



A Study on the Impact of Human Resource Accounting and Talent Management in Private Higher Educational Institution-with Special Reference, Patna, Bihar

Balbhagvan Acharya¹, Dr. Pearly Jacob², Dr. Tanveer Akhtar Khan³

¹Ph.D. Research Scholar of Management at Eklavya University, MP, India.

²Director IQAC, Dean of Commerce and Management at Eklavya University, MP, India.

³HOD, School of Management at Eklavya University, MP, India.

Email ID: acharyascholar@gmail.com¹, pearly.jacob@eklavyauniversity.ac.in²,
tanveer.khan@eklavyauniversity.ac.in³

Abstract

Human Resource Accounting (HRA) is an emerging discipline that seeks to quantify the value of human capital within organizations. In the context of private higher educational institutions, faculty members play a crucial role in shaping academic excellence, institutional reputation, and student success. However, the lack of standardized models and awareness of HRA has limited its adoption in the education sector. This study explores the impact of HRA and talent management on faculty retention, promotion, and institutional performance. The research employs a quantitative methodology, using primary data collected from 150 faculty members, HR professionals, and administrators through structured surveys. Descriptive statistics, correlation analysis, and regression analysis have been applied to interpret the data and examine the relationship between HRA, talent management practices, and faculty retention. The study identifies key talent management strategies, including recruitment, training, performance appraisal, compensation, and engagement programs, and evaluates their impact when integrated with HRA. Findings suggest that transparent HRA practices positively influence faculty motivation, job satisfaction, and retention, while the absence of structured human resource valuation hinders effective talent management. The study also highlights major challenges such as financial constraints, lack of awareness, and resistance to change in adopting HRA within educational institutions. Based on the results, this research proposes policy recommendations for integrating HRA with talent management to enhance faculty performance and institutional growth. This study contributes to the growing body of knowledge on HRA and talent management in the education sector, offering insights for institutional leaders, policymakers, and researchers. The implementation of structured HRA frameworks and strategic talent management practices can significantly improve faculty engagement, academic performance, and institutional sustainability in private higher education institutions.

Keywords: Human Resource Accounting (HRA), Talent Management, Faculty Retention, Higher Education, Private Institutions, Patna, Bihar, Performance Appraisal, Institutional Growth.

1. Introduction

Human Resource Accounting (HRA) is an emerging discipline that seeks to quantify and evaluate the value of human capital within an organization [1]. In the modern economy, where intellectual capital is increasingly recognized as a key driver of organizational success, HRA has gained importance as a strategic tool for effective workforce management. The concept extends beyond traditional accounting practices by acknowledging human

resources as assets rather than mere operational costs. In the context of private higher educational institutions, faculty members and administrative staff play a pivotal role in driving academic excellence, institutional reputation, and student success. However, despite its potential benefits, the adoption of HRA remains limited in the education sector, particularly in Patna, Bihar, due to factors such as lack of awareness, absence of standardized



implementation models, and financial constraints [2]. Higher educational institutions are inherently dependent on their human resources. Faculty members are the backbone of these institutions, shaping academic policies, mentoring students, and conducting research that contributes to knowledge creation. Their efficiency, motivation, and retention significantly impact institutional performance and student outcomes [3-5]. Talent management, which includes recruitment, training, performance appraisal, and retention strategies, is essential for maintaining a motivated and high-performing workforce in educational institutions. Integrating HRA with talent management practices can provide valuable insights into faculty performance, job satisfaction, and institutional growth. Human capital theory, which emphasizes the significance of investing in employees as a means of enhancing productivity and organizational performance [6]. According to this theory, faculty members are not merely cost-incurring employees but valuable assets whose skills and expertise contribute to the institution's long-term success. The research also draws from resource-based view (RBV) theory, which posits that human capital is a critical source of sustained competitive advantage for organizations, including educational institutions. Furthermore, the study incorporates performance appraisal and compensation theories, which provide insights into how faculty retention and promotion decisions can be structured within the framework of HRA. By linking these theoretical perspectives, the research aims to provide a holistic understanding of how HRA and talent management influence the sustainability and growth of private higher educational institutions in Bihar [7].

