision making on periodical basis such as measuring efficiency, effectiveness, gradation, promotion, training and warning if needed.

3. The present model also focuses on abnormal situations like abnormal losses or gains. These abnormal situations may not be caused by the employees, except strikes. Such situations should not be taken in to account by the management for evaluation of performance of the employees.

4. This conceptual model is neither based on future period, nor on salaries and wages predicated for future period. It is based on the actual contribution on yearly basis. It also evaluates only those persons who have contributed to the actual contribution achieved by the organization. Therefore, the companies in India adopting Human Resource Accounting can also think to shift to the present model which has the practical base.

5. As far as the disclosure of the valuation is concerned, it is left to the management. In order to maintain secrecy it may not disclosed the
individual valuation, but it is not harmful to disclose the total amount of valuation as supplementary information in the balance sheet. This would help the investors to evaluate the market-worthiness of the organization.

The entire work is discussed with the Managing Director and the senior management personnel. They have accepted the novel concepts and appreciated the model as well as the usefulness of the management information system. M/s. Menon and Menon Pvt. Ltd. is eager to implement the newly developed valuation model and ready to operate the system in their organization.

6.4 SCOPE FOR FURTHER STUDY

The following topics are open for further study:

1. A conceptual valuation model of workers.

   Though it may be far from imagination to evaluate each and every blue collar employee in an organisation, due to the varied nature of work, it is suggested that in distant future evaluation of such workers may also be tried and tested.

2. A valuation model in other sectors like education, banking, insurance etc.