

Human Resources Accounting: An Analysis of State Bank of India's Income and It's Expenditure Incurred on Human Resources



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Abstract: As We Know In The 21st Century All The Organizations Are Facing Competition. The Service Sector Is The Major Contributor Throughout The World Economy. In The Service Sector Employees Play An Important Role. Because Of The Quality Of Service Depends On The Employees Who Are Serving That Service. In That Support Objective Of Our Study Is To Trend In Earnings Of The Organization And Expenditure Incurred On Employees By The Organization. SBI Is The Leading Public Sector Bank, So We Have Collected Data From Annual Reports Of The SBI Bank From The Period Of 2009 To 2019. After Analyzing The Data We Found The Correlation Between Total Income Of SBI And Expenditure Incurred By SBI On Their Employees. On The Basis Of This Study, We Conclude That Employees Play An Important Role In The Organization. And Organizations Are Just Increasing Expenditure On Employees In The Same Trend Of The Organization's Income. The Organization Should Put Employees On The Balance Sheet As Assets. Organizations Are Still Showing Employees As Expenditure. In Coming Future, If The Organization Will Recognize Employees' Contributions That Will Lead To More Satisfaction In The Employees And This Boost In Satisfaction Will Improve The Performance Of Employees Due To That The Overall Performance Of The Organization Will Improve.

Keyword: In That Support Objective Of Our Study Is To Trend In Earnings Of The Organization And Expenditure Incurred On Employees By The Organization.

I. INTRODUCTION

The globalized rivalry has made a solid power on numerous nearby associations to change into worldwide associations by the exercises that are spreading abroad in their neighborhood markets. Fare ability has turned out the most vital channel for the maintainability of the present associations by turning into an approach to expand the number of potential clients. Worth included items are the items that are most significant for those nations and organizations who need to be the primary on-screen characters in the global markets. In this way, nations could discover an exit for advancement and associations may have a current preferred position through their adversaries. Innovative work (hereinafter R&D) exercises are the fundamental base to offset the new requests which have not been settled.

Research and development in conjunction with worldwide exchange is an unavoidable device for those nations who need to create and prosper (Kaya and Ugurlu, 2013).

As indicated by observational examinations that have been executed in various organizations and businesses, it has been reasoned that there is a current positive connection between R&D exercises, profitability and total national output (Ozer and Ciftci, 2009).

A portion of the examination expresses that R&D consumptions are a significant source to expand the affordable yields (Sungur et al., 2016). Organizations have begun to append more significance to R&D consumptions to create new and better-highlighted items (Dilek, 2016). Innovative work exercises are the fundamental key for accomplishment in aggressive markets (Pak, 2003). In R&D exercises, the principal target is the advancement of the new item as well as to plan a logical foundation (Uzkurt, 2017). Tackling the necessities of clients and building new advances and usage for deciding their needs is a basic capacity of the R&D division in any association (Banger, 2016). It is normal that the expansion in the number of workers in the R&D division will expand the fare income of the association. Subsequently, the associations which are expecting to expand their piece of the pie in universal markets, need to build their representative numbers in the R&D division who could create new data and inventive advances inside the association. Normally, to expand the number of representatives connotes a more prominent R&D venture. This outcome in a circle of expanded R&D speculations which empowers the association the capacity to contend inside the extraordinary and dynamic worldwide challenge and furthermore enlisting more workers for the R&D office. This fundamental circle could make the speeding up of fare incomes conceivable by giving creative items to universal markets. At the point, the key component is the presence of the certified R&D worker who has the ability to increase the value of those new items by making development. Else it is preposterous to expect to change R&D consumptions into business esteem.

II. REVIEW OF LITERATURE

Different research key out the relations among the company revenue and its expenditure on the employees. the investigation of(Sung & Choi, 2014) has revealed that organizations can increase the performance and revenue by increasing the investment on the employee by providing more training to their employees i.e. six sigma training activities.

