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Human Capital with a Focus on Values as a Management Object

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Abstract: The purpose of this study is to examine how value management has the potential to assist the company in achieving its strategic objectives through managing the firm's human capital, which has an effect on business performance.

Keywords: Human capital, strategic objectives, business performance, value management.

The phrase "human capital" is more frequently used to refer to an organization's workforce in contemporary management ideas. This calls for putting more emphasis on these resources rather than on contemporary tradition or ambiguous phrases and notions. People are at the core of contemporary business. This resource generates additional value, boosts the organization's competitiveness, and increases the owner of the bines' profit. However, the management of the firm must need the staff's expertise, skills, and knowledge in order to generate a significant quantity of economic gain and utilize them effectively before human resources can be considered capital.

A comprehensive definition of human capital includes the intense production factors of economic development, societal development, state development, knowledge, managerial and intellectual labor tools, human health and living conditions, high potential of contemporary skilled individuals, and others.

However, it should be noted that the management system of the organization's operations has a significant role in raising the market value of this corporation and has a significant impact on how well the organization's economic activity performs.

No matter how valuable human capital is to a business, having sustained economic growth is a challenge if the management structure is ineffective[4]. Training, employee development, safety, and health costs are all examples of investments in human capital in a firm. According to economists, organizational assets include human capital[2]. The company has to make an investment in these resources to guarantee its long-term growth. However, no investment in human capital produces organizational assets, i.e., no investment generates revenue. The only time an organization's human capital is considered an asset is when the advantages outweigh the costs as a result of the personnel's increased labor productivity as a result of these costs.

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Human capital is sometimes divided into "universal" and "special" forms[2]. The knowledge and skills necessary for a given company or sector are typically considered to be a particular sort of human capital. Because this resource cannot be used outside the business, organizations that invest in committed human capital are better safeguarded against the possibility of their investment being squandered. However, "universal" human capital lacks these qualities because it consists of knowledge and abilities that may be used across large networks. The expansion of these interdisciplinary competencies may boost the firm's competitiveness to a new height and guarantee long-term economic success. However, if the company makes investments in the growth of human capital. To organize and keep employees in the organization, it is necessary to provide good working circumstances and a positive image of the business.

As a result, the employee's productive traits are acknowledged as a unique kind of capital. By enhancing the professional capabilities of the workforce, the organization generates a larger income for itself. The provision of medical services, enhancement of work and life quality, and education, training, and retraining of employees are considered to be significant kinds of investment in people [3]. The examination of the literature in this area enables the presentation of the key elements of organizational human capital;

1. The set of abilities, professional know-how, motivations, and specialized knowledge possessed by employees that offer the company a distinctive quality and feature as well as advantages is known as the human capital of the company. Additionally, the management structure's synergistic efficiency must be taken into consideration.

2. While natural talents are somewhat determined by human capital, attributes that people develop as a result of education-related investments, such as bettering their quality of life and employment opportunities, etc., are of utmost significance.

3. Higher-quality work is produced when human capital qualities are improved. This entails not just raising worker productivity but also its quality, emphasizing the value of mental work, and utilizing unconventional creative approaches to solve business challenges.

4. Human capital is the primary determinant of organizational competitiveness under the circumstances of the contemporary market economy. Because advanced technologies, which are based on new technologies, have played a major role in the development of the contemporary economy. Only when its personnel are highly competent and it has technology that is hard for rival companies to develop or imitate does an organization have a long-term competitive edge.

5. It is possible to separate the following structural components of human capital: capital accumulated through work (capital that can be used in any organization or special capital-only capital that can be used in a specific organization) includes health capital, general cultural capital (experience, having economic information, connections, entrepreneurial ability, reliability capital), and capital accumulated through experience.

6. Expenses for human capital are those that go toward creating a moral workplace and a strong company culture, which help people become more capable and raise their level of education and professional qualifications.

7. Human capital investment is linked to a specific individual. However, the organization and human society are also interested in this investment, in addition to the person. Any investment in

