

Module: Human Capital Management

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1.0 Introduction

The need of various organizations is to maintain a deliberate alignment between human resource management and organizational goals. To maintain this alignment, organizations use human capital strategies. This approach manages the innovation process while maintaining sustainable performance and also helps in achieving competitive advantage in various fields. This approach is more necessary for technology-driven organizations. In most cases, these organizations have to work by balancing intellectual capital and innovation capabilities, which helps in ensuring long-term success for the organization. In this approach, the employees of the organization are not just assets for the organization, but they work for the organization as strategic assets. To maintain increasing organizational resilience within an organization, a strong connection needs to be made between people, performance and innovation (Stone, Lukaszewski and Johnson, 2024).

2.0 Organisational Background & Problem Diagnosis

The report investigates Aether Innovations’ human capital problems, which arise from the company's rapid growth and its high employee turnover combined with decreasing customer satisfaction rates. Aether Innovations is a mid-sized technology company which operates with 300 professional staff members and has achieved steady revenue growth since its establishment. Recent internal performance data shows that revenue growth has reached an annual increase of 8% which represents a decline from the 18% growth rate that existed during the previous three years while the market demand is expected to grow by 12% each year. The company has established itself in a highly demanding digital market (Hoichuk and Lyubomudrova, 2024).

Leadership Table

Role	Name	Details
CEO	Rick/Richard Unrau	CEO and Director since August 2025; 30+ years in telecom, tech, financial services; previously with Indrocorp in drone sectors.

Role	Name	Details
CFO	Richard Unrau (Interim)	Assumed interim CFO role October 2025 after Nancy Boufeas' resignation; search ongoing for permanent replacement.
CTO	Not publicly listed	No confirmed CTO in current leadership; past mentions relate to other firms like Aether Industries (chemicals).
CIO	Not publicly listed	No mentions of a Chief Information Officer in available sources.

Table 1: Leadership details

Above table is showing the organisational chart, although there is an increase in the annual turnover rate for employees in companies included in the survey (22%) compared to the average turnover rate for their respective industries (14%), and a significant decrease in CSAT scores as measured over two sample periods (from 84% to 68%), there are corresponding observable issues that undermine organizations' successes by creating barriers to innovation and operational performance management. As a consequence of these issues, operational failures have increased (e.g., the percentage of project deadline overruns has increased from 15% to 32% over the last 12 months).

These patterns highlight systemic issues related to workforce engagement, performance systems, and role clarity from a human capital perspective. This report utilizes human resources analysis to identify the behavioural and structural issues that contribute to the lack of alignment between innovation priorities and an improved performance management system.

3.0 Part 1 – Re-Engineering Performance & Job Design (Option 1 Chosen)

3.1 Current Practices in Tech Firms

The annual review process in the technology sector is still conducted traditionally where the performance appraisal process is based on old methods. If the same process is used at present, it

will never be possible to give much importance to rapid innovation and it will not be able to improve the performance appraisal system incrementally. Due to this, there are many organizations these days that have moved towards adopting new processes instead of operating traditional methods.

Systems are focusing more on adopting continuous performance management models instead of giving priority to the manager-led appraisal process. By adopting this new initiative, it has become much easier for organizations to collect real-time feedback. Moreover, it is now possible to focus more on difficult and adaptive skills than before, which is helpful for the improvement of the organizations. Organizations are gradually focusing on building HR analytics platforms that help in conducting a data-driven appraisal process. Adopting this process makes it possible to reduce the generality and it helps in improving the decision-making process. Due to this, the job design has changed in modern technology organizations (Ren *et al.*, 2023). Organizations are now focusing on adopting agile role structures that further develop this process and align advanced features. Such as forming project-based teams, or managing flexible responsibilities or measuring role fluidity, responsibilities are divided among employees so that employees can handle the right tasks according to their capabilities. Adopting trends can increase responsiveness. This process helps to drive the innovation process and increases employee engagement.



