

IntechOpen

IntechOpen Series
Business, Management and Economics,
Volume 3

People Management
Highlighting Futures

Edited by Diana Dias and Carla Magalhães



People Management - Highlighting Futures

Edited by Diana Dias and Carla Magalhães

Published in London, United Kingdom

People Management – Highlighting Futures
<http://dx.doi.org/10.5772/intechopen.100864>
Edited by Diana Dias and Carla Magalhães

Contributors

Keletso Lidith Moropane, Manuel Sousa Pereira, António Cardoso, Sílvia Maria Pereira Faria, Álvaro Miguel da Costa Cairrão, Evgeny Rudnev, Deseré Koko, Crispin Chipunza, Zwelinzima Ndevu, Laurent Taskin, Sandra Gauer, Luka Illic, Dorothy Sutherland Olsen, Yanghua Zhou, Tran Minh Tuan, Tran Thi Van Anh, Nguyen Xuan Tung, Caroline Igoki Mwangi, Carlos Miguel Oliveira, Natália Costa, Pedro Ferreira, Paulino Montes-Solla, Kiril Anguelov, Agnes Nyamande-Pitso, Gaunette Sinclair-Maragh, Shaniekay Codling, Jheanelle Pinnock, Eyonisha Barrett, Shanoya Gayle, Nataki Stephenson, Nikima Sibbles

© The Editor(s) and the Author(s) 2023

The rights of the editor(s) and the author(s) have been asserted in accordance with the Copyright, Designs and Patents Act 1988. All rights to the book as a whole are reserved by INTECHOPEN LIMITED. The book as a whole (compilation) cannot be reproduced, distributed or used for commercial or non-commercial purposes without INTECHOPEN LIMITED's written permission. Enquiries concerning the use of the book should be directed to INTECHOPEN LIMITED rights and permissions department (permissions@intechopen.com).

Violations are liable to prosecution under the governing Copyright Law.



Individual chapters of this publication are distributed under the terms of the Creative Commons Attribution 3.0 Unported License which permits commercial use, distribution and reproduction of the individual chapters, provided the original author(s) and source publication are appropriately acknowledged. If so indicated, certain images may not be included under the Creative Commons license. In such cases users will need to obtain permission from the license holder to reproduce the material. More details and guidelines concerning content reuse and adaptation can be found at <http://www.intechopen.com/copyright-policy.html>.

Notice

Statements and opinions expressed in the chapters are these of the individual contributors and not necessarily those of the editors or publisher. No responsibility is accepted for the accuracy of information contained in the published chapters. The publisher assumes no responsibility for any damage or injury to persons or property arising out of the use of any materials, instructions, methods or ideas contained in the book.

First published in London, United Kingdom, 2023 by IntechOpen

IntechOpen is the global imprint of INTECHOPEN LIMITED, registered in England and Wales, registration number: 11086078, 5 Princes Gate Court, London, SW7 2QJ, United Kingdom
Printed in Croatia

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

Additional hard and PDF copies can be obtained from orders@intechopen.com

People Management – Highlighting Futures

Edited by Diana Dias and Carla Magalhães

p. cm.

This title is part of the Business, Management and Economics Book Series, Volume 3

Topic: Business and Management

Series Editor: Taufiq Choudhry

Topic Editor: Vito Bobek and Tatjana Horvat

Print ISBN 978-1-80355-042-8

Online ISBN 978-1-80355-043-5

eBook (PDF) ISBN 978-1-80355-044-2

ISSN 2753-894X

We are IntechOpen, the world's leading publisher of Open Access books Built by scientists, for scientists

6,300+

Open access books available

172,000+

International authors and editors

190M+

Downloads

156

Countries delivered to

Our authors are among the
Top 1%

most cited scientists

12.2%

Contributors from top 500 universities



WEB OF SCIENCE™

Selection of our books indexed in the Book Citation Index
in Web of Science™ Core Collection (BKCI)

Interested in publishing with us?
Contact book.department@intechopen.com

Numbers displayed above are based on latest data collected.
For more information visit www.intechopen.com



IntechOpen Book Series

Business, Management and Economics

Volume 3

Aims and Scope of the Series

This series will provide a comprehensive overview of recent research trends in business and management, economics, and marketing. Topics will include asset liability management, financial consequences of the financial crisis and covid-19, financial accounting, mergers and acquisitions, management accounting, SMEs, financial markets, corporate finance and governance, managerial technology and innovation, resource management and sustainable development, social entrepreneurship, corporate responsibility, ethics and accountability, microeconomics, labour economics, macroeconomics, public economics, financial economics, econometrics, direct marketing, creative marketing, internet marketing, market planning and forecasting, brand management, market segmentation and targeting and other topics under business and management. This book series will focus on various aspects of business and management whose in-depth understanding is critical for business and company management to function effectively during this uncertain time of financial crisis, Covid-19 pandemic, and military activity in Europe.

Meet the Series Editor



Prof. Choudhry holds a BSc degree in Economics from the University of Iowa, as well as a Masters and Ph.D. in Applied Economics from Clemson University, USA. In January 2006, he became a Professor of Finance at the University of Southampton Business School. He was previously a Professor of Finance at the University of Bradford Management School. He has over 80 articles published in international finance and economics journals. His research interests and specialties include financial econometrics, financial economics, international economics and finance, housing markets, financial markets, among others.

Meet the Volume Editors



Diana Dias obtained a Ph.D. in Educational Sciences from the Faculty of Psychology and Education Sciences, University of Porto (FPCE-UP), Portugal. She earned two habilitations in Psychology and Management from the University of Minho, Portugal and the European University, Portugal, respectively. Dr. Dias has chaired executive committees in management and psychology and served as the dean of the Higher School of Real Estate Studies, Portugal, where she was also the president of the Board for Quality Assurance. She is currently a pro-rector for research and director of the Faculty of Economic, Social and Business Sciences, University of Porto, and strategic director of the School of Economic Sciences and Organizations at the Lusófona University. Dr. Dias has published numerous journal articles and has authored several books. She is a consultant on higher education policies and has been working with POCH, DGEEC, A3ES, CNE, EUA, UNESCO and OECD.



Carla Magalhães obtained a Ph.D. in Business Sciences (specialization in Human Resources) from Minho University, Portugal, in partnership with Getúlio Vargas Foundation, Brazil. She also has an MPA (specialization in Human Resources and Marketing) from the Brazilian School of Public and Business Administration of the Getulio Vargas Foundation. She is an associate professor in the Faculty of Social and Business Economic Sciences, Lusófona University, Portugal, where she coordinates the first study cycle of human resources management and development. Dr. Magalhães is an invited professor at the School of Economics and Management, Minho University. She is also a researcher at the Center for Population, Economy and Society Studies (CEPESE) and an associate member of the Transdisciplinary Research Center for Innovation & Entrepreneurship Ecosystems (TRIE), both in Portugal.

Contents

Preface	XV
Section 1	
People Management in a VUCA World	1
Chapter 1	3
Choice and Personality: Leadership in Turbulent Times on Way to New Vision of Organization <i>by Evgeny Rudnev</i>	
Chapter 2	17
Factors Contributing to Staff Turnover in the Hotel Industry: A Literature Review <i>by Shaniekay Codling, Jheanelle Pinnock, Eyonisha Barrett, Shanoya Gayle, Nataki Stephenson, Nikima Sibblies and Gaunette Sinclair-Maragh</i>	
Chapter 3	39
Human Resource Development in Vietnam's Textile and Garment Industry in the Context of Digital Transformation <i>by Tran Thi Van Anh, Tran Minh Tuan and Nguyen Xuan Tung</i>	
Chapter 4	55
Effective Leadership for Knowledge Sharing by Enterprise Social Networking (ESN) during Crisis <i>by Yanghua Zhou</i>	
Chapter 5	73
Remote and Hybrid Working during Crisis: Challenges and Implications for Employee Development in Africa <i>by Deseré Koki and Crispin Chipunza</i>	
Chapter 6	87
Managing Workplace Skills Development during the COVID-19 Pandemic <i>by Agnes Nyamande-Pitso</i>	
Chapter 7	101
Ways of Learning: Suggestions for an Uncertain Future <i>by Dorothy Sutherland Olsen</i>	

Section 2	
A Bright Future for People Management	119
Chapter 8	121
Achieving Business Sustainability through Diversity Management and Effective HRM <i>by Keletso Lidith Moropane</i>	
Chapter 9	141
The New Business Management of Innovation and Human Capital: European vs. American Model <i>by Paulino Montes-Solla</i>	
Chapter 10	153
Leadership in Multi-Space Offices: Realizing the Potential of Modern and Flexible Workplace Concepts <i>by Sandra Gauer and Luka Ilic</i>	
Chapter 11	167
Career Development and Employee Value Proposition People Management Future <i>by Caroline Igoki Mwangi</i>	
Chapter 12	179
Rethinking Performance Management: Realities in South African Municipalities <i>by Zwelinzima Ndevu</i>	
Chapter 13	201
ICT as the New Age of Development of HR Management <i>by Kiril Angelov</i>	
Section 3	
People Management for People Happiness	225
Chapter 14	227
How to Measure the Happy-Productive Worker Thesis <i>by Natália Costa, Carlos Miguel Oliveira and Pedro Ferreira</i>	
Chapter 15	241
Emotions and Their Impact on Employee Happiness and Satisfaction in Organizational Performance <i>by Manuel Sousa Pereira, António Cardoso, Sílvia Maria Pereira Silva Faria and Álvaro Miguel da Costa Cairrão</i>	
Chapter 16	261
Towards Managing Humanely <i>by Laurent Taskin</i>	

Preface

With business environments being highly dynamic and constantly changing, chief human resources officers (CHROs) face difficult challenges in managing people. In fact, we are living in a particularly challenging time during which people have learned that no matter how much control they think they have over their lives, their environment, and their relationships, everything can change in an instant at the fancy of a virus that does not respect age, nationality, ancestry, intelligence, or skills. During the COVID-19 pandemic, people learned that the limitless power of science and technology was purely illusory in the face of an absolute and overwhelming force of nature that was almost no longer recognized. After all, the balance of forces between nature and science and technology was inevitably shaken and the certainties with which people built their lives were jeopardized by an unpredictable and constantly changing reality. Indeed, uncertainty is one of the biggest challenges we face today. Never before, as today, has people management been able to make such a difference in people's future, both personally and professionally. CHROs need to decide where to focus their resources and attention and choose their action priorities.

This book provides a comprehensive overview of the new challenges of people management and provides guidance on how to handle these challenges. It includes sixteen chapters organized into three sections.

Section 1, "People Management in a VUCA World", reflects on the way in which human resources can be managed in a context of volatility, uncertainty, complexity, and ambiguity (VUCA). This section includes seven chapters. Chapter 1 discusses the problem of leadership and its understanding in several theories, and studies of technological changes in organizations. Chapter 2 analyzes the factors contributing to staff turnover in the hotel industry and the subsequent impacts of staff turnover on productivity. Chapter 3 examines the current situation of human resources in Vietnam's textile and garment industry. Chapter 4 discusses effective human resource development strategies during and post-crisis. Chapter 5 unpacks the work challenges organizations face in times of crisis and what it means for employee development in an African context. Chapter 6 highlights the idea that managing workplace skills development in South Africa is essential to ensuring that Black youth can obtain employment and contribute to and benefit from the economy. Finally, Chapter 7 presents a range of learning methods and discusses the challenges of adapting several of these learning forms to match the needs of ever-changing organizations.

Section 2, "A Bright Future for People Management", describes some trends in terms of good human resources practices and how these practices can make people more productive and promote sustainability. This section includes six chapters. Chapter 8 highlights the importance of diversity management as a strategy to enhance sustainable businesses in the global economy. Chapter 9 sheds light on the new principles and techniques of business management of innovation and human capital within a widely connected world. Chapter 10 discusses the challenges managers face in modern and

flexible workplaces, reflecting on stressors that arise for employees when working in a multi-space environment and examining how employees bind to their workplace. Chapter 11 links the relationship between career development and value proposition in human resources management. Chapter 12 discusses performance management in South African municipalities and describes the relationship between municipal leadership, management, and staff in relation to the realities of the performance management system. Chapter 13 examines several issues related to the direction of development of information systems for human resources in terms of their applicability in the enterprises of the future (enterprises 5.0).

Section 3, “People Management for People Happiness”, discusses how to measure happiness at work and how happiness relates to productivity. This section includes three chapters. Chapter 14 discusses how the constructs of the happy-productive worker thesis (HPWT) can be operationalized. Chapter 15 contextualizes the different emotions felt by employees, as well as their involvement and performance in the context of small and medium-sized Portuguese companies. Finally, Chapter 16 presents the conditions for managing humanely and opens the path to more sustainable, ethical, and qualitative people management and work organization.

From the strategic management of human resources to the pursuit of happiness at work, this book reflects on the bright future(s) of people management, illuminating trends and reflecting on potential risks as well as promising achievements.

Diana Dias

Lusófona University,
Porto, Portugal

Carla Magalhães

Lusófona University,
Porto, Portugal

Section 1

People Management in a
VUCA World

Chapter 1

Choice and Personality: Leadership in Turbulent Times on Way to New Vision of Organization

Evgeny Rudnev

Abstract

The chapter discusses the problem of leadership and its understanding in various theories, and studies of technological changes in organization. On the basis of longitudinal case studies and applied analysis of HR practices, the changes in the personnel composition, products, and differences in the strategies of external communications with consumer of three Russian organizations—business school, consulting company, and dental clinic are investigated. It is shown that the strategy of reducing and hiring staff with inclusion in new social channels is the most effective. The image of new vision of organization and promising practices in managing people is described, taking into account the results obtained and the analysis of the history of business development, which are based on choice and development of both leader and staff in an informal structure and ability to self-renaissance of organization.

Keywords: human resource management, technological changes, choice, strategy of ambassadors, through career, self-renaissance, efficiency of organizations

1. Introduction

The real problems faced by the world in recent times such as the development of network forms of organization and the folding of international companies, dependence on energy resources and their impact on pricing, falling incomes in a crisis and the supply of payment for rental of premises, protest movements and vandalism, and high level of inflation have become a political factor and an unstable situation.

The turbulence caused by the pandemic has led to new phenomena and an organization practices—from a stable team membership to a dynamic membership; clear borders to blurred borders; from inner focus to inner and outer; from one team to some teams; from individual people and machines to the unity of people and machines; from the organization as a context to a flexible context—hybridity; decontextual socialization and centrifugal forces [1].

In connection with it instability, uncertainty and fragility are pushing to search for new vision and views on the organization, to understand and disseminate new ideas in the management as an everyday practice.

1.1 Leadership and organization in theories of engagement, mindfulness, identity, and highlight of technological changes

The modern interpretation of leadership is constructed on its existence as a phenomenon based on the diversity of strategy for compatibility with the flexibility and volatility of the market, effective interaction, and collective desired real change [2].

It has been proven that in order to adapt to a new and rapidly changing environment, to remain competitive, organizations need change and co-leadership. Teams with shared leadership have less conflict, more consensus, and greater intra-group trust than teams without shared leadership [3].

Collaborative leadership is when team members share excellent knowledge and build behavior based on each other's ideas, define a collective mission, create a favorable climate, comprehend and structure the team task, provide feedback, provide resources, and encourage team self-management and internal informal leadership [4], which encourages innovation.

In addition, the leaders of modern organizations operate in a situation of paradoxes—inconsistencies and dynamics that provoke a conflict. In this regard, cognitive complexity is required, encouraging the exchange of opposing ideas, which causes understanding and promotes synergy—extracting value with creativity, not with anxiety, pushing yourself and others to question the existing order and search for new opportunities [5].

Simultaneously, in twenty-first century studies, leadership is a bidirectional action—distributed power structures and many people [6], and its analysis does not include the search for the most appropriate characteristics of the first person, but dyads, groups, and organizations. This is because leader effects often affect time and people, and looking back and looking forward are completely different processes.

However, the pronounced high formal leadership increases the importance of general leadership when the role of uncertainty is high [7]. At the same time, high role uncertainty enhances the indirect influence of the appointed formal leader on the team and innovation through overall leadership.

In this regard, at the stage of organizations' transition to a hybrid model of the working environment, managers who are able to conduct personnel audits and competency assessments, as well as who are able to integrate IT into the daily work of the organization and various specialists in collaboration, are highly significant. Today, the job market is dominated by either digital transformation-oriented managers or people-oriented managers. Currently, there are very few leaders who are able to integrate digital processes into the practice of organizations and involve people in the use of information technology in the workplace. The future is theirs.

One of the key drivers of innovation is the recombination of ideas in new ways that solve some new problems [8]. In the post-pandemic period, the hybridization of the economy is a way out for organizations stabilizing, developing under conditions of uncertainty, and new solutions to overcome the crisis. This will take place in different countries of the world regardless of cultural differences and will be based on the inventory of developments, technologies, and achievements.

