



**The Role of Human Resource Accounting in Strengthening Managerial  
Decision Making within Maharatna Public Sector Undertakings**

**Yash Jaiswal**

Research Scholar

Commerce, Human Resource, Accounting

Banaras Hindu University, Varanasi

**ABSTRACT**

**Background:** Human Resource Accounting (HRA) has become an important structure to identify, appreciate and report human capital as a resource in the organization. Its use in Maharatna Public Sector Undertakings (PSUs) in India is currently minimal but it is a well studied matter in the field of privately owned enterprises. The ability to make managerial decisions based on sound human resource information is critical to organizational performance, more so in complicated settings within the public sector.

**Aim:** The proposed study intends to determine the extent of HRA application within Maharatna PSUs, its effect on managerial decision making, managerial perceptions, key obstacles, and strategies that should be put in place to enhance HRA practices.

**Methods:** Descriptive and analytical research design was adopted. A sample of 100 managerial staff members took part in the primary data, which was gathered with use of a structured Likert-scale questionnaire, and semi-structured interviews were conducted with senior executives. Descriptive statistics, Pearson correlation, ANOVA as well as regression analysis were used to present the quantitative data, whereas thematic analysis was used to analyze qualitative responses.

**Results:** Results show that there is a moderate HRA implementation (Mean = 20.41). Managerial decision making was statistically significantly related to HRA practices ( $r = 0.359$ ,  $p < 0.01$ ). The results of regression indicate that the decision-making effectiveness can be attributed to HRA with the contribution of 12.9%. The most prominent issues are the absence of standardized valuation models, a lack of measurement of the employee potential and regulatory guidelines. Managers are very much in favour of the necessity of standardized HRA policies, training programs and integrated HR financial systems.

**Conclusion:** HRA is a powerful tool of managerial decision making in Maharatna PSUs, but the implementation of the same is limited by methodological and organizational implications. Policy reinforcement, creation of awareness, and the incorporation of HRA into organizational systems can play a significant role in improving the quality of decisions and use of human capital.

**Keywords:** Human Resource Accounting, Managerial Decision-Making, Maharatna Public Sector Undertakings, Human Capital Measurement, Strategic Resource Allocation

**1. INTRODUCTION**

Human capital is indisputably the core of every organization's success. In a time of rapid technology development and heightened international rivalry, the importance of having a



knowledgeable, driven, and creative personnel cannot be emphasised. The idea of Human Resource Accounting (HRA) has arisen as a framework to measure and report the value of human capital in financial terms in recognition of the critical role that human resources play. Although this idea has acquired popularity in the private sector, not much attention has been paid to its implementation and effects in the context of public sector companies (PSEs).

The public sector, which includes organisations and businesses controlled by the government, is in charge of advancing the general welfare of the populace. These companies work within a complicated web of political, social, and economic factors, sometimes with mandates that transcend beyond profitability. As a result, PSEs have unique needs and problems when it comes to managing their human resources, necessitating specialised methods. Given this, HRA offers a viable way to enhance PSEs' decision-making procedures, resource distribution, and performance assessment (Malik, 2019).

The contemporary fast changing and technologically upgraded business landscape is placing greater reliance on timely, evidence-based, and strategic-oriented decisions to stay competitive. The recent studies highlight that human capital has been present as the most important driver of sustainable competitive advantage that has overtaken the physical and financial assets in the creation of organizational value (Mishra, A. K., & Mishra, S.) . According to researchers like Sharma et al., (2025) an effective and adaptable workforce is a highly competent and motivated workforce, which boosts innovation, productivity and organizational resilience during unpredictable market situations. On the same note, Al-Matari et al., (2024) emphasize that human capital is pivotal in the operational and strategic excellence since employees are at the heart of controlling and optimization of all other resources. Although this has been acknowledged, most organizations still underestimate their workforce through not considering intellectual capital as a part of financial statements or management reports (Khan et al., 2024) despite the fact that intellectual capital has become a source of much organizational performance in the knowledge economy (Aini, N., and Setiawan, S. 2023).

In this setting, the Human Resource Accounting (HRA) is taking shape as a well-organized approach to worth, quantification and reporting of the economic value of a human resource. Recent research holds that HRA can provide better managerial decisions, better use of resources, and more effective strategic HR planning by increasing the accuracy and transparency of human-capital information (Zhu et al., 2025) ). Further, investigations conducted recently by Alam et al., (2025) indicate that organizations that embrace HRA practices enjoy enhanced accountability, workforce planning and effectiveness of decisions. Nevertheless, researchers still note serious obstacles, such as the lack of standardized valuation frameworks, regulatory policies, and compulsory reporting on workforce-related measures, even as more stakeholders are demanding transparency in reporting on these measures.