Figure 1: Human Capital Diagram Stock Illustrations

(Source: Ren *et al.*, 2023)

According to the above image, despite the advantages discussed, there are some obstacles to implementing the mentioned method. The performance rating process can still be influenced by unconscious bias. This is especially true in the case of peer comparisons and leadership evaluations. Moreover, if excessive flexibility is available in the work, it can create ambiguity in the roles in some cases. This will create obstacles in maintaining accountability and create a confusing situation among employees about performance expectations.

3.2 Proposed Performance Appraisal System

The above section has analysed in detail the advantages and disadvantages associated with the system mentioned above. In this situation it is important for the organization to ensure that the mentioned problems are solved and to discuss what effective steps need to be taken for that. In this case, it has been mentioned that an effective process has been adopted to find solutions to the discussed problems, which is called OKR. OKR stands for Objectives and Key Results, which is involved in implementing a modern, integrated performance appraisal system. The process is capable of providing 360 degree feedback and the presence of real-time feedback tools can be seen here, which adds convenience to managing the mentioned process. Some rules have to be maintained while using OKR, such as it can be determined only on a quarterly basis. In this case, efforts should be made to maintain coordination between individual, team and organizational goals. In addition, special attention should be paid to maintaining responsiveness to market changes in this process (Ogedengbe *et al.*, 2024).

It is important to clearly include new product ideas.

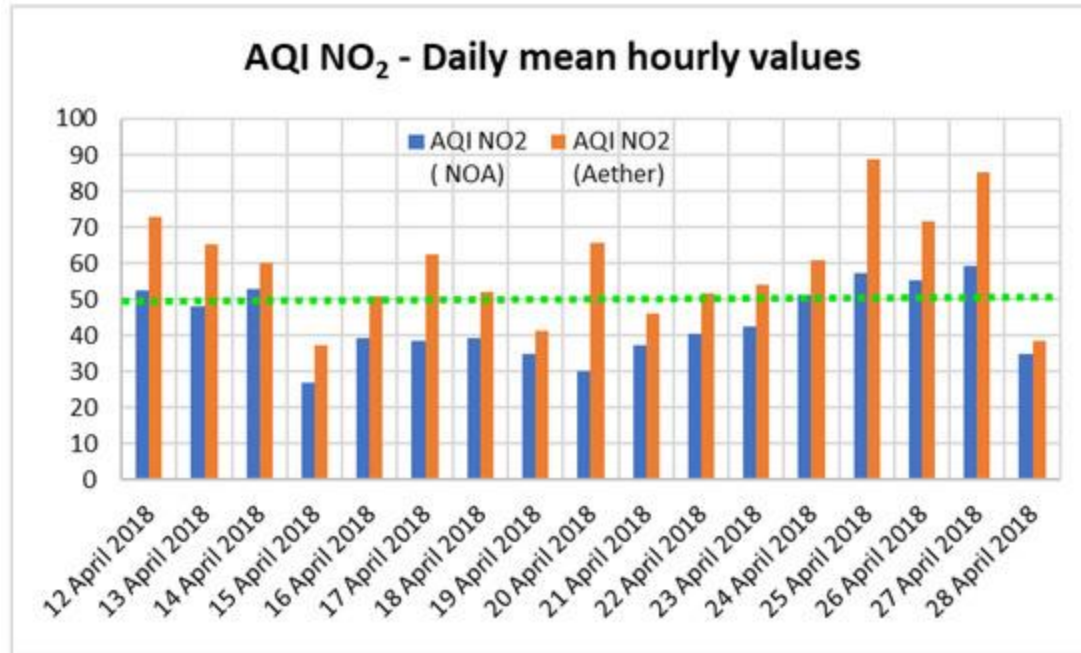


Figure 2: daily hourly values

(Source: Budhwar et al., 2023)

The above chart is showing daily hourly values so it is important to keep the feedback loop open, as well as aligning innovative results with cross-functional contributions. In this case, OKRs should be used as a complement to a 360-degree feedback system. This should include collecting content from colleagues, managers, and subordinates. This process will primarily help analyse behavioural skills. It also focuses on analysing the impact of collaboration and leadership. Real-time feedback tools will be used to collect feedback. For example, pulse surveys and digital recognition platforms can be used. Delayed evaluation processes should be avoided and instead such processes should be aligned by providing continuous insights. Implementing these processes will improve visibility within the workforce and this will help improve employee engagement.

