

Article type:
Original Research

Article history:
Received 11 March 2026
Revised 16 April 2026
Accepted 14 June 2026
Initial Publish 24 September 2026
Published online 01 January 2027

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How to cite this article:
Hosseinzadeh, J., Dadash Karimi, Y., & Paydarfard, D. (2027). Designing a Qualitative Model of Human Capital Governance Based on Performance Management. *Future of Work and Digital Management Journal*, 5(1), 1-13.
<https://doi.org/10.61838/fwdmj.272>



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Designing a Qualitative Model of Human Capital Governance Based on Performance Management

ABSTRACT

The present study was conducted with the aim of designing a qualitative model of human capital governance based on performance management. In terms of purpose, this research was applied, and in terms of approach, it was qualitative, employing thematic analysis as the research method. The participants consisted of academic experts and managers with experience and expertise in the fields of human resource management and performance management, who were selected through purposive sampling. Data collection was carried out through semi-structured interviews and continued until theoretical saturation was achieved. The collected data were analyzed using a coding process and thematic analysis, through which basic, organizing, and global themes were identified and classified within the final model framework. The findings indicated that the human capital governance model based on performance management comprises three major dimensions: structure, process, and outcomes. Within the structural dimension, meritocratic justice was identified, encompassing the two components of fairness orientation and merit orientation. In the process dimension, capacity building, strategic orientation, participatory engagement, and performance monitoring and accountability emerged as the principal pillars of the model. Furthermore, within the outcome dimension, motivation and effectiveness were identified as the most significant consequences of implementing human capital governance based on performance management. Overall, the findings suggest that the realization of effective human capital governance requires the establishment of justice- and meritocracy-based structures, the development of empowering, participatory, goal-oriented, and accountable processes, and careful attention to employees' motivational and performance-related outcomes. Accordingly, the implementation of the proposed model can enhance organizational productivity and effectiveness while increasing employee motivation, commitment, and participation, thereby facilitating the optimal utilization of human capital in achieving the organization's strategic objectives.

Keywords: Human Capital Governance, Performance Management, Meritocratic Justice, Capacity Building, Effectiveness, Motivation

Introduction

In today's knowledge-based economy, human capital has emerged as one of the most critical strategic assets for organizations seeking sustainable competitiveness and long-term success. Unlike traditional tangible resources, human capital encompasses the knowledge, skills, competencies, experiences, creativity, and capabilities embedded within employees that contribute directly to organizational value creation. As organizations operate in increasingly dynamic, uncertain, and complex environments, the effective governance of human capital has become a fundamental managerial concern. Human capital governance extends beyond conventional human resource management functions and focuses on establishing structures, processes, and accountability mechanisms that ensure the strategic utilization, development, and stewardship of human resources in alignment with organizational objectives [1]. Consequently, organizations are increasingly

recognizing that sustainable performance depends not only on acquiring talented employees but also on creating governance systems that optimize the contribution of human capital to organizational outcomes.

The growing importance of human capital governance has been accompanied by significant transformations in organizational management practices. Contemporary organizations face numerous challenges, including technological disruption, globalization, workforce diversity, changing employee expectations, and increasing demands for organizational accountability. These developments require governance frameworks capable of integrating human capital management with broader organizational strategies and performance objectives. In this context, human capital is no longer viewed merely as an operational resource but as a strategic driver of organizational performance, innovation, and sustainability. Research has consistently demonstrated that organizations with stronger human capital systems tend to exhibit superior levels of productivity, adaptability, and competitive advantage [2].

Performance management represents one of the most influential mechanisms through which organizations can govern human capital effectively. Performance management encompasses a systematic process of planning, monitoring, evaluating, and improving employee performance to ensure alignment between individual contributions and organizational goals. Effective performance management systems facilitate the translation of strategic objectives into measurable actions while promoting accountability, continuous improvement, and employee development. As organizations increasingly rely on knowledge-intensive work and intellectual assets, performance management has evolved from a simple appraisal tool into a comprehensive governance mechanism that shapes employee behavior, organizational culture, and strategic execution [3].