In this connection, mindfulness becomes more meaningful in the future. On the one hand, it prevents inadequate reactions to subordinates, social threats, or stressful situations that arise in a crisis, and is important for creating a positive vision for the future [9], and leaders with a high level of its development affect the organization less destructively and more transformative. On the other hand, it determines the choice of personnel for future changes. In the twenty-first century, with the development of

information technology, e-Leadership is gaining more and more popularity. Virtual leaders use a variety of communication tools—email and voice mail for individual and group communication, as well as instant messaging and chats, and hands-free calls on smartphones in remote mode for group decision making. Ideally, project management for virtual teams involves institutional planning, regular meetings, and a well-defined communication process that all team members understand and follow for timely and effective communication. There are three types of behavior in virtual teams: virtual interaction, virtual socialization, and virtual communication skills [10]. Despite the fact that many people have experience using IT and various software in the workplace, building effective procedures and the feasibility of using information technology in the daily work of companies with the simultaneous participation of several people are a challenge for organizations. This is because differences in experience and inclusion in processes using different software require digital socialization and cause cognitive dissonance. Software is used for virtual (monthly or weekly) staff meetings. This allows staff to share ideas with colleagues, define common goals, and create a sense of community and generate excitement. Principles have been developed that can be used in virtual leadership: trusting relationships with each team member—re-defining expectations, and then achieving results that meet or exceed these expectations; establishing a norm of “presence” so that team members perceive leadership—responsibility for creating a virtual presence; striving for the social-emotional aspects of the team, personalization of interaction, a sense of connectedness between the leader and individual team members, a concerted effort to recognize individual achievements, a sincere expression of appreciation, team progress and accomplishment of assigned tasks, the leader’s personal responsibility for mistakes and transparency; looking for opportunities to promote a healthy team with every interaction—using coaching to develop and educate followers, regularly communicating with team members about the status of an issue or project—weekly emails with a report, a computer “chat room” to encourage group member interactions, and, when possible, face-to-face communication, efficiency discussions using videoconferencing, telephones, or personal data at regular intervals (weekly, biweekly, monthly); responsibility for setting communication standards and determining how communication tools are used (e.g., not just an acknowledgment of receipt of a message, but a quality response to e-mail); communication of contextual information electronically that is relevant to the problem under consideration (team members must distinguish between what is important and what cannot be); using technology tools to communicate in a timely manner to solve problems, provide feedback and recognition, and address performance issues; and sensitivity to improve conflict management (understand culture, group demographics, skill range, work intensity level, and team work time).

With the information technology development, there is research on the integration of IT and work processes. In particular, workplace controls or “reverse transparency” [11]. It is assumed that an individual should be able to control the collection, access, and further use of data about himself, as well as consent for decision making, in order to have a holistic view of organization and his/her daily tasks—to improve processes and work more self-organized and efficient. However, the proximity camera is unlikely to be a motivator or an effective monitoring tool. Rather, technology-enabled processes can be viewed from the perspective of operational management, accountability, and distribution of control in an organization and provide information about the inclusion of a person in technical processes at the hiring stage. Perhaps “reverse transparency” is more about business ethics, and ethical leadership with the results

of the work of followers is an affective and normative obligation regardless of cultural differences [12]. However, the future lies in the rise of high trust organizations, where people take action and exercise mutual control, can offer solutions to mistakes, and offer solutions and better ways to achieve results that are implemented “here and now”, and thus organizational effectiveness achieve.

Despite the fact that there are two different understandings of leadership in the world that define the distribution of power and the order of work in different ways—transformational leadership, explained by processes in the West (globalization, democratization, complexity of the world) [13] and paternalistic type of management, dominant in Asian countries (goodwill, morality and authoritarianism) [14], none of them can be considered more effective. In Western companies, effective management is associated with the creation and management of teams. Nevertheless, on the way to achieving results, teams tend to autonomy (develop their own slang, rules of conduct), and management’s attempts to delve into their work cause resistance from the staff, which makes it difficult to manage the organization. In addition, it is possible to use the resource of teams only if there is an excess of all types of resources—material and human. In a crisis, there are no resources, so strict authoritarian management becomes the most effective. A key weakness of the Asian (Chinese) model is cohesiveness, which is negatively associated with moral leadership and team effectiveness [15], and workers spend more time building internal connections, getting more information and help from team members, which does not rule out hiring more educated, more open, and cosmopolitan people in high-tech Asian companies. In recent years, management theory has changed its views on the problem of leadership as an alternative to the understanding of transactional and transpharmacy concepts—servant leadership [16], distributed leadership [17], authentic leadership and followership [18], leadership and role modeling [19], neocharismatic leadership [20].

However, these theories are not related. Research on leader-follower dyads in North America and the United States showed that although there was evidence of differential association (performance of the subordinate on a role basis and ethics of the subordinate as assessed by the leader; virtuous leadership and happiness of the leader based on self-esteem; the relationship between happiness and life satisfaction as leaders, and followers in transformational leadership), many hypotheses remained unconfirmed [21].

There is likely to be more evidence in the future for the hypothesis that democratic leadership should produce more “leadership” organizations [22].

2. Human resources management case studies: methodology and research results

2.1 Sample and methods

Three companies were studied—business school, consulting company, and dental clinic—leaders in their market segment. Companies are selected on the basis of public ratings, recognition of professional communities, the number of clients served. The choice was based on the number of employees—up to one hundred people, which allows comparative research between two companies providing similar services, as well as comparing personnel management strategies with an organization from a different professional field. As the third organization for comparison, a dental clinic

with the history of 8 years, a staff of up to 15 people and a constantly developing one, was chosen.

Longitudinal observation was made of changes in personnel, products, and external communication strategies. Changes in the period before the pandemic, during the pandemic, and after the pandemic were recorded and analyzed using the standard case study method.

Changes in the quantity and quality of the staff were recorded every 6 months based on open information on the company's websites. The role repertoire and competencies of the personnel were fixed—responsibility, as well as changes in a career—movement and dismissal from the company personally for each person.

The age, gender of hired employees, connection with the emergence of new products, people's involvement in external communications, and interaction with customers were analyzed. Waves of changes were also recorded—the points of company development is associated with an renewal of personnel in the organization, on the basis of which conclusions were drawn about organizational problems and the position of company in market, management decisions, and the reasons for which they could be taken.

The nature of information on products and the ways of its presentation in time were studied—representation on the company's website, professional exhibitions, social networks, frequency of appearance in the media with professional publications, or articles-consultations. The information obtained was compared with each other.

2.2 Results and discussion

For 15 years, the business school has seen the change in staff, but it was mainly associated with the search for specialists with the highest quality teaching and new emerging topics as well as the development of a specific teaching model that included scientists, practicing scientists, and business professionals without scientific degree. Separate specialists were hired to create new programs, which is associated with consumer dissatisfaction with the programs and the creation of new products that correspond to time. During the pandemic and after the pandemic, the number of young male professionals teaching technical and networking disciplines has increased, that is, associated with the development and wider dissemination of information technology, while the young female professionals hired are more related to human relations and control in organizations.

Furthermore, a small proportion of young professionals quit due to mismatch of expectations with the career trajectory offered by the organization. Despite staff turnover of more than 15% over the past 5 years, overall the business school is seeing staff aging. This is due to the specifics of management—a combination of state institution management, salaries, and tuition fees for public money, with the management of a commercial organization and the client fully pays for his studies at business school.

Unlike the business school, consulting company and dental clinic were set up as a small group.

Over the 15 years of its existence, consulting company has gone through three waves of personnel changes. The second wave is the expansion of the organization with new experts, the introduction of the position of director of customer service, and an employee responsible for conducting an external competition to determine the best business training practices. During the pandemic and after, several new specialists appeared in the organization. Moreover, the pandemic has led to the dismissal of key employees behind the creation of the company.

At the same time, a small number of young professionals have changed positions, either related to the direct mission of the organization or related to gaining new experience. While the number of people in the department working with clients increased and the department stood out as a separate unit, all other employees had the status of experts and trainers. Thus, at the stage of transition to the pandemic period, consulting company experienced an expansion in the number of personnel, followed by a contraction.

It is known that one of the options for business development is staff reduction. But cost cutting without strategic decisions is not effective [23].

One of the options for a strategic solution is the replacement of personnel for new tasks. Annie Mckee noted that the key to success in modern companies is smart people, learning and leadership oriented, motivated, and engaged, and for this companies need a common vision of individual needs and an atmosphere of enthusiasm, passion for learning, hope, respect, caring for others, honesty, and accountability. In these companies, people do not talk about empowerment; they do it—learn, unite, and win together [24].

Changes in personnel turnover were also observed in dental clinic. During the pandemic, due to a decline in consumption and the impossibility of deferring rent payments, dental clinic abandoned one of the offices. Key specialists have been replaced by new ones with more prestigious education and younger age, as well as different specializations. This group formed the new core of company. The assistants and the staff implementing the main mission of the organization retained their positions. One member of rank and file entered the new core.

With the change in the qualitative composition of the staff at the business school, new programs appeared, and the site posted interviews with the leader in prestigious publications, both on an external order and on their own initiative. Business school demonstrated international accreditations and leading positions in domestic rankings, strengthening its positions, while consulting company and dental clinic promoted services and communicated more through specialized exhibitions.

Over time, consulting company retained this strategy of communication with a client, but began to package and present products on the site more and came out with a larger offer by the end of the pandemic, while dental clinic used social networks more actively during the pandemic and post-pandemic period. At the same time, with change in staff, more expensive services appeared in dental clinic. However, while business school was more about international recognition and network of partners as a competitive advantage, dental clinic was shaping a new face.

But if business school retained the number of clients, then dental clinic increased their number, changing the range and quality of services, which made possible to hire several more highly qualified specialists in the post-pandemic period, which may lead to creation of a network of clinics in future.

To be considered a reliable cooperation partner, a company must have a “face” that identifies it as such [25]. In the twenty-first century, the channels of interaction with the client are changing. It is known that organizational effectiveness is associated with the type of culture, and cultural norms are associated with the type of leadership [26].

In contrast to business school and consulting company, a new norm of behavior was adopted at the stage of personnel change, when, along with the usual professional role, medical specialists were required to provide services in social networks. Thus, instead of usual narrow role of the performer, employees were required to have social skills as a representative of company, which increased openness, allowed the

promotion of additional services, and strengthened the status of a medical organization in market that cares about smile of customers. Thus, social networks are replacing the usual advertising and public relations.

In this regard, the usual role culture is being replaced by a culture where employees act as ambassadors of the organization in which they work. Together with the leader in his profile or a special channel, employees demonstrate in shifts the services or goods that they develop or create market value—demonstrating to the consumer the quality, competitive advantages, attitude toward work and the client, the work process, and results—are creating the face of the organization. This approach is based on a collective identity that facilitates the process of joint leadership, and leaders create alliances using knowledge across borders and activities. On the one hand, a strong collective identity facilitates the process of social construction, underpins leadership in complexity, and encourages coordinating exchanges among group members. This leads to a more adaptable organization by adjusting the organizational culture according to changes in the dynamic system [27]. It can also be a recruiting tool, as potential employees of the organization can observe the process and values demonstrated by employees in behavior through social channels. Thus, the recruitment process is also changing. Previously, potential employees could learn about the company from the site, in informal communication, as a client. Now, they can watch their future workplace in real time.

Thereby, the combination of staff reduction strategy with change in personnel policy and communication channels had a greater effect in dental clinic. The strategy of reducing staff with replacement by new experts in consulting company cannot be considered erroneous. However, the transition from a key account manager to the creation of department and an increase in the number of client managers with a change in number of experts and strategy for increasing the number of products did not indicate the development of company, but rather miscalculations in working with clients. However, the strategy of the business school rather indicates its flourishing. But, in the long term, the aging of company and the continued trend of young staff turnover may lead to the loss of its position in market. The success strategies of dental clinic compared to consulting company and business school can also be associated with the number of staff—its greater dynamics and involvement of staff in new social channels of interaction with the client.

Thus, a comparison of the behavior of leaders and HR practices allows to draw conclusions about a dynamic strategy in managing people in turbulent time and shows that the strategy of dismissing personnel with the involvement and focusing on the strategy of ambassadors are more productive in a crisis and changing channels of interaction compared to a role-based culture.

3. New vision of organization

Leadership in turbulent times is about creating networks of connections, where the choice of partners affects not only the company's income, but also influences the distribution of power and the creation of new connections in organization and at the same time becomes the basis for new experience for leader of organization. An analysis of business development history shows that at the dawn of its formation mono enterprises with a limited circle of partnerships dominated. As the level of uncertainty increased, organizations acquired the image of holding companies consisting of different types of business or organizations focused on different categories

of customers, where a lack or failure in one type of business was compensated by the income of another type of business, or a customized product. Over time, to increase business profitability, network forms began to develop, close to the social organization in India—with nodes in the center and links to smaller nodes on the periphery, as well as multinational companies. Moreover, violations in logistics supplies lead to instability in this form of business organization. With an even greater degree of uncertainty, business began to acquire a more flexible type of organization—an ecosystem. This type of organization for existence is trying to cover an increasing number of businesses. The main risk in creating a flexible structure is that in fact it may turn out to be a rigid structure for the distribution of limited resources between management, loyal staff, and scarce resources for new blood supplying new ideas to enrich the ruling elite. In addition, the biological approach to understanding social systems erases all previous knowledge associated with understanding human behavior in the workplace with motives, interests, and needs. The simplest example of an ecosystem is mosquitoes-frogs-herons, where the violation of the ecological balance leads to disruption of system. Today, it is impossible to consider organizations as systems where some people eat other people. Leadership that lacks ethical behavior can be dangerous, destructive, and even toxic [28] and leaders can take action to establish ethical standards within organizations not only through the development of formal documents on ethical behavior, but also demonstrate ethical leadership in daily behavior, decisions, and actions, caring for the overall results. Research shows that psychological empowerment partially mediates the effect of job characteristics on affective commitment, and leadership complexity moderates the effect on job characteristics, while empowerment on affective commitment [29].

One of the strategies for personnel selecting for the highly intelligent types of business and medicine in the future is a review of documents or a list of training events. At the same time, it is not so much the documents and the list that are important, but the direction of professional development. Based on the analysis of the content of training, one can understand both the ambitions and motivation, and the professional level of a potential employee. The surplus of professionals with various combinations of advanced training or participation in continuing education programs makes it possible to form groups to solve new problems in the organization. This approach to personnel selection requires discernment, that is, the ability to not only see the value of an employee to the organization, but how, with his/her participation in the processes, the organization will gain competitive advantages and become more profitable compared to other organizations in the industry. This approach is based on the fact that leaders throughout the history of the organization are able to take its development to a new level and create a new image—with a new quality of services and new interaction with the client—to receive benefits—to save time and resources.

According to various studies, people capable of leadership are no more than 5% of the total population. They are called self-actualized [30] or passionate [31]. These are people who make revolutions in history, science, and business—lead to new goals, make discoveries, and create new products. And they are the ones who create new jobs. In the twenty-first century, the psychology of the staff is changing. A through career is becoming more and more common, when the next round of the economic crisis leads to a redistribution of people between organizations and gaining new experience, realizing potential and abilities—personnel circulation. For leadership, as for broader concepts of career and life stages, transitions are critical [32]. People learn from experience and learn different things from the same experience, and previous experience influences what can be learned from current experience. Nevertheless,

how deep learning becomes in different cases depends on the learning person. This experience serves as the basis for development and is explained by the readiness for change in one organization and the rejection of change in another. However, leadership experience differs from personal experience in that leaders need to understand and correct cognitive and behavioral responses to uncertainty and stress in a crisis, to have more effective responses. In this regard, the experience of collective thinking in teams and organizations [33] is useful for top management—indirect learning, simulations with an unusually high level of ambiguity, and requiring creative problem solving, as well as experience in interpersonal communication learning.

On the other hand, in conditions of uncertainty and overcoming the crisis, the leaders of organizations act as social entrepreneurs and responsible leaders: they initiate social innovation, for example, change social channels of interaction with the client, take the role of a change producer in the organization, use vision, influence and creativity to promote their ideas, and receive support [34]. In this case, leadership with a noticeable influence has an impact on the creation of a new organizational culture, as well as material results, thus capitalizing their knowledge. In addition, leaders who seek specific help use the tactic of asking for further development under a reasonable future commitment. Followers who are responsible for receiving assistance earn “chips,” future benefits—a positive assessment of performance and increased career opportunities [35].

This is also due to the fact that the leader’s active contribution to the development of social implementation includes the social climate, in that autonomy, social support, and feedback exchange cover, and the thoroughness of the performance of employees. However, a shared identity with high visual scoring can reduce organizational performance despite high levels of employee engagement—disabling innovation and creativity. Thus, it is necessary to take into account the diversity of social affiliation in the organization [36].