To put it simply, Oluyemisi et al. (2023) proposed that despite the regulations that govern the conduct of accounting and related services in Nigeria, including the Companies and Allied Matters Act 1990 (CAMA 1990 as amended), the Banks and other Financial Institutions Act 1991 (BOFIA), the Central Bank of Nigeria's (CBN) Financial Bulletins, and others, none of

these fundamental principles and practices took human capital reporting into consideration when they were being draughted (Abiola, J. O., & Adisa, R. A. 2020).

### **1.1. Theoretical framework**

#### **❖ Human Capital Theory**

Human Capital Theory assumes that employees are a kind of capital whose competence, knowledge and skills have a direct impact on the productivity of businesses and their economic performance. Becker (1918) suggests that when organizations invest in employee learning, training and development, the employee capabilities to produce are increased thus benefiting the organizations in the long run. This conceptual approach justifies the inclusion of Human Resource Accounting because stating that the human resources have to be measured and appreciated as an asset other than a cost is necessary. The present research undertaking uses the Human Capital Theory to offer the conceptual framework of explaining the role of valuing and measuring the capabilities of the employees in improving the manner of managerial decision making and facilitating efficient allocation of resources.

#### **❖ Resource-Based View (RBV)**

The Resource-Based View maintains that sustainable competitive advantage is a result of unique competencies of the organization, and capabilities of the organization which are unique, valuable, and imitable. According to Barney (1991), long-term strategic advantage is based on the resources that are both important and rare and imperfectly imitable and non-substitutable. Human Resource Accounting is in line with RBV in that there is the systemic identification and reporting of the economic value of the human capital, which enhances the internal assessment of resources and strategies. Through this paper, RBV is used to describe why organizations which have successfully managed and measured their human resources are in a better position to enhance quality and performance outcomes of their decisions.

#### **❖ Decision-Making Theory**

The Decision-Making Theory emphasizes the steps informing the process of information analysis, evaluation of alternatives, and the adoption of those choices that maximize organizational results. Another concept that was brought by Simon (1979) is the notion of bounded rationality, which states that the quality of decisions is highly dependent on the accessibility of clear, reliable and timely information. Human Resource Accounting has a role to play in this process by furnishing organized information on employee value, performance and cost implication so that managers can make evidence based and rational decisions. In this study, HRA integration is explained through Decision-Making Theory to demonstrate how the correctness of managerial decisions can be enhanced, be consistent, and effective at various levels of an organization.

#### **❖ Institutional Theory**

The institutional Theory describes the way organizational activity is informed by the outside forces like regulatory pressure, professional guidelines, and social requirements. According to DiMaggio and Powell (1983), organizations will respond to institutional pressures by coercive mechanisms, normative mechanisms, as well as by mimetic mechanisms to attain legitimacy and to remain stable. It is similar institutional forces that affect the adoption of Human

Resource Accounting such as government guidelines, accounting standards, and stakeholder demands to be transparent. The Institutional Theory presents the basis of understanding in this study to determine how regulatory support, policy direction as well as institutional culture may aid or impede the implementation of HRA in public sector organizations.

## **2. RESEARCH OBJECTIVES**

- ❖ To evaluate the implementation level of Human Resource Accounting in Maharatna PSUs.
- ❖ To analyze the impact of Human Resource Accounting on managerial decision making.
- ❖ To understand managerial perceptions of Human Resource Accounting as a decision-support tool.
- ❖ To identify challenges in adopting Human Resource Accounting within Maharatna PSUs.
- ❖ To suggest measures for improving the use of Human Resource Accounting in decision processes.

## **3. RESEARCH METHODOLOGY**

### **3.1. Research Design**

This study utilizes a descriptive and analytical research design to examine the role of Human Resource Accounting (HRA) in improving managerial decision making in Maharatna Public Sector Undertakings (PSUs) in India. The design enables the researcher to understand the current use of HRA while also gauging the influence of HRA on strategic decisions. The research design is based on mixed methods that generate both quantitative and qualitative data in order to provide a full understanding. The quantitative data demonstrates measurable evidence of the relationships between HRA and decision quality. The qualitative data explores perceptions held by management and other organizational contexts.

### **3.2. Study area**

The study was conducted in Maharatna Public Sector.

### **3.3. Sample size and Sampling technique**

The study involved 100 participants.

The current research design used a combination of random, convenience and purposive sampling methods to guarantee that the sampling methods are both representative and relevant in selecting the participants. By means of random sampling, each of the eligible respondents was granted an equal opportunity to participate, which minimized the selection bias and enhanced the applicability of the results. Convenience sampling enabled the researcher to sample the respondents who were readily available in the organizational setting as he had to since time, access and operational constraints are prevalent in public sector institutions. The purposive sampling was used selectively to focus on managerial staff that has first hand experience and understanding of the Human Resource Accounting and decision making process in order to include information laden participants needed to give the study qualitative depth. All these approaches enabled a balanced sampling strategy, which included general tendencies and professional judgment that resonates with the goals of the study.

### **3.4. Sample selection criteria**

- ❖ **Inclusion Criteria**
- Full-time managerial personnel in Maharatna Public Sector Units (PSUs).