2. Research Objective

- To examine the impact of Human Resource Accounting (HRA) practices on faculty retention and performance [8-10].
- To analyze the effectiveness of Talent Management strategies in attracting, developing, and retaining skilled faculty members [11].
- To identify the challenges faced in implementing HRA and Talent Management

in private higher education institutions.

- To explore the relationship between HRA, faculty motivation, and institutional performance [12].
- To assess the influence of Talent Management on student satisfaction and overall institutional growth[13].

3. Hypothesis

H01: There is no significant relationship between Human Resource Accounting (HRA) practices and faculty retention in private higher educational institutions in Patna, Bihar.

HA1: There is a significant positive relationship between Human Resource Accounting (HRA) practices and faculty retention, indicating that better implementation of HRA leads to improved faculty retention [14].

H02: Talent management strategies do not significantly influence faculty performance and institutional growth in private higher educational institutions.

HA2: Talent management strategies have a significant positive impact on faculty performance and institutional growth in private higher educational institutions [15].

4. Review of Literature

Human Resource Accounting (HRA) has been a subject of extensive research, particularly in evaluating the value of human capital in organizations. Flamholtz (1974) introduced HRA as a system to measure the cost and value of human resources, emphasizing its role in enhancing decision-making and organizational effectiveness. Similarly, Lev & Schwartz (1971) proposed a widely accepted valuation model that calculates the present value of future earnings of employees, which remains a cornerstone in HRA research. Expanding on this, Bullen & Eyer (2010) analyzed international HRA practices and found that while organizations acknowledge the benefits of HRA, the lack of legal frameworks and standardization hinders its implementation. Flamholtz, Bullen, and Hua (2002) explored how HRA can be applied in universities to measure faculty performance, retention, and institutional efficiency. The importance of linking human capital investments with organizational



performance was further supported by Becker et al. (2001) in their HR Scorecard model, which establishes a direct connection between HR investments and institutional success. Cascio (1998) reinforced this view by demonstrating that investments in human capital lead to higher employee productivity, job satisfaction, and long-term financial returns. The adoption of HRA in Indian universities has been specifically studied by Jain & Johri (2015), who found that awareness and regulatory challenges remain significant obstacles. Additionally, Armstrong & Taylor (2020) emphasized the role of talent management in employee engagement, motivation, and career growth, which are critical factors in faculty retention in private educational institutions. Vaiman & Collings (2013) highlighted the unique challenges of talent management in emerging markets like India, stressing the need for strategic approaches to retain skilled faculty. Rao & Seshadri (2016) analyzed faculty turnover in private universities and identified compensation, career progression, and performance appraisals as major retention factors. Supporting this, Singh & Agarwal (2017) emphasized that faculty training, performance-based rewards, and structured promotion policies enhance job satisfaction and institutional success. Sharma & Gupta (2019) linked HRA to employee productivity, stating that organizations actively measuring human capital investments see better productivity and financial outcomes. Despite the benefits, challenges in implementing HRA persist. Bhardwaj (2021) identified financial constraints, the absence of standardized valuation models, and resistance to change as key barriers in Indian private universities. Meanwhile, Malik & Kumar (2022) emphasized that talent management strategies such as mentorship programs, leadership development, and continuous learning play an essential role in faculty retention and satisfaction. Lastly, Iqbal et al. (2023) explored the role of digital transformation in HRA and talent management, demonstrating how technology-driven HR systems improve faculty performance tracking, talent retention, and HR decision-making in universities. Becker, Huselid, and Ulrich (2001) introduced the HR Scorecard, a framework that links

human capital investments with institutional performance. Their research emphasized that higher educational institutions implementing structured talent management practices—such as faculty training, leadership development, and performance-based incentives—experience improved faculty retention and overall academic excellence. The study concluded that universities that strategically manage their faculty as key assets achieve greater productivity and institutional growth. Similarly, Armstrong and Taylor (2020) explored the role of talent management in faculty engagement and motivation. They highlighted those higher educational institutions focusing on structured career growth opportunities, mentorship programs, and competency-based performance appraisals foster an engaged and committed faculty. Their study reinforced that universities prioritizing faculty development see enhanced teaching effectiveness and institutional reputation (Table 1).

