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1. Introduction

Aether Innovations is a technology company with around 300 employees and is currently experiencing slow business growth, higher employee turnover, and a decline in customer satisfaction. These issues suggest that the organisation's people management practices are not properly aligned with its overall strategic direction. In knowledge-based organisations, gaining a competitive advantage depends not only on products and technology, but also on how well employees are attracted, supported, developed, and retained, as their skills and behaviour create value. Therefore, human capital management plays an important role in linking workforce ability with long-term organisational success.

This report focuses on Option 2: Building a Culture of Innovation and Future Work Practices. It argues that the challenges faced by Aether Innovations are mainly due to weaknesses in organisational culture, employee motivation, leadership, and job design. These issues are analysed using relevant HRM theories, followed by practical recommendations to help build a stronger culture of innovation and improve future work practices. The report also reflects on key learning from the module and considers how individuals can stay relevant in an AI-driven workplace through continuous learning and developing human-centred skills.

2. Part 1 - Option 2: Building a Culture of Innovation & Future Work Practices

2.1 Overview of the Current Organisational Issues

Aether Innovations is currently dealing with a mix of workforce and performance issues that are hindering its long-term progress. Although the company works in a competitive tech industry, it is facing slow growth, more employees leaving, and lower customer satisfaction. These issues are probably not separate from each other. Instead, they point out that there is a wider gap between how people are handled, the current culture within the organisation, and the overall business plan. Strategic HRM studies indicate that when people-related practices are not aligned with business goals, it often leads to lower employee commitment, weaker overall performance, and reduced competitiveness.

One big issue is that many employees leave the company, leading to a lot of turnover. In a tech company, this causes big issues because it breaks the smooth flow of work, makes it hard for the team to work together, and results in losing valuable knowledge and experience. When employees leave often, it becomes more expensive to hire and train new ones. From an HRM perspective, this situation typically indicates more profound internal issues such as ineffective leadership, insufficient recognition, restricted career development, or a negative work environment, rather than being solely attributed to external labor market conditions.

A second issue is flat organisational growth. In knowledge-based firms, growth depends heavily on creativity, adaptability, and the effective use of employee capability. When growth slows, it may suggest that employees are not fully enabled or motivated to contribute to innovation and improvement. Research on high- performance work systems shows that employee ability alone is not enough; organisations must also provide the motivation and opportunity needed for performance (Appelbaum et al., 2000).

A third issue is declining customer satisfaction. Customer outcomes are often shaped by internal conditions because employees directly affect service quality, problem-solving, and responsiveness. If morale is low, communication is weak, or collaboration is poor, customers are likely to experience the effects. Overall, Aether Innovations appears to need a more integrated human capital approach that improves culture, leadership, engagement, and ways of working.

2.2 Analysis Using HRM Theories and Models

The problems at Aether Innovations can be understood more clearly through key HRM theories that explain how culture and motivation influence organisational performance.

First, Schein's organisational culture model helps explain why innovation may be weak. Schein and Schein (2017) argue that culture operates at the levels of artefacts, espoused values, and underlying assumptions. An organisation may claim to value innovation and collaboration, yet employees often judge culture by what leaders actually reward and tolerate. If Aether Innovations says it values innovation but employees believe new ideas are ignored or risk-taking is discouraged, then innovation will remain limited. This suggests a gap between stated values and everyday practice.

Second, Herzberg's two-factor theory provides insight into turnover and low engagement. Herzberg, Mausner and Snyderman (1959) distinguish between hygiene factors, such as supervision, policies, and working conditions, and motivators, such as recognition, achievement, and growth. If Aether Innovations provides insufficient managerial support, unclear progression, or weak recognition, employees may feel dissatisfied and unmotivated. In technology organisations, employees often expect meaningful work, autonomy, and learning opportunities. When these are missing, retention becomes more difficult.

Third, the AMO model explains performance in terms of employees having the ability, motivation, and opportunity to contribute. This is highly relevant to Aether Innovations. The company may employ capable staff, but if they are not motivated through recognition and purpose, or if they lack opportunities to share ideas and influence decisions, their potential will not translate into value. The model shows that performance problems are often caused not by a lack of talent, but by the failure to create the right conditions for contribution.

Another important matter is psychological safety, which helps people learn and come up with new ideas. Edmondson asserts that employees tend to perform more effectively when they feel secure in expressing their thoughts, challenging assumptions, and acknowledging their errors.

2.3 Recommendations to Build a Culture of Innovation

To improve performance, Aether Innovations should adopt an integrated set of interventions that make innovation part of everyday organisational life. Research shows that organisations perform better when people practices promote learning, collaboration, commitment, and adaptability (Boxall and Purcell, 2016; Marchington et al., 2016).