The relationship between human capital and organizational performance has received considerable attention in the management literature. Numerous studies have demonstrated that investments in human capital development contribute significantly to organizational effectiveness and productivity. Human capital facilitates innovation, knowledge sharing, problem-solving, and adaptability, all of which are essential for organizational success in competitive environments. Empirical evidence indicates that organizations capable of effectively managing and leveraging their human resources achieve higher levels of performance compared to organizations that neglect human capital development [4]. Therefore, governance mechanisms that strengthen the management and utilization of human capital are increasingly viewed as essential components of organizational success.

Recent developments in strategic management have further highlighted the central role of human capital in organizational sustainability and growth. Human capital governance is particularly important in public-sector organizations, where performance outcomes are often influenced by complex institutional arrangements, accountability requirements, and stakeholder expectations. Public organizations must balance efficiency, effectiveness, transparency, and fairness while ensuring that employees remain motivated and capable of delivering public value. Consequently, governance systems that integrate performance management principles with human capital strategies can contribute significantly to improving organizational responsiveness and service quality [5].

The concept of intellectual capital has also enriched the understanding of human capital governance. Intellectual capital encompasses human, structural, and relational capital and serves as a key determinant of organizational performance. Human capital constitutes the foundational component of intellectual capital because it enables organizations to generate knowledge, foster innovation, and create sustainable competitive advantages. Studies examining intellectual capital have found that effective management of human resources contributes positively to organizational outcomes by enhancing

knowledge creation and organizational learning processes [6]. These findings reinforce the necessity of governance frameworks that support the strategic development and utilization of human capital.

Another important consideration relates to the efficiency of human capital utilization. Organizations frequently invest substantial resources in recruitment, training, and development; however, such investments do not automatically translate into improved performance. The effectiveness of human capital investments depends largely on the governance structures and management systems that guide employee behavior and organizational decision-making. Research investigating human capital efficiency has demonstrated that organizations achieving higher levels of efficiency in managing human resources tend to realize superior organizational outcomes and operational performance [7]. Accordingly, understanding the mechanisms that promote efficient human capital governance remains a critical area of inquiry.

The growing emphasis on sustainability has also influenced perspectives on human capital governance. Sustainable organizations recognize employees as long-term strategic assets whose development and well-being are essential for achieving enduring organizational success. Human capital governance must therefore incorporate principles of sustainability, fairness, inclusiveness, and continuous development. Studies have shown that human capital efficiency contributes not only to financial performance but also to broader sustainability outcomes, including social responsibility and organizational resilience [8]. This perspective suggests that governance systems should balance performance objectives with employee development and organizational sustainability goals.

Leadership and employee development constitute additional dimensions of effective human capital governance. Contemporary organizations increasingly recognize the importance of self-leadership, empowerment, and professional growth in enhancing employee performance and organizational effectiveness. Developing employees' capabilities enables organizations to respond more effectively to environmental changes and emerging challenges. Research has indicated that self-leadership practices contribute significantly to the development of human capital management professionals and improve organizational performance outcomes [9]. Consequently, governance frameworks must incorporate mechanisms that support continuous learning, empowerment, and professional development.

Innovation represents another important pathway through which human capital influences organizational performance. Employees serve as sources of creativity, knowledge generation, and problem-solving, making them essential contributors to innovation processes. Studies have demonstrated that human capital enhances organizational performance through its positive effects on innovation capabilities and entrepreneurial orientation [10]. Therefore, governance systems that foster employee participation, collaboration, and innovation can strengthen organizational adaptability and competitiveness.

Digital transformation has further amplified the strategic importance of human capital governance. As organizations adopt advanced technologies and digital business models, the role of human capital becomes increasingly significant in ensuring successful transformation processes. Digital initiatives often require new skills, competencies, and organizational capabilities that depend heavily on effective human capital management. Recent evidence suggests that human capital serves as a critical mediating factor linking digital transformation efforts to improved organizational performance outcomes [11]. Consequently, organizations must develop governance systems capable of supporting workforce adaptation and capability development in digitally evolving environments.

The psychological dimensions of human capital have also gained prominence within contemporary management research. Beyond technical competencies and professional skills, employees' psychological resources significantly influence their

performance, commitment, resilience, and well-being. Psychological capital, including hope, optimism, resilience, and self-efficacy, has been identified as a valuable organizational resource that enhances employee effectiveness and organizational performance [12]. Effective governance frameworks should therefore address both the structural and psychological dimensions of human capital development.