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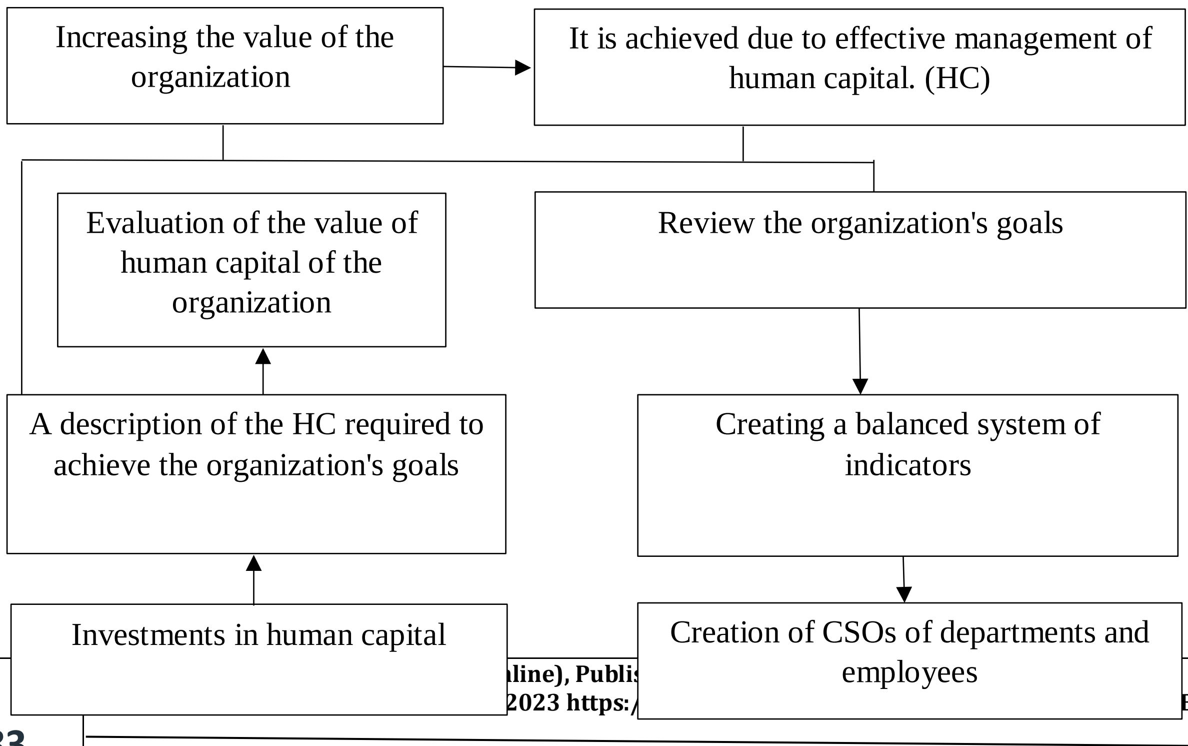
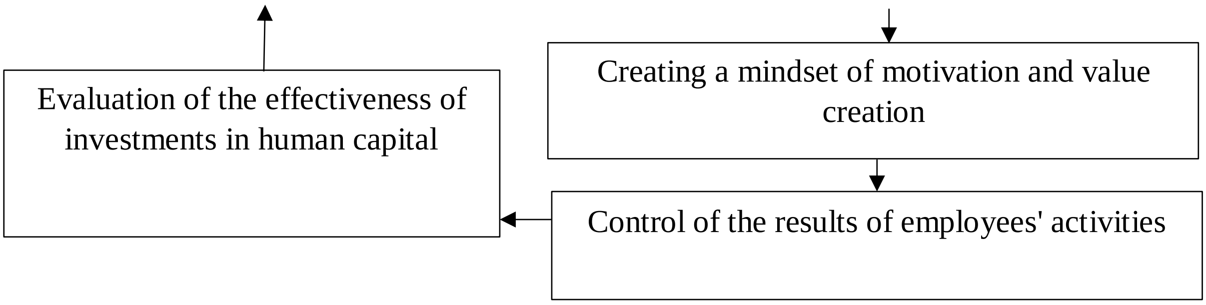
human capital lays the groundwork for raising labor productivity and production efficiency, which in turn results in increased production yields and profitability.

Because of this, in order to manage human capital, it is first required to evaluate its existing status and ascertain the degree to which employee credentials are in line with the organization's plan. Additionally, it's critical to assess management practices that have an impact on human capital (investment efficacy, development initiatives, and staff replacement costs). Later, a number of methods [6] for assessing the organization's human capital started to emerge.

The proponents of this strategy contend that it is crucial to instill a value attitude in each and every employee of the company. They should be able to clearly understand the organization's objectives and learn to assess the outcomes of their actions since they will feel like owners [4].

The method outlined in the form is based on the balanced indicator system developed by Kaplan and Norton. The corporation creates target standards for fundamental business processes based on its strategic goals. The value here refers to the factor's actual numerical expression.





Scheme of human capital management based on the value approach.

According to the responsibility zones of the organization, departments, and people, it is evident from the above figure that the precise distribution of the value elements indicated by KPIs takes the shape of plan-tasks. The fact that "based on the reorganization of the employees' worldview, there is a direct relationship between rewarding and the results achieved and the contribution to increase the value of the company" [5] should be acknowledged. As a result, it is crucial to illustrate the connection between the variable component of financial rewards and employee and manager performance metrics. This system should also include a reliable feedback and control system.

By managing the firm's human capital, which has an impact on business performance, value management may help the organization accomplish its strategic goals.

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