- Involved in strategic or operational decision making.
- Minimum organizational experience of 3 years.
- Knowledge or use of Human Resource Accounting otherwise known as HR Accounting practices.
- ❖ **Exclusion Criteria**
- Contractual, part-time, or non-managerial personnel.
- Personnel not involved in any decision making.
- Employees that have been transferred, retired or in an out of job status.
- Any organization that is not classified as a Maharatna PSU.

### **3.5. Methods of Data Collection**

Primary data collection: For the collection of primary data, a structured survey was developed and distributed electronically to employees in managerial roles in departments such as Human Resources, Finance, and Operations. The survey was developed using a Likert scale and will be used to measure awareness, adoption, and perceived effects of HRA practices on decision making. Along with the survey, semi-structured interviews were held with select senior executives, including HR heads and financial controllers, in order to gain rich qualitative data. The interviews were carried out with participant consent and later transcribed for thematic analysis.

Secondary data collection: The collection of secondary data began with the gathering of multiple organizational documents and published reports. Secondary data sources included the annual report, sustainability report, HR policy manuals, financial disclosures and internal audit records from the selected Maharatna PSUs. Secondary data will help confirm the applied practice of HRA and allowed for contextual background information to support the interpretation of the primary data. The combination of both primary and secondary data sources was a way to ensure triangulation with the intention of enhancing the study's findings' credibility and validity.

### **3.6. Procedure**

The research process began with receiving formal approval from the Human Resource or Research departments of the selected Maharatna Public Sector Undertakings firms. Following approval, a structured questionnaire meant to study the effectiveness of Human Resource Accounting in the management decision-making process was electronically disseminated to eligible people in managerial roles using organizational email. The questionnaire was crafted to emphasize confidentiality and anonymity, allowing the respondent to provide the most sincere and fair responses. In conjunction with this process, individual interview candidates, such as senior HR managers, heads of finance, and other key decision makers of the participating companies, were selected based on their involvement with strategic processes and knowledge of accounting as it relates to human resources.

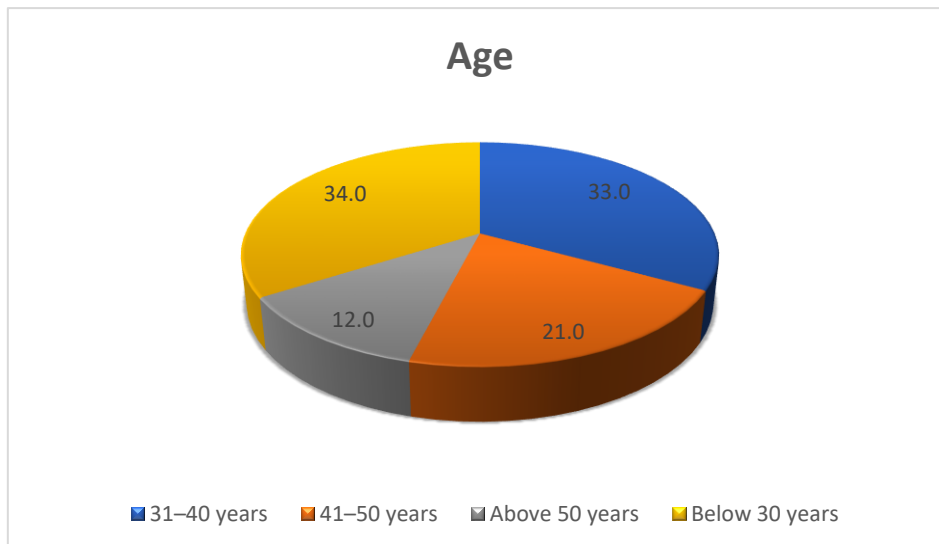
Following the completion of the interviewees' list, appointments were made and interviews either occurred in person or via virtual means. Interviews were facilitated with the permission of participants and then transcribed for qualitative analysis. In addition to primary data collection, secondary data was gathered, drawn from publicly available documents including

annual reports, HR policies, and financial disclosures, as well as some internal documentation when available. Data from all sources was organized and kept stored securely for subsequent analysis. When data collection was complete, data was coded, and a process for quantitative and qualitative analysis began, allowing the researcher to generate both numerical and narrative information illuminating the topic.