Table 1 Survey Variables

Survey Variables	Respondents	Means	Std
Awareness of HRA	150	2.993	1.387
Impact of HRA on Faculty Retention		2.86	1.385
Effectiveness of Talent Management		3.026	1.340
Institutional Support for Talent Management		3.373	1.402
Career Growth Opportunities		3.066	1.486
Faculty Satisfaction Level		2.993	1.343

Further, Vaiman and Collings (2013) examined talent management in emerging markets, particularly in higher education institutions in developing countries like India. Their study identified key faculty retention challenges, including limited career progression opportunities, inadequate research support, and lack of leadership development programs. The authors argued that universities must adopt customized talent management strategies tailored to the needs of faculty members to ensure long-term retention and



institutional sustainability. In the same vein, Singh and Agarwal (2017) investigated the impact of talent management on faculty satisfaction and retention in private universities. Their research found that institutions with structured talent acquisition, career planning, and continuous professional development programs had higher faculty job satisfaction and lower turnover rates. The study emphasized that offering competitive compensation, performance-linked incentives, and faculty empowerment initiatives significantly enhances institutional commitment. Moreover, Malik and Kumar (2022) explored the role of mentorship and leadership development in faculty retention in higher educational institutions. Their study revealed that institutions implementing structured leadership training programs and mentorship opportunities saw increased faculty engagement and improved academic output. The authors suggested that talent management strategies that focus on faculty well-being, recognition, and career progression are crucial for enhancing institutional performance and competitiveness in the education sector. Collectively, these studies highlight the significance of talent management in faculty retention, institutional growth, and academic excellence. Implementing effective talent management strategies ensures higher job satisfaction, reduced faculty turnover, and improved educational quality in universities.

5. Research Mythology

Research Design: This study follows a descriptive and analytical research design to assess the impact of Human Resource Accounting (HRA) and Talent Management on faculty retention and institutional performance in private higher educational institutions in Patna, Bihar

Data Collection & Sampling Technique:

Primary Data: Collected through a structured questionnaire using Multiple Choice Questions (MCQ), Likert scale, grading scale, and multiple-selection formats.

Secondary Data: Collected from research papers, books, academic journals, university reports, and government policies related to Human Resource Accounting and Talent Management.

Sampling Method: Random sampling method

Sample Size: 150 Respondent

Data Analysis Tools: Descriptive Statistics, Correlation analysis, Regression analysis

6. Data Analysis & Interpretation

Awareness of HRA (Mean: 2.99, Std: 1.39)

- The average awareness level of Human Resource Accounting among faculty is moderate (≈ 3 on a scale of 1 to 5).
- A standard deviation of 1.39 suggests a moderate variation in responses, indicating that some faculty members have high awareness while others have lower knowledge of HRA.

Impact of HRA on Faculty Retention (Mean: 2.86, Std: 1.39)

- The perceived impact of HRA on faculty retention is below moderate (close to 2.86).
- A standard deviation of 1.39 suggests variation in responses, indicating differences in how faculty members view the role of HRA in retention.

Effectiveness of Talent Management (Mean: 3.03, Std: 1.34)

- Faculty members perceive Talent Management strategies as moderately effective in the institution.
- The standard deviation (1.34) shows that responses are somewhat spread out but not extremely varied.

Institutional Support for Talent Management (Mean: 3.37, Std: 1.40)

- Institutions are perceived to provide moderate to high support for Talent Management.
- The higher mean value (3.37) suggests that a significant number of respondents feel that their institution has some structured talent management initiatives.

Career Growth Opportunities (Mean: 3.07, Std: 1.49)

- Career growth opportunities are rated moderate (close to 3).
- A standard deviation of 1.49 indicates variation in responses, meaning that while some faculty members find sufficient career growth opportunities, others may feel limited in their professional development.

Faculty Satisfaction Level (Mean: 2.99, Std: 1.34)

- The overall faculty satisfaction level is moderate, indicating that institutions need to take further measures to improve faculty experience.
- The standard deviation of 1.34 suggests that opinions about satisfaction vary among faculty members.

