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THE ROLE OF HUMAN CAPITAL IN THE UNIVERSITIES' MANAGEMENT EFFICIENCY PROCESS

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ABSTRACT

Universities can only be as successful as their staff. Without qualified staff and effective hiring practises, universities cannot capitalise on their talents. For this reason, strategic HCM is necessary to attract and retain skilled employees. A university's workforce – from professors to administrators – is critical to fostering innovation, conducting research, providing educational opportunities, and contributing to the institution's overall mission. Indeed, human capital management (HCM) is critical for universities to attract and retain qualified employees. This includes developing a strategic plan for managing the workforce, including recruitment, hiring, training, and development. The HCM approach should aim to align the university's goals with the needs and desires of employees to create a win-win situation for both parties. The purpose of this article is to demonstrate through a documentary analysis that academic staff retention is essential for universities to maintain their academic excellence, reputation and competitiveness. By creating a positive work environment, competitive remuneration, professional development opportunities and reduced administrative burdens, universities can improve academic staff retention and create a more rewarding work experience for academic staff. Successfully recruiting and retaining top personnel is an important task for HR departments (and universities as a whole). As a result, the institution becomes more creative and effective.

KEYWORDS: human capital management, university management, HR efficiency process, human resources management

JEL Classification: M10, I20, I23

1. Introduction

Human capital management (HCM) aims to improve talent and production while managing the practical aspects of employment, such as correct benefits, timely pay, and favorable working conditions. Employees are happier and more engaged when their HCM practices are effective, and strive for continued success and progress. Each company's strategic HCM provides inspiration for best practices. With the right HCM technologies, universities can accurately track employment tenure. For institutions

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with foreign employees who either migrate or form a satellite school, the HCM process can be customized to meet the legal requirements of the country or locale. Better compliance is also promoted through effective HCM in many different areas of an organization. A company's ability to operate internationally makes good human capital management (HCM) especially important, from health and safety to benefits and compensation (e.g., universities).

Recruiting and managing talent is critical if universities are to have a significant impact on the educational landscape, maintain student engagement, and provide a world-class education (Bucăţa, Popescu & Tileagă, 2022). The employee lifecycle includes a variety of important tasks that keep your employees motivated, from recruitment to onboarding to monitoring goals and performance. Management can monitor performance using HCM for Higher Education to maximize efficiency. Students and other stakeholders benefit from an integrated and thorough service with an efficient team. Similarly, employees in organizations using HCM can quickly identify their career paths and prospects because a big part of HCM is development.

The best talent will look elsewhere if the workplace does not offer rewards and benefits. Managed HCM is beneficial to higher education institutions because it can help ensure employee benefits (e.g., an adaptable program that can be adjusted to meet local needs) and compensation. Payroll accuracy is critical for universities that hire foreign staff, especially if they are involved in research projects or field offices. Strategic HCM services help maintain payroll accuracy in cross-border transactions through the use of appropriate technology.

The article aims to demonstrate, through a literature review, that academic staff retention is essential for universities to maintain their academic excellence, reputation and competitiveness. Successful recruitment and retention of top personnel is an important task for HR departments (and universities as a whole). The research findings were obtained primarily through secondary research. All secondary data related to the topic were obtained from journals, newspapers, conference proceedings, government and corporate reports, and the Internet and critically analysed.

2. The Management of Universities – A Cultural and Local Opportunity

Expanding a university's worldwide presence is always a top priority. Global challenges do, however, result from global reach. A successful worldwide reach in the field of human capital management is determined by the particular measures taken to account for and prepare for cultural variations. It is often the responsibility of HR experts to keep an eye on and operate within local cultural norms. This can be challenging given the size and scope of certain institutions, particularly for centralized organizational structures where the management team originates from a single location.

Due to this, university HR staff must take the effort to comprehend cultural subtleties in order to guarantee that no acts made can be viewed as impolite or forbidden. This is a crucial item to do right for a university whose structure crosses cultures, not just among its personnel base but also among the students who make up its ranks. The cultural customs of the host nation must be considered by any expatriates, and a central management team must do the same for international employees working on a satellite campus. Human Capital Management (HCM) is the strategic approach to managing human resources in an organisation. It encompasses the processes of recruiting, training, developing, and retaining employees to achieve organisational goals. Experience is a critical factor in HCM because it can have a significant impact on an organization's success in managing its human capital (Figure no. 1).