### 3.7. Data analysis

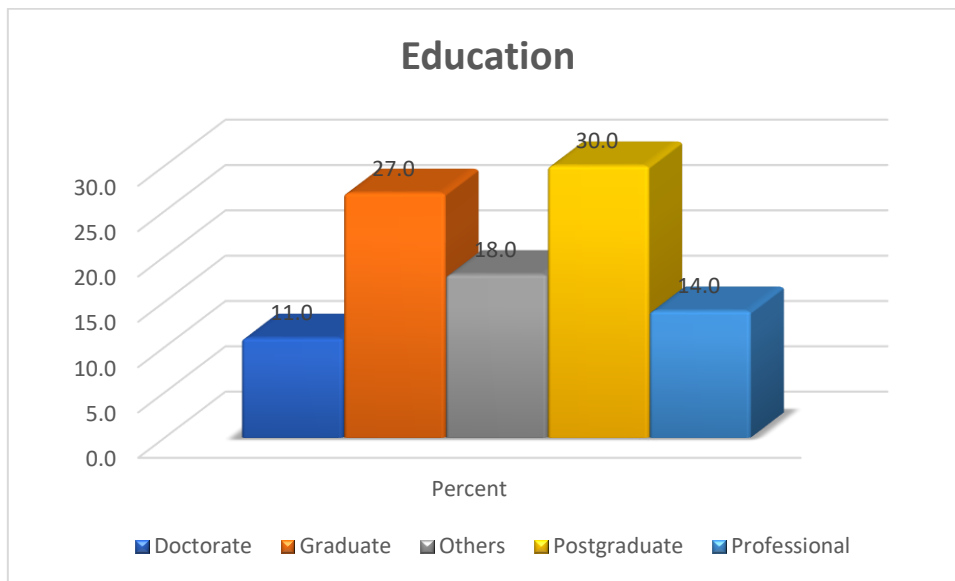
Data was analyzed using both quantitative and qualitative methods. Quantitative data from questionnaires was then entered into SPSS software to provide descriptive statistics and inferential analysis through correlation and regression methodology to explore the relationship between Human Resource Accounting and managerial decision making. Qualitative data from interviews was transcribed, and then analyzed thematically for key aspects, which were then compared to quantitative analysis, providing a full and reliable account of the study results.

## 4. RESULTS



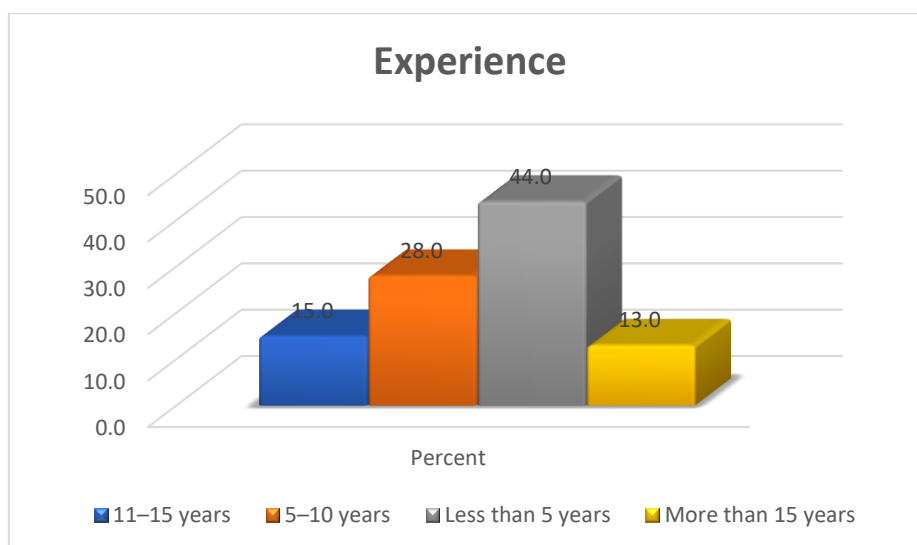
**Figure 1. Age-wise distribution of respondents.**

The age-wise representation of the respondents is shown in Figure 1, and it shows that there is a relatively equal representation of the respondents by age group. The highest number of respondents falls into the Below 30 years category (34%), implying that younger people constituted a significant part of the sample. This is closely followed by the respondents between the ages of 31-40 years (33%), a strong representation of young and mid-career professionals. The 41-50 years is the highest age group that represents 21st of the sample, and only 12 percent of the respondents are in the Above 50 years category. In general, the distribution shows the presence of a majority of young to middle-aged population with relatively less elderly respondents taking part in the study.



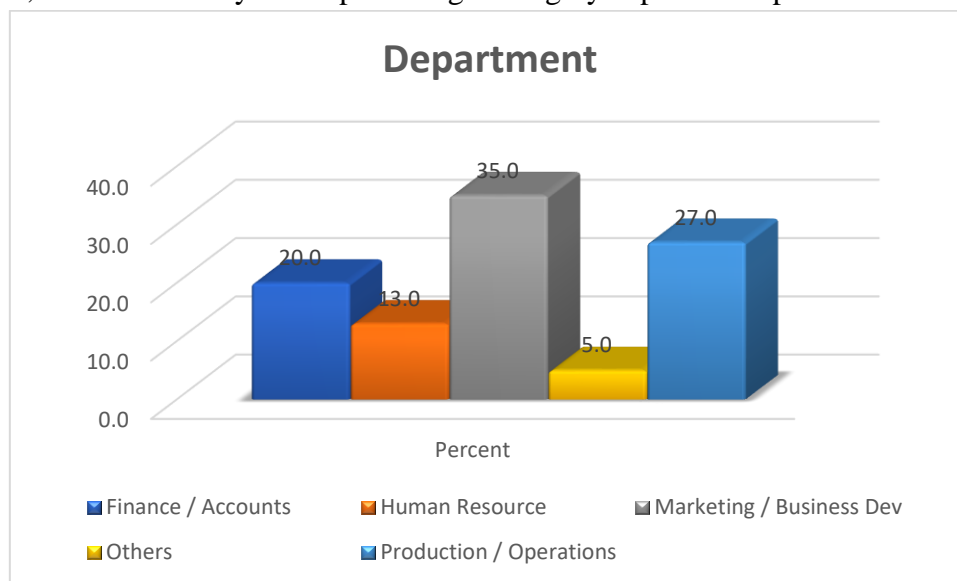
**Figure 2. Educational qualification profile of respondents.**

