

Human Capital Disclosure Practices: A Case of Select Indian Companies

¹Dr. Mitra Goswami (Assistant Professor, Department of Commerce, Faculty of Commerce & Management, St. Xavier's University, Kolkata)

²Anandi Sarkar Pyne (Assistant Professor, Amity College of Commerce and Finance, Amity University, Kolkata)

Abstract

In the contemporary knowledge-driven economy, human capital has emerged as a critical intangible asset that significantly influences organizational success. Human capital disclosure (HCD) practices provide insights into workforce-related information such as training, remuneration, workplace safety, and diversity, which are increasingly prioritized by investors and other stakeholders. Its disclosure fosters transparency, enhances stakeholder trust, and strengthens organizational competitiveness.

The study is an attempt to analyze the extent of human capital disclosure, identify component-wise variations, and evaluate trends in reporting practices. This study examines HCD practices among India's top five multinational corporations based on market capitalization, Reliance Industries Ltd., Tata Consultancy Services Ltd., HDFC Bank Ltd., Infosys Ltd. and Hindustan Unilever Ltd. over a decade, 2012–2022. A content analysis methodology was employed, utilizing a Human Capital Disclosure Index (HCDI) comprising 32 items categorized into six components: staff breakdown, training and development, remuneration and benefits, safety and health at work, HR policies, and HR culture. The disclosure levels were assessed using a 4-point scale based on comprehensiveness and clarity.

The findings reveal a positive trend in HCD practices, with increasing transparency over the study period. HDFC Bank Ltd. achieved the highest overall disclosure score. Remuneration and benefits emerged as the most disclosed component across all firms, highlighting employee welfare schemes, provident fund contributions, and incentives. Conversely, items like rate of staff turnover, post-training evaluations, and cost of workplace illness remained underreported. Firms such as Infosys and HDFC Bank showcased initiatives like gender-specific training programs and health enhancement measures, reflecting progressive HCD practices. However, significant inconsistencies persist across firms and components, emphasizing the need for standardized disclosure frameworks. This study highlights the evolving nature of HCD in India while identifying critical gaps in reporting practices.

Keyword: Human Capital Disclosure, Qualitative analysis, Intangible Assets, HCD practices

Date of Submission: 23-12-2024

Date of Acceptance: 03-01-2025

I. Introduction

The dawn of the new economy witnessed the upsurge of dependence and relevance of knowledge and informational technology. Intellectual capital is the offspring of this modern economy which emphasizes the importance of intangible resources and their efficient utilization for value creation. Intellectual capital, as articulated by eminent researchers, encompasses a multifaceted amalgamation of knowledge, skill, processes, organizational structure, intellectual property, and relationship with stakeholders (Edvinsson, 1997; Stewart, 1997; Miller, 1999; Sullivan, 2000). Intellectual capital is generally divided into three pivotal components, namely, *human capital* which encompasses employee expertise, skills, knowledge, and know-how; *structural capital* which includes organizational structure, processes, patents; and *relational capital* which emphasizes on business relationships with customers, suppliers, shareholders, and other stakeholders (Edvinsson, 1997; Mavridis and Kyrmizoglou *et al.* 2005).

Human Capital is one of the crucial components of intellectual capital. It has emerged as a critical focus area for the stakeholders of the organization. However, its origin can be traced back to the early 1690s when Sir William Petty made the first formal attempt to value human being on monetary terms in an attempt to include labour to estimate national wealth (Kaur *et al.*, 2016). From the 1960s real work on this subject started, which included developing various methods for the valuation of HR and their disclosure in the reports. Many accounting bodies such as AICPA (American Institute of Certified Public Accountant) and Committee on Human Resource Accounting of AAA (American Accounting Association) decided in favor of HCD. According to these bodies the

HCD would encourage both public and private companies for the full disclosure of their intangible assets in their report, which would further enhance users' confidence in them. In this study, Human Capital is being examined

as one of the crucial components of Intellectual Capital. It is the amalgamation of employee skill, expertise, knowledge, know-how and competence (Edvinsson, 1997; Stewart, 1997).

The Ocean Tomo Intangible Asset Market value study (2020) revealed that intangible assets comprise 90% of the S&P500 market value which also includes human capital, this increase has been visible post the covid-19 pandemic. In the present era investors are seeking and relying on those companies which have more and advanced disclosure of its human capital and culture. Moreover, some of the world's largest financial managers have also shifted their attention to human capital which can be traced back to 2018, when BlackRock started including Human Capital as their engagement priority. They have also acknowledged that disclosure of Human Capital does benefit companies moving towards robust growth and success. Many companies voluntarily mention and highlight any commitments and/or any initiatives taken by the company with respect to human capital. This is because an organization's success highly depends on the efficiency of its human resources. It is one of the most important pillars of the organization. Today's extensive competition has led many companies to appreciate its role more in the organization's success. The existence of more efficient human resources results in the greater earning capability of the organization. In view of the above the following research objectives have been framed:

- To examine the Human Capital Disclosure practices of the firms.
- To examine the component wise comparison of Human Capital Disclosure.

Human capital is a cornerstone of competitiveness in knowledge-driven economies. In India, its growing recognition as a critical asset has sparked interest in disclosure practices. This review consolidates findings on human capital disclosure in Indian firms, emphasizing components such as workforce composition, training, compensation, benefits, workplace safety, HR policies, and organizational culture.

Human capital disclosure involves reporting workforce-related information and management practices, enhancing transparency, stakeholder trust, and operational insights. However, Indian firms often limit such disclosures, constrained by traditional financial reporting frameworks that emphasize tangible over intangible assets like human capital (Aggarwal, 2023; Bhasin, 2011).

Overall, the level of disclosure of human capital in Intellectual Capital remains low in Indian companies (Mehrotra & Malhotra, 2019). There exists notable discrepancy in disclosure practices across industries (Devi et al., 2016; Das & Mohapatra, 2020). Specifically large-cap companies are emphasizing preparing separate annual human resource reports (Das & Mohapatra, 2020). Further, recent investigation suggests that expenditure on employees as a proportion of total operating expenses positively impact disclosure levels (Devi et al., 2016). Furthermore, HCD in India remains limited and inconsistent. HCD components like training and development and remuneration are frequently disclosed (Aggarwal, 2023; Bhasin, 2011). Components like staff demographics, including gender diversity and educational qualifications, are least reported, hindering the transparency level on inclusion and diversity (Devi et al., 2016). Despite growing interest of the stakeholders, the disclosure level of safety and health of employee scarce (Aggarwal, 2023). Human Resource culture and policies are often vaguely addressed, providing details on performance evaluation, recruitment, or workplace practices insufficiently (Bhasin, 2011; Devi et al., 2016). One of the significant reasons for exacerbation of inconsistent disclosure level is the absence of standardizing reporting and their regulatory mandates (Das, 2020; Bhasin, 2011). A gap exists between stakeholder expectations and actual disclosure practices in the Indian industry (Mehrotra & Malhotra, 2019).