Organizational sustainability and governance are also influenced by cultural and contextual factors. Effective governance systems must align with organizational values, norms, and stakeholder expectations to ensure legitimacy and long-term effectiveness. Research on organizational sustainability highlights the importance of culturally grounded governance practices that promote collective responsibility, ethical conduct, and sustainable performance outcomes [13]. Such considerations are particularly relevant for public-sector organizations where legitimacy and stakeholder trust are central concerns.

The literature further indicates that access to developmental resources and professional networks plays a critical role in enhancing human capital effectiveness. Internal and external networks facilitate knowledge exchange, learning opportunities, and resource acquisition, thereby strengthening organizational capabilities. Human capital governance systems should therefore encourage collaboration and network development as mechanisms for enhancing employee competencies and organizational performance [14].

From a broader managerial perspective, sustainable decision-making increasingly requires the integration of human considerations into organizational planning and governance processes. Effective governance frameworks support strategic decision-making by ensuring that human capital considerations are incorporated into organizational policies, resource allocation, and performance evaluation systems [15]. Such integration contributes to organizational adaptability and long-term success.

Moreover, contemporary analytical approaches emphasize the importance of evidence-based management and systematic evaluation in organizational governance. Data-driven decision-making enables organizations to identify performance patterns, assess the effectiveness of human capital initiatives, and continuously improve governance mechanisms. The application of systematic and exploratory analytical approaches contributes to a deeper understanding of organizational dynamics and performance relationships [16].

Despite the growing body of literature on human capital, performance management, and organizational governance, significant gaps remain regarding the conceptualization of human capital governance based on performance management, particularly within public-sector contexts. Existing studies have largely focused on isolated dimensions such as human capital efficiency, employee development, innovation, sustainability, or organizational performance. Limited attention has been devoted to developing an integrated governance model that systematically explains the structural, processual, and outcome dimensions of human capital governance within a performance management framework. Furthermore, the contextual realities of public organizations require governance models that reflect institutional complexities, accountability demands, and strategic performance requirements. Recent studies in sustainable human resource management have also emphasized the need for comprehensive frameworks capable of integrating governance principles with performance-oriented human capital strategies [17].

Given these considerations, the present study aims to design a qualitative model of human capital governance based on performance management.

Methodology

The study employed a qualitative research design. At the initial stage of the research, a qualitative phase was conducted with the aim of identifying the themes, components, and dimensions of human capital governance. Data were collected through semi-structured interviews, enabling the researcher to obtain the experiences and perspectives of managers, specialists, and experts in the field of human resource management within selected public organizations of Mazandaran Province in a flexible interview setting. In the qualitative section of the study, thematic analysis was conducted based on the six-phase framework proposed by Braun and Clarke (2006). This framework comprises the stages of familiarization with the data, generation of initial codes, searching for themes, reviewing themes, defining and naming themes, and reporting the findings. The application of this approach facilitated the extraction of meanings, conceptual patterns, and underlying structures embedded within the data obtained from the semi-structured interviews. The selection of thematic analysis for this study can be justified on several grounds. First, the present research has an exploratory nature and seeks to identify the dimensions, components, and conceptual structure of human capital governance based on performance management; therefore, it requires an approach capable of uncovering latent patterns of meaning within experts' narratives. Second, the data collected through semi-structured interviews necessitate a method that preserves data richness while enabling systematic organization and analysis. In this study, the concepts and dimensions presented in the literature review were used solely as an initial conceptual framework and as a lens for designing the interview questions. The coding and theme extraction processes were conducted inductively and were grounded in the content of the interviews. Furthermore, thematic analysis is consistent with the pragmatist paradigm and provides a foundation for utilizing the extracted themes in the subsequent stage of quantitative instrument development and validation of the final research model.