The educational background of the respondents is depicted in Figure 2 by revealing that the sample is represented by people of different academic levels. Postgraduates form the highest segment (30%), which shows that a substantial part of the people who completed the questionnaire is well-trained in academics. Graduates (27%), are the next in line showing a high representation of those with basic higher education. Others (respondents that fell in the other category) are 18% implying that they must have other qualifications like diplomas or non-conventional courses. In the meantime, 14% of the sample is represented by the holders of professional degrees, which also indicates the appearance of respondents who receive specialized or industry-based education. The fewest number are the ones that have doctorate degrees (11%), which shows that only a small percentage of highly advanced academically advanced people were involved. The distribution overall indicates that the respondent population is rather well-educated with most of them possessing graduate or postgraduate degrees.



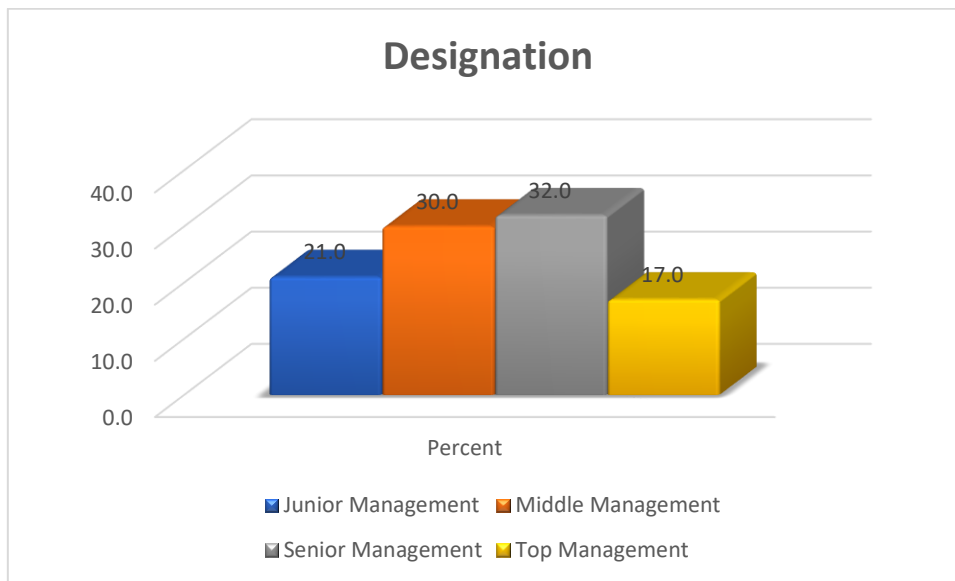
**Figure 3. Distribution of respondents based on years of experience.**

Figure 3 shows the distribution of the respondents by their professional experience and indicates that the sample is represented mostly by rather early-career individuals. The biggest percentage of the respondents that belong to less than 5 years category (44%) leads to the conclusion that a significant percentage of participants is new or in the first stage of their career. There comes those who have 5-10 years experience (28%), which is a significant portion of the average experienced workers. The number of respondents with 11-15 years experience is 15 and those with over 15 years experience is a mere 13. On the whole, the data indicate that the sample of respondents is mostly represented by younger professionals who have little work experience, with a relatively lower percentage of highly experienced professionals.