The first recommendation is to create cross-functional collaboration structures. Innovation is often weakened when teams work in silos and knowledge remains fragmented. Aether Innovations should establish cross-functional groups for product improvement, service redesign, and customer problem-solving. This would improve communication, expose employees to different perspectives, and help them understand how their work contributes to wider business goals. From an AMO perspective, it expands employees' opportunity to contribute.

The second recommendation is to introduce a formal employee idea-generation system. Employees should have regular opportunities to suggest improvements, test ideas, and contribute to innovation. This could include innovation sprints, digital suggestion platforms, or monthly idea forums. However, these mechanisms will only work if management takes employee input seriously. This would strengthen employee voice and support psychological safety (Edmondson, 1999).

The third recommendation is to redesign reward and recognition practices. If the organisation expects creativity, collaboration, and initiative, these behaviours should be recognised explicitly.

The fourth recommendation is to strengthen leadership and development. Managers shape culture through daily behaviour, communication, and feedback. Aether Innovations should train leaders to encourage participation, support experimentation, and manage teams more inclusively. At the same time, the company should invest in mentoring, workshops, coaching, and progression pathways. Continuous learning is essential in knowledge-based firms because it improves capability while also signalling that the organisation values its employees (Marchington et al., 2016).

Taken together, these recommendations would help Aether Innovations move from a reactive culture to a more innovative, collaborative, and high-commitment environment.

2.4 Future Work Practices Model

Beyond changing its culture, Aether Innovations should adopt a forward-thinking hybrid work setup that balances flexibility with accountability. Today's companies rely heavily on digital tools, flexible work options, and managing based on outcomes. Research suggests hybrid work can be beneficial when it's supported by clear expectations, the right technology, and consistent management approaches (Cascio and Montealegre, 2016).

A good setup would involve employees dividing their time between working from home for tasks requiring focus and coming into the office for team activities, planning, and creative work. This would blend autonomy and productivity with the face-to-face interaction needed for creative problem-solving and team cohesion. Office time should be used intentionally for activities that benefit most from everyone being present, such as meetings, workshops, and training new hires.

To make this work, leaders need to focus on what people achieve rather than just whether they're in the office. Setting clear goals, providing regular feedback, and having open communication channels are key. Regularly using shared digital tools for tracking projects, communicating, and sharing information is crucial for employees to do their best work, no matter where they are (Cascio and Montealegre, 2016).

The company should put in place regular team activities, like weekly check-ins, review sessions, and idea-generating meetings. These practices can help maintain transparency, build trust, and keep everyone on the same page, while also creating a space where people feel safe to share their thoughts and suggestions (Edmondson, 1999). Overall, a well-structured hybrid approach would improve both employee happiness and strong company performance.

2.5 How These Recommendations Improve Performance

The suggestions being put forward should boost how well Aether Innovations does because they tackle the core issues behind its current struggles, not just the surface-level problems. Things work best when the company's culture, how it's led, how involved people are, and how jobs are structured all work together in a positive cycle.

To start, these suggestions will make employees more motivated and less likely to leave. When people feel appreciated, get a say in decisions, and have chances to grow, they tend to feel more valued and dedicated. This, in turn, should cut down on staff turnover and make performance more consistent.

Next, the ideas will help boost creativity and teamwork. Bringing together teams from different departments, giving employees a platform to share their thoughts, and fostering a safe environment for speaking up all make it more probable that good ideas will come up and be put into action. In companies that rely on brainpower, new ideas really depend on trust and honest conversations.

Plus, adopting forward-thinking work approaches will lead to better output and quicker reactions. A well-organized hybrid setup lets employees work flexibly while still being held responsible for results. With the right digital tools and clear expectations for performance, this can improve how well things are coordinated, give people more independence, and make operations more efficient.

Lastly, improved internal performance will probably lead to happier customers and a growing business. When employees are engaged, they're more likely to provide top-notch service, fix issues fast, and come up with creative solutions for customer needs. Over time, this should lead to greater customer satisfaction, a better reputation, and more sustainable growth. Essentially, managing people effectively becomes a major factor in how successful an organization is.

3. Part 2 - Reflection

3.1 Reflective Learning Using Gibbs' Reflective Cycle

Description

Looking back at this module using Gibbs' reflective cycle from 1988, I can honestly say my view on how managing people ties into how well a company does has totally changed. Before I took Human Capital Management, I mostly thought of HR as just the day-to-day stuff like hiring, teaching, and reviewing employees. But this course opened my eyes to the idea that people are actually a company's most valuable asset, the kind that drives new ideas, boosts output, and keeps a business competitive in the long run (Boxall and Purcell, 2016). The Aether Innovations story really drove this home, showing how losing staff, slow growth, and unhappy customers can all stem from deeper problems with company culture, leadership, and how work is set up.