Figure no. 1: *Human Capital Management and experience*
(Source: Servicenow, February 2021)

Today, the competitiveness of higher education institutions is determined by a number of variables. In the last 10 years, higher education institutions have had to deal with new issues such as globalization, migration and digitalization. They have to compete globally and take into account current developments in science and education. The ability of HEI to develop new organizational and business practices, as well as the ability to provide students with a high-quality education, are both significantly influenced by the quantity and quality of human capital. The criteria that define the quality of a HEI, such as scientific papers, artistic achievements, books, patents, study materials, etc., have changed with the situation. In the last decade, there has been a dramatic paradigm shift in higher education that has led to new needs and expectations. This also affects the quality of resources required. Universities are now forced to prioritize not only teaching, but also research and student support as part of a student-centered approach (Lentjushenkova, 2021). Human capital development at HEI is significantly impacted by all of this. A person's values, beliefs, attitude, appreciation of the arts and sciences, modalities of perception, ideas, and activities all have an impact on their culture. In this sense, culture describes how a person interacts with their surroundings, how they behave, and how their ideas and perceptions are shaped, all of which have an impact on how well they get along with their surroundings. With a workforce that was less diverse, things were much easier to manage. Nevertheless, globalization has completely transformed the situation, emphasizing the cultural variations inside the firm that have an impact on its performance. Due to cultural variations, human resource policies like training and staffing have a big influence. Social, cultural, and human capital are all interconnected and interdependent concepts that influence and shape individuals, communities, and societies (Figure no. 2).

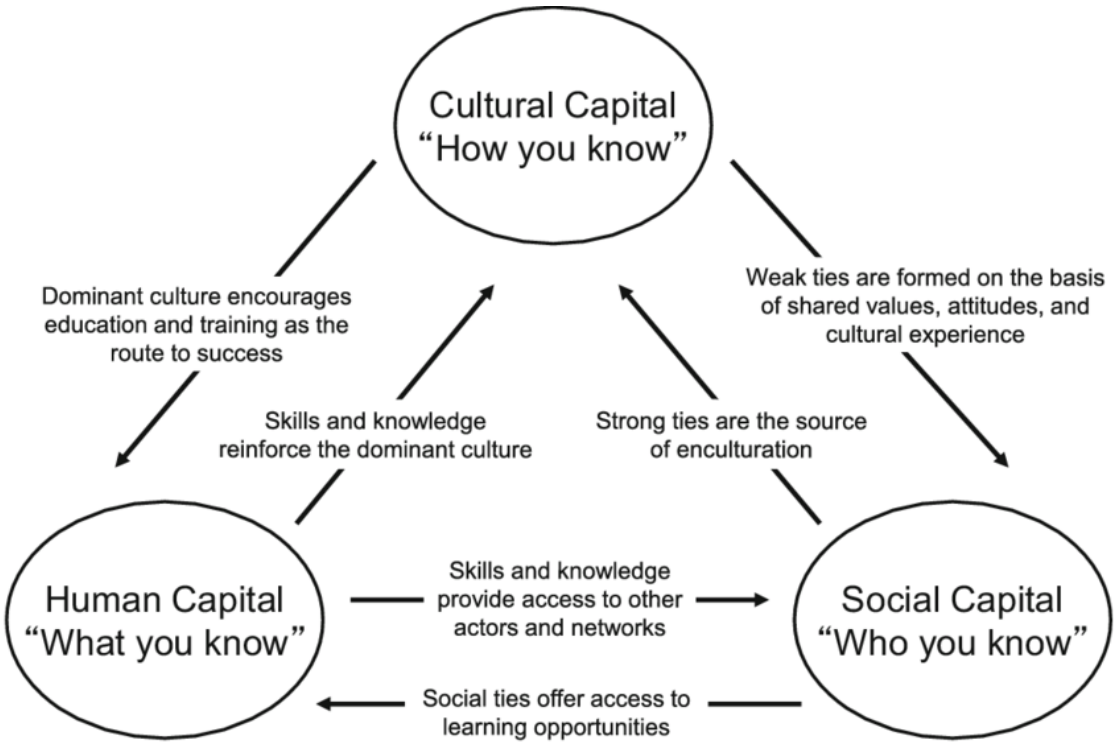


Figure no. 2: *Relationship between social, cultural, and human capital*
(Source: Harvard Business Review, January 2018)