II. Material And Methods

Human Capital is the developing field in accounting and is used for reporting human resources items. This concept differs significantly from conventional accounting, as HRA are voluntary in nature. To measure the level of voluntary disclosure in 63 companies listed in NSE 100 Index, Aggarwal and Verma (2019) created Human Resource Disclosure Index of 9 components having 91 items. These items have been extracted using annual reports of these 63 companies from financial year 2012-13 to 2017-18. Then, a score has been assigned to these items Score 1 is given to the disclosure of an item and score 0 is given to the non-disclosure of an item.

Another research paper by Kaur et.al. (2016), 20 items HRDI was developed to find out HRA disclosures on selected Indian Companies of NSE S&P CNX 500 and to rank them based on disclosure index. These items were chosen on the basis of past research works on Human Research Accounting Disclosure and practices.

In most of the company's Intellectual capital shows the true value of the company. These values represent the competence of the company. Mudliar (2016) on her study of the sample of 50 Indian Companies from BSE 100 companies comes up with the framework of IC components which includes 5 heads and 18 items. This was designed keeping in mind the terminologies used in annual reports of Indian companies.

Another study on the disclosure of Intellectual capital on Indian companies, Singhal et. al. divided the framework into 3 main heads i.e., Structural capital, Relationship Capital and Human Capital. Within Human Capital category 13 Items Index is prepared. After the finalization of the Intellectual Capital Disclosure Index 40 expert panelists were requested to give the rating to all items including in the index.. Score 1 was awarded when the company is not able to disclose IC items and score 5 is awarded when the said companies are able to disclose

the IC items, in their respective annual reports. Then the average of these scores is calculated by summing up the scores of each item and dividing by the total panelist i.e., 40.

Shameem VT et.al. (2018) during their study on the annual reports from 2015 to 2017 of 10 pharma companies which are included in NSE pharma index followed a framework used by Badrul, Khan and Rahman (2015), some items were also added the authors of this research paper with a notion that elements will be appropriated in Indian context. This disclosure list is first divided into 3 categories i.e., Structural Capital, relationship Capital and Human Capital. Under human capital, 15 items are listed as internal human capital and 8 items as external human capital. If an item has been disclosed by the company on its annual report score 1 is awarded and if it's not disclosed in annual report then score 0 is awarded. After that, the Total number of items found in the annual report is divided by the total number of items in the disclosure list, to find out the Extent of IC disclosure Index of companies. Maji and Goswami (2018) have also developed their HCD Index which consist of 18 items and after reading all these collective frameworks, we have prepared our own framework consisting of 14 most commonly used items by the researchers. They are:-

Table 1: HUMAN CAPITAL DISCLOSURE INDEX

STAFF BREAKDOWN	TRAINING AND DEVELOPMENT
Number of employees	Policy on training and development
Employee Age	Amount spent on training and development
Employee Equality	Hours spent on training and development
Employee breakdown by department	Career development and opportunity program
Employee breakdown by level of education	Post training evaluation exercises
Employee and competence	
REMUNERATION, INCENTIVE, OR ANY BENEFITS	SAFETY AND HEALTH AT WORK
Employee welfare scheme or fund	Accidents at work
Employee incentive policy	Amount spent on safety of workers at workplace.
Staff accommodation	Cost of mobbing and illness
Holiday/ Vacation benefits	Initiatives taken for workplace safety
Amount spent on provident fund, superannuation fund	
Information about support for day care, maternity, paternity scheme	
HR Policy	INFORMATION ABOUT HR CULTURE
Policy of recruitment, selection and training	Employee expertise
Policy of bonus	Employee skills
Policy of employee retention	Employee innovation and entrepreneur spirit
Policy of combating sexual harassment and women empowerment	Employee motivation
Policy of reward	Employee satisfaction

In the above framework (Table 1), number of employees, employee age, employee equality, their breakdown by department and level of education, their competence and rate of staff turnover are all clubbed together to form “Staff Breakdown”. Again, policy on training and development, amount spent on training and development, hours spent on the same, career development and opportunity program and post training evaluation exercises are all coming under the item “Training and Development”. “Remuneration, incentive or any benefits” consists of employee welfare scheme or fund, employee incentive policy, staff accommodation, holiday/vacation benefits, amount spent on provident fund, superannuation fund and any support for day care, maternity or paternity scheme. Accidents at work, amount spent on safety of workers at workspace, cost of mobbing and illness, initiative taken for workplace safety includes in “Safety and health at work”. All the policy of recruitment, selection and training, policy of bonus, employee retention, policy of combating sexual harassment and women empowerment and reward is all clubbed together in “HR Policy”. Finally, “Information about HR culture” includes, employee expertise, their skills, innovation and entrepreneur spirit, their motivation and satisfaction of workplace. There are 32 items and 6 components.

Data, Sample and Study Period:

The study is based on secondary data which is collected from top 5 Indian companies according to their market capitalization as on 7th January 2023 which are –

1. Reliance Industries Ltd.
2. Tata Consultancy Services Ltd.
3. HDFC Bank Ltd. Having the market capitalization
4. Infosys Ltd. Having the market capitalization
5. Hindustan Unilever Ltd. Having the market capitalization

The study period is 10 years from 2013-2023 which is a decent period to reflect on the trend and pattern of disclosure of human capital.

Content Analysis:

The annual report of 5 top Indian Companies based on their market capitalization for the period of 10 years are analyzed using content analysis and then these items are then scored using 4-point scale i.e.,

- 0 = Not Disclosed
- 1 = Partly Disclosed
- 2= Fully Disclosed in Descriptive Form
- 3= Fully Disclosed using proper explanation with Charts, Graphs or Numerical Disclosure

If the items are disclosed properly with graphs, charts and numbers have been allotted a maximum score of '3', the items that lacks precision but are disclosed in a descriptive manner have been allotted score '2', the items that are disclosed partially a score of '1' is given and the items are not at all mentioned in the annual reports of the company are given a score of '0'

III. Analysis And Findings

Figure 6 depicts the disclosure score of most and least disclosed component of Human Capital of Reliance Industries Ltd. The figure shows the graph of percentage of Human Capital disclosure practices followed in Reliance Industries Ltd. for 10 years (2012-13 to 2021-22) annual report. The highest disclosed component is Training and Development with a disclosure rate of 36.67% followed by Remuneration incentive or any benefits with a disclosure rate of 35.56%. Then comes the third highest, Safety and health at work with a disclosure rate of 34.17%, then Information about HR Culture with a disclosure rate of 28.67%, Staff breakdown with a disclosure rate of 28.1% and lastly lowest disclosed component is HR Policy with a disclosure rate of 22.67%.

The most disclosed item in Staff Breakdown is the Number of employees with a disclosure rate of 66.67%, followed by Employee Equality with a disclosure rate of 33.33%. Then comes Employee Age with a disclosure rate of 30.00%. As on March 31st, 2022, Reliance Industries Ltd. has 2,32,822 new recruits on board. The is also one of the largest employers with an employee strength of 3,42,982. There are overall 18.4% women employees, and 55.2% workforce are under 30. Reliance Industries Ltd. has launched 'R-Aadya' which is a gender inclusion programme which firmly believes that each gender has a unique set of realities and ways of knowing and understanding the world.

Employee breakdown by department and employee breakdown by level of education both with the disclosure rate of 26.67%, Employee and competence with a disclosure rate of 13.33% and finally the lowest level of disclosure rate 0% being Rate of staff turnover.