The target population in the qualitative phase consisted of experts and senior human resource managers from public organizations in Mazandaran Province. These organizations included the Governor-General's Office of Mazandaran, selected municipalities across the province, Refah Bank, the General Directorate of Education, the Mazandaran University of Medical Sciences and Health Services, the General Directorate of Cooperatives, Labor and Social Welfare, the General Directorate of Tax Affairs, the General Directorate of Technical and Vocational Training, the Social Security Organization, and other executive agencies associated with human capital and performance management. The selection of these individuals was based on their extensive practical experience, specialized knowledge, and profound understanding of managerial structures and challenges in public-sector organizations. Owing to their professional and academic positions, these experts were capable of providing an accurate depiction of the current situation and identifying the desirable dimensions of human capital governance. Consequently, they played a pivotal role in identifying and extracting the study components. Given the exploratory nature of the qualitative phase and the geographical scope of the study, emphasis was placed on selecting participants from the following groups: senior managers and specialists from governmental and semi-governmental organizations in Mazandaran Province; managers, commanders, and experienced personnel of the Mazandaran Fire Department and Safety Services Organization; experts and policymakers in public-sector human resource management; and university faculty members and researchers specializing in governance, human capital, and performance management.

The sampling strategy employed in the qualitative phase was purposive and snowball sampling. Using purposive sampling criteria aimed at identifying experts with the highest level of knowledge and experience in the subject area, in-depth semi-structured interviews were conducted with 15 experts, including senior managers, specialists, and university professors. Data

collection and analysis were carried out concurrently and iteratively. Interview data were analyzed through thematic analysis using coding at three levels: basic themes, organizing themes, and global themes. The findings indicated that theoretical saturation was achieved after the interview and analysis of the thirteenth participant. In other words, the subsequent interviews (participants fourteen and fifteen) did not yield any new themes or concepts and merely confirmed and enriched the previously identified themes. Consequently, data collection was terminated at this stage. The duration of each interview ranged from 30 to 60 minutes. This procedure was conducted in accordance with qualitative research methodology standards and aimed at comprehensively exploring the dimensions of the phenomenon under investigation.

In the qualitative phase of the study, semi-structured interviews were employed as the primary data collection instrument. This instrument was selected because of its ability to facilitate open-ended questioning, provide flexibility during the interview process, and enable the extraction of implicit meanings and concepts embedded in participants' statements. The instrument was highly compatible with the exploratory nature of the study and the need to collect rich, in-depth, and explanatory data.

Qualitative data analysis was conducted according to the six-phase thematic analysis framework developed by Braun and Clarke (2006). This framework is widely recognized as a standard method for thematic analysis in management research.

Findings and Results

During the stage of concept aggregation and abstraction, the data obtained through initial coding were organized into seven major themes: "Meritocratic Justice," "Performance Monitoring and Accountability," "Capacity Building," "Participatory Engagement," "Strategic Orientation," "Effectiveness," and "Motivation." Subsequently, to develop the preliminary conceptual model of human capital governance based on performance management, these themes were classified according to the tripartite logic of governance into the broader dimensions of "Structure," "Process," and "Outcome." Accordingly, the theme of "Meritocratic Justice" was identified as representing the structural dimension of the model, as it reflects the rules, mechanisms, and institutional arrangements governing human capital management. Within the process dimension, the themes of "Performance Monitoring and Accountability," "Capacity Building," "Participatory Engagement," and "Strategic Orientation" were categorized, reflecting the ways in which human capital is directed, implemented, controlled, and developed within a performance management context. Furthermore, the themes of "Effectiveness" and "Motivation" were classified within the outcome dimension, as they represent the results and outputs arising from the implementation of human capital governance based on performance management. This classification demonstrates that the model derived from the data is grounded in structural and institutional foundations, realized through managerial and operational processes, and ultimately leads to outcomes such as enhanced effectiveness and increased employee motivation. Table 1 was developed to illustrate the mechanism through which themes were mapped onto the broader governance architecture and to present the output of the theme-leveling stage. In this table, subthemes (components) derived from the aggregation of concepts and basic themes are organized under their corresponding major themes, and each major theme is subsequently categorized into one of the three overarching governance dimensions: structure, process, or outcome. Thus, the table serves as a connecting link between the initial organization of codes and themes and the development of the thematic network and preliminary conceptual model. It also facilitates tracing the analytical pathway from the component level to the macro-dimensional level. As shown in Table 1, the outcome dimension