Do good teachers come naturally or do they have to work at it? That is, can present and aspiring teachers be trained to become more successful, or is the skill intrinsic and not truly teachable-born? The truth will probably lie somewhere in between these two extremes, but they do serve to highlight the two primary directions the study has gone in. If effective teachers are "made", then we should concentrate on the best mentorship, training, and feedback systems. If effective teachers are "born", then the concerns are selection, identifying that aptitude, hiring, and retention. Wherever the source of the ability is, there is a third component, which is teacher effort. In this case, the policy goal is to increase that effort, generally through performance compensation.

Similar to schools, universities are educational institutions. Universities, professors, and students face many of the same problems as schools, instructors, and students do. There are, nonetheless, a few brand-new problems as well as various viewpoints on the typical problems. While schools frequently compete with one another for students, it might be argued that university competition is more fierce. This is due in part to its worldwide nature, in part to the advent of new modes of higher education delivery, in part because it is post-compulsory education, and in part because students have the choice of not attending at all, which is not available to students in schools.

On the other hand, by producing graduates who join the educated labor force in the area. Moreover, the information and innovations developed as a result of research activities at nearby institutions may serve to not only draw in new enterprises but also aid established companies in growing and innovating.

These “spillover effects” may increase the need for highly qualified personnel in the area. Traditional methods for assessing the economic activity produced by colleges and universities sometimes place a strong emphasis on direct employment or spending consequences, as well as a multiplier effect to account for indirect and induced results. Nevertheless, for a crucial reason, the potential impact of colleges and universities goes beyond these typical consequences. These organizations can aid in enhancing the people’s knowledge and skills, or human capital, which is a vital element of a region's economic success. In fact, a location with higher levels of human capital frequently has higher levels of economic activity and faster rates of economic expansion. Moreover, its employees often produce more and make more money.

For a number of reasons, a location with higher levels of human capital may also have higher levels of economic activity. Human capital boosts creativity and productivity at the individual level. By implication, a place with a larger concentration of human capital should have more robust economic growth. Higher levels of human capital have a greater overall impact on economic activity than their individual effects, though. Knowledge spillovers, or the movement of skills and information from one person to another, are made easier by the spatial concentration of human capital. By observation and dialogue, one person may pick up skills from another; conversely, the exchange of ideas among individuals may lead to fresh discoveries that broaden the group's knowledge.

In addition to producing local graduates, colleges and universities may boost a region's human capital levels through engaging in research. It is generally known that academic research and creative business activities have extremely localized spillover effects. By raising the demand for specialized skills and drawing in new enterprises, such as start-up companies looking for access to academic R&D or university-based human resources, these spillovers have the potential to change the makeup of local labor markets.

By awarding degrees and conducting research, colleges and universities may encourage a growth in both the supply and demand for human capital. Higher education institutions can therefore be crucial to the growth of the local economy. Yet, policymakers should take a variety of factors into account while working to improve local human capital. First, despite the fact that colleges and universities do boost the local supply of human capital, this link between the local stock of human capital and the human capital created by these institutions is only marginally favorable. This side of the market can be significantly shaped by policy. In instance, strengthening the research component of nearby schools and institutions can encourage spillovers into the neighborhood economy, aiding local companies in growing, and create high-demand employment. This process has the potential to boost the demand for skilled labor, whether those employees are locally generated graduates or those who are brought in from elsewhere. In order to recruit and keep human capital, authorities that aim to boost a region's human capital through its local colleges and universities may want to take into account both the supply and demand sides of the local labor markets.