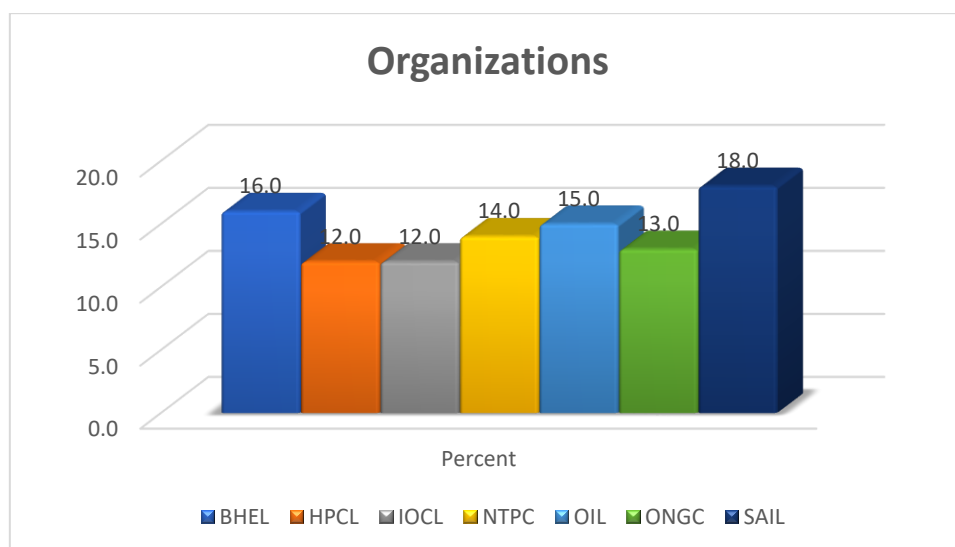
**Figure 4. Department-wise distribution of respondents.**

The distribution of the respondents according to the department is shown in figure 4 which shows that the sample is taken having a wide variety of functioning areas within the organizations. Most respondents serve the department of Marketing/Business Development (35%), which indicates that people who work in customer-facing and growth-oriented activities are the greatest number in the study. The next in line is Production/Operations (27%), with a high rate of involvement of the staff in the main organizational processes. Finance/Accounts department is identified to have 20% of the responses as compared to Human Resource professionals who constitute 13% of the sample. A minor number of respondents (5%) are in the category of Others showing that there is not much involvement of miscellaneous or underrepresented departments. All in all, the distribution shows a balanced but slightly marketing and operations unbalanced representation in the respondent pool.



**Figure 5. Respondents classified according to managerial level.**

Figure 5 demonstrates how the respondents have been distributed in various hierarchical positions of the organizations as the sample size is well distributed in the different management levels. The highest level of percentage of the respondents constitutes the Senior Management category (32%), which indicates high participation of persons with high decision making authority. This is then followed by Mid-Management (30%), which demonstrates significant contributions of the mid-level managers who control their operations and coordinate their team of workers. The number of respondents in the Junior Management is 21, which means that there is a moderate proportion of employees who are at the early levels of management. In the meantime, Top Management occupies 17% of the sample which encompasses those that are engaged in strategic leadership. In general, the sample indicates that the research covers the views of each of the largest levels of management, although with minor bias to the senior and middle managerial jobs.



**Figure 6. Distribution of respondents across Maharatna PSUs.**

Figure 6 shows the number of respondents per Maharatna Public Sector Undertakings (PSUs) indicating that the sample is representative of all the seven targeted organizations. The largest share is the one belonging to SAIL (18%), which means that the workers of this steel-industry company are well represented. This is then followed by BHEL (16%), OIL (15%), which have both contributed heavily in the engineering, as well as, oil exploration sectors. The NTPC respondents make a turn of 14% of the sample and the IOCL represents 12% of the sample. Involvement of ONGC (13) and HPCL (12), also indicates equal participation of the petroleum and energy industry. The distribution in general indicates that the answers were reasonably evenly distributed in the Maharatna PSUs, which guaranteed extensive representation by the organizations, and it also increased the validity of the findings of the study.

Table 1 reports the descriptive statistics of a variable Implementation of Human Resource Accounting (HRA). The findings indicate that the average score of 20.41 was reported by the respondents; this means that the level of HRA implementation among the surveyed Maharatna PSUs was moderately positive. The standard deviation value of 2.871 indicates that there is moderate difference in responses which means that although the majority of the respondents have similar perception about HRA practice, there is some level of difference in the perception of some employees. On the whole, the data indicates that the implementation of HRA exists, but it is not homogeneous in organizations and managerial ranks.

**Table 1: Descriptive Statistics for Implementation of HRA**

	Mean	Std. Deviation
Implementation of HRA	20.41	2.871

Table 2 shows Pearson correlation analysis that evaluates the association between the Implementation of the Human Resource Accounting (HRA) and its effect on Managerial Decision Making. The findings indicate that the correlation between the increased levels of HRA implementation and the better managerial decision-making process is positive and statistically significant ( $r = 0.359$ ,  $p < 0.01$ ). This implies that those organizations that embrace and implement HRA practices in a better manner are more likely to have managers who make data-driven decisions. The significance at 0.000 level proves that this was a very valid relationship that considerable chances could not occur in a chance trial. All in all, the results show the significance of HRA in improving managerial decisions in Maharatna PSUs.

**Table 2. Correlation Between HRA Implementation and Managerial Decision Making**

		Implementation of HRA	HRA on Managerial Decision making
Implementation of HRA	Pearson Correlation	1	.359
	Sig. (2-tailed)		0.000
	N	100	100

<b>HRA on Managerial Decision making</b>	Pearson Correlation	.359	1
	Sig. (2-tailed)	0.000	
	N	100	100
Correlation is significant at the 0.01 level (2-tailed).			