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The managers should motivate the employee to implement various training and practice in the organization for the growth of the organization. The studies of (Brum, 2007; Bartel, 1989) have expounded that the training program is directly related to the worker's performance and company revenue. As the training program completes it is seen that workers' productivity is increased which results in increasing the productivity of the company. Training opens up the path for career growth and development. it is also found that there is a relationship between training and commitment. As the company provides effective training the commitment of the employees towards the organization also increases and it would lead to a reduction in the turnover it is also unveiled that HRD is directly related to organizational performance and revenue. These studies show four different dimensions of HRD i.e. quantitative, qualitative, managerial, employee perspective and highlight the major employee outcome as a tool of mediator between organization performance. it was concluded that a firm should balance both quantitative and qualitative approach to maximize profit and employee outcome it has also concluded that organization size personal, stability, decline, are the factors that affect turnover. it was also found that there is a nonlinear impact of turnover in tasks with high difficulty as compare to low difficulty task. In the studies of (Sung & Choi, 2014; Meier & Hicklin, 2007) it was bring out that there is a mediator effect of R&D employee number in the relationship between R&D investment and export revenue a data of 250 companies which have invested most in R&D in 3015 and first thousand exports are taken it was concluded that there is mediation effect between the two. In simple words, it is not possible to increase the total export sale without giving a crucial effect on employees' costs. In the studies of (Toker & Gorener, 2017) it was unveiled that there is a relationship among the employees satisfaction, engagement and business outcome i.e. profit, productivity, etc. the studies imply that if the top-level management changes the organizational policy and practice that is increasing the employees satisfaction it will lead the company towards more unit outcome including profits. It focuses on the change in the employee's satisfaction and the implication in the resulting usefulness of business. In the studies of (Harter & Schmidt, 2002; Rayton, 2002) it was uncovered that best performing firm has superior incentive system as compare to the low performing firm these studies proclaim that agency cost is the crucial cost of production and the company that leads in better minimizing these cost will showcase better performance. The high-performance firm shows performance elasticity of approximately 0.193 this concludes that doubling the firm value will result in a 19.3% increase in the pay of the average worker. In the studies of (Grawitch, Gottschalk & Mung, 2006; Beer, Pienaar & Rothmann, 2013) it was found that there is a link between well being and organizational performance. it was found that approximately 90% of the organization with 50 or more employees provide some type of program design to promote health. expenditure and health care benefit will lead the organization towards a better employer-employee relationship, retention ratio, boost employee morale etc. It is also proclaim that employee burn out to medical aid provider expenditure by the private firm specifically pointed

by the cost incurred by the company on members claim it also states that high burn out group was approximately double that of low burnout group on all the variables .higher burnout is accumulated with higher expenditure on medical aid provider by firm. Thus, owner, should a dress burn out to reduce expenditure and promote health. It can be concluded that employees with a healthy mind and body are found to be driving vehicles of the company.

III. OBJECTIVE AND HYPOTHESIS

It should be as ventures are spending more on their R&D exercises, the measure of the imaginative items which are reinforcing upper hand, will extend. Henceforth the organizations which are making their item portfolio with inventive items normally will expand their deals in the global markets and as a reality, this will positively affect approaching income from sends out. In this manner, the R&D workforce business steps forward as a significant factor in the change of the R&D consumptions into trade incomes. Then again, in what manner or capacity ever incredible the Research and development uses might be, these R&D exercises couldn't build the fare incomes to the ideal level without the genuinely necessary R&D faculty work. Whereupon the theory, to test the go-between impact of R&D staff work on the connection between R&D uses of endeavors also, send out incomes, has been structured as the accompanying explanation:

The objective of the study: as in the 21st century, all organizations are facing a competitive environment. In this environment, employees play an important role.

In this study, we want to analyses that organizations are taking employees as an important factor. Because for the better performance of employee they need proper training, remuneration, and good working environment, that leads to incurred some expenditure by the organization.

Hypothesis:

H0: There is no correlation between income earned by SBI and expenditure on their employees.

H1: There is a correlation between income earned by SBI and expenditure on their employees.

IV. RESEARCH METHODOLOGY

This study is explorative in nature. To analyze our objectives and hypothesis we have used secondary data. We have used annual reports of the State Bank of India from the period of 2009-10 to 2018-19. So we have used a total of ten years' annual financial reports of the State Bank of India. We have analyzed financial statements like Profit loss accounts and Balance Sheets.

With the help of Microsoft Excel and Microsoft word, we have drawn trend graphs that show the trend in revenue and trend in expenditure incurred on employees from the year 2009 to 2010.

V. DATA ANALYSIS

To check the relationship between organization revenue per employee and its expenditure per employee, we have collected data from the year 2009-2019 from the annual report of SBI.