An equally important task as research and development is for public universities to optimize the production of human capital in the various labor market sectors. Expanding access to higher education is a desirable, if not necessary, idea for state governments because it increases individuals' salaries and is associated with even greater benefits for the population. As a result, most public higher education systems around the world are designed to

provide individuals with access to higher education geographically, socially, and economically. They often do this through a multi-tiered institutional framework. This multi-tiered methodology, while beneficial, makes the relationship between higher education and regional development more complex and may limit the applicability of some findings from studies that focus on a single type of institution. For example, the methods used by research universities to recruit students, train them, and improve graduate retention would likely differ from those used by small bachelor's degree programs or community colleges. Much of the currently available literature on human capital formation, however, addresses only one step of this process, which can lead to biases in perceptions of the long-term impact of colleges and universities on the region's human capital (O'Neill & Bagchi-Sen, 2022).

The contribution that colleges and universities make to human capital development can vary widely from region to region, even within the same category of institutions. Research institutions are generally recognized as regional anchors because they typically have extensive research resources and attract top researchers and students from around the world.

However, master's, undergraduate and community colleges can still play an important role in human capital development, depending on the existing regional and industrial context. Smaller, teaching-focused schools, for example, can serve as important local sources of talent, educating students who do not have the means or desire to attend larger research institutions. These institutions can also work closely with local businesses and industries to provide job-specific training and workforce development programs.

As is mentioned, different levels of institutions may also attract students with varying degrees of mobility. Larger research universities often attract students from farther afield, while smaller, teaching-focused schools may appeal primarily to students from within the region. These institutions may also have different missions, with research universities placing a greater emphasis on research and scholarship, while teaching-oriented schools focus more on student education and outcomes.

Ultimately, the contribution that colleges and universities make to human capital development can be influenced by a variety of factors, including their institutional mission, resources, and regional and industry environment. However, all higher education institutions play an important role in preparing students for the workforce and contribute to the development of their local communities and society at large. Different types of human capital are provided by different types of colleges and universities. Associate's and bachelor's colleges, for example, may offer programs in technical trades, hospitality, and paralegal education, while master's colleges and research universities may offer programs in engineering and education.

Associate's and bachelor's colleges can provide students with hands-on training and skills they can apply directly in the workforce. These institutions may also offer degree programs geared toward specific industries and local labor markets, such as nursing or automotive technology.

Master's colleges and research universities, on the other hand, may provide students with more advanced and specialized knowledge and training in areas such as engineering, science, and education. These institutions often have extensive research resources and can attract top scholars and researchers in their respective fields.

However, it is important to note that the type of institution a student attends does not necessarily determine their ultimate career path or success. Students can gain valuable skills and knowledge at a variety of institutions and programs, and success

often depends on a combination of factors, including individual motivation, networking, and experience.

In summary, different types of colleges and universities offer different types of human capital, and each of them plays an important role in preparing students for professional life and contributes to the development of society. Although most colleges and universities offer degrees in business and finance, computers and mathematics, and health professions, the differences in degree levels (and the wage and retention patterns reflected in them) also highlight the importance of offering multiple pathways to higher wages, as well as the need to fill jobs at different skill and education levels. Graduate retention rates are also closely related to school characteristics, suggesting that students have a variety of mobility options. Schools with stronger local-regional engagement have higher retention rates because institutions link skills to local labor demand in different ways.

3. Human Capital Management – Retention and Global Perspective

Higher education institutions struggle with staff retention due to the high turnover rate of their academic staff, which is a significant problem for these institutions (Al-Qarshoubi, 2020). High staff turnover has serious consequences for the quality, consistency, and stability of academic enterprises. When positions are abandoned and subsequently filled with inexperienced staff, turnover can negatively impact students and the remaining academic staff, who struggle to provide and maintain excellent services. High turnover rates could make clients more skeptical of the system and discourage staff from staying in the field or even joining. However, there is little empirical research that addresses the antecedents and causes of turnover. Moreover, there has been no attempt to combine these empirical studies to identify overarching trends. Employee retention refers to the ability of an organization to keep its employees over a long period of time. It is an important aspect of organizational success and can bring many benefits, both to individual employees and the organization as a whole (Figure no. 3).