The most disclosed item in Training and Development is Hours spent on training and development is 70%, followed by Policy on training and development with a disclosure rate of 53.33%. Next, third disclosure is Career development and opportunity program is 46.67%. Reliance Industries Ltd. provides valuable training, nurtures them to advance their skills and makes them a useful asset to the organization. The company has Launched 'R-University' which provides employees their learning and training programs The company has imparted 57 lakh+ man hours of training in 2017-18 and it has only been increasing to this date. Post training evaluation exercises with a disclosure rate of 13.33% and least disclosure rate 0% being Amount spent on training and development.

Under Remuneration, incentive or any benefits, the most disclosed item is Employee welfare scheme or fund with a disclosure rate of 80%, then Amount spent on provident fund, superannuation fund with a disclosure rate of 70%. Then Employee incentive policy having the disclosure rate of 43.33%, Information about support for day care, maternity, paternity scheme having a disclosure rate of 20% and least disclosure rate being Staff accommodation and Holiday/Vacation benefit with 0%.

Again, under Safety and health at work, the most disclosed item in the annual report of company is Initiative taken for workplace safety with a disclosure rate of 70%, followed by Amount spent on safety of workers at workplace with disclosure rate of 36.67%. The company has taken several other measures to ensure wellbeing of its employees in workplace. The total Health and Safety expenditure as on 31st March 2022 was Rs. 664 Cr. It also has 'R-Swasthya' initiative which is an integrated approach based on 5 pillars like Physical, Mental, Financial, Social and Spiritual wellness. The third highest disclosure rate being Accidents at work with a disclosure rate of 23.33% and least disclosure rate being 6.67% being Cost of mobbing and illness. The company has also disclosed that in the year 2021-22 there were 46 injuries and on one of the sites there has been an accident involving 1 contractor workman. The incident was thoroughly analyzed and initiative were taken to prevent such accidents in future.

Under HR Policy, the most disclosed item in the annual report is Policy of combating sexual harassment and women empowerment with 56.67% disclosure score. According to Prevention, Prohibition & Redressal Act,2013 the company mandates no tolerance against any conduct amounting to sexual harassment of women at workplace. The second most disclosed item is Policy of recruitment and selection having the disclosure rate of 26.67%. The third most disclosed item is Policy of bonus having a disclosure rate of 20%, then Policy of reward having a disclosure rate of 10%. The company has not much disclosed about its rewards scheme, just that the

company has exclusive rewards & recognition programs designed for employees to ensure their satisfaction and motivation. The least disclosure score is 0% being Employee retention.

The most disclosed items in Information about HR culture are Employee skill having a disclosure rate of 63.33% followed by Employee innovation and entrepreneur spirit with a disclosure rate of 43.33%, then Employee expertise having a disclosure rate of 16.67%. To enhance employee skill and their entrepreneur spirit the company trains them on Six Sigma protocol. During the year 2014-15 and a total of 14,546 person hours of training have been provided on Six-Sigma. In 2021-22 there are a total of 82 Six Sigma projects that has been executed. The company has the least disclosure of 10% for both Employee motivation and Employee satisfaction.

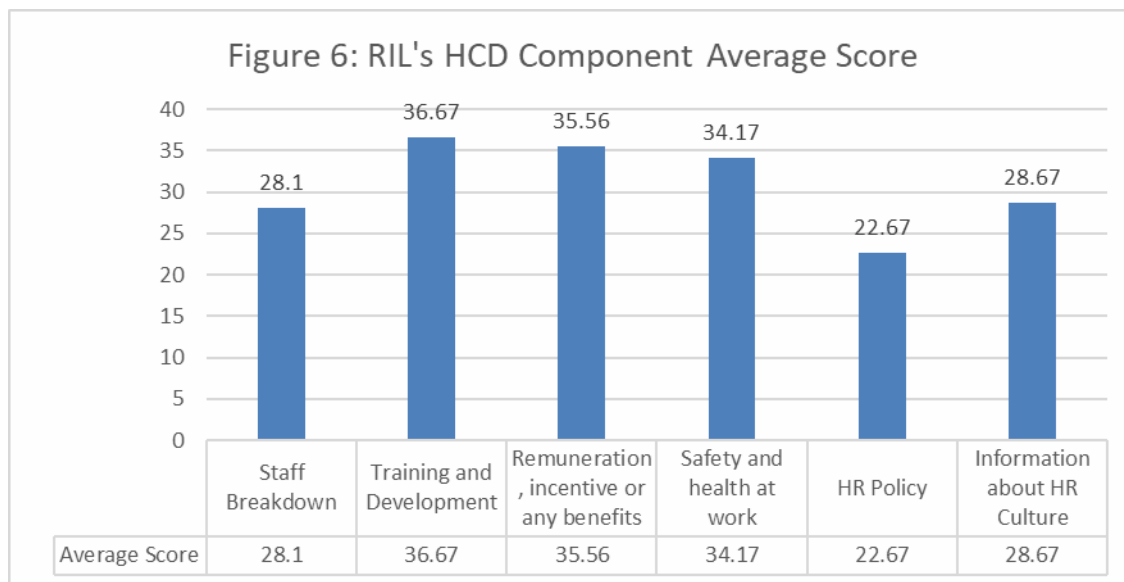


Figure 7 depicts the disclosure score of most and least disclosed component of Human Capital of Tata Consultancy Services Ltd. The figure shows the graph of percentage of Human Capital disclosure practices followed in Tata Consultancy Services Ltd. for 10 years (2012-13 to 2021-22) annual report. The highest disclosed component is Remuneration, incentive or any benefit with a disclosure rate of 52.22%, followed by Training and development with the disclosure rate of 38.67%. Thirdly comes Information about HR culture with a disclosure rate of 34%, then comes Staff breakdown with the disclosure rate of 33.81%. Safety and health at work having a disclosure rate of 33.33% and least disclosure rate of 32.67% being HR Policy

Under Staff Breakdown, the most disclosed item in the annual reports of the company is Number of employees, Employee Age and Employee Equality, all with the disclosure rate of 53.33%. Tata Consultancy Services Ltd. has 592,195 employees worldwide. In FY 2022, the company made the highest ever net addition of 103,546 employees globally, taking the total employee base to 592,195, with 153 nationalities. The company also celebrated a milestone with more than 200,000 women employees. The company is also part of 2022 Bloomberg Gender Equality Index that tracks the performance of public companies committed to transparency in gender-data reporting. Then comes Employee breakdown by the level of education having the disclosure rate of 33.33%, then Rate of staff turnover with the disclosure rate of 20.00%, next Employee and competence with a disclosure rate of 16.67%. Finally, the least disclosure rate of 6.67% being Employee breakdown by department.

Under Training and Development, the most disclosed item in the annual report of the company is Policy on training and development and Career development and opportunity program with a disclosure rate of 46.67%. Some of the key programs launched by the company are 'iExcel', 'Project Synthesis', these are the company's flagship executive program to help their employee professionally. The disclosure rate of Hours spent on training and development is 43.33%. The company has disclosed that the employees have collectively logged 43 million learning hours in FY 2021. There is 56 lakh + man hour of training. Thirdly comes Post training evaluation exercises with a disclosure rate of 33.33%. The least disclosure rate being 23.33% of Amount spent on training and development.

