

# EMERGING TALENT MANAGEMENT THEMES IN HRM 4.0: A STUDY IN THE BANKING SECTOR IN SOUTH AFRICA

**Samson Nambei Asoba, Walter Sisulu University**  
**Nteboheng Patricia Mefi, Walter Sisulu University**

## ABSTRACT

*This study considered the question: What role does HRM 4.0 technological systems have on talent management? This question imaged from observations that there are major transformations facing all organizations and these changes are inspired by technologies associated with the Fourth Industrial Revolution (4IR). The human resource function has modernized to HRM 4.0 with critical talent being the essential ingredient for organizational success and competitiveness in Industry 4.0. A qualitative data collection methodology based on open ended questions was relied upon to seek relevant data in response to the question. The study was conducted in the form of a case study of a selected bank and interviews were conducted with personnel in the HRM department. The results of the study confirmed the assertion that talent management has changed in order to attend to new imperatives in Industry*

*4.0. Of greater emphasis was the significance of networking and public relations in the talent management cycle. It was found that the ability to acquire, retain and develop key talent was presently hinged on effective networks and relations with stakeholders. 4IR technologies relating to online and digital tools played the role of facilitating the network and relation building function which enabled effective talent management in HRM 4.0. The study recommended organizations, particularly in the banking sector for which the study was based, to effectively employ technology in the entire talent management cycle.*

**Keywords:** HRM, Talent Management, 4IR, Industry 4.0, Smart HRM

## INTRODUCTION

Human Resource Management (HRM) has had significant strategic shifts over the years of which the talent perspective is still focal to date (Lewis & Heckman, 2006; Schiemann, 2014; Ariss, Cascio & Paauwe, 2014). These concerns are of particular interest following major recent technological advancements which have culminated in the concept of Human Resource Management 4.0 (HRM 4.0). In particular, KPMG (2020) reported that HRM 4.0 is a response to the disruption of skills and jobs as well as technological fusions in industry (industry 4.0). Increased virtualization, technological, big data, high volume interactions, information overload as well as the speed at which information is being shared has meant that the talent management process in many organizations has taken a new dimension (Ariss et al., 2014). The present study was formulated to consider the case for talent management in HR4.0 with particular focus on the emerging issues that are dominating the talent management function. There has been recognition over the years that talent management has evolved the years and there is increased need to assess these transformations and their implications. The study focused on the banking sector as one of the major sectors in South Africa with a role of ensuring financial inclusiveness for national development. The implication of Industry 4.0 on skills for entire organisations and for their HRM departments has been profound in recent years (Maisiri & Dyk, 2021; Dhanpat, Buthelezi, Joe, Maphela & Shongwe, 2020). The increased automation, digitalisation and technological changes

associated with the 4IR have increased calls for re-skilling HRM professionals to meet the strategic partner role. Dhanpat, et al., (2021) noted that technical, managerial and soft skills will be critical for competitive advantage in Industry 4.0.