Feelings

When this module started, I figured Human Capital Management would just be about the usual HR tasks. As we went along, though, I realized it's way more about strategy and actually matters a lot more than I'd guessed. I found that pretty cool and also a bit tough. It was cool because I could clearly see how what you do with your employees directly impacts the business's results. It was tough because it pushed me to really think about how culture, leadership, and what motivates employees all work together. This made me understand that being good at managing people isn't just about having the right rules, but also about being understanding, communicating well, and building trust (Marchington et al., 2016).

Evaluation

A really great part of this module was figuring out how to use academic ideas in actual work situations. Tools like Schein's culture model, Herzberg's ideas on motivation, the AMO framework, and the concept of psychological safety helped me go beyond just saying what was wrong at work to figuring out the root causes (Herzberg, Mausner and Snyderman, 1959; Edmondson, 1999; Appelbaum et al., 2000; Schein and Schein, 2017). I found it particularly helpful to see how bad management can lead to people leaving, less new ideas, and worse customer service. The trickiest part was taking these theories and making them into actionable advice, since real-world issues are way messier than what you read in books. But honestly, struggling with that actually made me better at thinking critically and solving problems.

Analysis

This course really opened my eyes to how much company culture influences how people act at work. The biggest takeaway for me was realizing that even if a company says it's all about innovation and teamwork, if the leaders' actions and how people are rewarded don't actually back that up, the staff will end up feeling unenthusiastic instead of inspired. Schein and Schein (2017) make it clear that culture isn't just about what you say you value, but what you consistently reward and expect. This really shifted my perspective on performance, because now I understand that a lot of workplace issues stem from a disconnect between what a company claims to believe and what it actually does.

So, something else that really stuck with me from the module is how work is changing. It showed how things like working some days from home and some in the office, teaming up online, and always keeping up with new skills are pretty much standard now in jobs. This felt super important because with more and more jobs being driven by tech, you really need to be able to roll with the punches and keep learning. Cascio and Montealegre (2016) pointed out that tech changes don't just affect what you do day-to-day, but also how companies are set up and how people are managed. It really got me thinking about how crucial it is for me to keep learning and stay flexible throughout my career.

Conclusion

Overall, this module has changed the way I understand organisations and performance. I now see workers not simply as cogs to be managed, but as strategic contributors whose knowledge, provocation, and engagement influence organisational success (Boxall and Purcell, 2016). The module has helped me develop a further critical understanding of culture, leadership, and hand development. Action Plan Going forward, I want to make on this literacy in both academic and professional surrounds. First, I'll continue developing my understanding of HRM proposition by applying crucial models to real case studies. Second, I'll strengthen transmittable chops similar as communication, cooperation, and reflective thinking, which are important in any professional setting (Marchington et al., 2016). Third, I'll pay near attention to how culture and operation geste affect performance. Eventually, I'll maintain a lifelong literacy mindset so that I can acclimatize to changing workplaces and technologies.staying relevant in the age of AI.

Action Plan

The growing use of artificial intelligence has made continuous learning more important than ever. AI is reshaping work by automating routine tasks, improving efficiency, and supporting decision-making across many sectors. I see AI not only as a disruptive force, but also as a tool that can enhance human capability when used responsibly. For example, it can support data analysis, workflow automation, and information processing, allowing employees to focus more on judgement, communication, and strategy (Cascio and Montealegre, 2016).

3.2 Staying Relevant in the Age of AI

To keep up in this AI era, I reckon we really need to beef up the skills that AI can't easily do. Think critical thinking, being creative, knowing right from wrong, being able to roll with the punches, working well with others, and just being able to chat effectively. Even though AI can whip up answers super fast, it just doesn't quite get the big picture, our values, or how people interact. So, folks who can actually make sense of what AI spits out, challenge the ideas behind it, and make smart, fair calls will still be super important.

I figure keeping up with the times means you've got to keep learning throughout your life. That includes staying sharp with your technical skills, figuring out how to use AI responsibly, and being ready to adapt to new ways of doing things at work. In my career down the road, I'm hoping to leverage AI to boost how much I can get done and help spark new ideas, all while honing the human skills that machines just can't replicate. My goal isn't to go head-to-head with AI, but to team up with it in a smart and mindful way.

4. Conclusion

To stay relevant, I believe continuous lifelong learning is essential. This involves keeping your technical abilities up-to-date, understanding how to use AI ethically, and being prepared to adjust to evolving work practices. Looking ahead in my career, I aim to utilize AI to improve my productivity and foster innovation, while simultaneously developing uniquely human skills that AI cannot replicate. My intention is not to compete with AI, but rather to collaborate with it intelligently and thoughtfully.

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