Under Remuneration, incentive or any benefits, the most disclosed items are Employee welfare scheme or fund and Amount spent on provident fund, superannuation fund with a disclosure rate of 100%, followed by Employee incentive policy with a disclosure rate of 76.67%. The Employee benefit expense aggregated Rs. 61,621 crores in FY 2021 as compared to an expense of Rs. 55,348 in FY 2020. Thirdly comes Information about support for day care, maternity, paternity scheme with a disclosure rate of 36.67%. The least disclosure being Staff accommodation and Holiday/vacation with the disclosure rate of 0%

Again, under Safety and health at work, the most disclosed item is Initiatives taken for workplace safety with a disclosure rate of 60.00%, second most disclosed item is Accidents at work with a disclosure rate of 46.67%. The company has spent Rs. 136Cr. for health and safety at the workplace for their employees and staff. The third most disclosed item being the amount spent on safety of workers at workspace with a disclosure rate of 26.67%. The total number of health insurance and accident insurance provided for 2021-22 is 508,186. The company has a least disclosure rate of 0% being Cost of mobbing and illness.

Under HR Policy, the most disclosed item is Policy on employee retention with a disclosure rate of 50.00%. The company has disclosed a retention rate of 88% for males and 93% for females. The second disclosed item is Policy of recruitment, selection and training with a disclosure rate of 43.33%. Third most disclosed item being Policy of combating sexual harassment and women empowerment with disclosure rate of 30.00%. The company has taken Women centric leadership development initiatives that have resulted the number of senior women executives growing 84% over the last 5 years. Then the Policy of reward having a disclosed rate of 23.33%. Least disclosure rate of 16.67% being Policy of bonus.

Under Information about HR culture, the most disclosed item is Employee skills with a disclosure rate of 63.33% followed by Employee innovation and entrepreneur spirit, Employee motivation and Employee satisfaction with a disclosure of 33.33%. The company has spent Rs. 249.13Cr, to build employees innovative ideas and skills. The least disclosure rate of 6.67% being Employee expertise.

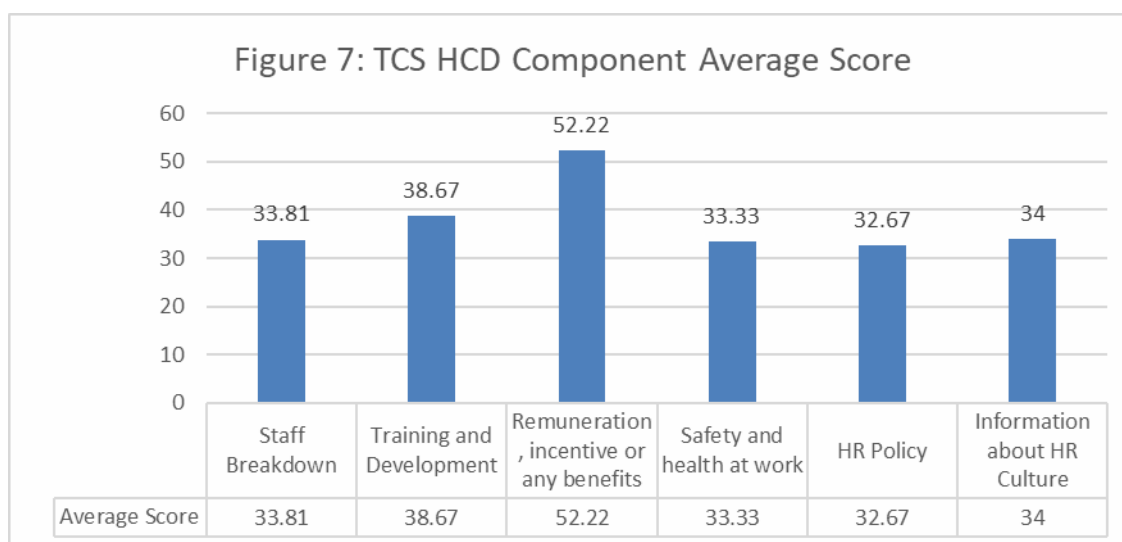


Figure 8 depicts the disclosure score of most and least disclosed component of Human Capital of HDFC Bank Ltd. The figure shows the graph of percentage of Human Capital disclosure practices followed in HDFC Bank Ltd. for 10 years (2012-13 to 2021-22) annual report. The highest disclosed component is Staff Breakdown with disclosure rate of 52.38%, followed by Remuneration, incentive or any benefits with a disclosure rate of 48.33%. Thirdly comes HR Policy with a disclosure rate of 43.33% and then Training and Development with a disclosure rate of 40% followed by Safety and health at work with a disclosure rate of 28.33%. Least disclosure being Information about HR culture with a disclosure rate of 21.33%.

Under Staff Breakdown, the highest disclosures are Number of Employee with a disclosure rate of 66.67% being followed by Employee Age, Employee Equality, Employee breakdown by department, Employee breakdown by level of education and Employee competence all with the disclosure rate of 60.00%. Least disclosure being 0% of Rate of staff turnover.

Under Training and Development, the highest disclosure is Policy on training and development with a disclosure rate of 60%. 98.37% employees received training in total, the average training hour in FY21 increased by 126.8% which means more than 127+ lakh person per hour got the training. The amount spent on training and development is Rs. 3,943.5 lakh. The bank has also disclosed gender and designation wise total training per hour in their annual report. The second highest disclosure rate is Career development and opportunity program with a disclosure rate of 46.67%, third highest disclosure being Amount spent on training and development and Hours spent on training and development having the disclosure rate of 40%. Least disclosure being 13.33% of Post training evaluation exercises.

Under Remuneration, incentive or any benefits, highest disclosure is Amount spent on provident fund, superannuation fund with a disclosure rate of 93.33%, second highest disclosure is Employee welfare scheme with a disclosure rate of 90.00%. The company has reported as of 31st March 2023, Employee Welfare Trust with Rs. 20.35Cr. The Bank also paid interest on deposit from the trust aggregating to Rs.2.41 crore. The bank

contributed Rs. 420.98 Cr. to the provident fund and Rs. 76.37 Cr. to the superannuation plan. Third highest disclosure is Employee incentive policy with a disclosure rate of 66.67%, fourth highest disclosure is Information about support for day care, maternity, paternity scheme with a disclosure rate of 40.00% and the least disclosure is Staff accommodation and Holiday/vacation benefits with a disclosure rate of 0%.

Under Safety and health of work, the most disclosed item is Initiatives taken for workplace safety with a disclosure rate of 60%, followed by amount spent on spent of workers at workplace with a disclosure rate of 40%. The amount of more than Rs. 10 Crore was spent on the wellbeing of employees. The bank has launched an initiative called, ‘HDFC Bank Cares’ to address the healthcare needs of their employees. Activities under this program include Health mailers, Doctors on call, Health check-up camps and Health Talks by experts. Accidents at work having disclosed 13.33% and least disclosure is 0% being Cost of mobbing and illness.