The idea of champions [34] has been discussed previously. It appears to be relevant in project-oriented adhocracy cultures as well as in organizations with high levels of autonomy in the workplace. Moreover, in the twenty-first century, the idea of breaking down bureaucratic barriers that impede the development of human potential is becoming more important, as organizations have their own set of rules and organizational context. The organization of the future is rather a community with strong horizontal ties and a pronounced informal structure, where it is not so much the status that counts, but the ability, rather than an organization where a person needs to collect the signatures of six bosses to perform an action or his\her human capital is exploited. One of motivators in the organization of future is more likely the product or service itself, the creation or support that works and realize the abilities in the workplace, and potential employees choose what the company offers them, consistent with their personal values and beliefs, and what kind of experience they purchase in this case.

On the other hand, the impact of the external environment becomes a test of loyalty and devotion. Among the reasons why people leave organizations—management style, lack of recognition of merit (identified by F. Herzberg in the twentieth century), two new ones are added in the twenty-first century—fatigue caused by technological stress, and the impossibility of potential realizing. As a result, the way out for a person is a change in the working environment, and organizations offer special conditions—trips abroad, a wider range of social contacts, payment for dental services, and other privileges that create competitive advantages of the workplace and attract certain workers categories. Organizations creating with such privileges and

norms that allow a person to express himself is one of the tasks of HR service, since the resources of traditional methods have been exhausted. In this regard, not so much social intelligence and communication, which ensure success in business, come to the fore as much as the leader's choice of his/her staff, the company's staff for work, solutions for improving productivity, changing the strategy of working with personnel, partners for inclusion in business networks.

Thus, choice becomes a key skill of leadership in the twenty-first century—maintaining connections and strategic partnerships, as it determines the sustainability of a business—a self-renaissance organization based on insightful leadership, the potential and abilities of people and information technologies that allow connections building in real time—leader in the workplace and remote workers, workers in the workplace and remote leader, face-to-face and remote communication of groups led by a leader, solving one or more tasks, several people at a distance, several people and a leader at the workplace, several people and a leader in removal, and several people at the workplace.

In this regard, in the twenty-first century, organizations will become increasingly important, where an increasing number of people realize their potential and abilities; that is, healthy organizations will arise based on horizontal connections and informal communication—the informal structure of the organization. On the one hand, this will reduce the time for making managerial decisions, and on the other hand, it will become a preventive measure in the prevention of heart attacks, strokes, and cancer.

4. Conclusion

In the post-pandemic period, the importance of clarity and the involvement of people in organizational processes using information technologies and tools are increasing, which will subsequently lead to a new culture and demand for specialists focused on both people and IT. Moreover, the future lies in the rise of high trust organizations, where people take action and exercise mutual control, and organizational effectiveness achieve. An applied analysis of HR practices showed that during the transition period, the strategy of dismissal of staff and hiring with a change in the channels of interaction with customers are quite effective. For the first time, using longitudinal case studies, the study shows that when studying personnel management strategies, it is important to study how changes in the qualitative composition of an organization affect the quality of its work.

In other words, to understand the change of strategies based on the analysis of changes in the qualitative change in personnel, changes in products and services, as well as changes in communication channels with the client. Thus, a step has been taken toward studying the HR strategy during the crisis period based on the behavioral analysis of the leaders of organizations. The choice determines both the development of personnel, as a result of which employees build a cross-cutting career and gain new social experience, and leaders who create new products and networks of partners or customers. The vitality of an organization in the twenty-first century becomes dependent on its ability to self-renaissance—reaching a new level, realizing the potential of employees in an informal structure and thus, a health of workers.

The three compared companies results described can be used to compare with the changes taking place in relevant professional areas in other countries and to design a human resource management strategy to improve the efficiency of organizations.

Author details

Evgeny Rudnev

Private Institution of Higher Education “Moscow Economic Institute”, Russia

*Address all correspondence to: leadershiprudnev@yahoo.com

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Ancona D, Bresman H, Mortensen M. Shifting team research after COVID-19: Evolutionary and revolutionary change. *Journal of Management Studies*. 2021;**58**:1. DOI: 10.1111/jom.s.12651
- [2] Bohl KW. Leadership as phenomenon: Reassessing the philosophical ground of leadership studies. *Philosophy of Management*. 2019;**18**:273-292. DOI: 10.1007/s40926-019-00116-x
- [3] Bergman JZ, Rentsch JR, Small EE, Davenport SW, Bergman SM. The shared leadership process in decision-making teams. *The Journal of Social Psychology*. 2012;**152**(1):17-42
- [4] Hoch JE. Shared leadership and innovation: The role of vertical leadership and employee integrity. *Journal of Business Psychology*. 2013;**28**:159-174. DOI: 10.1007/s10869-012-9273-6
- [5] Smith WK, Lewis MW. Leadership skills for managing paradoxes. *Industrial and Organizational Psychology*. 2012;**5**:227-231. DOI: 10.1111/j.1754-9434.2012.01435.x
- [6] Lord RG, Dinh JE. What have we learned that is critical in understanding leadership perceptions and leader-performance relations? *Industrial and Organizational Psychology*. 2014;**7**: 158-177. DOI: 10.1111/iops.12127
- [7] Ziegert JC, Dust SB. Integrating formal and shared leadership: The moderating influence of role ambiguity on innovation. *Journal of Business and Psychology*. 2021;**36**:969-984. DOI: 10.1007/s10869-020-09722-3
- [8] Sullivan SD. The Role of Leadership in Facilitating Innovation in Multiteam Systems [Ph. D. Dissertation]. Evanston: Northwestern University; 2014
- [9] Lange S, Bormann KC, Rowold J. Mindful leadership: Mindfulness as a new antecedent of destructive and transformational leadership behavior. *Gruppe, Interaktion, Organisation*. 2018;**49**:139-147. DOI: 10.1007/s11612-018-0413-y
- [10] Cowan LD. E-leadership: Leading in a virtual environment — Guiding principles for nurse leaders. *Nursing Economics*. 2014;**32**(6):312-322
- [11] Gierlich-Joas M, Rahild TH. More self-organization, more control—Or even both? Inverse transparency as a digital leadership concept. *Business Research*. 2020;**13**:921-947. DOI: 10.1007/s40685-020-00130-0
- [12] Lee J, Cho J, Baek Y, Pillai R, Oh SH. Does ethical leadership predict follower outcomes above and beyond the full-range leadership model and authentic leadership?: An organizational commitment perspective. *Asia Pacific Journal of Management*. 2019;**36**:821-847. DOI: 10.1007/s10490-018-9596-6
- [13] Tal D, Gordon A. Leadership of the present, current theories of multiple involvements: A bibliometric analysis. *Scientometrics*. 2016;**107**:259-269. DOI: 10.1007/s11192-016-1880-y
- [14] Tang C, Naumann SE. Paternalistic leadership, subordinate perceived leader-member exchange and organizational citizenship behavior. *Journal of Management & Organization*. 2015;**21**(3):291-306. DOI: 10.1017/jmo.2014.84
- [15] Chen Y, Zhou X, Klyver K. Collective efficacy: Linking paternalistic

- leadership to organizational commitment. *Journal of Business Ethics*. 2019;159:587-603. DOI: 10.1007/s10551-018-3847-9
- [16] Davis CJ, editor. *Servant Leadership and Followership. Examining the Impact on Workplace Behavior*. Cham, Switzerland: Springer Nature; 2017
- [17] Chatwani N, editor. *Distributed Leadership. The Dynamics of Balancing Leadership with Followership*. Cham, Switzerland: Springer Nature; 2018
- [18] Cotter-Lockard D, editor. *Authentic Leadership and Followership: International Perspectives*. Cham, Switzerland: Springer Nature; 2018
- [19] Vidyasagar S, Hatti P, editors. *Leadership and Role Modelling: Understanding Workplace Dynamics*. Cham, Switzerland: Springer Nature; 2018
- [20] Angawi GT. *Neocharismatic Leadership: A Comprehensive Self-Coaching Model*. Cham: Springer; 2021. p. 110
- [21] Nassif AG, Hackett RD, Wang G. Ethical, virtuous, and charismatic leadership: An examination of differential relationships with follower and leader outcomes. *Journal of Business Ethics*. 2020;172:581-603. DOI: 10.1007/s10551-020-04491-8
- [22] Pinnington AH, Tourish DJ. Evaluating leadership development – A democratic leadership perspective. *Philosophy of Management*. 2009;8(1):27-35. DOI: 10.5840/pom20098135
- [23] Tsai PC-F, Shih C-T. When responsible downsizing strategy meets employee-oriented leadership: Implications for downsizing performance. *Journal of Management & Organization*. 2013;19:583-597. DOI: 10.1017/jmo.2014.1
- [24] Mckee A. Evolution leadership development: Learning, talent & revolution? *Human Capital*. 2015;69(3):38-43
- [25] Pies I, Beckmann M, Hielscher S. Value creation, management competencies, and global corporate citizenship: An Ordonomic approach to business ethics in the age of globalization. *Journal of Business Ethics*. 2010;94:265-278. DOI: 10.1007/s10551-009-0263-1
- [26] Klein AS, Wallis J, Cooke RA. The impact of leadership styles on organizational culture and firm effectiveness: An empirical study. *Journal of Management & Organization*. 2013;19:241-254. DOI: 10.1017/jmo.2013.34
- [27] Venus M, Mao C, Lanaj K, Johnson RE. Collectivistic leadership requires a collective identity. *Industrial and Organizational Psychology*. 2012;5:432-436
- [28] Toor SR, Ofori G. Ethical leadership: Examining the relationships with full range leadership model, employee outcomes, and organizational culture. *Journal of Business Ethics*. 2009;90:533-547. DOI: 10.1007/s10551-009-0059-3
- [29] Pentareddy S, Suganthi L. Building affective commitment through job characteristics, leadership and empowerment. *Journal of Management & Organization*. 2015;21(3):307-320. DOI: 10.1017/jmo.2014.93
- [30] Maslow A. *Motivation and Personality*. St. Petersburg: Peter; 2019
- [31] Gumilev L. *Passionarium*. In: *Theory of Passionarity and Ethnogenesis*. Moscow: Ast; 2016

- [32] Robinson C, Fetzters R, Riester D, Bracco A. The paradox of potential: A suggestion for guiding talent management discussions in organizations. *Industrial and Organizational Psychology*. 2009;2:413-415. DOI: 10.1111/j.1754-9434.2009.01164.x
- [33] Baran BE, Adelman M. Preparing for the unthinkable: Leadership development for organizational crises. *Industrial and Organizational Psychology*. 2010;3:45-47. DOI: 10.1111/j.1754-9434.2009.01196.x
- [34] Esper SC, Boies K. Responsible leadership: A missing link. *Industrial and Organizational Psychology*. 2013;6:351-354. DOI: 10.1111/iops.12065
- [35] Kacmar KM, Carlson DS, Harris KJ. Interactive effect of leaders' influence tactics and ethical leadership on work effort and helping behavior. *The Journal of Social Psychology*. 2013;153(5):577-597
- [36] Blomme RJ, Kodden B, Beasley-Suffolk A. Leadership theories and the concept of work engagement: Creating a conceptual framework for management implications and research. *Journal of Management & Organization*. 2015;21(2):125-144. DOI: 10.1017/jmo.2014.71

Chapter 2

Factors Contributing to Staff Turnover in the Hotel Industry: A Literature Review

Shaniekay Codling, Jheanelle Pinnock, Eyonisha Barrett, Shanoya Gayle, Nataki Stephenson, Nikima Sibblies and Gaunette Sinclair-Maragh

Abstract

The purpose of this chapter is to analyze the factors that are contributing to staff turnover in the hotel industry. Staff turnover rate usually affects an organization's performance, productivity and profitability, and can contribute to the loss of assets and resources. This sector of the hospitality and tourism economy was selected for the study as it is deemed to be very demanding and oftentimes overwhelming. In general, the sector is believed to be very stressful especially since the employees have to deal with satisfying the needs and wants of customers and uncertain working conditions. Literature review was used as the methodology for ascertaining the factors that are contributing to staff turnover in hotels. From this review, the chapter identifies that these are both push and pull factors. Push factors are dissatisfactions with the current job which cause employees to seek alternative employment and pull factors are the reasons that attract employees to a new workplace. The chapter concludes that it is important for hotel managers to establish an employee-centric environment with deliberate and effective workplace practices to retain employees. The findings of this study will be very useful in advancing the literature as well as informing hotel practitioners.

Keywords: staff turnover, hotel industry, staff retention, productivity, hygiene factors, employee-centric environment

1. Introduction

The global economy in the 21st century is driven by three major industries; technology, telecommunication and tourism [1]. Tourism is one of the world's largest and rapidly growing industries [2] and the hospitality industry is a major segment of this global economy [3]. Tourism and in particular, the hospitality industry and sectors are centred on service and according to O'Cass and Sok [4], the employees who are the providers of the service are essential to the overall success of tourism. However, the turnover of employees within this global economic activity is a concern.

Staff turnover is defined as the number of workers who leave an organization and are replaced or rotated with new employees [5]. Zhang [6] further explains that staff turnover refers to the number of persons who voluntarily or involuntarily leave an organization within a specific period. It has been well documented that the level of turnover or in other words the staff turnover rate usually has an impact on organizations. It can in fact contribute to the loss of a company's assets and resources [7].

Ronra and Chaisawat [8] postulate that turnover is one of the key issues in the world's hospitality industry. Narkhede, [9] advances the discourse by stating that staff turnover in the hospitality industry is having an effect on performance, productivity, and profitability. In fact, the turnover rate in the hospitality industry usually averages around 20 to 300 percent annually [10]. It is posited that employee turnover in the hospitality industry is triggered by dissatisfaction, which includes relationships with supervisors, working conditions, work schedules, workload, job content, and salary and benefits [9].

Yazinski [11] posits that staff turnover rate in the industry can be broadly divided into three groups; external factors (e.g. perception of both employment and unemployment rate, and presence of trade union), internal factors (e.g. tenure, education, and gender) and thirdly, work-related factors (e.g. wage, job satisfaction and organizational commitment). Other contributing factors could be narrowed down to employees' expectations of the job, the discrepancy between the job and person, not enough coaching and feedback, minimal growth and career opportunities, stress from being overworked, poor working conditions and job status, whether the individual is fully employed, contracted or seasonally employed [12]. This justifies the claim by Chalkiti and Sigala [13] that there are a plethora of reasons leading to staff turnover in the hospitality industry. It is pointed out that the industry is a very complex one to steer due to its various sub-industries or sectors [14]. In addition, the working environment can be very stressful and overbearing to the staff who have to deal with satisfying the needs and wants of customers as well as dealing with uncertain working conditions [15]. It is therefore imperative to identify the factors that impede staff retention in the industry and subsequently cause staff turnover.

This chapter focuses on staff turnover in the hospitality industry but specific to the hotel category which according to Slattery [16] is one of the free standing hospitality businesses. For the purpose of this study, the term hotel industry will be used throughout the chapter to describe the hotel business which according to Roa and Sahu [17], provides accommodation, meals and other types of services to guests. The hotel industry is chosen for this deductive analysis because it is reported to be a major challenge in this hospitality business [18]. This matter is of great concern in many countries such as in the United Kingdom and Australia [18] as well as small developing island states such as Jamaica [19]. Furthermore, turnover rate in the hotel industry is a worldwide endemic as it is not country-specific [20].

The importance of staffing issues in the hotel industry is driven by the fact that it is service-oriented and highly dependent on the employees [18]. There are several challenges that are encountered when working in the hotel industry to include hard deadlines, long working hours, unexpected interactions with guests and high emotional demands that are accompanied by poor working conditions and low wages [21]. Further study on staff turnover in the hotel industry is imperative in advancing the literature on the matter and informing hotel practitioners of workable and feasible practices to achieve staff retention. According to Davis [22] employee retention is important to the economic advancement of an organization. Replacing employees in the hotel industry can be very costly and is an unhelpful expense due to the fact that it can result in loss

of productivity particularly because employers have to train new employees [23]. It is therefore essential that managers seek to grasp a better understanding of staff retention in the hotel industry [22]. Likewise, managers and leaders should strengthen and improve the factors that stimulate employees to stay at the hotel. Having knowledge of these factors; organisational and personal, and instituting appropriate strategies to appreciate employees and stimulate them have the propensity to retain their engagement with the workplace [24] as well as increase their abilities to improve productivity [22]. The purpose of this chapter, therefore, is to analyze the factors contributing to staff turnover in the hotel industry and the subsequent impacts of staff turnover on productivity. The chapter will also propose some strategies that can be implemented by managers to reduce staff turnover in hotels. A review of extant literature will be used as the methodology. This is a plausible approach as according to Xiao and Watson [25], literature review establishes the foundation of academic enquiries.

2. Literature review

This review of the literature highlights the factors contributing to staff turnover in the hotel industry as well as the subsequent impact on productivity. This section will also present some strategies to mitigate staff turnover in hotels.