The model summary of the regression analysis conducted to determine the effects of Implementation of Human Resource Accounting (HRA) on Managerial Decision Making is as shown in Table 3. The model has a level of R of 0.359 which suggests that there is a moderate positive relationship between the two variables. The value of R square of 0.129 indicates that about 12.9 percent of the variance of managerial decision making can be attributed to implementation of HRA. The adjusted R Square of 0.120 indicates that there is slight decrease indicating that the model is stable. The standard error of estimate (2.456) is an indicator of the average variation of the observed scores against the predicted scores. On the whole, the model suggests that although the implementation of HRA has a significant role in the managerial decision making, much of the variation is affected by other organizational variables.

**Table 3. Model Summary for the Effect of HRA Implementation on Managerial Decision Making**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.359 <sup>a</sup>	0.129	0.120	2.456
a. Predictors: (Constant), Implementation of HRA				

Table 4 shows the results of ANOVA that were used to determine whether Managerial Decision Making is significantly predicted by the Implementation of Human Resource Accounting (HRA). The regression equation is statistically significant ( $F = 14.468, p < 0.001$ ), which also means that the implementation of HRA is also a significant factor that leads to differences in managerial decision-making scores. The diagram of the regression sum of squares (87.291) versus the residual sum of squares (591.269) also indicates that the model is able to explain a significant part of the total variance. The results with a significance value of 0.000 prove this hypothesis, stating that the connection between the HRA implementation and the managerial decision making is very consistent. Altogether, the findings of the ANOVA confirm that HRA implementation has a considerable positive impact on the effectiveness of managerial decision making in the Maharatna PSUs.

**Table 4. ANOVA for HRA Implementation**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	87.291	1	87.291	14.468	.000 <sup>b</sup>
	Residual	591.269	98	6.033		
	Total	678.560	99			
a. Dependent Variable: HRA on Managerial Decision making						
b. Predictors: (Constant), Implementation of HRA						

Table 5 shows the regression coefficients of the Managerial Decision Making effect of Implementation of HRA. The unstandardized coefficient (B = 0.327) shows that the managerial decision-making scores would rise correspondingly to the increase of one unit of HRA implementation. The beta (0.359) is a standardized value, which proves the moderately positive impact. The predictor is significant (t = 3.804, p < 0.001), which proves that the implementation of HRA is a valuable and good predictor of enhanced managerial decision making. The fixed (14.205) is the score at which the decision-making is done with the implementation of HRA at zero. In general, the model indicates that the improved application of HRA contributes to the enhancement of the quality of managerial decisions.

**Table 5. Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.205	1.772		8.017	0.000
	Implementation of HRA	0.327	0.086	0.359	3.804	0.000
a. Dependent Variable: HRA on Managerial Decision making						

The results of the ANOVA used to analyze the difference in the perceptions of managers to Human Resource Accounting (HRA) of different groups are presented in Table 6. As can be seen, the variance is statistically insignificant (F = 0.246, p = 0.864), which means that there are no significant differences in the perceptions of HRA as far as the division into groups is concerned. The p-value is very high (0.864), indicating that there is no significant difference between groups and most of the variability (664.881) is within groups and not across groups (5.119). In general, the results suggest that managers in various categories have similar views regarding the HRA implementation and usefulness.

**Table 6. ANOVA for Managerial Perceptions Toward HRA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.119	3	1.706	0.246	0.864
Within Groups	664.881	96	6.926		
Total	670.000	99			

Table 7 provides an overview of the most significant challenges that influence the adoption of Human Resource Accounting (HRA) according to the perception of the respondents. The findings demonstrate the existence of moderately high means scores of all items, which means that managers, in general, believe that there are a number of impediments to successful HRA implementation. The maximum mean (3.58) is associated with the inability to quantify employee skills and potential, indicating that it is considered to be the most serious challenge. It is then succeeded by the issues regarding the absence of standardised valuation models (mean = 3.32) and resistance to change or ignorance (mean = 3.29). The issues of elevated cost and complexity of HRA (mean = 3.26) and lack of regulatory guidelines (mean = 3.24) were also widely agreed upon. Altogether, the results show that technical restrictions and the organizational factors have a very strong impact on the somewhat weak adoption of HRA in Maharatna PSUs.

**Table 7. Descriptive Statistics on Challenges in HRA Adoption**

	Mean	Std. Deviation
Lack of standardized models for 1 valuation limits HRA adoption	3.32	1.246
Difficulty in quantifying employee skills and potential is a major obstacle	3.58	1.103
Resistance to change and lack of awareness hinder HRA implementation	3.29	1.365
Absence of regulatory guidelines affects uniformity in HRA practices.	3.24	1.386
The cost and complexity of implementing HRA discourage its adoption	3.26	1.186

Table 8 shows the recommendations of the respondents regarding how to make the process of adopting and making Human resource Accounting (HRA) in Maharatna PSUs effective. The findings demonstrate high mean scores in general, which implies that there is high agreement among all the recommended measures. The greatest consensus is on the need to establish standardized guidelines on HRA by government and accounting organizations (mean = 3.79), and there is the need to create incentives that can be used to encourage organizations effectively using HRA (mean = 3.74). Another factor that was stressed by the respondents was the regular training programs to help increase awareness (mean = 3.63). Other suggestions like the

combination of the HR and financial system of data (mean = 3.34) and having the HRA mandatory was also highly agreed upon (mean = 3.35). On the whole, the results indicate a high desire among managers to embrace structured, policy-based, and incentive-based HRA practices among Maharatna PSUs.