comprises the two major themes of “Motivation” and “Effectiveness,” which respectively reflect motivational/commitment-related outcomes and productivity/resource optimization outcomes within human capital governance based on performance management. The structural dimension is represented by the major theme of “Meritocratic Justice,” which, through the components of “Fairness Orientation” and “Merit Orientation,” reflects the institutional prerequisites and regulatory foundations for human capital decisions and the organizational acceptance of evaluation and promotion systems. The process dimension includes the major themes of “Capacity Building,” “Strategic Orientation,” “Participatory Engagement,” and “Performance Monitoring and Accountability,” which refer to the operational mechanisms through which human capital governance is implemented in conjunction with performance management. These mechanisms are articulated through the intermediate-level components presented in the table. Accordingly, Table 1 illustrates how the extracted conceptual structure is consolidated into a set of specific and measurable components across the three overarching dimensions of governance. In addition to enhancing the transparency of qualitative findings, this classification provides an appropriate foundation for the development of more detailed tables (including concepts, basic themes, and selected quotations) and for the operationalization of components in preparation for instrument development and the subsequent quantitative phase.

Table 1

Dimensions of the Qualitative Research Model

No.	Macro Dimension	Major Theme	Subtheme
1	Outcome	Motivation	Performance-Based Motivation
			Strengthening Organizational Commitment and Belonging
			Effective Recognition and Reward
		Effectiveness	Performance-Based Productivity Enhancement
			Optimization of Human Capital Utilization
			Reduction of Resource Waste and Rework
2	Structure	Meritocratic Justice	Fairness Orientation
			Merit Orientation
3	Process	Capacity Building	Enhancement of Performance-Oriented Skills
			Continuous Training and Learning
			Career Development and Professional Growth
			Coaching and Knowledge Transfer
4	Process	Strategic Orientation	Strategic Alignment in Human Resource Decisions
			Alignment of Human Capital Policies with Organizational Mission
			Performance Direction Based on Strategic Objectives
			Alignment of Individual and Organizational Goals
5	Process	Participatory Engagement	Delegation of Authority and Responsibility
			Strengthening Teamwork and Organizational Interactions
			Employee Participation in Decision-Making
			Suggestion Systems and Idea Generation
6	Process	Performance Monitoring and Accountability	Accountability
			Monitorability
			Transparency

Discussion and Conclusion

The purpose of the present study was to design a qualitative model of human capital governance based on performance management in public-sector organizations. The findings revealed that the proposed model consists of three overarching dimensions, namely structure, process, and outcomes. Within the structural dimension, meritocratic justice emerged as the central theme, encompassing the components of fairness orientation and merit orientation. The process dimension included capacity building, strategic orientation, participatory engagement, and performance monitoring and accountability. Finally, the outcome dimension consisted of motivation and effectiveness, representing the primary organizational consequences of

implementing human capital governance based on performance management. Collectively, these findings indicate that effective human capital governance is not confined to administrative procedures or performance evaluation systems; rather, it represents a multidimensional governance framework that integrates institutional structures, managerial processes, and organizational outcomes. The extracted model suggests that sustainable organizational performance is achieved when governance mechanisms establish fair and merit-based foundations, support developmental and participatory processes, and ultimately generate positive behavioral and performance outcomes among employees.

One of the most significant findings of the study was the identification of meritocratic justice as the core structural dimension of human capital governance. This finding highlights the importance of fairness and competency-based decision-making in recruitment, promotion, evaluation, and reward systems. In governance contexts, employees' perceptions of fairness influence their trust in organizational systems, acceptance of managerial decisions, and willingness to contribute to organizational objectives. The emergence of fairness orientation and merit orientation as foundational components suggests that governance mechanisms must ensure transparency and equity in human capital decisions. This finding is consistent with the literature emphasizing that strategic human capital governance requires formal structures that align organizational decisions with principles of competence, accountability, and performance excellence [3]. Similarly, research on sustainable human resource management has demonstrated that fairness and meritocracy are essential determinants of sustainable workforce performance and organizational legitimacy [17]. In public-sector organizations, where accountability and public trust are particularly important, governance structures based on meritocratic justice can reduce perceptions of favoritism and strengthen organizational commitment.