Under HR Policy, the most disclosed items are Policy of bonus and Policy of reward with a disclosure rate of 56.67%. The company guaranteed bonuses and a statutory bonus scheme. As per Payment of Bonus Act,1965 some employees are paid statutory bonus. The total amount of bonus received by employees in FY 2021 is Rs.1.81Cr. The bank has a disclosure rate of 43.33% for Policy of combating sexual harassment and women empowerment. The number of complaints received during year 2021-22 are 51 out of which number of complaints disposed during the year was 48. The 3 pending cases as on March 31, 2022, were reported to the internal committee for further actions. Few employees have also received rewards and recognition ESOPs as a vehicle a vehicle to create a balance between short term rewards and long-term sustainable value creation. Policy of recruitment, selection and training with a disclosure rate of 40.00% and the least disclosure is Policy of employee retention with a disclosure rate of 20.00%

Under Information about HR culture, the most disclosed item is Employee motivation having a disclosure rate of 43.33%, followed by Employee expertise having a disclosure rate of 23.33% and then least disclosure of 13.33% being Employee skills, Employee innovation and entrepreneur spirit and Employee satisfaction

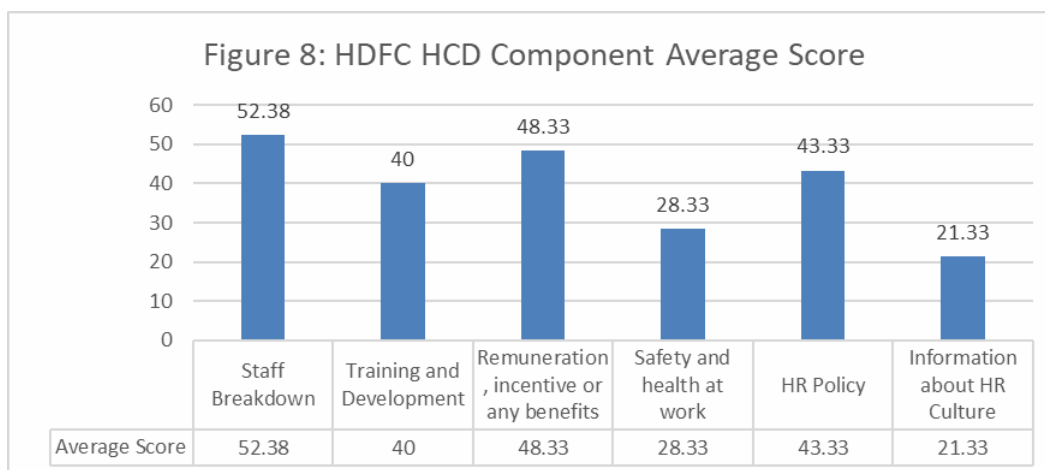


Figure 9 depicts the disclosure score of most and least disclosed component of Human Capital of Infosys Ltd. The figure shows the graph of percentage of Human Capital disclosure practices followed in Infosys Ltd. for 10 years (2012-13 to 2021-22) annual report. The highest disclosed component is HR Policy with a disclosure rate of 60.67%, followed by Remuneration, incentive or any benefits with a disclosure rate of 45.56%, thirdly most disclosed component is Training and Development 40.67%, fourth most disclosed component is Staff Breakdown with a disclosure rate of 34.29%, fifth most disclosed component is Safety and health at work 25.83% and the least disclosed component is Information about HR culture with a disclosure rate of 24%.

Under Staff Breakdown, the highest disclosure is Number of employees having a disclosure rate of 100%. There is total 2,59,619 number of employees. A huge jump in the number of employees has been witness in 2021-2022. This growth is accompanied by an increase in the total number of employees from 2,04,107 to 3,14,015. Employee equality with a disclosure rate of 70.00%, then comes third most disclosed item Employee Age having a disclosure rate of 20.00%, Employee breakdown by department, Employee breakdown by level of education and Employee and competence all with the disclosure of 16.67% and least disclosed item is Rate of staff turnover having a rate of 0%

Under Training and Development, the highest disclosure is Amount spent on training and development with a disclosure rate of 66.67%, Policy on training and development with a disclosure rate 50.00%, Hours spent on training and development with a disclosure rate of 46.67%, Career development and opportunity program with a disclosure rate of 40.00% and the least rate of Post training evaluation exercises with a disclosure rate of 0%.

Under Remuneration, incentive or any benefit, the highest disclosure are Employee welfare scheme or fund and Amount spent on provident fund, superannuation fund is having a disclosure of 100%. The company has disclosed contribution to provident and other funds Rs. 1,417 Cr. In 2022 and Rs. 1,146 Cr. In 2021. Staff welfare Rs. 300 Cr. in 2022 and in Rs. 131 Cr. in 2021. The second highest disclosure is the Employee incentive policy having a disclosure rate of 56.67%. The bank has 87,555 employees on 2015-16 out of which 311 employees got the remuneration of Rs. 60 Lakh per annum and 23 employees received the remuneration of Rs. 5 lakh per month. These employees are involved as top level executives and leaders of the company. Then Information about support for day care, maternity, paternity scheme having the disclosure rate of 13.33%. Holiday/ vacation benefit having the disclosure rate of 3.33% and the least rate of disclosure being 0% of Staff Accommodation.

Under Safety and Health at work, the highest rate of disclosure is Initiatives taken for workplace safety with a rate of 50.00%. The Infosys employee well-being journey is two decades strong. To enhance the wellbeing of employees an initiative has been taken called, HALE (Health Assessment and Lifestyle Enrichment) program, that is aimed at increased awareness, reduced stress levels, safe work environment and improved productivity levels, resulting in good health and well-being. The second highest rate of disclosure being Accidents at work 36.67%, third highest rate of disclosure being 16.67% Amount spent on safety of workers at workplace and least rate of disclosure 0% being Cost of mobbing and illness.

Under HR Policy, Policy of bonus has the highest disclosure rate of 83.33%. The company has disclosed salaries including bonus Rs. 49,575 Cr. in 2022 and Rs. 43,605 Cr. in 2021. The second highest disclosure is 76.67% which is Policy on Employee retention. Policy on combating sexual harassment and women empowerment with a disclosure rate of 70.00%. Infosys Ltd. has also instituted multiple channels – represented by the Anti-Sexual Harassment Initiative, HEAR platform (Hearing Employees and Resolving their concerns) to fight against sexual harassment in workplace. Policy of recruitment, selection and training having a disclosure rate of 50.00% and least disclosure rate of 23.33% of Policy of reward.