## LITERATURE REVIEW

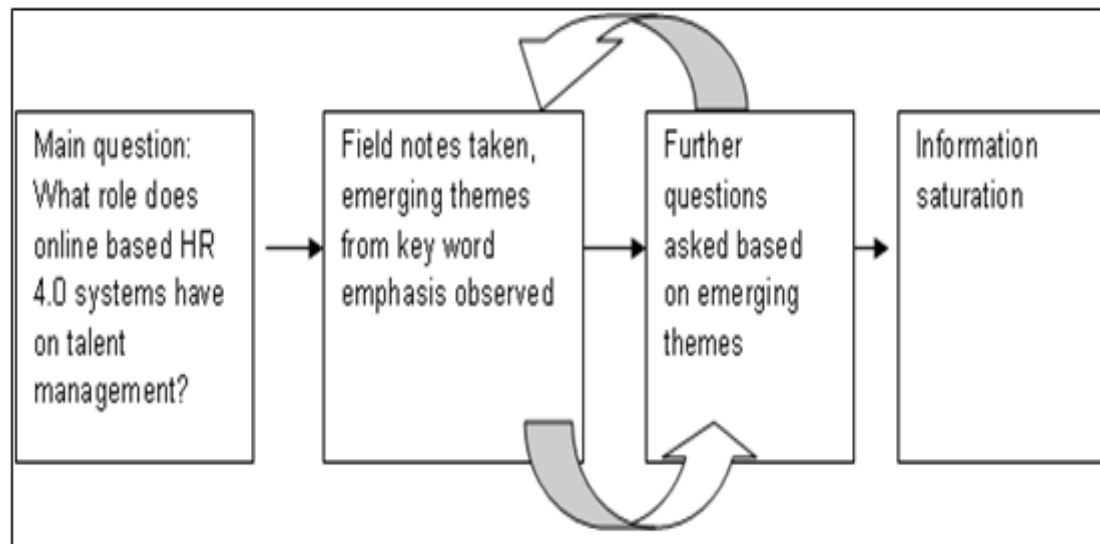
The concept of HRM 4.0 has also been termed Smart HR 4.0 in Sivathanu & Pillai (2020). The term is a response to further technological developments that can simply not be described as electronic HRM (e-HRM). With industry 4.0 implying increased automation, digitalisation and use of emerging technologies such as artificial intelligence, nona-technologies, robotics, and cloud computing as well as information based phenomena such as big data and analytics, HRM 4.0 also became a new phenomenon. The 4IR has been primed on the significant growth of technological use and the broad use of internet and connections of things including use of robotics and artificial intelligences. Information technology tools have become vast and their use has increased significantly over the years. Within the various tasks of HRM 4.0, there has been increased realisation of the need to perform a public relations role that allows for talent acquisition and retention (Parameswari & Yugandhar, 2015). Talent management in HR 4.0 has transformed (Claus, 2019). Gallardo-Gallardo, Thunnissen & Scullion (2020) opines that talent management gained prominence in both micro and organizational settings as well as macro settings that include national and global situations. In the national context the desires for national competitiveness has driven the talent rhetoric while the operations of multinational companies have been linked to global talent issues. Cluas (2019) claimed that the talent concepts have arose out of the impact of technology, globalization, demographical forces as well as socio- economic imperatives of modern societies. This has called upon new dimensions in talent management. The South African Board of People Practice SABPP, (2021) specified that HR4.0 has evoked some key themes for effective talent management which include task disruptions, new societal expectations, skills for the future, new business models, distributed workforces as well as changing demographics. These themes have implications on talent management tasks. This study is focused on the HR4.0 technologies and talent management in the banking sector and how this impact on the competitiveness of banks in the face of disruptive business models from Financial Technology (Fintechs) entrants. Major traditional banks are lagging behind in promoting financial inclusion (Ohene-Afoakwa & Nyanhongo, 2017) and there is need for effective talent management to rectify this situation. Shukla & Singh (2014) further explain that the effective exploitation of Fourth Industrial Revolution (Industry 4.0) technologies for competitiveness largely depend on talent management in the banking sector. As noted in Ariss, et al., (2014), the concept of talent management has evolved in consideration of changes in the labour market and in the general macro environment. In acknowledging the plethora of definitions available for the term 'talent', Schiemann (2014) purport that talent is the totality of knowledge, skills, experiences, behaviours and other qualities that are human capital brings for the achievement of the mission of the organization. Talent management is then defined as the integrative function involved with the acquisition, development, maximization, retention and recovery of an organisation's talent pool. Clearly, HRM 4.0 is likely to have an implication in the various talent management tasks. The present study will take a public relations view of the talent management function. It considers the entire talent management function as an act of public relations in HRM 4.0 given the increased use and adoption of interactive technologies. The key question pursued in this study was: What role does online based HR 4.0 systems have on talent management?

## METHODOLOGY

The study was aligned to the qualitative tradition, the rationale of which was based on the need to collect detailed and context based data. In line with the ontological assumption that reality is entrenched in the people who are involved or associated with a phenomenon, the interpretivist paradigm was deemed suitable for the study and qualitative data was collected from key personnel in the HR department of a selected major bank in South Africa. The selection of a bank from which data could be collected was based on convenience sampling. As a popular non-probability sampling technique, convenience sampling is based on the selection of research participants because of such criteria as easy of access, nearness or cost. To allow for detailed and rich data that provided the required insights for the realization of the study objectives, a case study research design was adopted. A major advantage of the case study design is its allowance for closer scrutiny of events usually for a complete examination. Personnel in the HR department of the selected bank who contributed to the study were chosen in consideration to the talent management cycle of acquisition, retention and development. As such, it was important to interview personnel who were involved in these various talent management tasks. Table 1 provides the profile of the participants for the study.