The findings further demonstrated that capacity building constitutes a major process dimension of human capital governance. Components such as performance-oriented skill development, continuous learning, career development, and coaching were identified as essential mechanisms through which organizations enhance the capabilities of their workforce. This finding reflects the contemporary view that human capital governance should prioritize employee development as a strategic investment rather than merely an operational function. Organizations increasingly recognize that sustainable performance depends on the continuous acquisition and application of knowledge and competencies. The present finding aligns with studies emphasizing the critical role of human capital development in improving organizational performance and long-term competitiveness [2]. It is also supported by evidence suggesting that self-leadership and professional development initiatives significantly strengthen the capabilities and effectiveness of human capital management professionals [9]. Furthermore, the identified emphasis on coaching and knowledge transfer corresponds with research indicating that organizational learning mechanisms facilitate the accumulation and dissemination of strategic knowledge, thereby enhancing overall organizational capability [14].

Another important finding was the identification of strategic orientation as a key process dimension of human capital governance. The components associated with this theme included strategic coherence in human resource decisions, alignment of human capital policies with organizational missions, performance direction based on strategic goals, and alignment between individual and organizational objectives. These findings suggest that effective governance requires more than administrative control; it necessitates the strategic integration of human capital management with broader organizational priorities. Human capital governance becomes effective when employees understand how their roles contribute to organizational success and when performance management systems reinforce strategic alignment. This finding

is supported by the literature demonstrating that organizational performance improves when human capital initiatives are strategically connected to organizational objectives and innovation processes [10]. Similarly, research on governance and state capability emphasizes that effective governance structures are characterized by their capacity to align organizational resources and actions with strategic problem-solving objectives [5]. The prominence of strategic orientation in the current model indicates that governance systems should function as mechanisms for translating organizational vision into coordinated employee action.

The study also identified participatory engagement as a fundamental governance process. Components such as delegation of authority, employee involvement in decision-making, teamwork, and suggestion systems were considered essential elements of effective human capital governance. These findings suggest that governance frameworks are most effective when employees are regarded as active contributors rather than passive recipients of managerial directives. Participation enhances ownership, commitment, and the quality of organizational decision-making by incorporating diverse perspectives and experiences. This result is consistent with contemporary human capital theories emphasizing the importance of employee empowerment and collaborative work environments in promoting organizational effectiveness [1]. Moreover, research on human capital and organizational performance highlights that employee involvement contributes to higher productivity, innovation, and adaptability by encouraging knowledge sharing and collective problem-solving [4]. In public-sector organizations, participatory governance mechanisms may be particularly valuable because they foster transparency, trust, and responsiveness.

Performance monitoring and accountability emerged as another central process dimension. The components of accountability, monitorability, and transparency indicate that governance systems require mechanisms for evaluating performance, ensuring responsibility, and maintaining organizational integrity. This finding reflects the growing emphasis on accountability in both public administration and human resource management. Effective governance requires not only the establishment of performance standards but also the implementation of monitoring systems capable of assessing progress and ensuring compliance with organizational expectations. The importance of accountability identified in this study aligns with governance research emphasizing the necessity of transparent and evidence-based performance management systems [5]. Additionally, studies examining human capital efficiency suggest that organizations achieve superior outcomes when performance monitoring mechanisms facilitate the optimal utilization of employee capabilities and organizational resources [7]. The integration of accountability and transparency within governance systems can therefore enhance both organizational effectiveness and stakeholder confidence.

The outcome dimension of the model included motivation as one of the principal consequences of effective human capital governance. The identified components—performance-based motivation, organizational commitment, and effective recognition—indicate that governance systems directly influence employee attitudes and behavioral engagement. Employees who perceive governance structures as fair, developmental, and supportive are more likely to demonstrate commitment, effort, and discretionary performance. This finding corresponds closely with the theory of psychological capital, which emphasizes that positive psychological resources contribute to employee motivation, resilience, and performance [12]. Moreover, governance systems that provide recognition and reward for performance reinforce employees' perceptions of organizational support and encourage sustained engagement. The emergence of motivation as a key outcome also aligns

with research showing that effective human capital management contributes to employee satisfaction and long-term organizational sustainability [13].

Effectiveness was identified as the second major outcome dimension of the model. The components associated with effectiveness included productivity enhancement, optimization of human capital utilization, and reduction of resource waste and rework. These findings demonstrate that human capital governance has tangible organizational consequences extending beyond employee attitudes. Effective governance systems contribute to operational efficiency by ensuring that human resources are allocated, developed, and utilized in ways that maximize organizational value creation. This finding is strongly supported by studies indicating that human capital serves as a critical determinant of organizational performance and productivity growth [4]. Likewise, evidence from studies on intellectual capital suggests that organizations achieve superior performance when they effectively leverage the knowledge, competencies, and capabilities of their workforce [6]. The emphasis on effectiveness in the present study further supports arguments that human capital governance should be evaluated not only in terms of employee outcomes but also in relation to organizational performance indicators.