Under Information about HR culture, highest items to be disclosed are Employee expertise, Employee skills, Employee innovation and entrepreneur spirit all with a disclosure rate of 33.33% followed by Employee motivation and Employee satisfaction with a disclosure rate of 10.00%

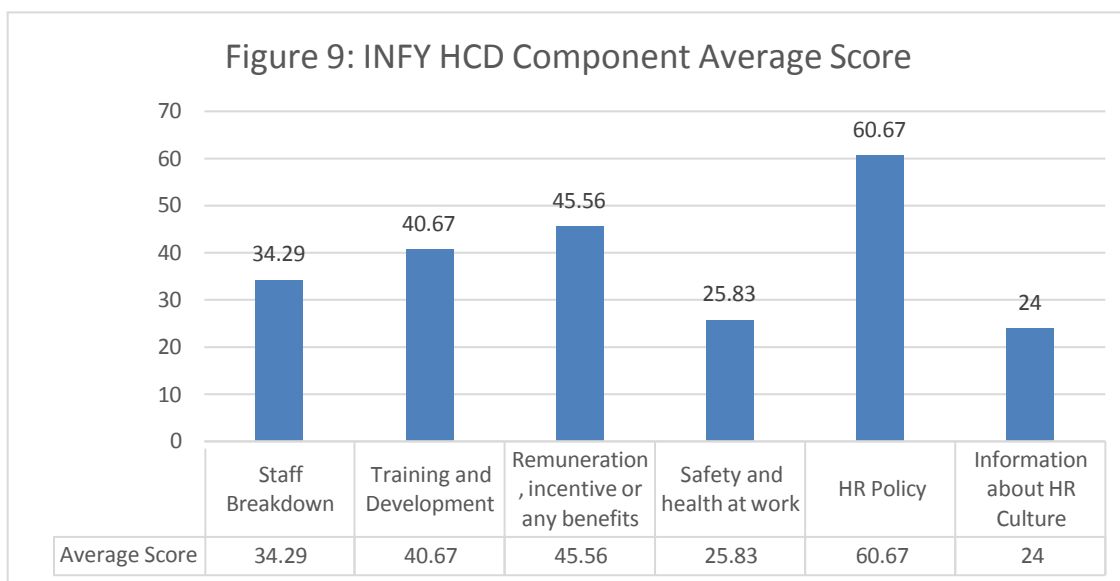


Figure 10 depicts the disclosure score of most and least disclosed component of Human Capital of HUL Ltd. The figure shows the graph of percentage of Human Capital disclosure practices followed in HUL Ltd. for 10 years (2012-13 to 2021-22) annual report. The highest disclosed component is HR Policy with a disclosure rate of 49.33%, followed by Remuneration, incentive or any benefit with a disclosure rate of 44.44%. The third most disclosed component is Safety and health at work with a disclosure rate of 39.17%. The fourth most disclosed item is Information about HR culture with a disclosure rate of 23.33%. The fifth most disclosed component is Staff Breakdown with a rate of disclosure being 15.71%. The least disclosed component is Training and Development with a disclosure rate of 14%.

Under Staff Breakdown, the most disclosed item is Employee equality with a disclosure rate of 66.67%. The company has been identified for its equity, diversity and inclusion priorities – gender, people with disabilities and LGBTQI+ communities. In the calendar year 2021 the company has improved gender balance from 42% to

44% at managerial levels. For diversity the company has introduced 250+ women in extended sales ecosystem and the addition of 186 women on shopfloors. In 2021, the company also launched ‘ProUd’ network as an employee resource group for LGBTQI+ employees. The company discloses Number of employees only by 30.00%. The third most disclosed item is Employee and competence 10.00%. Next comes Employee breakdown by department with a disclosure rate of 3.33%. Least disclosure rate of 0% being Employee age, Employee breakdown by level of education and Rate of staff turnover.

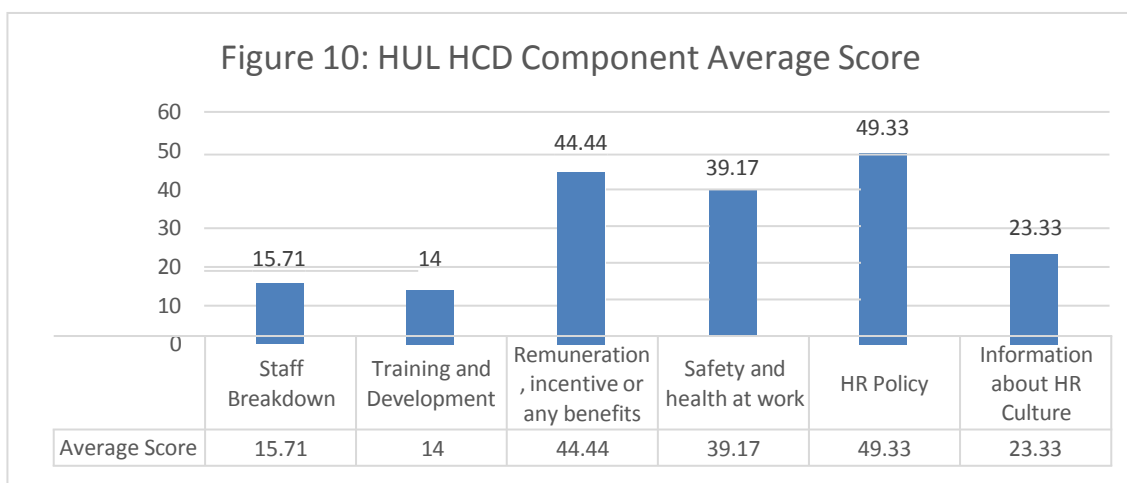
Under Training and Development, the most disclosed item Policy on training and Development with a disclosure rate of 33.33% followed by Post training exercises with a disclosure rate of 26.67%. Third most disclosed item is Career development and opportunity program with a disclosure rate of 10.00% and the least disclosed item is Amount spent on training and development and Hours spent on training and development both having a disclosure rate of 0%.

Under Remuneration, incentive or any benefits, the highest disclosed item are Employee welfare scheme or fund and Amount spent on provident fund, superannuation fund both having the disclosure rate of 100%, followed by Employee incentive policy with a disclosure rate of 43.33%. Information about support for day care, maternity, paternity scheme with a disclosure rate of 23.33% and the least disclosure are Staff accommodation and Holiday/ vacation benefits with a disclosure rate of 0%.

Under Safety and health at work, Amount spent on safety of workers at workplace having a disclosure rate of 100%, followed by Initiatives taken for workplace safety having a disclosure rate of 33.33%. The company launched safety awareness program ‘BeSafe’ in 2021 and trained over 12,000 employees to further strengthen our safety culture. Accidents at work with a disclosure rate of 23.33%. The least disclosure is Cost of mobbing and illness with a disclosure rate of 0%

Under HR Policy, the most disclosed item is Policy of bonus having a disclosure rate of 100%, followed by Policy of reward with a disclosure rate of 66.67%. The third most disclosed item is Policy of recruitment, selection and training with a disclosure rate of 33.33%. Next most disclosed item is Employee retention with a disclosure rate of 26.67% and the least disclosed item is Policy of combating sexual harassment and women empowerment 20.00%. More than 8,500 employees and third-party business partners were trained on Prevention of Sexual Harassment at Workplace and related topics.

Under Information about HR culture, the highest disclosure is Employee skills with a disclosure rate of 66.67%, followed by Employee satisfaction with a disclosure rate of 33.33%. The third most disclosed item is Employee innovation and entrepreneur spirit with a rate of disclosure of 6.67% and the least disclosed item is Employee motivation with a disclosure rate of 0%.



Most and Least Disclosed Human Capital Items:

Table 2 and Table 3 depict the most and least disclosed Human Capital Disclosure items respectively. The criteria that have been used to define the most and least disclosed items are as follows-

- Items with average score equal to or more than 70% is regarded as most disclosed.
- Items with average score equal to or less than 20% is regarded as least disclosed.