2.1 Factors contributing to staff turnover in the hotel industry

Hotels typically regard high turnover as part of the work-group norm and employees tend to believe that they are entering jobs with limited career development opportunities [26]. Aside from the three groups of staff turnover posited by Yazinski [11]; external factors, internal factors and work-related factors, Faz et al., [14] propose that the main contributing factors of staff turnover in the hotel industry are categorized into two subgroups; push factors and pull factors. Push factors are dissatisfactions with the current job and employees then seek alternative employment [27]. Pull factors are those reasons that attract employees to a new workplace [8] The literature will focus on these two categories as indicated in **Table 1**.

The following information will expand on the factors:

2.2 Push factors contributing to staff turnover in hotels

2.2.1 Poor relationship

Poor relationships are deemed to be the main factor of high staff turnover in the hotel industry [14]. This matter is of significant importance as relationships are discerned as a direct element of an employee's intention to stay at an organization.

Push Factors	Pull Factors
Poor relationship	Career advancements
Lack of growth opportunities	Job satisfaction
Job insecurity	Higher salaries
Limited amount of interaction among staff	Benefits and rewards

Table 1.
Factors contributing to staff turnover in hotels.

This is supported by Musa et al., [28] that poor relationships with management and colleagues can result in staff turnover in hotels. In a diverse work setting like the hotel environment where persons travel across the world with the need for accommodation, it is pertinent that employees develop a healthy working relationship as this can be the make or break point for the business [14]. Any strained relationship and discomfort at work can encourage a dissatisfied employee to seek alternative employment in another organization [14].

Employers should show interest in employees' growth so that they create a surrounding where the employees will be enthusiastic and one that will motivate them to remain employed at the organization [14]. It is found that there is a strong dissatisfaction with limited growth opportunities in hotels [29]. The fairness of the promotion process is of significant concern for hotel employees and this can negatively impact employee productivity [30] as well as deter prospective employees [31].

From a gender perspective, it is posited that men tend to have more access to career opportunities than their counterpart [32]. It is also postulated that if women believe that they are unable to move up the ranks in the hotel, then they may leave the organization [33] and this can also impact productivity. Narkhede [9] emphasized that the lack of opportunity for growth in the hotel industry for staff members in their present role is the primary rationale for seeking employment in another organization.

2.2.2 Job insecurity

Etehadi and Karatepe [34] define job insecurity as an employee's concern regarding the stability of their job at an organization. Job insecurity is identified as one of the main contributors to staff turnover [35]. Employees normally feel threatened about their jobs when there is a lack of communication within the organization, particularly during seasonality periods [35]. Akbiyik [36] shares a similar view which suggests that if a hotel decides to reduce the size of its staff based on the uncertainty of its occupancy without informing their employees ahead of time, then this can create a level of mistrust that can lead to high turnover rates.

Job insecurity is crucial because of work-related stress as it activates several emotional reactions among staff members [34]. They further explain that job insecurity can initiate deceitful employees, demotivated staff, decreased productivity as a result of staff demotivation, reduction in employees' emotional wellbeing while on the job, and low job satisfaction that can eventually lead to burnout. Akbiyik [36] adds that job insecurity in the hotel industry influences absenteeism among employees as they are under the impression that they can lose their job at any time. Once an employee displays high rates of absenteeism then the employer will be forced to terminate the staff member for poor work performance which ultimately contributes to staff turnover within the hotel industry [36].

2.2.3 Limited amount of interaction among staff in the hotel

Employee engagement helps to cement organizational culture that promotes unity within the organization [37]. When employees see that there is a positive magnitude of organizational interaction within the business, they are more propelled to display a higher level of interest [38]. Minimal employee interaction could lead to high turnover rates because employees tend to be uninformed of what is taking place within the organization [37].

Kuria et al., [20] highlight that low interaction in the hotel industry can be developed from inadequate transparency among employers and employees or staff and staff. They further indicate that it is a crucial factor for interaction among employees because it helps to influence their decision as to whether they want to stay at the hotel and further their career or leave the organization to seek more suitable development. Fathy [37] posits that a lack of motivation and interaction from an early stage between employers and employees is one of the key factors that lead to staff turnover in the hotel industry. This is because employers failed to develop a strong interaction relationship between employees and as such they are not driven to grow as one within the organization.

2.3 Pull factors contributing to staff turnover in hotels

2.3.1 Career advancement

According to Chalkiti & Sigala [13], one of the main factors that lead to high staff turnover rate in several different industries is the lack of career advancement. There is no difference with the hotel industry as McGinley et al. [39] assert that career advancement opportunities in the hotel industry are a conspicuous concern. The opportunity for career development encourages job satisfaction, ensures that employees are successful and enhances their employability (Jugan [40]). If employers do not provide employees with these opportunities there is a high propensity that this will result in great staff turnover [41].

Faz et al., [14], however, caution that the hotel industry is a severely high labour intensive sector that creates numerous competitions between staff members, which decreases the possibilities for career development for other staff members. It is also found that when employees enter the hotel industry they view their employment as short-term and are often of the belief that it is a temporary job opportunity. Subsequently, they are hopeless of any advancement [42]. However, Mwilu [43] on the other hand explains that people seek employment locally and internationally in the hotel industry because of the perceived employment opportunities. Mwilu [43] concludes that people will gravitate more to organizations where they will gain more benefits, thus, the urge of leaving the current organization is very high. Another important point as explained by Narkhede [9] is that, if employees feel that an entity is not fully invested in their career advancement, they will not display any interest in the business development. This is with the view that their efforts will be preoccupied to seek opportunities for growth elsewhere.

2.3.2 Job satisfaction

Rok & Mulej [44] note that job satisfaction is a delightful and positive state of an individual's career advancement which results from a person's job or experience at work. Albattat & Som [12] add that job satisfaction will influence an employee's decision as to whether or not they are to leave their job. Hence, it is likely that job satisfaction will have an impact on employee turnover rates [12].

Several studies have been conducted regarding the relationship between work-related variables and job satisfaction which will ultimately result in employee turnover. For example, a study by Zopiatis et al., [42] in Cyprus highlights that there is a negative relationship between organizational commitment and job satisfaction and this can result in turnover intention.

Davis [22] believes that job satisfaction concentrates mostly on Herzberg's Hygiene Factors. These factors are elements that are correlated to a job that may or may not create satisfaction for employees [45]. The Hygiene Factors take into consideration the environment in which employees do their job and enhance the satisfaction and commitment of the employees. This is supported by Holston-Okae [46] who contends that organizational leaders should meet their employees' hygiene factors to avoid dissatisfactions. This may not immediately lead to job satisfaction or motivation but is a stepping stone.

2.3.3 Higher salaries

Mwilu [43] highlights higher payment packages and technical challenges as pull factors that captivate employees. Dwesini [47] concludes that compensation and rewards are factors that could influence staff turnover in the industry. AlBatta and Som [12] further emphasize that unsatisfactory salaries among intolerant working conditions and poor training could lead to staff turnover. Whenever employers fail to provide employees with favorable salaries, wages or even service charges that are linked to their job function, it is likely to contribute to job turnover. This is supported by [20] who conclude that if organizations do not compensate their workers beneficially it is possible they may encounter high levels of staff turnover by way of the staff leaving for alternate jobs that are higher paying.

2.3.4 Benefits and rewards

Reward systems entail various policies and procedures that are arranged and governed like one [40]. Whenever employees are rewarded it gives them a sense of belonging and makes them feel appreciated by relevant authorities [40]. Rewarding employees allows them to have a better relationship with the organization [48]. This is supported by Jehanzeb et al., [49] who indicate that rewards play a critical role in the retention of employees; it makes them feel wanted and motivates them to continue doing an excellent job. Sageer et al., [50] believes that employees should be rewarded appropriately for their contribution. Rewards are a stepping stone to job satisfaction which leads to a greater probability of the employees remaining within the organization. Jugan [40] suggests that organizations must focus on the extent to which rewards contribute to employee motivation and engagement with the organization and that the factors which determine this degree should be understood. Happy employees represent the organization in the public sphere [50].

Jehanzeb et al., [49] state that rewards have a lasting impression on employees as it communicates how much they are valued within the organization. A survey carried out in hotels in Kisii, Kenya concludes that the lack of fringe benefits encourages persons to leave the organization and this increases the rate of employee turnover [41]. This suggests that whenever an employer is not offering benefits such as sick leave, and education and retirement facilities to the employees, it will result in an increase in the rate of staff turnover [41].

2.4 Impacts of staff turnover on productivity

Productivity refers to how effectively and efficiently goods and tasks are carried out. It is further explained as the efficiency in production and is simply measured by the amount of output obtained from a given set of inputs [51]. According to Haenisch

[52], productivity in the workplace is detrimental to the success of every organization. Ugoani [53] shares a similar view whilst focusing on the aspect of manpower and determining that employee productivity is a critical factor for the organization to survive financially. Consequently, employers must put specific measures in place for employee performance as it is vital to the success of their business [54]. They should strengthen the work environment to improve employees' performance and productivity as this will ultimately lead to higher profits as well as customer satisfaction and retention [50].

Productivity is used to determine the level of performance of an organization and that decreases with high employee turnover [53]. This was underscored in a study conducted by Ahmad and Scott [18] to determine the issues in managing staff in the front office department. The results were obtained through interviews with managers which showed that staff turnover results in a shortage of staff which causes difficulty in delivering excellent service. The respondents further elaborated that insufficient staff resulted in limited time to interact with staff or complete tasks effectively. These findings reinforce the claim by Siddiqui [54] that the success of a company is ultimately dependent on employees.

Additionally, time must be allocated to train new employees. Fathy [37] elaborates that when hotels replace experienced staff with inexperienced employees, it disrupts the flow of production as time must be allocated on schedules to train the staff on how to properly carry out services and tasks. This also interrupts the time that should be spent catering to the requirements of the guests and this may lead to dissatisfied customers and thus, a decrease in customer retention and ultimately reduced profitability. Hinkin, and Tracey [55] conclude that the hiring and training processes are costs that are associated with turnover.

The hotel industry is service-oriented, therefore, the productivity of the business as it relates to output is measured by the service received by guests. The quality of service conveyed to the guest is a competitive tool and since employees are the ones that deliver the service, it is imperative that they are satisfied and motivated [56]. This is even more important due to the characteristic of service. Service is simultaneous as it is created and consumed at the same time. By way of being perishable, productivity is determined by the number of rooms occupied on a daily basis with the role of the hotel staff being very integral to this matter. For example, the functions of the housekeeping staff or room attendant are critical to the profitability of the hotel [57]. The level of service provided is an indication of guests' satisfaction and whether or not they will stay as well as return the next time.

Using data from 527 hotels within the same chain, Hesford et al., [58] examine how housekeepers and front desk attendants impact revenue and productivity through customer satisfaction. The findings reveal that the tasks carried out by the housekeepers and front desk attendants have significant effect on guest experience. Additional findings reveal that the majority of customer in the budget hotel segment complained about the cleanliness of the rooms. This is the direct responsibility of the housekeeping staff. Poor hospitality and service was also found to be a frequent driver of complaints. This generally refers to guest interactions with the front desk staff. The results indicate that turnover in both positions negatively impacts the customer's experience and satisfaction, and these are some of the main determinants of productivity among hotels.

Notably, hospitality service operations evolve around branded and standardized offerings to customers, therefore, consistent employee performance is a very important element of business strategy [59]. In addition, high staff turnover will

lead to higher complaints because of the time it takes to train new employees as well as the loss of key employees. Customer satisfaction, therefore, becomes synonymous with productivity levels in hotels [60]. Hence, if staff turnover is frequent and high, it will disrupt the quality of service [61]. In support, Singh and Amandeep [56] conclude that staff turnover harms the steadiness in the standardization of hotel services.

Moreover, the service will be further impacted as new employees will require time to become as efficient as the previous ones. This was supported by Faz et al., [14] who articulate that a new employee can take up to two years to accomplish the same level of productivity as the previous staff since they have to become knowledgeable of all the necessary skills required to complete their tasks. In addition, the loss of key employees can result in a reduction in both the quality of the service provided and the experience attained by the guest as well as productivity [62]. From a financial perspective, Fathy [37] points out that employee turnover represents 60 percent of the cost of loss productivity.

High staff turnover can also result in disruption of service for other employees and managers resulting in reduced productivity. The disruption in operations redirects managers away from their usual duties of planning, controlling and sales to now training and monitoring new employees. According to Hesford et al., [58], the time that the head housekeeper spends on training new employees pulls them away from inspecting rooms, monitoring the remaining workers and responding to special cleaning requests. Similarly, general managers typically “shadow” a new front desk attendant for the first few shifts. This diverts the manager’s effort and attention away from strategic functions such as marketing the property and networking.

3. Methodology

This study carefully and systematically reviewed the literature on the factors contributing to staff turnover in the hotel industry; both push and pull, and their consequent impacts on the productivity of hotels. The literature was also reviewed for recommended strategies that are used to mitigate staff turnover in hotels. Literature review is used as the methodology for this study in order to provide a comprehensive review of the literature related to staff turnover in the hotel industry. This is a plausible research technique and is supported by Paul and Criado [63] who postulate that literature review is useful in synthesizing prior studies to strengthen the foundation of knowledge. In addition, Xiao and Watson [25] point out that literature review establishes the foundation of academic enquiries.

Although literature review is usually used as an assessment procedure in nursing settings [64], Snyder [65] proposes that its use as a research method has become more relevant than before, especially in the area of business research. This technique was used by Aziri [66] to examine the subject of job satisfaction and by Ngai [67] to relate on customer service management. It was also used by Brodeur et al., [68] to synthesize insights emerging from a number of studies on the economics of COVID-19. These are all studies in the area of business.

This chapter therefore, examined staff turnover in the hotel industry which is a business research. It was carried out by reviewing research papers in journal articles and book chapters among other sources, for extant literature on the matter. This approach is further recommended by [64]) who posit that effective literature searching is a crucial stage in the process of writing a literature review and that a systematic organized search of the literature that uses available resources is more likely to

produce quality work. The review of literature is intended to provide current stance on the subject as well as rationale, positions and discussed ideas [69].

4. Strategies to mitigate against employee turnover in hotels

Many hotels face the challenge of high turnover in their organization whether voluntary or otherwise. Hartman and Yrle [70] explains that employees will leave their job even if they are satisfied and conceptualized this voluntary departure as the hobo phenomenon. It is therefore imperative for managers to identify the factors that affect employee turnover and implement appropriate strategies to attain stability in the organization. They need to be aware of their employees' feelings regarding their job functions as well as their satisfaction levels with their working conditions, superiors and peers [71]. Being aware of these factors will allow employers to implement sustainable strategies so as to improve the productivity and efficiency of employees and subsequently influence a reduction in staff turnover. Emphasis and focus should be placed on adequately managing these factors in order to create satisfaction for employees and maintain their interest in working at the organization.

It is important for hotels to conduct an audit of their situation to determine where they are at so that the appropriate strategies can be employed. If they do not have the internal resources to do so, then Ferry [72] recommends that they procure the services of a consulting company to assist them in this regard. As indicated earlier in the chapter by Holtom and Burch [62], the loss of important employees is detrimental to productivity and work quality. Managers need to be cognizant of this matter and implement suitable retention strategies for employees. Some of these strategies include implementing job enrichment plans, promoting job satisfaction, managing hygiene factors, incorporating job embeddedness, including career development and advancement factors, instituting appropriate remuneration, recognition and reward programmes in addition to good training and management. Furthermore, Long and Perumal [73] contend that employees who have little to no intentions to leave an organization have a positive relationship with staff training, compensation or benefits, development of careers in specific areas, performance management, and employee relationships. The following are some of the strategies that can be implemented in large hotels to directly or indirectly reduce staff turnover.

4.1 Implement job enrichment plans

The hotel industry leaders need to understand the factors that encourage employees to display high potential in staying with the organization in comparison to them leaving [74]. Managers need to consider job enrichment to avoid high turnover in their organization. This involves designating employees with different types of work without increasing the workload level. Job enlargement can also improve intrinsic motivation for employees and give them more reasons to stay. Onimole [75] contends that when managers provide job enrichment then employees will grasp a deeper interest in doing the work, thus a greater responsibility will be acquired by employees resulting in higher levels of productivity.

4.2 Promote job satisfaction

Milman and Dickson [74] proffer that employers should view employees as internal customers of the organization. This can provide important value and create

awareness for managers as well as influence the implementation of appropriate strategies to reduce staff turnover. In support, Kim [76] points out that in order to realize a reduction in employee turnover, the human resource management team should conduct internal marketing on employees, focusing on their traits and designing effective programmes for new employees with multiple backgrounds. In addition, Onimole [75] finds that both effective training programs and job satisfaction have a very good relationship. Providing an effective training programme could therefore be a response to reducing the high turnover rate by way of employees being satisfied with their job. Training has proven to be vital in the retention process and in helping to reduce turnover. This is supported by Chen [77] who notes that training of employees influences their retention. When an organization invests in training and development activities it shows that they have placed high importance on employee capacity building. Not only will employees have a sense of being valued but training opportunities will create an emotional tie between employee and employer [78]. Therefore, employees are less likely to leave the organization when they receive the chance to acquire training on the job. Therefore, having a dedicated training procedure to improve employee skills and capabilities have the potential to reduce their intentions to leave.