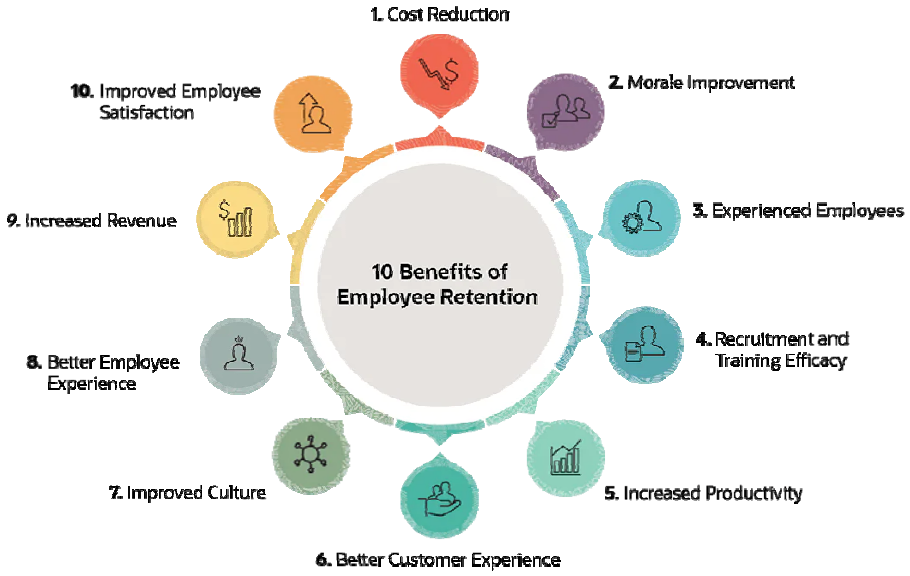


Figure no. 3: *Benefits of Employee retention, general perspective*
(Source: Netsuite, June 2021)

It is impossible to overstate the importance of universities in producing and developing the workforce needed for any organization's social, economic, and technical innovation. Academics are the reservoir of the most specialized and competent intellectuals because of the distinctive nature of universities, which has raised demand and competition for highly trained academics. Employing and maintaining skilled and experienced lecturers and researchers is becoming an ever-greater difficulty as a result of the increase in global mobility and changing demographic characteristics. This necessitates a high level of competence and demonstrated scholarship from university academic staff members in particular; as a result, universities act as a repository of information for developing the workforce needs of the country and addressing community needs for a decent and caring society.

Due to the lack of trained workers, economic expansion, and significant employee turnover, one of the most important problems organizational managers face is staff retention. Closing the back door to keep competent workers from leaving is necessary for an organization to realize a return on investment once they have attracted their attention. Workers are more likely to stay with the company if they feel that it cares more about them, if they understand what is expected of them, if they are given a job that suits their skills, and if they often receive praise and recognition. When workers are knowledgeable about important matters affecting the organization and their well-being, they feel comfortable staying in their jobs for extended periods of time.

Retaining academic staff is an important aspect of human resources and talent management in higher education. It is not only about recruiting qualified academic staff, but also about creating an environment that encourages competent staff to remain at the higher education institution.

In order to retain academic staff, higher education institutions must create a good working environment, a motivated atmosphere, and be an employer of choice. This can be achieved by applying best practices in human resources and talent management, such as offering competitive compensation and benefits packages, providing opportunities for professional development and advancement, and fostering a positive work culture.

In addition, universities must recognize the importance of work-life balance and support their academic staff in achieving it. This may include offering flexible work arrangements, access to wellness programs and services, and fostering a culture of respect and collaboration. By creating a positive work environment and supporting academic staff, universities can become known as a "best place to work" and "employer of choice", which can help attract and retain top talent.

In summary, academic staff retention is a critical component of human resources and talent management in higher education. By prioritizing the well-being and professional development of their academic staff, higher education institutions can create a positive work environment and brand themselves as employers of choice, ultimately benefiting the institution and its students. Retention of academic staff is critical for institutions of higher education because it involves encouraging staff to commit to and stay with the institution, even if there are no employment opportunities within the organization. This can be achieved by reducing structural changes, administrative requirements, and quality control requirements while maintaining high academic standards.