Most Disclosed Human Capital Items:

There are few items which have most reported in all the companies such as Employee welfare scheme or fund, Amount spent on provident fund, superannuation fund and so on. Table 2 explains the most disclosed average score of Human Capital Items company wise:

Table 2: Most Disclosed Human Capital Items

Sl No.	Items	RIL Ltd.	TCS Ltd.	HDFC Bank Ltd.	INFY Ltd.	HUL Ltd.
1.	Number of employees	X	x	X	1.00	x
2.	Employee Equality	X	x	X	0.70	x
3.	Hours spent on training and development	0.70	x	X	X	x
4.	Employee welfare scheme or fund	0.80	1.00	0.90	1.00	1.00
5.	Employee incentive policy	X	0.77	X	X	x
6.	Amount spent on provident fund, superannuation fund	0.70	1.00	0.93	1.00	1.00
7.	Amount spent on safety of workers at workplace	X	x	X	X	1.00
8.	Initiatives taken for workplace safety	0.70	x	X	X	x
9.	Policy of bonus	X	x	X	0.83	1.00
10.	Policy of employee retention	X	x	X	0.77	x
11.	Policy of combating sexual harassment and women empowerment	X	x	X	0.70	x

Least Disclosed Human Capital Items:

There are few items which have reported as totally not disclosed in all the companies like Rate of staff turnover, Post training evaluation exercises, Staff accommodation, Holiday/ vacation benefits, Cost of mobbing and illness, Employee satisfaction and their motivation. Table 3 explains the least disclosed average scores of the Human Capital Items company wise:

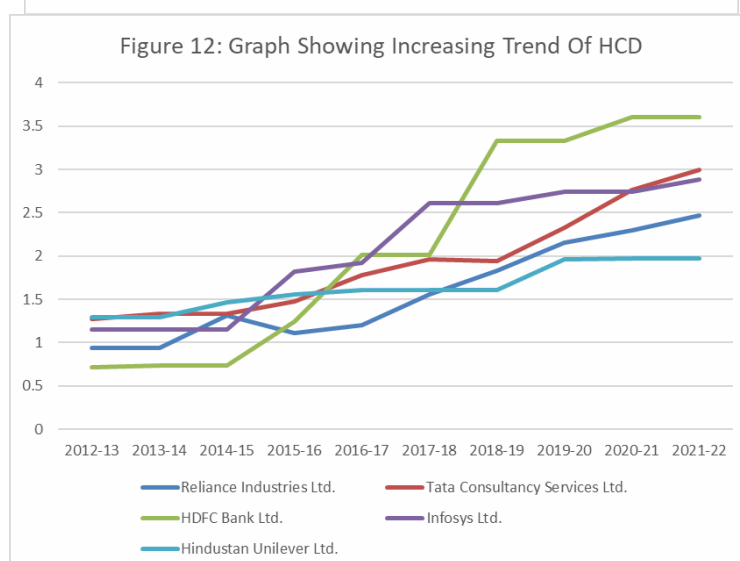
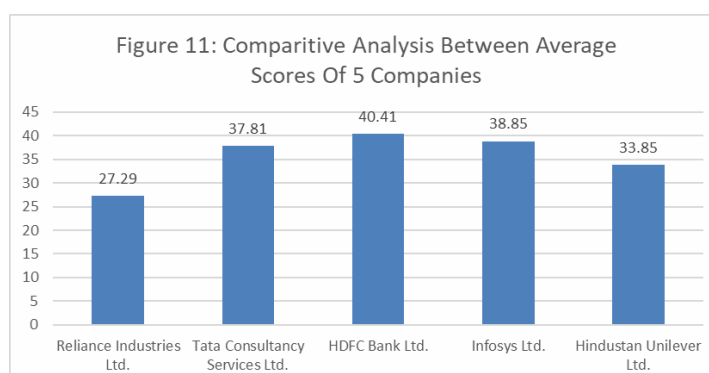
Table 3: Least Disclosed Human Capital Items

Sl. No.	Items	RIL Ltd.	TCS Ltd.	HDFC Bank Ltd.	INFY Ltd.	HUL Ltd.
1.	Employee age	x	x	x	0.20	0.00
2.	Employee breakdown by department	x	0.07	x	0.17	0.03
3.	Employee breakdown by level of education	x	x	x	0.17	0.00
4.	Employee and competence	0.13	0.17	x	0.17	0.10
5.	Rate of staff turnover	0.00	0.20	0.00	0.00	0.00
6.	Amount spent on training and development	0.00	x	x	X	0.00
7.	Hours spent on training and development	x	x	x	X	0.00
8.	Career development and opportunity program	x	x	x	X	0.10
9.	Post training evaluation exercises	0.13	x	0.13	0.00	x
10.	Employee incentive policy	x	x	x	x	0.00
11.	Staff accommodation	x	0.00	0.00	0.00	0.00
12.	Holiday/ Vacation benefits	x	0.00	0.00	0.03	0.00
13.	Information about support for day care, maternity, paternity scheme	0.20	x	x	0.13	x
14.	Accidents at work	x	x	0.13	x	x
15.	Amount spent on safety of workers at workplace	x	x	x	0.17	x
16.	Cost of mobbing and illness	0.07	0.00	0.00	0.00	0.00

17.	Policy of bonus	0.20	0.17	x	x	x
18.	Policy of employee retention	0.00	x	0.00	x	x
19.	Policy of combating sexual harassment and women empowerment	x	x	x	x	0.20
20.	Policy of reward	0.10	x	x	x	x
21.	Employee expertise	0.17	0.07			0.10
22.	Employee skills	x	x	0.13	x	x
23.	Employee innovation and entrepreneur spirit	x	x	0.13	x	x
24.	Employee motivation	0.10	x	x	0.10	0.00
25.	Employee satisfaction	0.10	x	0.13	0.10	x

Human Capital Disclosure: Company Wise Comparison

Figure 11 depicts the comparative analysis between the Human Capital Disclosure of the top 5 Indian companies. During the analysis of the last 10 years, it is found that HDFC Bank Ltd. has the highest human capital disclosure in their annual report having the disclosure score of 40.41%, followed by Infosys Ltd. having the disclosure score of 38.85%. Third highest company to disclose human capital is Tata Consultancy Services having the disclosure score of 37.81%. The fourth highest company to disclose human capital is Hindustan Unilever Ltd. with a disclosure score of 33.85%. Finally, Reliance Industries Ltd. has a disclosure score of 27.29%. Again, figure 12 shows the increasing trend of HCD among all the companies over the 10-year period. From 2012-13 till 2014-15 the scores have remained stagnant for HDFC Bank Ltd., Infosys Ltd. and Tata Consultancy Ltd. However, for other companies, Reliance Ltd., Hindustan Unilever Ltd., not much of a rise in scores has been noticed. Drastic increase in disclosure scores can be seen from 2014-15 to 2020-21 among all companies followed by a stagnant growth rate in 2021-22 compared to 2020-21. The line graph also reveals that the year 2021-22 reports the highest scores i.e., RIL, TCS, HDFC Bank Ltd, Infosys Ltd. and HUL having the disclosure rate of 2.47, 3, 3.6, 2.88 and 1.97 respectively. Amongst all the companies Hindustan Unilever Ltd. has the most-steady growth rate over the period of 10 years. The percentage change in the disclosure scores of HUL is 52.71%. Whereas it can also be seen that disclosure data variates highly in HDFC Bank Ltd. resulting in the percentage change of 400%. For the other companies like Reliance Industries Ltd., TCS Ltd, Infosys Ltd. have the percentage change in disclosure score of 162.77%, 136.22% and 150.43% respectively.