Stress management is also of importance. McGinley et al. [39] state that there are various ways to deal with stress in the workplaces, which is likely to impact staff turnover intentions. The implementation of task-oriented strategies can cause a reduction in turnover intent and in turn improve on job satisfaction [39]. It is likewise imperative for managers to understand the intentions of their exceptional employees and implement solutions that will increase their desire to stay in the organizations [74]. Lapointe and Vandenberghe [79] summarize that it would be beneficial for managers to put strategies in place to strengthen employee's commitment to the organization and their subsequent satisfaction can possibly reduce turnover rates.

4.3 Manage hygiene factors

As indicated earlier in the chapter, job satisfaction concentrates mostly on Herzberg Hygiene Factors and are used to determine employee satisfaction with their job. Examples of such factors are fair pay rate, respect from other workers, salary, incentives and good conditions for work. Other hygiene factors include company policies, supervision, interpersonal relationship and job security. Zhu et al., [80] postulate that the hygiene factors when compared to the motivation factors in the Hertzberg two-factor model (motivation factors and hygiene factors) are more effective in predicting turnover intentions. This means that that will contribute to employee satisfaction which in turn, will reduce high turnover rates.

In essence, the hygiene factors are used to determine employee satisfaction with their job; a high rate of job satisfaction will reduce job turnover intentions. The underlying premise of hygiene factors is that, as long as employees become satisfied, then managers will need to maintain these factors so that they will not resort to dissatisfaction which reduces productivity. In terms of the influence of hygiene factors on productivity, Ogbo et al., [81] find that good working conditions improve employees' productivity. They posit that if working conditions are poor it will create negative impact on employees and as such managers should aim to maintain factors that aid in the increase of productivity. Deri et al., [82] conclude that the hygiene factors of job satisfaction are paramount and managers are to pay attention to them.

4.4 Incorporate job embeddedness

Ehrler [83] explains that job embeddedness consists of a range of influences that contribute to an employee's decision to continue with their job. Onimole [75] shares the notion that job embeddedness indirectly reduces high staff turnover costs incurred by the organization. It is therefore important for the hotel organizations to implement activities that can improve job embeddedness and reduce staff turnover.

Embeddedness in the job can create a positive relationship or connection with co-workers. It is determined by the level of co-worker dependency and a sense of belongingness and as such employees will more likely have a long tenure in a company where there is a positive relationship among employees [84]. Employees have a less likely tendency to leave the organization when they are embedded in their job. Ehrler [83] posits that the diversification of employee job embeddedness positively impacts their retention by reducing turnover.

4.5 Include career development and advancement factors

Career development as well as advancement opportunities are vital in improving employees' loyalty and retention in the hotel industry [79]. Akyüz et al. [85] assert that if employers desire to reduce the staff turnover rate then they will need to improve the organizational climate and the human resource activities being carried out. The process of molding each employee's career is therefore imperative [86]. This strategy can be a cost saving measure for hotels to save money that would have otherwise been spent on continuously recruiting and training new employees because of turnover.

Offering mentorship to hospitality employees is another great way to mold their careers and keep them empowered and motivated [87]. Mentorship can provide several benefits and opportunities for the personal and professional growth of employees. It is found to be a vital tool in bridging the generation gap and promoting diversity in the workplace as well as transform the organization into a learning one [88]. Mentorship in the workplace is usually carried out by experienced professionals who help in the process of molding other employee's careers and providing the opportunities for them to grow and develop their potential. These mentees will now feel a sense of connection and commitment to the business and its overall success. Hence, managers are to be able to identify opportunities and implement mentorship and training programmes to help and retain young employees. This is despite the claim by Gursoy and Dhar [89], that younger persons will stay in the organization in more cases than the older ones.

Having a formal and structured mentorship programme is recommended [88]. It will facilitate high-quality leader-member relationships. This type of relationship according to Davis [22] will not only engage and inspire employees but will also lead to organizational commitment and lower turnover rates. In essence, hotel managers should be concerned about the growth and development of all employees [29] despite age and gender. As per the latter, they are to remove gender bias perceptions and ensure that programmes are in place to coach female employees in advancing their careers [90]. Overall, managers should provide all employees with opportunities to develop and improve key internal relationships, career advancements and job performance. Employees are comfortable when opportunities to improve themselves arise [89]. Akyüz et al., [85] studied the influences that academic development and organizational climate provides in having healthier organizational commitment which

reduces employees' desire to leave the organization. They find that employers that pay special attention to academic development, tasks, and the promotion of improved commitment to the organization recognize that it improves job performance and increases retention rates.

4.6 Implement remuneration, recognition and reward programmes

Adequately and fairly remunerating, recognizing and rewarding the efforts and accomplishments of employees are important in staff retention. According to [91] employees tend to develop an emotional bond with the organization and remain an employee when they perceive that the work they have done is appreciated and valued. Long and Perumal [73] point out that employees that are placed on the front-line in the hotel operations are more likely to proportionately receive low salary or rewards, and therefore will be the ones to switch jobs. Rewarding and recognizing these among other employees would make them feel respected, desired and appreciated, resulting in reduced staff turnover rate. However, employees expect to receive recognition and rewards that are established from a fair performance appraisal review [91].

4.7 Implement best hiring practices

In order to understand the reasons why employees leave their organization, the human resource management team should hire smartly and implement exit and stay interviews to practice and maintain the communication process [79]. Selecting the right people for the right jobs is one of the most incremental solutions to reducing staff turnover as according to Bin [92] they will be more satisfied and engaged with their jobs. Employees who are not the right fit for a position will be more likely to quit as they may not possess the right skill set, knowledge or even mental ability to tackle that role.

The screening of employees who enter the organization will help employers make better decisions when hiring [39]. Hotel managers should identify the abilities of each employee through the hiring process and according to Sinclair-Maragh et al.; [93], they should foster talent management through coaching, mentorship, motivation and empowerment. Managers should employ effective sourcing strategies as well as maintain, retain and train these employees as it is imperative in the process of improving guest services in the industry. This is supported by Long and Perumal [73] who find that training is vital to the success of any modern organization. They posit that training is the backbone of strategy implementation and the lack of training in critical areas will lead to increased complaints. In providing the necessary conditions to develop the professionalism of employees, managers should consider training them on the job which results in job satisfaction and a reduction in turnover levels [94].

4.8 Encouraging communication

Communication between the two parties; managers and employees is paramount. The philosophy and intentions of the hotel should be communicated to the employees to guide them in carrying out their respective tasks [95]. Likewise, employees should be allowed to communicate their potential career path so that they can purposefully envisage their future with the hotel.

Employees should be allowed to identify specific milestones for their achievement and ways in which the employers can use supporting resources to assist them in achieving their goals. The relationship between employees and employers will make

it easier for both parties to have a clear, consistent and direct communication about career advancement steps. This will help employees feel more engaged in the organization and increase their job satisfaction, thus, staff turnover rate will be reduced. Sandhya and Kumar [96] conclude that communication between the employee and employer will lead to high levels of employee retention. Communication can also be achieved by way of conducting employee attitudes surveys. This should be aimed at identifying how each employee feel about their role, their intention to stay within the organization and also the goals that they want to achieve in the organization. Care should be taken not to generalize the data collected for human resource management and development strategy implementation [97].

5. Conclusion

The purpose of this chapter is to analyze the factors contributing to staff turnover in the hotel industry and the subsequent impacts of staff turnover on productivity. Additionally, the chapter proposed some strategies that can be implemented by management to reduce staff turnover. The review of literature finds that employee turnover has been a major concern in the hotel industry in several countries despite location. The literature distinguishes two main categories of factors that cause job turnover. The push factors are job-related dissatisfiers such as poor relationships, lack of growth opportunity, job insecurity and limited amount of interaction among staff. Pull factors are those opportunities that attract employees to a new workplace such as career advancements, job satisfaction, higher salaries and benefits and rewards.

Staff turnover needs to be addressed as it can negatively impact productivity. It is important for hotel managers / employers to generate unique and creative solutions to retain employees in the hotels despite the size and location. These include the implementation of job enrichment plans, promotion of job satisfaction, management of hygiene factors, incorporating job embeddedness, including career development and advancement factors, instituting appropriate remuneration, recognition and reward programmes, implementing best hiring practices and encouraging employee-employer communication channel.

Based on the literature review conducted, it is evident that high staff turnover rate is prominent in the hotel industry. It is essential that these managers select the right persons for the respective jobs, foster their abilities and talents, and motivate them in an employee-centric environment. Deliberate and effective workplace practices are therefore recommended.

The findings of this study will be very useful in advancing the literature in the area of staff turnover in the hotel industry and providing relevant information pertaining to people management in that environment. From a practical standpoint, the chapter will be able to inform hotel practitioners of these factors as well as how staff turnover can impact the productivity levels of the hotel. Further studies can be done to empirically assess the factors that are contributing to staff turnover in the hotel industry and the impact of staff turnover on hotel productivity. Future studies can also empirically examine the relationship between hotel productivity and hotel performance.

Author details

Shaniekay Codling, Jheanelle Pinnock, Eyonisha Barrett, Shanoya Gayle,
Nataki Stephenson, Nikima Sibblies and Gaunette Sinclair-Maragh*
University of Technology, Jamaica

*Address all correspondence to: gmaragh@utech.edu.jm

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Behere D. Global tourism and its impact on business. *ZENITH International Journal of Business Economics & Management Research*. 2018;**8**(5):73-85
- [2] De Freitas CR. Tourism climatology past and present: A review of the role of the ISB commission on climate, tourism and recreation. *International Journal of Biometeorology*. 2017;**61**(1):107-114
- [3] Popov LA, Nikolskaya EY, Kosheleva AI, Kobayak MV, Lepeshkin VA. Trends in the development of hotel business in the world and the Russian Federation. *International Journal of Applied Business and Economic Research*. 2016;**14**(9):5843
- [4] O'Cass A, Sok P. An exploratory study into managing value creation in tourism service firms: Understanding value creation phases at the intersection of the tourism service firm and their customers. *Tourism Management*. 2015;**51**:186-200
- [5] Mayhew R. Employee turnover definitions and calculations. *Small Business: Managing Employees: Employees*. 2018. Retrieved from: <https://smallbusiness.chron.com/employee-turnover-definitions-calculations-11611.html> [September 25, 2022]
- [6] Zhang YJ. A review of employee turnover influence factor and countermeasure. *Journal of Human Resource and Sustainability Studies*. 2016;**4**(2):85-91
- [7] Abbasi SM, Hollman KW. Turnover: The bottom line. *Public Personal Management*. 2000;**29**(3):333-342
- [8] Ronra B, Chaisawat M. Factors affecting employee turnover and job satisfaction: A case study of Amari hotels and resorts. Paper Presented at the 3rd International Colloquium on Business & Management (ICBM), Bangkok, Thailand. 2010
- [9] Narkhede PA. Employee turnover in hospitality industries: A study of service staff. *JIMS8M: The Journal of Indian Management & Strategy*. 2014;**19**(3):4-8
- [10] Demir C, Çolakoğlu Ü, Güzel B. Relationship between employee turnover and the location of hotels: The case of Kuşadası and Izmir in Turkey. *Journal of Yasar University*. 2007;**2**(5):477-487
- [11] Yazinski SK. Job involvement, commitment, satisfaction and turnover: Evidence from hotel employees in Cyprus. *Tourism Management*. 2009;**41**:129-140
- [12] AlBattat ARS, Som APM. Employee dissatisfaction and turnover crises in the Malaysian hospitality industry. *International Journal of Business and Management*. 2013;**8**(5):62-71
- [13] Chalkiti K, Sigala M. Staff turnover in the Greek tourism industry: A comparison between insular and peninsular regions. *International Journal of Contemporary Hospitality Management*. 2010;**22**(3):335-359
- [14] Faz M, Anthonisz A, Dang Y. The impact of staff turnover on a hotel's income statement. White Paper Prepared by TFG Asset Management. 2018. Retrieved from: https://www.researchgate.net/publication/322539791_The_Impact_of_Staff_Turnover_on_a_Hotel's_Income_Statement_White_Paper_prepared_by_TFG_Asset_Management/citations [September 25, 2022]

- [15] Kim BP, Murrmann SK, Lee G. Moderating effects of gender and organizational level between role stress and job satisfaction among hotel employees. *International Journal of Hospitality Management*. 2009;**28**(4):612-619
- [16] Slattery P. Finding the hospitality industry. *Journal of Hospitality, Leisure, Sport and Tourism Education*. 2002;**1**(1):19-28
- [17] Roa P, Sahu P. Impact of service quality on customer satisfaction in hotel industry. *IOSR Journal of Humanities and Social Science*. 2013;**18**:39-44
- [18] Ahmad R, Scott N. Managing the front office department: Staffing issues in Malaysian hotels. *Anatolia. An International Journal of Tourism and Hospitality Research*. 2014;**25**(1):24-38
- [19] Adler H, Rigg J. Expatriate hotel general managers in Jamaica: Perceptions of human resource, organizational, and operational challenges. *Journal of Hotel and Business Management*. 2012;**1**(1):2169-0286
- [20] Kuria S, Alice O, Wanderi P. Assessment of causes of labour turnover in three and five star-rated hotels in Kenya. *International Journal of Business and Social Science*. 2012;**3**(15):311-317
- [21] Sampson W, Akyeampong O. Work-related stress in hotel: An analysis of the causes and effects among frontline hotel employees in the Kumasi Metropolis, Ghana. *Journal of Tourism and Hospitality*. 2014;**3**(2):127-135
- [22] Davis OA. Strategies for Low Employee Turnover in the Hotel Industry (Doctoral dissertation, Walden University). Walden University ProQuest Dissertations Publishing; 2018. p. 10788659. Retrieved from: <https://www.proquest.com/dissertations-theses/strategies-low-employee-turnover-hotel-industry/docview/2033582016/se-2>
- [23] O'Connell M, Kung MC. The cost of employee turnover. *Industrial Management*. 2007;**49**(1):14-19
- [24] Kyndt E, Dochy F, Michielsen M, Moeyaert B. Employee retention: Organisational and personal perspectives. *Vocations and Learning*. 2009;**2**(3):195-215
- [25] Xiao Y, Watson M. Guidance on conducting a systematic literature review. *Journal of Planning Education and Research*. 2019;**39**(1):93-112
- [26] Davidson MC, Timo N, Wang Y. How much does labour turnover cost? A case study of Australian four-and five-star hotels. *International Journal of Contemporary Hospitality Management*. 2010
- [27] Loquercio D. Turnover and retention. In: Ronra B, Chaisawat M, editors. *Factors Affecting Employee Turnover and Job Satisfaction: A Case Study of Amari Hotels and Resorts*. Paper Presented at the 3rd International Colloquium on Business & Management (ICBM), Bangkok, Thailand. 2010
- [28] Musa BM, Ahmed I, Bala A. Effect of motivational incentives on staff turnover in hotel industry in Gombe state. *Journal of Business and Management*. 2014;**16**(3):36-42
- [29] El-Said O, Aziz H. Job satisfaction and potential opportunities for career growth among hotel employees: The case of Oman. *Tourism and Hospitality Research*. 2022;**22**(4):488-507
- [30] Russen M, Dawson M, Madera JM. Gender discrimination and perceived fairness in the promotion process of