The overall structure of the proposed model also provides valuable insights into the relationship between governance, human capital, and organizational sustainability. The sequential arrangement of structural, process, and outcome dimensions suggests that organizational effectiveness emerges through a governance pathway in which institutional foundations enable managerial processes that subsequently generate desirable outcomes. This conceptual logic is consistent with sustainability-oriented perspectives that view governance as a mechanism for creating long-term organizational value through the strategic management of human resources [15]. Furthermore, research examining the role of human capital in organizational sustainability indicates that organizations with stronger governance systems are better positioned to achieve sustainable performance outcomes [8].

The findings also have important implications in the context of digital transformation and contemporary organizational change. As organizations increasingly adopt digital technologies and data-driven management practices, the governance of human capital becomes more complex and strategically significant. The identified dimensions of capacity building, strategic orientation, accountability, and motivation provide a framework through which organizations can manage workforce transformation and performance improvement initiatives. These findings are consistent with evidence suggesting that human capital serves as a critical mediating mechanism through which digital transformation enhances organizational performance [11]. Consequently, governance systems must evolve to support workforce adaptability, continuous learning, and strategic capability development.

Finally, the study contributes to the growing body of knowledge on human capital governance by providing a comprehensive and contextually grounded model that integrates structural, processual, and outcome dimensions. The findings support the argument that governance should be viewed as a holistic system rather than a collection of isolated management practices. Effective human capital governance requires fair institutional structures, developmental and participatory processes, and a sustained focus on both employee motivation and organizational effectiveness. The identified model offers a conceptual framework capable of guiding future research and supporting managerial decision-making in public-sector organizations. Furthermore, the findings reinforce previous evidence indicating that human capital remains one of the most important drivers of organizational performance, innovation, sustainability, and long-term success [7, 10, 11].

This study has several limitations that should be considered when interpreting the findings. First, the qualitative nature of the research limits the generalizability of the findings beyond the specific context of public-sector organizations in Mazandaran Province. Second, the data were collected through interviews with a relatively small number of experts and senior managers, and although theoretical saturation was achieved, additional perspectives from employees and other stakeholders may have enriched the findings. Third, the study relied on participants' perceptions and experiences, which may be influenced by personal, organizational, or contextual biases. Finally, because the study focused on developing a qualitative model, the relationships among the identified dimensions and components were not empirically tested.

Future studies are encouraged to quantitatively validate the proposed model using larger and more diverse samples across different organizational sectors. Researchers may also examine the causal relationships among the structural, process, and outcome dimensions identified in this study through structural equation modeling. Comparative studies between public and private organizations could provide valuable insights into contextual differences in human capital governance practices. Furthermore, future research may investigate the moderating roles of organizational culture, leadership style, digital transformation, and organizational size in shaping the effectiveness of human capital governance systems. Longitudinal studies would also be valuable for examining how governance mechanisms influence employee and organizational outcomes over time.

Managers and policymakers should prioritize the establishment of merit-based and transparent governance structures that ensure fairness in recruitment, promotion, evaluation, and reward systems. Organizations should invest in continuous employee development through training, coaching, and career development programs to strengthen workforce capabilities. It is also essential to align human capital policies with strategic organizational goals and to create mechanisms that encourage employee participation in decision-making processes. Performance monitoring systems should be designed to promote accountability, transparency, and continuous improvement rather than merely evaluating outcomes. Finally, organizations should pay close attention to employee motivation, recognition, and engagement, as these factors play a crucial role in translating governance practices into improved organizational effectiveness and long-term sustainability.

Acknowledgments

We would like to express our appreciation and gratitude to all those who cooperated in carrying out this study.

Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

The authors of this article declared no conflict of interest.

Ethical Considerations

The study protocol adhered to the principles outlined in the Helsinki Declaration, which provides guidelines for ethical research involving human participants. Written consent was obtained from all participants in the study.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

Funding

This research was carried out independently with personal funding and without the financial support of any governmental or private institution or organization.

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