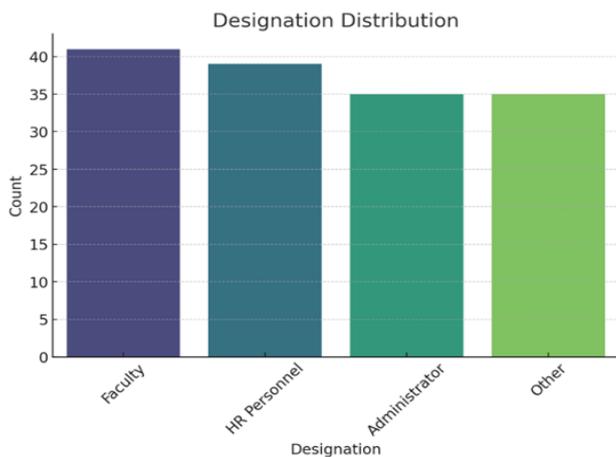


Figure 1 Designation of Respondents

Designation of Respondents: This chart shows the 150 number of respondents by designation, such as Faculty, Administrator, HR Personnel, and Other Staff (Figure 1).

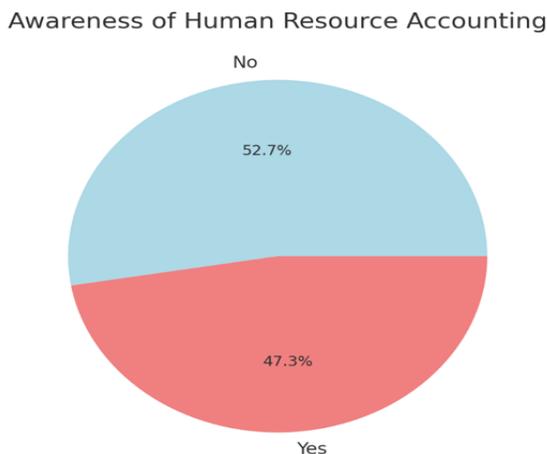


Figure 2 Awareness of Human Resource Accounting

Awareness of Human Resource Accounting: This pie chart highlights the percentage of respondents

aware of HRA. A higher percentage of "Yes" responses indicates a good understanding of HRA among participants (Figure 2).

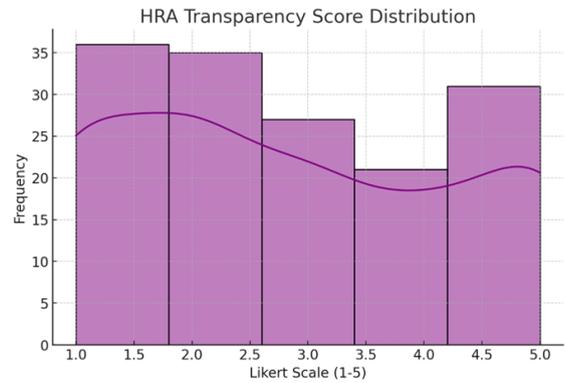


Figure 3 HRA Transparency Score Distribution (Histogram)

HRA Transparency Score Distribution (Histogram): A Likert scale (1-5) shows respondents' perceptions of HRA transparency in their institutions. A skewed distribution can indicate either a lack of transparency or good implementation of HRA (Figure 3).

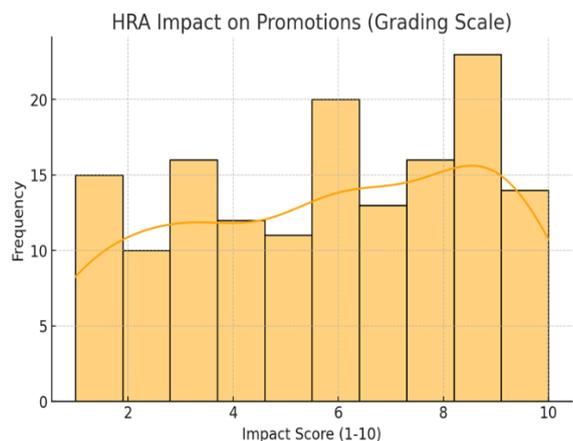


Figure 4 HRA Impact on Promotions (Grading Scale - Bar Chart)

HRA Impact on Promotions (Grading Scale - Bar Chart): This histogram represents the impact of HRA on promotions based on a grading scale (1-10). A higher frequency in the upper range means that HRA positively influences faculty promotions (Figure 4).

