

## **CHAPTER ONE**

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# **METHODOLOGICAL NOTES**

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- 1.1. Introduction.
- 1.2. Objectives of the Study.
- 1.3. Methodology of the Study.
- 1.4. Data Collection.
- 1.5. Scope and Limitations of the Study.
- 1.6. Organisation of the Study.
- 1.7. Detailed Chapter Scheme.

## METHODOLOGY NOTES

### 1.1. INTRODUCTION

Of late, accounting for the human resources, is gaining importance. It is a well known fact, that human resources having been recognised as one of the major factors of production, are one of the most important assets to the organisation, in the affairs of which, the said resources are utilised. Of the four factors of production viz man money, material, and land, while three of them are amenable to conventional accounting, 'man' i.e. the human resources have not been subjected to such accounting. A conceptual change has been taking place during the past 2 decades especially in USA, & other European organisations where human resources accounting is being accepted as a branch of managerial accounting, involving application of accounting concepts and methods to the area of personnel management.

It need hardly be stressed about the importance of the role to be played by the human assets in the matter of increasing the productivity of the other physical assets in the industrial field. The human resources accounting is a latest development in the profession of accountancy.

The concept of Human Resource Accounting is based on the basic consideration that like wise plant and machinery, land and builds, furniture and fittings etc., human resources are valuable assets, and as such their valuation is essential. In fact human, resources are more valuable assets than the other physical assets because the replacement of human assets is not as easy as that of the physical assets. Human resources is the knowledge of the people in the organisation their skill talent and energies which can be or should be efficiently applied to the production of goods or in rendering the organisational objectives of the business enterprise. Capital resources and natural resources are considered as passive factors of production while the human resources are treated as active factors of production because it is the human resources that mobilise the capital resources exploit the natural resources and build up a progressive organisation. Any human organisation will be unable to develop in its activities if it is unable to develop the skills, and knowledge of the human beings in the organisation and utilise them efficiently in its day-to-day activities.

## 1.2. OBJECTIVES OF THE STUDY.

The study in the hand is partial fulfillment of the university requirement for master degree in Philosophy, Commerce and Management, leading to M.Phil (Commerce and Management) qualification. The study is undertaken with the following specific objectives.

1. To take an overview of Maschinenfabrik Polygraph (India) Ltd., Kolhapur.

2. To study composition of different grades in the company.

3. To analyse the productivity of human resources in the company.

\* Maschinenfabrik Polygraph (India) Limited here in after referred as MPIL.

4. To arrive at specific observation & company's overall performance and human force engaged.

## 1.3. METHODOLOGY OF THE STUDY

The methodology adopted for the purpose of the study is a "CASE STUDY METHOD" in which the factory under study "MPIL" is assumed to be a representative sample of industries located in the region, say Kolhapur industrial area (Shiroli) and studied in depth to achieve the objectives mentioned in Chapter 1.2.

For this purpose random sample method (convenient purposive sample) is adopted as the data was very accessible to the researcher in the unit selected.

#### 1.4. DATA COLLECTION

For the present study in hand mainly secondary data is made use of the data utilised for this purpose is obtained from the following sources :

- a) Annual financial statements published by the organisation.
- b) Review of literature : An extensive review was undertaken of the books, periodicals, trade journals etc., available in the following libraries.
  - i) Library of Chh. Shahu Central Institute of Business Education and Research, Kolhapur.
  - ii) Balasaheb Khardekar Library, Shivaji University, Kolhapur.

The data so obtained is subject to further analysis and interpretation.

In order to bridge the gap between published information and actual practice personal discussions were held with the officers of the factory.

#### 1.5. SCOPE AND LIMITATIONS OF THE STUDY

The scope of the study is limited to five years since 1987-88 to 1990-91 and the value of human resource could not be computed on account of the non availability of the data required for such computations which could form into a major limitation of the study.

#### 1.6. THE ORGANISATION OF THE STUDY

The study in hand is organised in Six chapters. The chapter No.1 deals with methodological issues of the study in which mode of data collection etc., is discussed in details. In the chapter No.2 theoretical frame work of the study is presented in which objectives of Human Resources Accounting and other related issues are explained. The chapter no.3 is devoted for the general review of Profile of the Region and organisation covered under study is discussed. Data analysis of the study is presented in chapter no.4 and in the last chapter no.5 observations and suggestions and conclusions of the study are presented. In the last part of the study BIBLIOGRAPHY is given.

**1.7 CHAPTER SCHEME OF THE STUDY****CHAPTER - ONE                      METHODOLOGICAL NOTES**

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- 1.7.            Detailed Chapter Scheme.

**CHAPTER - TWO                      THEORETICAL FRAME WORK**

- 2.1.            Introduction.
- 2.2.            Meaning & definition of Human Resource Accounting.
- 2.3.            Importance of Human Resource Accounting.
- 2.4.            Types of Human Resource.
- 2.5.            Need for Human Resource Accounting.
- 2.6.            Factors affecting on Human Resource Accounting.
- 2.7.            Various methods of evaluating the Human Resource Accounting.
- 2.8.            Review of Human Resource Accounting in Indian Companies.
- 2.8 (a)        Human Resource Accounting in India.
- 2.8 (b)        Human Resource Accounting in some multinationals.

**CHAPTER THREE : PROFILE OF THE REGION & ORGANISATION COVERED  
UNDER STUDY**

- 3.1. Introduction.
- 3.2. Profile of Kolhapur District.
- 3.3. Profile of the organisation.
- 3.4. Performance of the Company.
- 3.5. Managerial aspect of the factory.
- 3.6. Organisation Chart.

**CHAPTER FORU DATA ANALYSIS**

- 4.1. Category wise composition of employees.
- 4.2. Category wise composition in different grades of employees.
- 4.3. Departmentwise Composition of employees.
- 4.4. Turnover per Employee.
- 4.5. Turnover to Fixed Assets at Current Cost.
- 4.6. Percentage Increase in Turnover.
- 4.7. Value Added.
- 4.8. Disposition of Value Added.
- 4.9. Value Added per Employee.
- 4.10. Emoluments per Employee.
- 4.11. Value Added to Personnel Payments.

**CHAPTER FIVE OBSERVATIONS & SUGGESTIONS**

- 5.1. Observations.
- 5.2. Suggestions & Conclusion.

Bibliography.