3.3 Job Analysis & Design for Six Key Roles

In this regard it is important to discuss the job characteristics model. The system mainly focuses on five key dimensions where important leadership roles are highlighted. These roles are CEO, PFO, CTO, CHIP, Innovation Officer or CIO, HR Director and Head of Research and Development respectively. The mentioned leadership roles are mainly presented across 5 key dimensions. One of which is skill diversity, followed by job identity and job significance analysis.

Finally, the autonomy and feedback system is given priority in this regard. The focus in this system is on developing different roles for which there are specific reasons. In this case, analysing the strategic implications is an important issue. Moreover, this process is also designed to maximize innovative leadership. As a result, the entire system can be managed with a sense of responsibility and transparency in activities is maintained. As such, the main responsibility of the CEO is to analyse the enterprise wide vision within the organization. All these factors contribute to improved leadership skills and drive the organization forward through strategic foresight (Budhwar et al., 2023).

Therefore a person must have high emotional intelligence to be appointed as CEO. The main role of CFO in an organization is related to financial supervision. People in this position mainly focus on developing effective strategic investment methods for the innovation process. They have high analytical skills and are able to manage risk.

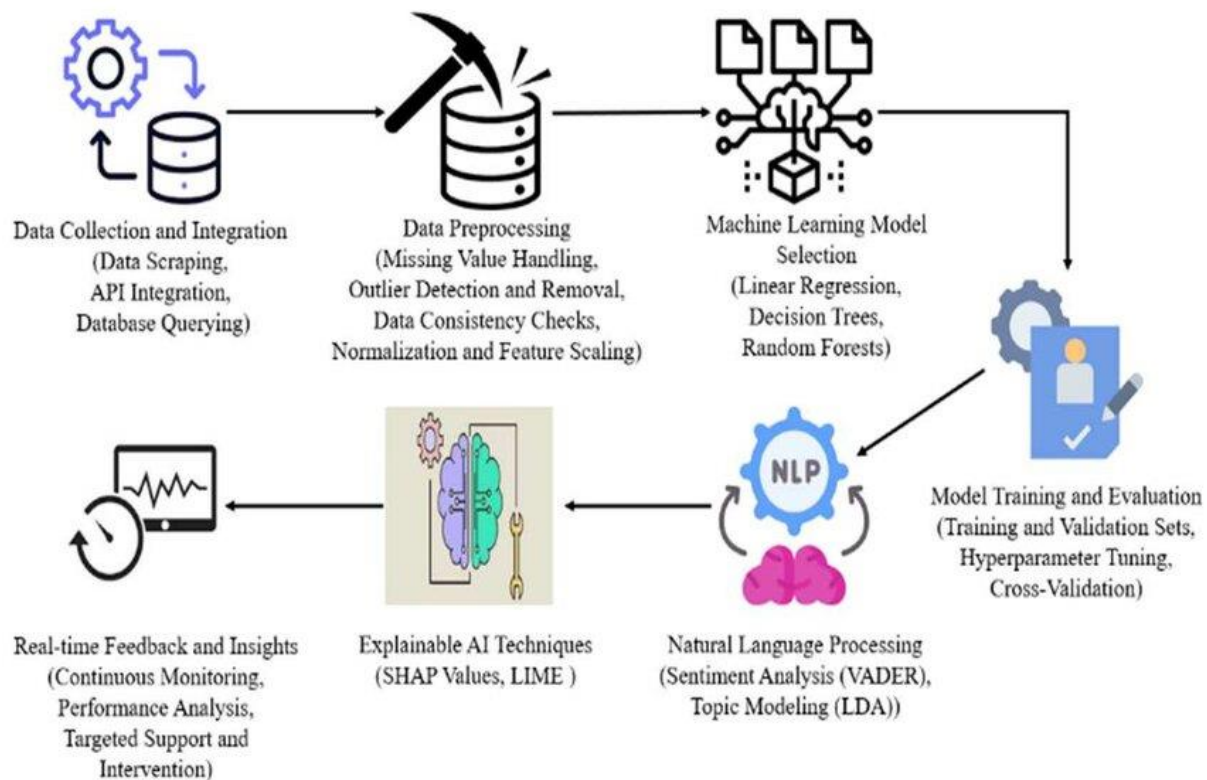


Figure 3: Employee Feedback system

(Source: Zeng et al., 2023)