**Table 8. Descriptive Statistics on Suggestions for Strengthening HRA**

	<b>Mean</b>	<b>Std. Deviation</b>
Regular training programs should be organized to enhance awareness of HRA	3.63	0.971
Government and accounting bodies should develop standardized HRA guidelines	3.79	1.066
Integration of HR and financial data systems should be encouraged for accuracy	3.34	1.130
Incentives should be given to organizations effectively implementing HRA	3.74	1.011
Adoption of HRA should be made mandatory for all Maharatna PSUs.	3.35	1.114

## 5. DISCUSSION

As the results of this research show, the introduction of Human Resource Accounting (HRA) among Maharatna PSUs is moderate but significant as measured in the mean score of HRA and the positive association between HRA practices and managerial decision making. These findings are consistent with previous studies by Micah et al. (2012) who pointed out that HRA disclosure works in a big way to the decision makers in the knowledge based economy. Just like in the case of the current study, Dhanabhakyam & Mufliha (2016) have found that HRA plays a significant role in enhancing HRM decisions through structured information of the human assets. The existing positive correlation ( $r = 0.359$ ) supports the opinions of Avazzadehfath and Raiashekar (2011) who suggested that appreciating employees through HRA would improve the quality of the organizational decisions made by giving managers the opportunity to use more accurate and related information. In this way, the present findings can be compared to the larger empirical agreement that HRA enhances strategic and operations decision-making.

The findings of the regression and ANOVA analysis in this study indicate HRA has a statistically significant influence on managerial decision making which is similar to the findings of Bassey and Tapang (2012) who concluded that capitalized human resource costs enhance organizational productivity and managerial performance. Similarly, the results coincide with Enyi and Akindehinde (2014), who stressed that human resource information has a direct impact on the quality of decisions because employees are the determiners of all other organizational resources. These previous arguments are reinforced in the current work as they indicate that HRA can account close to 13 percent of the a difference in the decision-making scores of managers in Maharatna PSUs. This is an indication that HRA is not the only factor that determines the efficiency of managers, but it serves a pivotal support attribute as per the

findings of Cherian and Farouq (2013) that human resources should be identified and disclosed correctly in order to improve organizational performance.

Some of the issues that were perceived in the present study, including the lack of standardized models of valuation, resistance to change, and challenges in the measurement of employee potential, are trends in the past literature. Arkan (2016) also emphasized the absence of globally recognized ways of valuation as one of the biggest obstacles to uniform HRA implementation. The managerial recommendations identified in the current research, including the fact that the government should provide guidelines and conduct regular training sessions, closely resemble the recommendations provided in the study conducted by Abiola and Adisa (2020), who suggested that enhancement of awareness and standardized frameworks should contribute to the prevalence of HRA practices in businesses in a significant way. All these comparisons indicate that the findings of this research have a firm imprint in the current literature by affirming the positive aspects as well as the difficulties that face the implementation of HRA in massive enterprises in the public sector.

## **6. CONCLUSION**

The current research confirms that Human Resource Accounting (HRA) is a good instrument in the improvement of managerial decision making in Maharatna Public Sector Undertakings (PSUs). The results show that there is an intermediate but significant rate of HRA application within the organizations surveyed which shows that PSUs are slowly recognizing the importance of human capital as a quantifiable and strategic resource. The statistical techniques (correlation and regression) showed that HRA practices do play a significant role in the quality and effectiveness of the managerial decisions by offering more structured and quantifiable information about the employees. This drives the point that organizations gain when human resources are valued just like the other financial and physical assets. Consistency of the managerial perceptions also brings out the similarity of understanding of the levels of the hierarchy regarding the utility of HRA as a decision-support mechanism.

Even though HRA has a positive impact, the study also notes that it is faced with a number of challenges that limit its total implementation in Maharatna PSUs. The major obstacles here are the lack of standardized valuation models, the inability to measure employee potential, poorness of regulatory guidelines, and the organizational resistance to new accounting methods. These loopholes show that there is a necessity to reinforce institutional structures, capacity building initiatives, centralization of HR and financial data systems and support of policies at the policy level to propagate consistency and widespread adoption of HRA practices. As managers indicate their strong agreement with standardized guidelines, incentives, and awareness programs, the research finds that the HRA practices can be significantly improved to improve transparency rates, accountability, and long-term organizational performance in the most successful enterprises of the Indian public sector.

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