<b>Participant</b>	<b>Title</b>	<b>Age</b>	<b>Gender</b>	<b>Qualifications</b>	<b>Experience</b>
1	HR general manager	48	Male	Masters	15 years
2	Recruitment officer	39	Female	Diploma	6 years
3	Training and development officer	28	Female	Degree	4 years
4	Payroll and compensation officer	42	Male	Degree	8 years
5	Grievance and disciplinary section officer	45	Male	Degree	10 years

The bank from which the participants were selected was well known for its leadership in embracing upcoming technologies. It was one of the first banks to adopt mobile banking systems and to adapt all its operations online. Over the years, the Bank has managed to penetrate previously unreachable and marginalized market segments of the banking sector which are normally the rural and remote parts of the country. The bank had a heavy presence on social media platforms and has a fully operational website for handling many issues concerning its stakeholders. Despite its online strength, the bank had not encountered any security breaches over the years as it has a full financial security and intelligence team that oversees all its security matters across branches. This case study was found appropriate and suitable for the study. Collection of relevant data for the study was based on the open ended question: How do online based HR 4.0 systems improve talent management? This allowed participants to provide as much data as possible. A discussion based interview format was adopted and notes were taken while further questions were asked based on emerging themes were identified from the words which the interviewees stressed or repeatedly pointed out during the interview. The questioning and data collection procedure was as depicted in Figure 1.



**FIGURE 1**  
**DATA COLLECTION PROCEDURE**

The above process was followed for each of the five interviews conducted in respect of the main talent management processes of talent acquisition, development and retention.

## RESULTS

The results of this study were considered within the key areas of talent management, namely: (1) talent acquisition, (2) talent development, (3) talent retention, (4) performance appraisal and compensation of talent and (5) grievance and discipline in talent management. These were considered in line with the officials who provided data from the HR department of the selected bank.

### The Role Online based HR 4.0 Systems have Talent Acquisition

Results from the study demonstrated that talent acquisition has dramatically changed over the years. This clearly supports the literature (Claus, 2019:208) and earlier findings which have concluded that HR 4.0 represents completely new ways of talent management. There was evidence from the recruitment and staffing officer who was interviewed that the traditional newspaper/radio/poster or television advertisement followed by skills and competence analysis as well as calling for interviews has changed immensely due to HR4.0 technologies. The recruitment and staffing officer provided that:

*“Gone are the days of that simple talent search process which often resulted in the employment of the wrong people. Everything can be accessed using online technologies. Almost everything from academic qualifications to social attitudes and behaviours of perspective recruits. Look, people have all their information online now. You go to a university website for example, you will see records of alumni, and you see best students. You can see who did what. You visit LinkedIn, researchgate, blogs or twitter, there is everything. We also now have talent matching technologies available. Look, even during interviews, lie detectors are now available. It now all about being linked in the correct network and you get all the talent that you want. As recruitment and staffing officer, I need one key trait – public relations and I get all I want.”*

In support of the above Cluas (2019) describes a phenomenon termed “talent war” in which organizations compete for talent and high from each other. As such talent acquisition in HR 4.0 has been greatly enriched by the use of 4IR technologies.

## The Role of Off Online Based HR 4.0 Systems on Talent Development

The sentiments provided by the respondents suggested that Information technologies associated with HR 4.0 has meant that learning happens everywhere. In the view of the training and talent development officer:

*“One major consequence of information overload is that learning opportunities for personal development is now everywhere. As a talent development officer, I am of the opinion that learning and development is now scattered everywhere which is now only required is to harness all the learning opportunities lying around for the benefit of our organization. Look, every employee at the moment ius now a knowledge employee, you only need to develop good trust and relations with them so that they believe you have more to add and you have something special to enrich their present knowledge, that what I do here. Take note that without proper relations with the outside environment you miss the learning and development opportunities that are now everywhere. As such I am always scanning for ways of enriching employee development from the surrounding stakeholders and the general environment.”*

The above demonstrate the crucial role of information technologies in creating a knowledge environment in which individual learning and development can occur. Therefore talent management in HR 4.0 is significantly based on harnessing all the pockets and clusters of knowledge available on various digital and online platforms for the good of organizations.