- hotel employees. *International Journal of Contemporary Hospitality Management*. 2021;**33**(1):327-345
- [31] Chi CGQ, Wen B, Ouyang Z. Developing relationship quality in economy hotels: The role of perceived justice, service quality, and commercial friendship. *Journal of Hospitality Marketing and Management*. 2020;**29**(8):1027-1051
- [32] Wilkins CL, Wellman JD, Flavin EL, Manrique JA. When men perceive anti-male bias: Status-legitimizing beliefs increase discrimination against women. *Psychology of Men and Masculinity*. 2018;**19**(2):282-290
- [33] Campos-Soria JA, Garcia-Pozo A, Sanchez-Ollero JL. Gender wage inequality and labour mobility in the hospitality sector. *International Journal of Hospitality Management*. 2015;**49**:73-82
- [34] Etehadi B, Karatepe O. The impact of job insecurity on critical hotel employee outcomes: The mediating role of self-efficacy. *Journal of Hospitality Marketing & Management*. 2018;**28**(6):665-689
- [35] Abolade DA. Impact of employees' job insecurity and employee turnover on organisational performance in private and public sector organisations. *Studies in Business and Economics*. 2018;**13**(2):6-19
- [36] Akbiyik B. The association between perceived job insecurity and career commitment in hospitality sector. The role of support at work. *Research Journal of Business and Management*. 2016;**3**(1):11-21
- [37] Fathy E. Issues faced by hotel human resource managers in Alexandria. *Egypt. Research in Hospitality Management*. 2018;**8**(2):115-124
- [38] Holston-Okae BL, Mushi RJ. Employee turnover in the hospitality industry using Herzberg's two-factor motivation-hygiene theory. *International Journal of Academic Research in Business and Social Sciences*. 2018;**8**(1):218-248
- [39] McGinley SP, Hanks L, Line ND. Constraints to attracting new hotel workers: A study on industrial recruitment. *International Journal of Hospitality Management*. 2017;**60**:114-122
- [40] Jugan V. An Investigation into the High Turnover of Employees Within the Irish Hospitality Sector, Identifying What Methods of Retention should be Adopted. (Master of Arts Dissertation). National College of Ireland; 2015
- [41] Milka W, Kerubo JO, Eunicares L. Factors affecting employee turnover in hospitality establishments in Kisii town, Kenya. *Merit Research Journal of Business and Management*. 2017;**5**(1):030-040
- [42] Zopiatis A, Constanti P, Theocharous AL. Migrant labor in hospitality: The Cyprus experience. *International Journal of Hospitality Management*. 2014;**37**:111-120
- [43] Mwilu MJ. Factors Influencing Employee Turnover in the Hotel Industry in Machakos Town, Machakos County. (Doctoral dissertation). South Eastern Kenya University Digital Repository; 2016. Available from: <http://repository.seku.ac.ke/handle/123456789/1920>
- [44] Rok M, Mulej M. CSR-based model for HRM in tourism and hospitality. *Kybernetes*. 2014;**43**:346-362
- [45] Sankar M. Impact of hygiene factors on employee retention: Experimental study on paper industry. *Indian Journal of Management Science*. 2015;**5**(1):58-61

- [46] Holston-Okae BL. Employee Turnover Intentions in the Hospitality Industry (Unpublished doctoral dissertation). Minneapolis, Minnesota, USA: College of Management and Technology, Walden University; 2017
- [47] Dwesini NF. Causes and prevention of high employee turnover within the hospitality industry: A literature review. *African Journal of Hospitality, Tourism and Leisure*. 2019;8(3):1-15
- [48] Victor J, Hoole C. The influence of organisational rewards on workplace trust and work engagement. *SA Journal of Human Resource Management (IJM&P)*. 2017;15(1):1-14
- [49] Jehanzeb K, Rasheed F, Rasheed A, Aamir A. Impact of rewards and motivation on job satisfaction in the banking sector of Saudi Arabia. *International Journal of Business and Social Science*. 2012;3(21):272-278
- [50] Sageer A, Rafat S, Agarwal P. Identification of variables affecting employee satisfaction and their impact on the organization. *IOSR Journal of Business and Management*. 2012;5(1):32-39
- [51] Syverson C. What determines productivity? *Journal of Economic Literature*. 2011;49(2):326-65
- [52] Haenisch J. Factors affecting the productivity of government workers. *SAGE Open*. 2012;2(1):1-7. DOI: 10.1177/2158244012441603
- [53] Ugoani J. Employee turnover and productivity among small business entities in Nigeria. *Independent Journal of Management & Production*. 2016;7(4):1063-1082
- [54] Siddiqui MN. Success of an organization is a result of employees performance. *Advances in Social Sciences Research Journal*. 2014;1(4):179-201
- [55] Hinkin TR, Tracey JB. The cost of turnover: Putting a price on the learning curve. *Cornell Hotel and Restaurant Administration Quarterly*. 2000;41(3):14-21
- [56] Singh D, Amandeep. Impact of employee turnover on the hotel industry- a study of selected hotels of new Delhi. *International Journal of Research*. 2017;5:153-158
- [57] Powell PH, Watson D. Service unseen: The hotel room attendant at work. *International Journal of Hospitality Management*. 2006;25(2):297-312
- [58] Hesford JW, Malina MA, Pizzini M. Turnover and unit-level financial performance: An analysis of the costs and benefits of voluntary and involuntary turnover in unskilled jobs. *Advances in Management Accounting*. 2016;26:35-65
- [59] Bhatti KK, Qureshi TM. Impact of employee participation on job satisfaction, employee commitment and employee productivity. *International Review of Business Research Papers*. 2007;3(2):54-68
- [60] Chi CG, Gursoy D. Employee satisfaction, customer satisfaction, and financial performance: An empirical examination. *International Journal of Hospitality Management*. 2009;28(2):245-253
- [61] Mohsin A, Lengler J, Aguzzoli R. Staff turnover in hotels: Exploring the quadratic and linear relationships. *Tourism Management*. 2015;51:35-48
- [62] Holtom BC, Burch TC. A model of turnover-based disruption in customer services. *Human Resource Management Review*. 2016;26(1):25-36

- [63] Paul J, Criado AR. The art of writing literature review: What do we know and what do we need to know? *International Business Review*. 2020;**29**(4):1017-17
- [64] Timmins F, McCabe C. How to conduct an effective literature search. *Nursing Standard*. 2005;**20**(11):41-47
- [65] Snyder H. Literature review as a research methodology: An overview and guidelines. *Journal of Business Research*. 2019;**104**:333-339
- [66] Aziri B. Job satisfaction: A literature review. *Management Research & Practice*. 2011;**3**(4):77-86
- [67] Ngai EW. Customer relationship management research (1992-2002): An academic literature review and classification. *Marketing Intelligence & Planning (Emerald Group Publishing Limited)*. 2005;**23**(6):582-605. DOI: 10.1108/02634500510624147
- [68] Brodeur A, Gray D, Islam A, Bhuiyan S. A literature review of the economics of COVID-19. *Journal of Economic Surveys*. 2021;**35**(4):1007-1044
- [69] Dunne C. The place of the literature review in grounded theory research. *International Journal of Social Research Methodology*. 2011;**14**(2):111-124
- [70] Hartman SJ, Yrle AC. Can the hobo phenomenon help explain voluntary turnover? *International Journal of Contemporary Hospitality Management*. 1996;**8**(4):11-16
- [71] Lam T, Baum T, Pine R. Study of managerial job satisfaction in Hong Kong's Chinese restaurants. *International Journal of Contemporary Hospitality Management*. 2001;**13**(1):35-42
- [72] Ferry K. Strategy Activation: The Power of Service and Purpose. 2020. Available from: https://www.kornferry.com/insights/this-week-in-leadership/power-service-andpurpose#:~:text=First_link_service_directly_to,a_priority_with_n_the_organization [Retrieved June 2, 2022]
- [73] Long CS, Perumal P. Examining the impact of human resource management practices on employees' turnover intention. *International Journal of Business & Society*. 2014;**15**(1):111-126
- [74] Milman A, Dickson AMD. Employment characteristics and retention predictors among hourly employees in large US theme parks and attractions. *International Journal of Contemporary Hospitality Management*. 2015;**26**:447-469
- [75] Onimole SO. Work design and job satisfaction. *International Journal of Humanities and Social Science*. 2015;**5**(10):202-207
- [76] Kim N. Employee turnover intention among newcomers in travel industry. *International Journal of Tourism Research*. 2014;**16**(1):56-64
- [77] Chen M. The effect of training on employee retention. *International Conference on Global Economy, Commerce and Service Science*. 2014;**1**(2):356-359
- [78] Memon MA, Salleh R, Baharom MNR. The link between training satisfaction, work engagement and turnover intention. *European Journal of Training and Development*. 2016;**40**(6):407-429
- [79] Lapointe E, Vandenberghe C. Supervisory mentoring and employee affective commitment and turnover. The critical role of contextual factors. *Journal of Vocational Behaviour*. 2017;**98**(February 2017):98-107
- [80] Zhu D, Kim PB, Poulston J. An examination of university student

workers' motivations: A New Zealand hospitality industry case study. *Journal of Hospitality & Tourism Education*. 2020;**32**(4):206-219

[81] Ogbo A, Anthony KA, Kosisochockwu O. An assessment of hygiene maintenance factors effect on employees productivity in Nigerian telecommunication industry. *International Research Journal of Management, IT and Social Sciences*. 2017;**4**(1):61-70

[82] Deri MN, Zaazie P, Bazaanah P. Turnover intentions among hotel employees in the Accra metropolis of Ghana. *African Journal of Hospitality, Tourism and Leisure*. 2021;**10**(1):238-255

[83] Ehrler M. Using Job Embeddedness Theory to Improve Employee Turnover. ERE Media; 2018. Retrieved from: <https://www.tlnt.com/using-job-embeddedness-theory-to-improve-employee-turnover/> [June 2, 2022]

[84] Nicholas A, Mensah O, Owusu O. Stay or leave? Using job embeddedness to explain turn over intention among hotel staff in Ghana. *Journal of Management Research*. 2016;**8**(3):13-139

[85] Akyüz B, Kaya N, Özgeldi M. The effects of human resource management practices and organizational climate on turnover intention: An empirical study in Turkish banking sector1. IIB International Refereed Academic Social Sciences Journal. 2015;**6**(17):48

[86] Muthukumar E, Vidhya S. Enriching human resources capital through training and development in hotel industries at Coimbatore. *International Journal of Emerging Research in Management and Technology*. 2015;**4**(6):85-91

[87] Serrat O. Coaching and mentoring. In: *Knowledge Solutions*. Singapore: Springer; 2017. pp. 897-902

[88] Jeong S, Park S. Mentoring in the human resource development context. In: *The Wiley International Handbook of Mentoring: Paradigms, Practices, Programs and Possibilities*. John Wiley & Sons, Inc. Wiley Online Library; 2020. pp. 45-63

[89] Gursoy S, Dhar R. Employee service innovative behavior: The roles of leader member exchange (LMX), work engagement, and job autonomy. *International Journal of Manpower*. 2016;**38**:242-258

[90] Liu T, Shen H, Gao J. Women's career advancement in hotels: The mediating role of organizational commitment. *International Journal of Contemporary Hospitality Management*. 2020;**32**(8):2543-2561

[91] Babakus E, Yavas U, Karatepe OM. Does psychological contract on work-family improve employee commitment? *Asian Social Science*. 2015;**11**(13): 71-83

[92] Bin AS. The relationship between job satisfaction, job performance and employee engagement: An explorative study. *Issues in Business Management and Economics*. 2015;**4**(1):1-8

[93] Sinclair-Maragh G, Jacobs-Gray N, Brown-Roomes N. A case of talent management practices in motivating fast food service employees. *Emerald Emerging Markets Case Studies*. 2017;**7**(3):1-16

[94] Rane DB. Employee job satisfaction: An essence of organization. *Iş: HRM Review*. 2011;**11**(7):10-16

[95] Ayupp K, Chung TH. Empowerment: Hotel employees' perspective. *Journal of Industrial Engineering and Management (JIEM)*. 2010;**3**(3):561-575

[96] Sandhya K, Kumar DP. Employee retention by motivation. *Indian Journal of Science and Technology*. 2011;4(12):1778-1782

[97] Rogelberg SG, Luong A, Sederburg ME, Cristol DS. Employee attitude surveys: Examining the attitudes of noncompliant employees. *Journal of Applied Psychology*. 2000;85(2):284

Chapter 3

Human Resource Development in Vietnam's Textile and Garment Industry in the Context of Digital Transformation

Tran Thi Van Anh, Tran Minh Tuan and Nguyen Xuan Tung

Abstract

Vietnam's textile and garment industry is one of the key industries with significant contributions to exportation and national growth. However, the industry has been facing increasing pressure from competitors with the same comparative advantage. In the context of digital transformation on a global scale and across industries, improving the quality of existing textile and garment human resources will be a key factor for enterprises to compete in terms of productivity, quality, localization rate improvement access to the fourth industrial revolution. From the approach to human resource development of a country is the change in the quantity and quality of human resources in terms of physical strength, intelligence, skills, knowledge and mental capacity, along with progresses changes in the structure of human resources, the article uses qualitative research methods, analysis, statistics, SWOT and in-depth interviews with experts... to focus on assessing the current situation of human resources in Vietnam's textile and garment industry in recent years. Suggestions to develop human resources of Vietnam in general and human resources in the textile and garment industry in particular are discussed in the context of digital transformation.

Keywords: human resources, Vietnam's textile and garment industry, digital transformation

1. Introduction

In the process of international integration, Vietnam's textile and garment industry has contributed significantly to economic growth and restructuring. Textile and garment enterprises have promoted export activities and created jobs for workers, especially workers from the agricultural sector. However, negative impacts from the Covid-19 pandemic, the fierce competition in the textile and garment industry, and the rapid development of technology are posing many challenges to Vietnam's textile and garment industry. The biggest challenges among these are the shortage of high-quality human resources and inadequate technology. The aim of this article is two-folded: (i) assess the current situation of human resources in the textile and

garment industry to point out its strengths and weaknesses, and (ii) suggest ways to develop human resources in the textile and garment industry in the context of digital transformation.

1.1 Overview of Vietnam’s textile and garment industry

In the process global integration, the number of Vietnamese textile and garment enterprises has increased significantly from 2994 in 2007 to 13,741 enterprises in 2019. Garment enterprises accounted for about 63% while textile enterprises accounted for about 37% (Figure 1).

The percentage of textile enterprises in the total number of enterprises operating in the economy in the 2008–2019 period maintained between 2% and 2.5%. In the short and medium term, the existence and stable development of textile and garment enterprises will contribute to economic restructuring, export capital rise, and economy protection against external shocks during the integration process, especially when the agricultural sector still accounts for a large proportion.

In terms of structure by ownership, Vietnamese private enterprises account for the largest proportion and increase steadily over the years. If in 2007, the number of domestic private textile and garment enterprises accounted for 80.6%, by 2019, this figure was 88%. Foreign direct investment (FDI) enterprises in the textile and garment industry decreased to 11.7% of the total number of enterprises. State-owned enterprises (SOEs) account for about 0.3%.

In terms of scale, SOEs and FDI enterprises in the textile and garment industry are “large” in terms of labor but “not large” in terms of capital. Meanwhile, private enterprises account for a large proportion in number, but their scale of labor and capital is “small”. In 2018, according to capital scale, 90% of private textile and garment enterprises were small-scale while only 5% listed as large-scale. According to labor criteria, nearly a quarter of FDI enterprises are large enterprises, but according

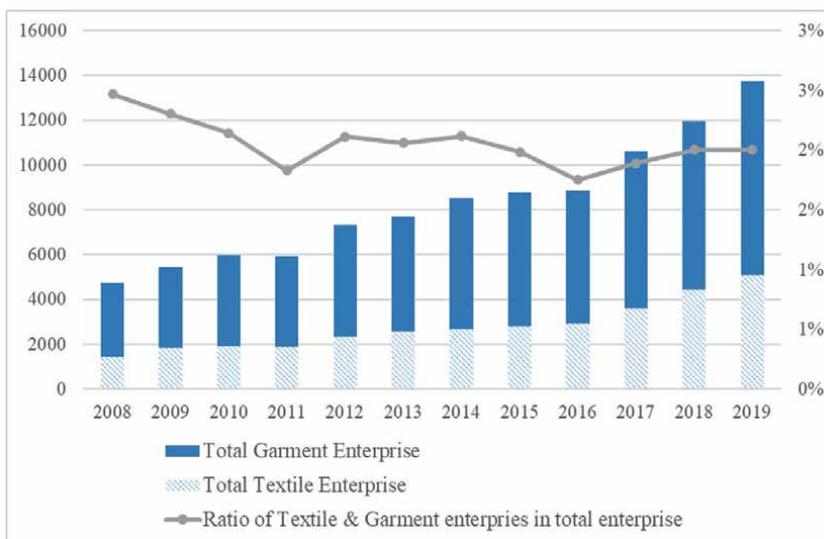
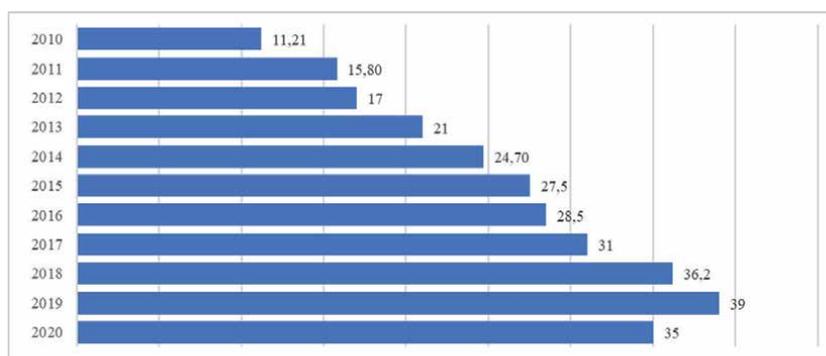


Figure 1. Number of textile and garment enterprises in the 2008–2019 period. Source: General Statistics Office [1].

to the size of capital sources, this ratio is less than 30%. For SOEs, if nearly 70% of enterprises are considered large in terms of labor, this rate is only 50% if calculated by capital size [2]. The textile and garment industry is characterized by economies of scale, with small and micro-scale mainly hindering businesses from international economic integration. The lack of medium-sized enterprises, especially from the labor criterion, shows the problem of cooperation and linkage between the group of large enterprises (playing the leading role, organizing production) and small and medium-sized enterprises micro (as satellite businesses, subcontractors...) becomes difficult.