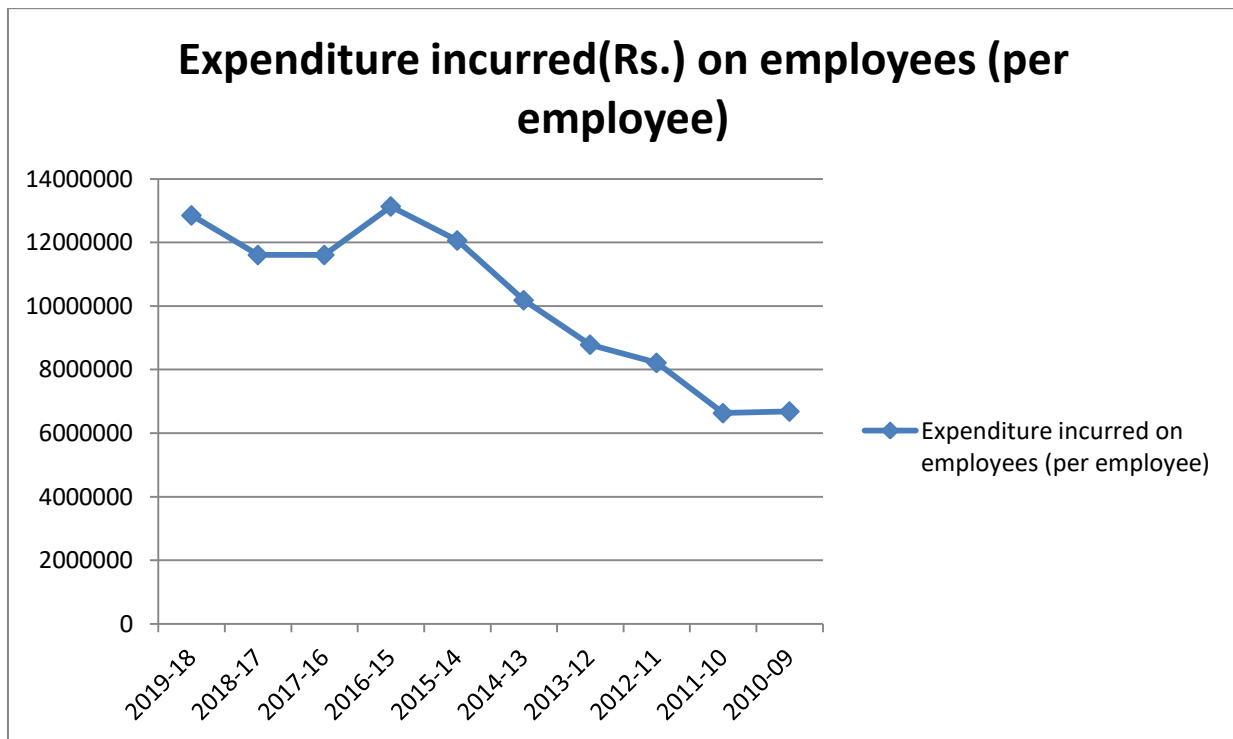
We have collected data on the income from profit and loss account statement, the expenditure of the company on its employee and no. of the employee in the organization. Which is shown in the table below

Year	Income(Rs.)	Expenditure(Rs.)	No of Employees	Total Income of SBI (Rs.)(per employee)	Expenditure incurred on employees (Rs.)(per employee)
2019-18	3306873594000	437950114000	257252	12854608	1702417
2018-17	3065275207000	354106216000	264041	11609088	1341103
2017-16	2986404537000	356912050000	257252	11608868	1387402
2016-15	2728710285000	325255982000	207739	13135282	1565695
2015-14	2572895083000	311176137000	213238	12065838	1459290
2014-13	2269445664000	298683594000	222809	10185610	1340536
2013-12	2005598366000	244010907000	228296	8785079	1068836
2012-11	1770328243000	220840273000	215481	8215705	1024871
2011-10	1478439210000	199795768000	222933	6631765	896214.4
2010-09	1338518269000	163310644000	200299	6682601	815334.3

(Source: Annual Reports of SBI)

In the above table first column is showing the no.of year i.e. from 2009-2019. The second column is showing the income of the SBI over a period of 10 yrs. The third column is showing the expenditure of the company on its employees. the fourth column is consists of no. of employees in the company. In the fifth column, we have calculated income