## The Role of Online Based HR 4.0 Systems on Talent Retention

There was strong evidence from the views of the respondent that organizations in the business environment are now supposed to develop a good image as part of the talent retention and acquisition process. It was revealed that in today’s technological environment anything that happens at any corner of the world can be spread across the world within a very short time. Information provided pointed to the need for organizations to engage in image building which is also likely to involve the inculcation of a good relationship across the stakeholder divide. As the HR training and development officer stated:

*“The best people want to work for the best organization. It’s about how people and other stakeholders see you. Through your interactions with stakeholders, you can create the best image for organization and you start attracting and retaining talent. That’s what I do here.”*

The views provided above clearly resonate the stakeholder theory which was discussed earlier. In the view of Richter & Dow (2017), organizations are seen as collections of various stakeholder groups and a proper understanding of how organizations operate strongly rely on the appreciation and understanding of these groups. It appears that the stakeholder theory has strong implications for talent acquisition and retention. Harrison & Wicks (2013) argues that the stakeholder theory assess the value sought by stakeholders in any structural analysis of events and actions. As such there is social value in being part of an organization that is seen as good by the general public.

## The Role of Online Based HR 4.0 Systems on Performance Appraisal and Compensation of Talent

Indications from this study showed that HR 4.0 includes technologies that allow and aid the collection of employee performance metrics thereby supporting performance appraisal and even suggest a compensation plan. The payroll and compensation manager mentioned that:

*“The present environment is that of machines and you know that machines can be intelligent that humans, we use them here to collect performance metrics and we rely on them to guide our*

*compensation system. The only essentiality is that we have to be humane and ethical in handling these things so we make sure that we also discuss with employees and factor in their views in our compensation and appraisal policies. While robots assist us in many ways, we still have to relate well with our employees and other stakeholders so that they are not lured everywhere.”*

The above shows that in order to win the talent wars, performance appraisal and compensation of talent should be well handled to ensure that an organization does not lose critical talent. In addition, technologies for performance management should be utilized appropriately to ensure sure performance appraisal efficiency.

## **The Role of Online based HR 4.0 Systems on Grievance and Discipline in Talent Management**

In HR 4.0, a new phenomenon and experience of for grievance and discipline management has emerged. Evidence from the interviews suggested that online systems associated with HR 4.0 have meant that the filing of grievances has been quickened and made easier. In the same way the collection of evidence in disciplinary processes has also been made easy in disciplinary procedures. The grievance and disciplinary officer who was interviewed in this study explained that:

*“Online lodging of complaints is that easy with technology, it is secure as well. As a result grievance are easily filed and handled. At the same time where disciplinary proceedings have been instituted, evidence.”*

Greater need seem to have arose in HR 4.0 to ensure that technology is effectively used to the best of both employees and organization. The humane element of grievance and discipline management remains a paramount aspect of talent management.

## **CONCLUSION AND RECOMMENDATION**

From the data collected and shown in the previous sections, it was clear the talent management cycle has dramatically changed and shifted from traditional ways. The results show that public relations have become a critical component of the talent management process in HRM4.0. There was clear evidence that the ability to acquire and retain talent was now heavily based on a good image build by strong relations with both internal as well as external stakeholders. There were indications from the study that HR4.0 technologies have strengthened the ability to interact and relate with various stakeholders thereby making talent searches and acquisition a function of networking. Talent development, compensation and grievance handling has also been significantly modified by the use of technologies. Despite increased use of technologies, the results indicated that a humane function had to be maintained to maintain desirable organizational image. The conclusions reached in this study make it imperative to recommend organizations to effectively and productively use technology for efficiency in talent management.

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