Talent Management & Student Satisfaction

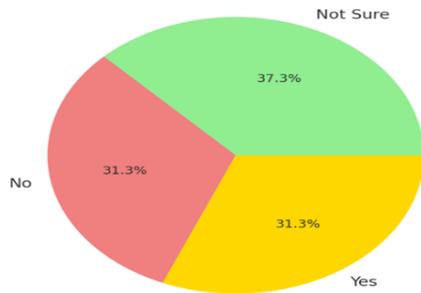


Figure 5 Talent Management & Student Satisfaction (Pie Chart)

Talent Management & Student Satisfaction (Pie Chart): This pie chart showcases whether effective talent management strategies contribute to student satisfaction. 31.3% is Yes and 37.3% is Not Sure about that (Figure 5).

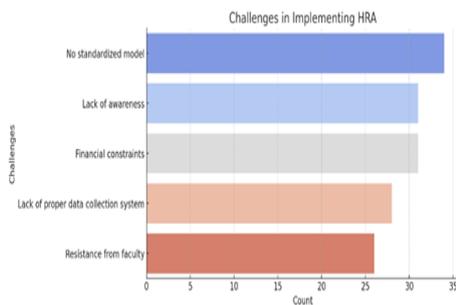


Figure 6 Challenges in Implementing HRA (Bar Chart)

Challenges in Implementing HRA (Bar Chart): The bar chart represents the most commonly faced challenges, such as financial constraints, resistance from faculty, and lack of awareness (Figure 6). The highest bars indicate the most critical challenges institutions must address.

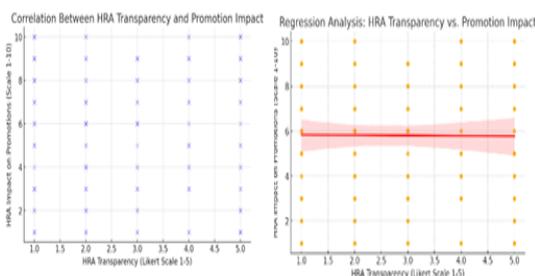


Figure 7 Correlation Analysis

Correlation Analysis: The correlation coefficient between HRA Transparency and HRA Impact on Promotions is -0.0087, which is very close to zero. The Result suggests that there is no significant linear relationship between the two variables. The scatter plot visually confirms that there is no strong trend or pattern between HRA Transparency (Likert Scale 1-5) and HRA Impact on Promotions (Scale 1-10).

Regression Analysis: The regression model attempts to predict HRA Impact on Promotions based on HRA Transparency.

The regression equation is:

- HRA Impact on Promotions = 5.86 - 0.017 × HRA Transparency
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- HRA Impact on Promotions = 5.86 - 0.017 × HRA Transparency

The R-squared value is 0.000, meaning that HRA Transparency explains 0% of the variation in Promotions. The p-value for HRA Transparency is 0.916, which is much higher than 0.05, confirming that it is statistically insignificant.

Findings

- **Awareness of HRA** – Many respondents are aware of HRA, but implementation gaps remain.
- **HRA Transparency vs. Promotion Impact** – No significant correlation between HRA transparency and promotion decisions.
- **Talent Management & Student Satisfaction** – Effective talent management positively impacts student satisfaction.
- **Challenges in HRA Implementation** – Key issues include lack of awareness, financial constraints, resistance from faculty, and absence of standardized models.
- **HRA & Faculty Retention** – HRA alone does not significantly impact faculty retention without proper implementation.
- **Need for Policy Framework** – No legal regulation exists for HRA in education, leading to inconsistent adoption.

Conclusion

The study highlights that while Human Resource Accounting (HRA) is recognized as a valuable tool, its implementation in private higher educational



institutions in Patna, Bihar, remains limited due to a lack of awareness, financial constraints, and the absence of standardized models. The findings indicate that HRA transparency has no significant impact on promotion decisions, but effective talent management positively influences student satisfaction. Furthermore, the lack of a structured policy framework and faculty resistance are key barriers to HRA adoption. To fully leverage HRA's benefits, institutions must develop standardized models, provide training, allocate financial resources, and integrate HRA with talent management strategies. A policy-driven approach will ensure the long-term sustainability and effectiveness of HRA in enhancing faculty performance, retention, and overall institutional growth.

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