Regarding export, thanks to the international division of labor in the global textile value chain, the textile industry has made important contributions to increasing export turnover and become the main export industry of Vietnam, contributing about 16% of the export share of the country in 2019. However, since the beginning of 2020 until now, the Covid-19 pandemic caused a severe recession on a global scale. Vietnam is no exception. The textile and garment industry is one of the industries that suffers most direct and greatest losses when the supply chain of input materials was interrupted and import markets were closed to prevent the spread of the pandemic (**Figure 2**).

In 2020, the total export turnover of products of the textile industry is only about 35 billion USD, 9.8% lower than 2019. This is the first year that the export turnover of the textile and garment industry had negative growth after 25 years of continuous growth. Export turnover of textile and garment industry dropped to the third place, lower than export turnover of electronic products and components. However, Vietnam's textile and garment industry remains a highlight in export because the world's total demand for textiles and garments has decreased by nearly 20% (from 740 billion USD to 600 billion USD). Other countries that compete with Vietnam in the textile and garment sector had a reduction of 15–20%, even nearly 30% [3]. According to the World Trade Organization [4], in 2019, Vietnam ranked third in the top five largest textile and garment exporting countries in the world (including China, India, Vietnam, Bangladesh and Turkey). Vietnamese textile and garment products are gradually reaching the leading position in two potential markets, Korea and Japan.



Source: General Statistics Office (2010–2020); MOIT, 2021

Figure 2. Vietnam's textile and garment export turnover in the 2010–2020 period (USD billion). Source: General Statistics Office [1]; MOIT [3].

It should be noted that in the global textile and garment value chain, the majority of Vietnamese enterprises are in the lowest value-added stage—the bottom of the value chain. As of 2018, about 70% of Vietnamese textile and garment enterprises are participating in textile production/value chains, with a simple production method—Cut, Make, Trim (CMT), a method in which the added value of Enterprises can create only 1%–2% of the total added value of the textile value chain. Few businesses participate in Free On Board (FOB) or Original Equipment Manufacturing (OEM) [5]. This situation exists due to many reasons: (i) the supporting industry for the textile and garment industry is underdeveloped, making businesses dependent on imported raw materials; (ii) technology level of textile enterprises is low; (iii) the quality of labor in the textile and garment industry is low and the level of variance is high; (iv) the majority of textile enterprises are small-scale.

In the digital age, digital transformation is an irreversible trend. Unfortunately, in the process of digital transformation, Vietnamese enterprises are facing many barriers, such as difficulties in investment costs and digital technology application (accounting for 60.10%), followed by difficulties in changing business habits and practices (52.3%), lack of internal human resources to apply digital technology (52.3%), lack of information on digital technology (40.40%), difficulties in integration of digital technology solutions (38.50%), lack of commitment and understanding of the leadership, business management (32.1%), lack of commitment and understanding of employees (26, 60%), fear of personal/business data leakage (23.4%) [6]. Thus, in the process of digital transformation, the shortage of qualified human resources is a huge barrier for enterprises in general, including textile enterprises.

According to PWC's study on Vietnam's digital skills readiness, Vietnam maintains 42nd position for 2 consecutive years in the Global Innovation Index (GII) ranking of 2020. However, compared to 2019, Vietnam dropped in rankings of Human Resources-Research and Development (ranked 79), as well as Knowledge and technological output (ranked 37). Although Vietnam has emphasized its focus on Industry 4.0 policy reform, in terms of workforce digital skills, Vietnam has dropped four places to the 96th place in the 2020 Global Talent Competitiveness Index 2020 (GTCI).

In recent years, every stage in the supply chain of the garment and textile industry, from design, purchase to production, distribution, has gradually changed to meet the requirements of digital transformation. This process of change begins with the application of modern machines and technologies to use less labor but still improve productivity in spinning - weaving - dyeing - sewing factories; as well as applying information technology and artificial intelligence to transfer data from the place of production in Vietnam to all shoppers whether in the US, Europe or Japan. The buyer can manage in real time the production process in Vietnam. Online shopping becomes increasingly popular, leading to new creation such as online clothes trying-on. If a link in the supply chain does not meet the high requirements, that link is likely to be replaced and eliminated. As such, human resources play an important role in this process. One proof of this problem is the fact that Vietnamese garment enterprises lack skilled workers so they are still doing garment processing for export (CMT) instead of upgrading to other forms of garment manufacturing like FOB.

1.2 Theories of human resource development in the context of digital transformation

Human resources and human resource development are topics that draw a great deal of attention from researchers and organizations. There have been many ways

to conceptualize human resources basing on different perspectives. According to Srivastava [7], human resource is understood as inclusive human capitals, including physical strength, mental power and professional skills that each individual possesses. Human capital is understood as human potential in generating future income sources, thereby promoting economic prosperity. This capital is a collection of skills, knowledge and experiences accumulated through the labor process.

According to the United Nations, human resources are knowledge, skills, experiences, abilities and creativity related to the development of each individual and the country [8]. The World Bank stated that human resources are all human capitals, including physical strength, intelligence, and professional skills that each individual possesses, which can be mobilized in the process of production, business or any activity [9].

Previous research has discussed the important role of human resources for the development of enterprises, industries, fields, as well as for a country. According to Barney [10], the existence and development of enterprises depend on three groups of resources: (a) physical resources (such as machinery and equipment, factories, land); (b) human capital; and (c) organizational capital. To solve the challenge of “super-profit” for development, enterprises must handle the problem of mobilizing and effectively using these three groups. Ahn [11] suggested that the quality of human capital in an enterprise has a positive effect on the frequency of promoting physical capital. Businesses that maintain and develop a skilled workforce tend to upgrade their physical capital more often. Basing on observing and analyzing the role of management personnel in 198 enterprises, Glaister et al. [12] believed that good managers, through developing human resource networks and social capital, are an important channel to convey the impact of human resource management on business performance of enterprises

For Vietnam, Binh and Quy [13] emphasized the decisive role of high-quality human resources in socio-economic development in the context of Industry 4.0. However, human resources in Vietnam remain inadequate to meet the requirements of enterprises. Trang [14] pointed out factors explaining the low labor quality, such as education, environment, and training. Education innovation, talent attraction, technical training for workers and strengthening international cooperation are essential to help workers survive and compete in the context of the ever-evolving Industry 4.0.

There are many different models of human resource development, such as the Model of Human Resource Development, by McLagan [15]; The Skills Development Model, by Overtoom [16]; the Human Resource Development Model, by Ravand [17] etc. Swanson and Holton III [18] are the best representatives among the authors studying human resource and human resources development. According to Swanson and Holton III [18], human resource development is a process of developing and unleashing expertise for the purpose of improving organizational system, work process, team, and individual performance. Researchers have developed models of human resource development in relation to production chain from from input to output.

Thus, it can be understood that human resource development of a country is a change in the quantity and quality of human resources in terms of physical strength, intelligence, skills, knowledge and mental capacity, along with progresses in the structure of human resources. In other words, human resource development is the process of creating and using comprehensive human capacity for economic progress and self-growth of each person [19]. This approach is utilized in this study to examine human resource development in the context of digital transformation.

1.3 Research method

This study used qualitative research method, in which the combination of the following main methods: (1) Secondary data about labor quantity, structure, quality, productivity of Vietnam’s textile and garment industry from 2015 to present were collected for descriptive statistical analysis. (2) SWOT analysis was used to evaluate strengths, weaknesses, and opportunities and challenges for human resource development in Vietnam’s textile and garment industry in the context of digital transformation. (3) In-depth interview was conducted with leaders of 15 textile and garment enterprises to better explain the current situation of human resources in enterprises as well as consult enterprises in developing human resources.

1.4 Data collection

Secondary data were collected from reliable sources: General Statistics Office (GSO), Vietnam Textile and Apparel Association (VITAS), Vietnam National Textile and Garment Group (VINATEX) and Vietnam Customs. Data from internationally and locally published studies were also consulted.

2. Discussion

The following SWOT analysis shows the current situation of human resources in Vietnam’s textile and garment industry.

2.1 Strengths

As the main export industry of Vietnam with the strong growth in the number of enterprises, the textile and garment industry has created many jobs every year (Table 1).

As of 2019, the number of employees in textile enterprises was 1,914,123, accounting for 25.3% of employees in the manufacturing and processing industry and 12.6% of employees nationwide. This rise leads to a steady increase in average monthly income of workers in the textile and garment industry over the years. Textile workers’ average income increased from 6.4 million Vietnamese Dong (VND)/month (2015) to 8.6 million VND/month (2019); while garment workers’ average income increased from 5.6 million VND/month to 7.4 million VND [1].

One of the competitive edges of Vietnam’s textile and garment industry in recent years is an abundant, easy-to-train workforce who are young, hardworking and

	2015	2016	2017	2018	2019
Textile	243.428	278.577	283.986	309.488	315.751
Garment	1.337.132	1.427.412	1.467.767	1.560.751	1.598.372
Total	1.580.560	1.705.989	1.751.753	1.870.239	1.914.123

Source: Statistical Yearbook of Viet Nam 2020.
Unit: person.

Table 1.

Number of employees in acting textile and garment enterprises having business outcomes from 2015 to 2019.

dexterous, suitable to create unique handicraft products. The proportion of female employees is higher than male (accounting for 73.80%). By age group, the number of workers in the textile industry is mainly young workers (15–35 years old) accounting for 71.92% [1]. This age group can adapt well to changes in technology, creating opportunities for businesses to accelerate the digital transformation process.

Quality of human resources of the whole industry in the period 2008–2018 improved: the percentage of trained workers increased from 14.9% in 2008 to more than 20% in 2018 [20]. The average productivity of textile enterprises has improved from 68.6 million VND/person in 2011 to 108.4 million VND/person in 2018. The average productivity in the period 2011–2018 period reached 88.3 million VND/employee and grew by 6.8% per year [21]. In in-depth interview, leaders of textile and garment enterprises pointed to innovation in production technology and management processes and increased workers' capacity as reasons explaining the rise in productivity. Among them, production technology has the strongest impact on improving labor productivity in recent years.

Besides, Vietnamese workers have an optimistic view and good perception of the application of technology in their work. Up to 97% of respondents believed that technology will improve their work efficiency, and 84% are willing to learn more or be retrained to improve their abilities [22].

2.2 Weaknesses

Although there has been an improvement in labor capacity in recent years, untrained workers still account for the highest proportion. There is a shortage of skilled human resources and technically skilled staff in the textile and dyeing fields.

From the **Table 2**, it can be seen that the garment industry is the industry with the highest export value, but the proportion of untrained dexterous workers or less than 3 months of training accounts for the majority with 87.92%, while the indicators of the percentage of qualifications such as intermediate, college and university is much lower than that of other major groups. In the value chain, the design stage is a step with high added value. However, in-depth interviews showed that design ability of Vietnamese designers is weak. Vietnamese designers are not sensitive in catching global trends and market tastes even though Vietnamese garment enterprises have had many years of experience in producing for famous brands, as well as a good understanding of product design and materials. The cause of this situation is due to the lack of personnel for design, research and development. Training programs for designers have not kept up with the needs of the market and are still heavily theoretical. Besides, low salary is also a reason why it is difficult to retain good designers.

Fields	High school	College	University	Graduate studies
Yarns	76.9	16	07	0.10
Textile	66.65	23	10	0.35
Dye	73.35	17	09	0.65
Garment	87.92	08	04	0.08

Source: Hoang Xuan Hiep, [23].
 Unit: %

Table 2.
 Qualification of Vietnamese textile workers in 2019.

This is a big challenge for the transformation from CMT production method to higher value-added forms such as Original Design Manufacturing (ODM) or Original Brand Manufacturing (OBM) as well as for building own brand for businesses.

A survey of 100 textile and garment enterprises by Ta Van Canh [24] found that 4.0 technology skill of the garment industry was the weakest among the 4 groups. None of the skills had a rate of 30% or above. Over 80% of skills were average or below average. Important skills such as 3D design, computer usage, and smart device usage were assessed as weak.

In 2019, UNDP and the Ministry of Industry and Trade [25] conducted a survey of 153 garment enterprises and 168 textile enterprises on the readiness of enterprises for Industry 4.0, it was found that textile and garment enterprises have not focused on investing in the quality of human resources to meet the new requirements of Industry 4.0. The readiness level of the garment industry (in terms of human resources) for Industry 4.0 is $M = 1.14$, lower than the average score of the entire manufacturing industry ($M = 1.24$). This is a barrier for businesses in applying new technological achievements into production as most of the employees are not capable of operating and controlling the technology at an acceptable level. Main reasons for this situation are inadequate labor training, lack of technological infrastructure, weak research and development works, and limited exposure to technology.

In addition, huge labor fluctuations cause significant damage to enterprises in terms of both production efficiency and investment and development strategies. According to Pham Thu Lan [26], the current labor turnover rate in the garment industry is 8–10% per year. The reasons for this situation are: (1) overtime working in garment enterprises becomes too much; (2) workers' income in garment enterprises is lower than other occupations; (3) low-skilled workers lead to limitations in labor discipline. In garment enterprises located in rural and mountainous areas, workers are willing to quit their jobs to support family works. In addition, labor shortage puts businesses at risk in meeting production schedule, especially when the Covid-19 pandemic spreads. On the other hand, there is a shortage of high-quality, experienced and skilled human resources to implement digital transformation projects.

2.3 Opportunities

Vietnam has a population of more than 97 million people, of which 65% are people aged 15 and over. On average, about 500,000 people join the workforce every year. GDP per capita in Vietnam is over 3,000 USD/person in 2020 [1], Vietnam still has a lot of opportunities for developing the textile and garment industry, especially when it is necessary to change more than 15 million workers in the agricultural sector to textile other sectors to improve national labor productivity. In the 2021–2030 period, the garment and textile industry aim to develop a new model, focusing on automation technology and green production.

Integration and technology will create many opportunities for employees to improve their qualifications to meet new job requirements.

Labor movement between countries and regions is also taking place strongly, promoting investment attraction and cooperation in the field of education and training to develop high-quality human resources.

The Vietnamese government and businesses are paying more and more attention to and investing in the development of high-quality human resources. The government has approved the “National Digital Transformation Program up to 2025, with a vision to 2030” [27], with development goals such as promoting digital economy,

improving economic competitiveness. In particular, the program states that by 2025 digital economy will account for 20% of GDP; the proportion of the digital economy in each industry or field shall reach at least 10%; labor productivity increases at least 7%/year; and Vietnam will be in the top 50 leading countries in information technology. The government also issued a program to support the development of the labor market until 2030 (Decision No. 176 - QD/CP by the Prime Minister dated February 5, 2021). This program sets the goal of having the indicator of skilled workers in the GII in the top 60 countries by 2025 and in the top 55 countries by 2030. The rate of workers with IT skills is expected to reach 90% by 2030. Along with political support, the awareness of digital transformation of Vietnamese textile and garment enterprises has also improved, many businesses have built digital transformation plans.

2.4 Threats

Under the impact of Industry 4.0, garment production tends to relocate to countries with cheaper costs. As a consequence, Vietnam's textile and garment enterprises have to face great competitive pressure from Laos, Cambodia, and Bangladesh. Labor cost at factories in Vietnam accounts for an average of 26–30%, much higher than 20% in Bangladesh. Vietnam's labor cost is cheaper than India, China and Indonesia, but the average cost per product unit in Vietnam is still 30–40% higher than these countries. Labor productivity in Vietnam is low, only 2/3 of that of other countries in the region [28].

In order to apply 4.0 technology and accelerate the digital transformation process, human resources who are and will be working in the textile industry need to be trained and equipped with the necessary knowledge, skills and qualities. However, training high-quality human resources requires a lot of time and expenses; while textile enterprises are mainly small businesses. Current unskilled workers can hardly be trained into skilled technicians or engineers in a short time.

In addition, the results of in-depth interviews of this study also show that the link between enterprises and training institutions is not tight: enterprises have not been able to participate and contribute ideas on the development of training programs. As a result, fresh graduates often fail to meet the needs of employers.

The polarization between unskilled and skilled workers in the context of digital transformation leads to higher risk of unemployment for unskilled workers. This polarization will continue to widen when production lines become fully automated. According to the International Labor Organization (ILO), 86% of Vietnamese workers in the textile, apparel and footwear industry is at a high risk of job loss due to automation and robotics in production lines [29].