IV. Concluding Remarks

The study is the modest attempt to examine the Human Capital Disclosure practices in India by taking the data of top 5 Indian Multinational companies for the last 10 years (from 2012-13 to 2021-22). In the first object we have tried to analyze the overall disclosure score of all the companies. From those findings we have observed that there is an increasing trend in disclosure practices. A comparative analysis between the top 5 companies was also conducted and found that HDFC Bank Ltd. Has disclosed the highest human capital in its annual report over the period of 10 years among the top 5 companies. The second highest company to disclose human capital is Infosys Ltd, followed by Tata Consultancy Services Ltd, Hindustan Unilever Ltd and finally Reliance Ltd. Overall it can be seen that all the company disclosure rates and practices of Human Capital Disclosure are eventually increasing. Future research should explore the impact of HCD on firm performance and examine industry-specific trends to deepen understanding of human capital's role in sustainable growth.

References

- [1] Aggarwal, & Verma. (2019). Effect Of Company Characteristics On Human Resource Disclosure Index: Empirical Evidences From Indian Corporates. Sage Publications, 87–93.
- [2] Aggarwal, K. (2023). The Impact Of Corporate Attributes On Voluntary Hr Disclosure Practices: A Study Of The Indian Corporate Sector. *Asian Journal Of Economics And Banking*, 7(3), 397–423.
- [3] Andrea, C., & Nicolò. (2020). Disclosure Practices Of Human Capital In Select Indian Companies: An Empirical Study. *Journal Of Critical Reviews*, 7(3).
- [4] Bhasin, M. L. (2011). Intellectual Capital Disclosure Practices: A Study Of Indian Firms.
- [5] Blackrock. (2024). Our Approach To Engagement On Human Capital Management. Retrieved From <https://www.blackrock.com/corporate/literature/publication/blk-commentary-engagement-on-human-capital.pdf>.
- [6] Cormier, Aerts, Ledoux, M. J., & Magnan. (2009). Attributes Of Social And Human Capital Disclosure And Information Asymmetry Between Managers And Investors. *Canadian Journal Of Administrative Sciences*, 81–88.
- [7] Das, K. K., & Mohapatra, A. K. D. (2020). Disclosure Practices Of Human Capital In Select Indian Companies: An Empirical Study. *Journal Of Critical Reviews*, 7(4), 140–148. <https://doi.org/10.31838/jcr.07.04.25>
- [8] Deep, & Narwal, K. P. (2014). Intellectual Capital And Its Association With Financial Performance: A Study Of Indian Textile Sector, 43–45.
- [9] Devi, A., Name, N., & Gupta, A. (2016). Voluntary Disclosure Of Human Capital: Evidence From India. *The Iup Journal Of Corporate Governance*, 14(4), 47–62. <https://ssrn.com/abstract=2710555>
- [10] Edvinsson, L., & Malone, M. (1997). Intellectual Capital. Harper Business, New York.
- [11] Ferreira, A. L., Branco, M. C., & Moreira, J. A. (2012). Factors Influencing Intellectual Capital Disclosure By Portuguese Companies. *International Journal Of Accounting And Financial Reporting*, 281–288.
- [12] Festa, Rossi, Kolte, & Marinelli. (2020). The Contribution Of Intellectual Capital To Financial Stability In Indian Pharmaceutical Companies. *Journal Of Intellectual Capital*, 22, 337–359.
- [13] Haslag, Sensoy, B. A., & White, J. T. (2022). Human Capital Disclosure And Workforce Turnover. *Journal Of Economic Literature*, 15–17.
- [14] Husin, N. M., Ahmad, & Sapngi. (2011). Intellectual Capital: A Focus On Human Capital Reporting Practices Of Top Malaysian Listed Companies. *The South East Asian Journal Of Management*, 60–61.
- [15] Kateb. (2014). The Determinants Of Intellectual Capital Disclosure: Evidence From French Stock Exchange. *International Journal Of Accounting And Financial Reporting*, 628–634.
- [16] Kaur, Raman, A. V., & Singhania. (2016). Human Resource Accounting Disclosure Practices In Indian Companies. Sage Publications, 217–219.
- [17] Mehrotra, V., & Malhotra, A. K. (2019). Extent And Gaps In Intellectual Capital Disclosure In The Indian Industry. *International Journal Of Learning And Intellectual Capital*, 16(1), 1–20. <https://doi.org/10.1504/ijlic.2019.096936>
- [18] Mondal, A., & Ghosh, S. K. (2014). Intellectual Capital Disclosure Practices: Evidence From Indian Firms.
- [19] Maji, S. G., & Goswami. (2015). The Journey Of Ic Research: Reflections From The Past Two Decades. *Asian Journal Of Research In Banking And Finance*, 5, 85–88.
- [20] Maji, S. G., & Goswami. (2018). Ic Disclosure Practices In India Using A Comprehensive Disclosure Framework: A Study Of Knowledge-Based Companies. *Journal Of Indian Business Research*, 10, 345–357.
- [21] Mavridis, D. G., & Kyrizoglou, P. (2005). Intellectual Capital Performance Drivers In The Greek Banking Sector. *Management Research News*, 28(5), 43–62. <https://doi.org/10.1108/01409170510629032>
- [22] Mili, S. A., & Hashim. (2020). Voluntary Human Capital Disclosure And Firm Value Relationship In The Listed Companies Of Bangladesh: A Conceptual Overview. *Journal Of International Business, Economics And Entrepreneurship*, 39–45.
- [23] Miller, M. (1999). Leveraging Your Hardwired Intellectual Capital. *Strategy & Leadership*, 27(2), 28–32. <https://doi.org/10.1108/Eb054633>
- [24] Mudliar. (2016). Impact Of Intellectual Capital Disclosure On Market Cap. *Ijcem International Journal Of Computational Engineering & Management*, 19, 11–12.
- [25] Ocean Tomo. (2020). Intangible Asset Market Value Study. Retrieved From <https://oceantomo.com/intangible-asset-market-value-study/>.
- [26] Pisano. (2015). Human Capital Disclosure In The Md&A Statement: An Analysis On Italian Public Utilities. *Journal Of Human Resource Management*, 39–46.
- [27] Shameem, V. T., Kavida, & Harun. (2018). Determinants Of Intellectual Capital Disclosure: Evidence From Indian Pharmaceutical Sector. *Research Review International Journal Of Multidisciplinary*, 121–129.
- [28] Singhal, Gupta, & Gupta, V. K. (2022). Disclosure Of Intellectual Capital: Evidence From Indian Annual Reports. *Public Finance Quarterly*, 122–124.
- [29] Stewart, T. A. (1997). Intellectual Capital: The New Wealth Of Organizations. Doubleday/Currency, New York.
- [30] Sullivan, P. H., & Sullivan, P. H. (2000). Valuing Intangibles Companies – An Intellectual Capital Approach. *Journal Of Intellectual Capital*, 1(4), 328–340. <https://doi.org/10.1108/14691930010359234>