Universities serve as repositories of knowledge and expertise, and institutions can ill afford to lose their most talented and qualified employees. Therefore, retaining competent academic staff is critical, especially in a highly competitive academic job market.

Low retention rates can be costly to universities, both in terms of organizational expenses and missed opportunities to develop and maintain a high-quality faculty. Therefore, it is important that universities adopt best practices in workforce and talent management to increase retention rates, including competitive compensation, professional development, and work-life balance policies.

In addition, universities can take steps to reduce the administrative burden and workload of their academic staff, freeing up more time for research and teaching. This can be achieved through the use of technology, streamlined processes, and supportive administrative staff.

Our view is that retaining academic staff is essential for universities to maintain their academic excellence, reputation and competitiveness. By creating a positive work environment, competitive compensation, professional development opportunities, and reduced administrative burdens, universities can improve the retention of their academic staff and create a more fulfilling work experience for them.

Universities must focus on job satisfaction and its impact on staff performance if they are to effectively manage and retain their academic staff (Amegatsey, Odoom, Arpoh-Baah & Okyere, 2018). Retaining qualified staff is critical to maintaining the quality of teaching and research at universities. To retain academic staff, universities must offer competitive compensation, training and development opportunities, and opportunities for advancement. In addition, work-life balance is a critical factor in staff retention. Academic employees often have heavy workloads, and work-life balance can be challenging. Therefore, universities should consider policies and practices that promote work-life balance, such as flexible work arrangements and family-friendly policies.

In addition, there are several work-related and non-work-related variables that influence an employee's decision to stay or leave. These include the work environment, job security, organizational culture, leadership, and opportunities for growth and promotion. Therefore, universities need to keep a close eye on these factors and take steps to address any issues that may negatively impact employee retention.

Retention issues have a significant impact on the expected turnover of academic staff. If universities fail to address retention issues, they may experience high turnover rates, which can be costly and detrimental to the institution's reputation. Therefore, universities must prioritize retention and continually evaluate and improve their policies and practices to ensure the satisfaction and engagement of their academic staff.

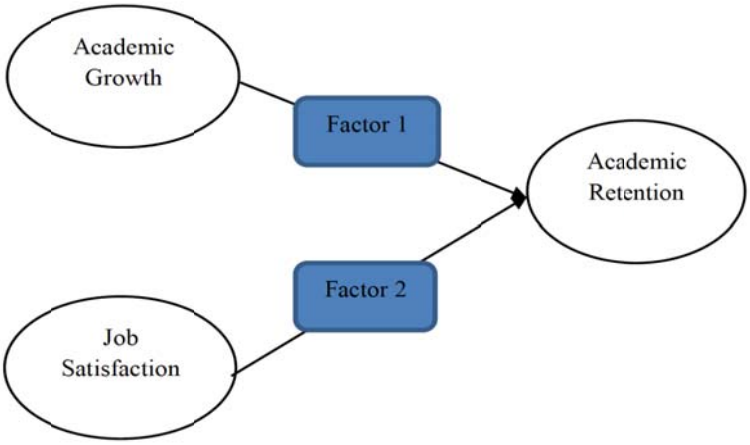


Figure no. 4: *University employee retention*
(Source: Authors' concept, 2023)

We propose that the following components are crucial for an efficient human resource management in order to promote retention in higher education institutions:

– Outlining how each person contributes to the vision and goal of the company.

– Clarifying the knowledge of employees' demands and reinforcing regular communication are among the goals of management training, which includes effective leadership abilities.

– Creating a culture of trust and raising the managers' skill levels who supervise professional personnel are other objectives.

– Roles and duties should be made clear to speed up learning contributions.

– Making investments and sustaining a dedication by paying the top talent what they are worth.

Several research shown the link between strong employee participation and the intention to leave a business. Absence of learning and development opportunities at work may be a major factor in employee discontent and attrition. According to further research, employees who get along well with the individuals they work with are more likely to stay with their company. Thus, it is advised that businesses offer team-building activities that allow for contact and conversation both within and outside of working hours. As these are the keys to ensuring employee retention, managers must now pay attention to their employees' subjective perceptions of their work as well as their levels of satisfaction with their working environments, superiors, and peers.