The Employee feedback system is given in above figure, such people also need help in integrating effective collaboration. This time, the subject of discussion is the Chief Innovation Officer who acts as a catalyst. The responsibility of these people is to design organizational creativity. They are involved in building innovation pipelines, developing experimental structures and implementing cross-functional ideas. People in this position have high skills in design thinking and are experienced in change leadership. The next step is to discuss the role of HR managers whose main responsibility is to plan the workforce through strategic processes. People in this position are responsible for shaping the culture that is centred on these four systems. To manage all these responsibilities, a strategic HRM system is used (Zeng, Yang and Lee, 2023). To manage the activities associated with this system, a person needs to have skills in analysis and organizational development. Finally, the Head of R&B is discussed whose main responsibility is to implement innovative strategies for the organization. The process involves conducting research methods where leadership and project management skills are essential. Moreover, people associated with this position must have strong skills in providing support.

3.4 Integration: Performance + Job Design

This section analyses the effectiveness of human capital, which is influenced by various factors. In this regard, there is an importance of developing a competency management system. It is equally important to have a seamless integration process within the job design system. In managing this process, the presence of OKRs is seen, which are directly linked to the reconstructed job roles. By adopting this approach, it is possible to meet performance expectations. Mainly, the tendency to maintain a clear alignment with the strategic responsibilities is seen in this case. Various innovative goals are aligned in this process (Esan *et al.*, 2022). These goals are clearly part of the reward process. In this case, the tendency to reinforce the results as desired behaviour is achieved.

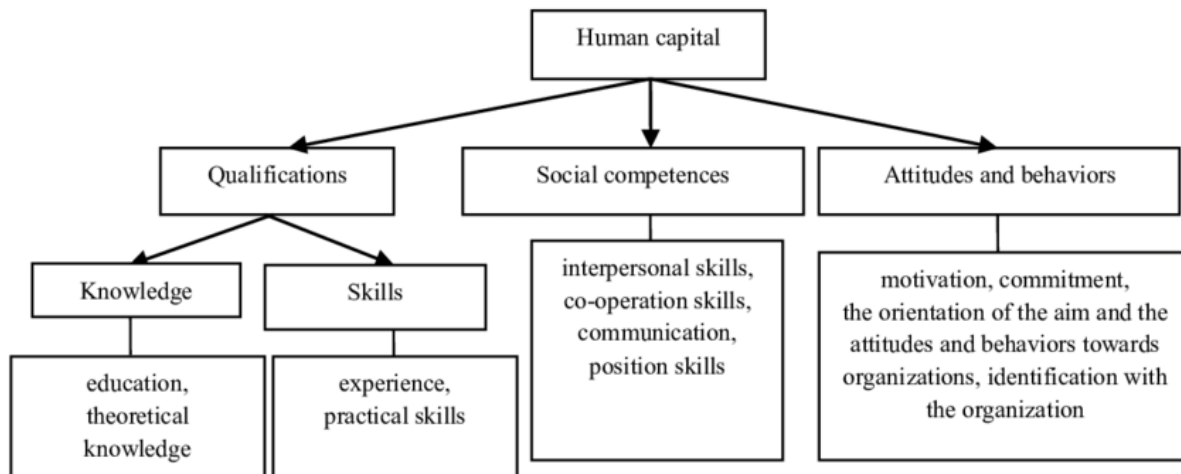


Figure 4: Components of human capital Source

(Source: Esan *et al.*, 2022)

The above image is showing the components of the human capital, now it can be stated that continuous feedback loop is seen in the competency management associated with this process. This tendency helps to inform ongoing job restructuring. This allows the identification of the feedback loops created between organizational learning and environmental changes and also provides an opportunity to develop the roles of both. Career paths depend on many other factors and are accelerated by various factors. The role of performance results is very important in this. It also involves the benefits of acquiring skills in the workplace or paving the way for the future based on innovative contributions. All these factors help employees to clearly understand the benefits associated with future life advancement and whether they will benefit from it. This process is an example of an integrated approach. In this case, a performance-driven culture is seen to be created where various features are available. Maintaining accountability in such a work system is very important. Along with this, building autonomy and maintaining continuous improvement is another important issue in this case. Moreover, special attention is paid to the processes that employees adopt in managing activities in the work environment, how those activities are evaluated and most importantly, whether employees can identify their own growth paths. The organization always tries to develop an ownership mentality where sustainable innovation is available.