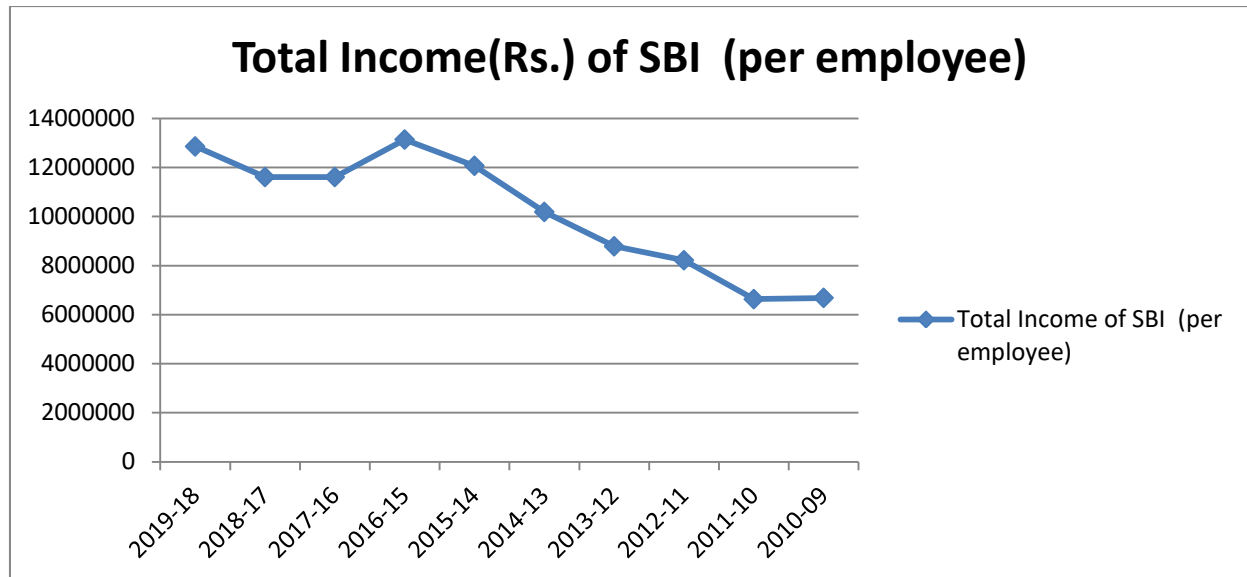
per employee by diving the total income with the no. of employees in the subsequent rows. In the fifth column, we have calculated expenditure per employee by dividing the total expenditure of the company between the employee by the total no. of employees in the subsequent rows.



GRAPH NO. 1- Trend of expenditure on employees (per employee) in SBI

The above graph is showing the increasing trend in the income per employee from 2009-2019. The graph is in increasing trend at a decreasing rate from 2009-2011. after After 2011 the graph is increasing at the increasing rate over a period of 4 yrs. In 2016 there is a downfall in the graph which is showing a decreasing trend for the period of 1 yrs. After 2016 till 2018 it increases with a constant rate. After 2018 there is an increasing trend in the graph with an increasing rate. The downfall and sudden rising in the curve

are due to the changing no. of employees in the company and the income of the company.



GRAPH NO.2- Trend of income per employee in SBI

the above graph is showing an increasing trend in the expenditure per employee from 2009-2019. The graph is in increasing trend at a decreasing rate from 2009-2011. After 2011 the graph is increasing at an increasing rate over a period of 4 yrs. In 2016 there is a downfall in the graph which is showing a decreasing trend for the period of 1 yrs. After 2016 till 2018 it increases with a constant rate. After 2018 there is an increasing trend in the graph with an increasing rate. The downfall and sudden rising in the curve is due to the changing no. of employees in the company and the income of the company. From the above two graphs, it is found that there is a relationship between income per employee and expenditure per employee. Both are showing the same trend over a period of different years.

VI. CONCLUSION AND DISCUSSION 4.

The banking sector is the lifeline of any modern economy .it is one of the important financial pillar of the financial sector, which place a vital role in the functioning of an economy. it is very important for the economic development of a country that its financing requirements of the trade industry and agriculture are met with a higher degree of commitment and responsibility. For that, we have collected data from SBI because SBI is the biggest financial service conglomerate in India we have collected data from the SBI annual report and with the help of an excel sheet we have drawn two graphs and tables. It has seen that both the graph are showing the same trends over the same period of time . from the above graph we have to find that there is a relationship among employees and expenditure incurred per employee by the company. so there is a correlation between them on the basis of the above data we can say that an increase in the performance of the organization will simultaneously increase the expenditure incurred on an employee by the company .the above data is showing a positive trend between organization income and its expenditure. So organization should value there employee as they are the driving vehicles and assets of the organization.

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