To retain employees, certain programs are to implemented. A training program is effective if it meets training requirements and provides training in accordance with training goals. The advantages that training provides to companies and learners are referred to as training effectiveness. Benefits to the company may include an improvement in production and customer satisfaction, while advantages to the trainee may include learning new skills or behaviors. The efficacy of training is measured by how much training and development activities lead to better performance and outcomes. When the training's results correspond with its goals, it is considered to be successful. Hence, training programs should be created and provided to satisfy the demands of the company and the workforce. The ability of the personnel to put what they have learned in the workplace to use should result in lower production costs, time savings, improved services, more customer satisfaction, enhanced morale, fewer grievances or complaints, and increased productivity. Having these factors, namely time, service, morale, and capacity before and after training, measured will allow you to know whether there was an improvement.

Career planning is an ongoing process that involves identifying individual career needs, goals, and opportunities and developing a plan to achieve those goals. It is not a one-time event or program, but an ongoing effort to improve and expand an individual's career prospects. The entire planning process usually involves several steps, including self-assessment, exploring career options, setting career goals, developing a plan to achieve those goals, and taking action to implement the plan. HR Programs are often established to support employees in their career development efforts, such as training and development programs, mentoring, and opportunities for advancement within the organization.

In today's rapidly changing workplace, it is important for individuals to constantly review and update their career plans to keep up with industry trends and advancements. It must be well understood that change for the better can only be done through human beings, is for human beings and must be for human beings (Rațiu, 2012). Therefore, career planning is not a one-time event, but an ongoing process of learning,

growth and development throughout an individual's career. Upward progress along the organizational hierarchy that meets the needs of the employer and the employee characterizes it. Companies may help workers with career planning, which not only gives them the best chance to advance in their careers and flourish professionally, but also helps rekindle their excitement, boost morale, and lessen turnover intentions. Before, it was believed that employees were responsible for their own career planning. Employees could not, however, possess the information needed to plan or advance their career. The business as well as the employee are not only at risk in this situation. The result is having a staff that won't progress in terms of performance and overall contribution to the long-term goals of the company. In order to assist employees identify their professional path and make plans appropriately, organizations themselves must offer support and tools.

4. Conclusions

Universities have an increasing problem in finding and keeping skilled, educated professors, researchers, and professional service personnel. The issue has been made worse by changes in demographics and the surge in global mobility. This is in addition to the fact that colleges are already recognized as human resource oddities that combine varying operating models, necessitating a unique solution to each institution's staffing needs. The range of necessary skills, credentials, and experience present another recruiting problem in higher education, which must be weighed against the requirement for academic management to produce a surplus from devolved finances. Remember to account for a disorganized line-management structure, a highly unionized workplace, academic dominance in separate subjects, regulatory compliance, and making sure that students are satisfied as paying clients.

Effective hiring practices are key to attracting the best talent, and HR departments should play a vital role in this process. They should ensure that job advertisements are visible to potential candidates, conduct thorough interviews and assessments, and offer competitive compensation packages. Universities should also strive to create a positive work environment and culture that encourages creativity, innovation and growth.

By investing in their staff, universities can reap many benefits, including increased productivity, higher employee satisfaction, improved research output and enhanced reputation. Ultimately, the success of a university is closely linked to the quality of its staff and their ability to fulfill the institution's mission and goals.

Universities are attempting a more substantial strategy with more diverse interview panels, campus tours, and presentations to a sizable cohort who report into the panel in an effort to get recruiting right. In essence, interviews are now longer, more involved, and, let's face it, laborious. A university's capacity to draw in the top applicants is influenced by a variety of factors. Among these, it is crucial for the hiring organization to convey to the applicant the importance of the position to their core competencies. Candidates would feel more confident that the hiring organization was serious about the hiring process and that it understood the position and the candidate's qualifications. Every job opening is a customized role, and while industry patterns are discernible, each function's specific requirements mean that a person who excels in one institution's environment may not necessarily do well in another. Hence, the institution must be clear about its strengths, limitations, and future plans before beginning the recruiting process.

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