4.0 Part 2 – Reflection

4.1 Learning Journey Reflection

This discussion was an example of a learning journey that taught how important it is to study the human resource management framework and how it can be applied to a practical organizational practice. Various important topics were discussed in the discussion, ranging from strategic HRM alignment to the use of performance management systems and job design models. Moreover, the concept of various innovation-led workforce strategies was also aligned in this discussion. All these topics were aligned to help gather a complete picture of the HR functions that are crucial for organizational success. Over time, this is enough to provide a structured idea. Initially, the discussion showed the tendency of developing workforce strategies. Here, the activities of technology-driven organizations are analysed in detail, where a clear understanding of the whole performance issue is available. In addition, how the issues mentioned are aligned with engagement and innovation are also analysed in detail in this section. From a personal perspective, this analysis has helped me gain insight into many things that I had little experience with before. My previous personal perception was that HR is only used as a functional function for an organization. But by engaging with this analysis, my perception has changed and I have realized that it is not limited to just a functional function, but its impact is much greater. In this case, organizations are highly dependent on HR systems to achieve long-term competitive advantages because they help achieve organizational advantages for the organization by managing strategic processes. From an organizational perspective, the HR system analysis process helps to achieve sustainable results. They take all the effective steps for the organization, from managing effective leadership to maintaining the appropriate culture in the work environment.

If the discussed experience is analysed in detail, it is possible to identify various valuable perspectives related to HR management, which highlight the significant aspects of this system. From the above discussion, HR management is very important for an organization because it successfully takes on the responsibility of managing performance management (Lin *et al.*, 2024). In addition, it is the responsibility of HR to provide effective leadership for the organization and to continuously motivate employees by removing inconsistencies. Starting from innovative results to taking effective steps for customer satisfaction, the issues are also handled by them. The application of theoretical frameworks has been discussed in this section, which helps in identifying

real organizational challenges. The analysis process has informed itself about the power issues associated with academic concepts. It also provides ideas on how to strengthen the decision-making process or, how to make effective and strategic decisions in complex situations. In addition, it has been possible to gain a deep insight into the issue of managing the HRM system.

4.2 Personal L&D Development Plan

A reflective learning experience was created while preparing this report. The report revealed various aspects of one's own personal learning. From here, it was possible to gain insight into the strategic issues related to development planning that were aligned with the HR analysis process. Moreover, it was also possible to gain insight into which issues are important to build strong leadership capabilities. This discussion helped to understand how strategic roles are related to necessary decision-making. Moreover, the issue of change management and increasing influence skills is analysed by it (Muttaqiean *et al.*, 2023). All the issues discussed are necessary to prioritize leadership training. In this case, the HR analysis process is linked to digital transformation which can provide more benefits than traditional management. Finally, this new digital-based system provides more benefits in terms of developing evidence-based workforce planning systems and performance appraisal. Here, special emphasis has been given to the part of increasing coaching capabilities. The main reason for this is that if employees can be provided with the right coaching, their development skills can increase, and it is possible to achieve more benefits at different levels in terms of gaining involvement.

4.3 Conclusion & Future Career Relevance

In the present era, Artificial Intelligence has become a subject that helps in providing effective results in any subject and improving the results of old methods. For this reason, its use has also been aligned in the field of HR analytics which helps in verifying intelligent objections and also becomes effective in providing personalized learning. After all, the role of artificial intelligence is very important in smoothing the path of development in all fields, especially in the field of HR analytics (Atmaja *et al.*, 2022). In this regard, organizations use various AI-powered tools that help in managing people and gaining additional benefits in decision-making. Apart from this, its role is also seen in maintaining accuracy in conducting activities and increasing strategic insight.

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