Although businesses believe that investing in automatic machines and equipment can help reduce labor use, most businesses face labor shortage after Covid-19, forcing them to recruit more workers to expand production or to compensate for workers who move to another industry or return to their hometown. On the other hand, there is a shortage of human resources in the textile and garment industry, especially skilled workers suitable for FOB, OEM, ODM, or OBM production methods.

2.5 Problems and solutions to develop Vietnam's textile and garment human resources in the context of digital transformation

Industry 4.0 has brought the digital transformation trend to all countries, industries and fields. Digital transformation activities in textile and garment enterprises

have been taking place to meet the change in consumer behaviors as well as management needs. The need for digital transformation is becoming more urgent in the context of the Covid-19 pandemic. During the pandemic, digital transformation helps textile and garment enterprises transform their business models to fit digital platforms, diversify distribution channels, increase customer experience, and create new products in accordance with the needs and tastes of customers. On the other hand, digital transformation also helps enterprises to improve management capacity, supply chain management, business administration, inventory and management, optimization of operating costs, increase labor productivity, supporting accurate and timely analysis to shorten the time to make business decisions.

Digital transformation can range from digital management of data, automation and optimization of business and management processes, to a shift in business model to create new values for the business. Digital transformation in enterprises is not simply using digital technology to standardize business and management processes, but also applying technology to improve business and management efficiency, enhance capacity and competitiveness of enterprises and create new values [30].

The continuous change of technology will lead to the change of skills and competencies required. The workforce needs to constantly update and improve themselves, or else they will face the risk of falling behind or losing their jobs when their work is automated. In the process of digital transformation, about 50% of existing jobs will disappear and about 50% of new jobs will appear (Hoang Xuan Hiep, 2017). Accordingly, human resources in the textile and garment industry will need to address these following issues in the context of digital transformation:

Product innovation: Workers need the ability to research and develop new materials to meet the increasingly diverse needs of users, such as: materials that can trace and protect health, materials that can connect to the Internet, materials that can change color by themselves, etc.

Production process: Workers should be able to design products using 3D technology and use 3D printers and 3D textile machines to produce products. They should also be capable of operating highly automated lines by industrial robots, evaluating and analyzing data models to identify potential risks of faulty machinery and equipment. They should be able to propose a reasonable maintenance plan and improve operational efficiency to prevent damage (also known as digital maintenance). Skills related to artificial intelligence are also required, such as using AI to control production process, product quality, production progress and defect identification...

Management: In order to improve management capacity, textile and garment human resources need to be equipped with the ability to use specialized management softwares such as enterprise resource management (ERP), product lifecycle management (PLM), supply chain management, etc. With regard to marketing, textile and garment human resources require e-commerce and digital marketing skills.

Digital transformation based on the application of new technologies is considered by enterprises in general and textile enterprises in particular as a source of growth to be able to survive and create breakthroughs, building a smart production platform towards sustainable development. As a result, developing human resources to meet the requirements of the digital transformation process will be a decisive factor for enterprises to overcome the crisis, improve labor productivity and keep pace with integration trends.

After all, the ultimate goal of digital transformation is applying technology in core processes of each business. These processes are manufacture, service provision, and production methods. Accordingly, investing in technology and transforming business models always involve human resources.

Criteria	Year	
	2025	2030
University-graduated workers	92,484	112,096
College-graduated workers	100,558	121,708
Total number of employees with university and college degrees	193,042	233,804

Source: Hoang Xuan Hiep, [23].
 Unit: person.

Table 3.
 Forecast of the number of garment workers with university degrees, colleges in 2025 and 2030.

According to **Table 3**, it is forecasted that the number of workers with university and college degrees in the textile and garment industry will be about 193,042 people (by 2025) and 233,804 people (by 2030). The total demand for university-level human resources in the textile and garment industry about 65,692 people (by 2025) and 102,232 people (by 2030). Human resources with college degrees are about 71,471 people (by 2025) and about 111,041 people (by 2030) [23]. Dinh Long and Dinh Cuong [20] predicted that the demand for technical workers and technicians will double in the coming time and the demand for trained workers in the textile and garment industry must reach 60%. Consequently, about 144,000 people workers with university degree are needed by 2025; and the number of graduate workers is about 1900 people. These pose huge challenges for training in the textile and garment industry if Vietnam doesn't want to be left behind in the Industry 4.0.

Based on the assessment of the current situation of human resources in the textile and garment industry over the past time and the requirements of human resource development in the context of digital transformation, it is necessary to deploy a system of synchronous solutions to develop human resources for all sectors of the Vietnamese economy in general, and human resources for the textile and garment industry in particular, including key solutions as following:

Firstly, all industries and economic sectors require both high-quality workers and a sufficient number of labor (including technical management personnel and direct workers) in accordance with the areas where 4.0 technology can be applied. Accordingly, it is necessary to have a strategy on training and developing human resources to meet new demands of the labor market. There should be a plan on human resource development which take advantage of abundant human resources, improving professional capacity, and training professional human resources in all fields.

For the textile and garment industry, the VITAS and VINATEX to build a human resource development program suitable to the current situation of Vietnamese enterprises.

Secondly, develop and issue human resource development policies in line with the requirements of digital transformation.

- Regarding perfecting institutions and policies: review, supplement and research mechanisms and policies in order to create a favorable legal framework for the development of human resources. Ensure synchronous connections between mechanisms and policies, especially between policies on human resource development and policies on employment, education and training.

- To perfect the education system in the direction of integration: promote socialization and diverse resources for career development. Ensure fairness and healthy competition between public and non-public training institutions. Overcome challenges in training scale, structure of professional qualifications, structure of regions, etc.
- Develop a framework for training digital skills required in digital transformation to serve as a basis for application to industries and fields in the economy.
- Develop a strategy to attract highly skilled labor to make up for the shortage of skilled labor while domestic training has not yet met the demands. Develop and implement a flexible salary policy based on talent and productivity in order to create a breakthrough in remuneration for high-quality human resources. This strategy can attract local and international talents, which is an essential response to the increasing brain drain.
- Positive labor market policies with clear objectives and programs to support workers in finding jobs are essential. Standardize information on the labor market through public systems to forecast employment trends, create connections between training institutions and enterprises, and between enterprises and training institutions with the labor market. For example, for the textile and garment industry, it is necessary to issue a development strategy to 2030, with a vision to 2035. This vision will then guide enrollment and registration for training institutions in this area. Information on labor market demands should be disseminated appropriately.
- In addition, the State needs to provide financial support such as preferential loans for high-tech enterprises. This will create opportunities to improve technological capacity for Vietnamese human resources.

Thirdly, innovate training content and programs at training institutions in the new development phase.

- Innovate training models/programs, contents and methods in line with the requirements of Industry 4.0 in both technological and management fields. It is necessary to pay attention to the regional and international reference frameworks for qualifications to understand regulations on skills and qualifications in each country in order to prepare resources that can compete with regional and international labor.
- Train highly qualified lecturers in the fields of 4.0 technology. Promote international cooperation in training specialties that Vietnam does not have enough expert.
- Conducting digital transformation in education and training activities, from enrollment, software application for online training, to digitization of training material system to create favorable conditions for learners.
- Upgrade facilities and purchase modern teaching equipment in accordance with the requirements of new training programs to meet social and corporate demands in digital transformation context.

- Promote cooperation between training institutions and enterprises to develop training, retraining and upgrading programs to meet the requirements of enterprises, combining classroom training with practical applications at enterprises. Develop more interdisciplinary majors to address 4.0 technology. For example, it is possible to open majors related to Vietnam's textile industry such as: mechatronics engineering in textile equipment, applied informatics in the field of textiles and garments, e-commerce, fashion design by 3D technology, etc.

Fourthly, focus on enterprises - one of the partners that play an important role in human resource development to meet the needs of digital transformation.

- Emphasize the close coordination between the state, training institutions and enterprises. They are decisive factors for the successful development of human resources in the new development period. Accordingly, businesses need to determine their development strategy as the basis for human resource development and training.
- Actively categorize existing human resources, develop training and retraining plans to improve the skills of the existing workforce. Coordinate with training institutions to update workers' knowledge of science and technology, especially knowledge related to information technology application, digital transformation, automation, information management and data analysis to be able to operate new technologies and effectively use the intelligent supply chain created in Industry 4.0. Rotate jobs to form a versatile human resource team. Enterprise can be proactive and flexible in responding to the changing needs of workers' skills.
- Create opportunities for internship at enterprises so that students can have access to new technologies. Create a positive working environment with good remuneration and promotion opportunities to encourage employees' creativity as well as to attract high-quality labor force.

3. Conclusion

Digital transformation has become an inevitable trend, creating many opportunities and challenges for businesses in general and Vietnamese textile and garment enterprises in particular. With the approach to human resource development is the process of creating and using comprehensive human capacity for economic progress and self-growth of each person. Through different synthetic research methods, the research results show that the labor force of Vietnam's textile and garment industry is abundant, easy to train, young in age—creating opportunities for businesses to accelerate the digital transformation process.

Quality of human resources has been gradually improved, the percentage of trained workers has increased... However, a shortage of human resources, especially skilled human resources; unreasonable structure of labor qualifications and limited technological capacity to meet the requirements of Industry 4.0 are major challenges. This observation can be generalized to the human resource situation of some economic sectors in Vietnam, especially in the new development period.

Therefore, in order to meet the digital transformation requirements, it is necessary to synchronously conduct a system of solutions to develop human resources in general

and Vietnam's textile and garment human resources in particular, including: (1), develop and issue policies to support, attract and train managerial and technical staff as well as direct workers; (2) strengthen the link between schools and businesses in innovating training content and programs; (3) attract investment and promote international cooperation in training high-quality human resources; (4) enhance the role of enterprises in using the comprehensive human capacity to promote the country's socio-economic development.

Author details

Tran Thi Van Anh^{1*}, Tran Minh Tuan² and Nguyen Xuan Tung³

1 Vietnam Institute of Economics, Vietnam Academy of Social Sciences, Hanoi, Vietnam

2 Academy of Politics Region II, Hochiminh National Academy of Politics, Vietnam

3 Institute of Southeast Asian Studies, Vietnam Academy of Social Sciences, Hanoi, Vietnam

*Address all correspondence to: tranvananhvkt@gmail.com

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] General Statistics Office (GSO). Manufacturing and processing industry- Driving Force for Vietnam's Economic Growth in the Period 2011-2020. Dan Tri House; 2020
- [2] Thanh PS, Hoang TV, Giang DTA. Vietnam's Textile and Garment: Impact of Covid-19 and Beyond. 2020. Available from: <https://vienkt.vnua.edu.vn> [Accessed: June 6, 2020]
- [3] Ministry of Industry and Trade (MOIT). Vietnam Import-Export Report 2020. Hanoi: Industry and Trade Publishing House; 2021
- [4] World Trade Organization (WTO). 2019. World trade statistical review 2019. Available from: https://www.wto.org/english/res_e/statis_e/wts2019_e/wts19_toc_e.htm [Accessed: August 22 2020]
- [5] VCOSA. Status of Participating in the Global Value Chain of Vietnam's Textile and Garment Industry. 2019. Available from: <https://vcosa.vn> [Accessed: August 20, 2021]
- [6] AED-MPI 2021. Digital transformation annual report of enterprises 2021: barriers and needs of digital transformation. Available from: www.digital.business.gov.vn [Accessed: May 2, 2022]
- [7] Srivastava MP. Human Resource Planning: Approaches, Needs Assessment and Priorities in Manpower Planning. Delhi. Institute of Applied Manpower Research; 1999
- [8] Cau TX, Chanh MQ. Human Resource Economics. Hanoi: National Economics University Publishing House; 2009
- [9] Luoc VD. Vietnam's Economic Issues. Hanoi: Social Sciences Publishing House; 2015
- [10] Barney JB. Firm resources and sustained competitive advantage. *Journal of Management*. 1991;17(1):99-120
- [11] Ahn S. Technology upgrading with learning cost. Institute of Economic Research, Hitotsubashi University CIE Working Paper Series No. 2003-21; 2003
- [12] Glaister AJ, Karacay G, Demirbag M, Tatoglu R. HRM and performance - the role of talent management as a transmission mechanism in an emerging market context. *Human Resource Management Journal*. 2018;28(1):148
- [13] Binh TT, Quy NLD. Developing high-quality human resources to meet the needs of enterprises in the 4.0 industrial revolution. *Journal of Education*. 2021;498:50-54
- [14] Trang TM. Improving the quality of Vietnamese human resources in the 4.0 revolution. *Journal of Science, Open University of Ho Chi Minh City*. 2020;15(6):64-72
- [15] McLagan PA. Models for HRD practice. *Training & Development Journal*. 1989;43(9):49-60
- [16] Overtoom C. Employability skills: an update. ERIC Clearinghouse; 2000
- [17] Mostafa Ravand. Human Resource Professionalism: A Panacea for Public Organizations. Author House; 2014. ISBN: 978-1496917768
- [18] Swanson RA, Holton III, EF. Theory of human resource development. *Foundations of Human Resource Development*; 2009;2:97-111
- [19] Cuc NS. Human resources and human resource development. *Journal of Political Theory*. 2014;2:20-22

- [20] Dinh Long PD, Dinh Cuong P. Human resource development solutions for the Vietnamese textile and garment industry in international economic integration. *Academy of Strategic Management Journal*. 2019;**18**(5). Available from: <https://www.abacademies.org/articles/human-resource-development-solutions-for-the-vietnamese-textile-and-garment-industry-in-international-economic-integration-8602.html>. [Accessed May 2, 2022]
- [21] Trang PTT, Khoi LV. Contribution of science and technology to increasing labor productivity in Vietnam's textile and garment industry. *Economy and Forecast Review*. 2021;**3**:3-7
- [22] PwC 2021. Vietnam Digital Skills Readiness Report. Available from: <https://www.pwc.com/vn/vn/publications/2021/pwc-vietnam-digital-readiness-report-vn.pdf>. [Accessed: May 2, 2022]
- [23] Hiep HX. Human Resource Training Solution for Vietnam's Textile and Garment Industry to Meet the Requirements of the Industrial Revolution 4.0. 2017. Available from: <http://hict.edu.vn> [Accessed: October 19, 2020]
- [24] Canh TV. Challenges for Vietnam's textile and garment human resources in the context of the Industrial Revolution 4.0. *Journal of Science and Technology, Industry and Trade*. 2019;**39**(October):10-15
- [25] UNDP & Ministry of Industry and Trade. 2019. Assessing the readiness to approach the industrial revolution 4.0 of enterprises in the Vietnamese industry. Available from: <https://www1.undp.org/content/dam/vietnam/docs/Publications/Full%20report%20o%20IR4.0%20Readiness%20final%20VN%208%20Jan%2019-formated.pdf>. [Accessed: September 20, 2021]
- [26] Lan PT. 2020. Automation and its impact on employment in the garment industry in Vietnam. Available from: <http://library.fes.de/pdffiles/bueros/vietnam/17332.pdf>. [Accessed: September 20, 2021]
- [27] Government. 2020. National Digital Transformation Program to 2025, Orientation to 2030. Available from: http://www2.chinhphu.vn/portal/page/portal/chinhphu/noidungchuongtrinhquocgiakhac?_piref33_14737_33_14736_14736.strutsAction=ViewDetailAction.do&_piref33_14737_33_14736_14736.docid=4963&_piref33_14737_33_14736_14736.substract= [Accessed: May 1, 2022]
- [28] Phu Hung Securities. 2019. 2018 Business performance review: industry textiles. Available from: https://www.phs.vn/data/research/PDF_Files/analysis_report/en/20190401/Textiles-20190330-E.pdf .[Accessed: August 14, 2020]
- [29] ILO. 2016. ASEAN in Transformation: How Technology is Changing Jobs and Enterprises. Available from: https://www.ilo.org/actemp/publications/WCMS_579553/lang--en/index.htm. [Accessed: May 1, 2022]
- [30] MPI & USAID. 2021. Handbook of digital transformation for businesses in Vietnam. Available from: www.digital.business.gov.vn, 2/5/2022 [Accessed: May 2, 2022]

Chapter 4

Effective Leadership for Knowledge Sharing by Enterprise Social Networking (ESN) during Crisis

Yanghua Zhou

Abstract

This chapter explores effective human resource development strategies during and post-crisis. Particularly, during the COVID-19 pandemic crisis, the remote and hybrid measures taken by multinational corporations (MNCs) play a significant role in the development of people. According to previous literature, the internal enterprise social network (ESN) of MNCs, localization of human resources in overseas subsidiaries, and flexibility and resilience of human resource systems have a positive impact on people's development during this crisis. Leadership has a moderating effect on using the internal ESN for remote learning, people development performance, and organizational resilience building via crises. Based on a literature review and theoretical analysis, this chapter puts forward several propositions to clarify the kind of leadership and leadership competencies that positively influence knowledge sharing through ESNs and organizational resilience innovation. Suggestions for leadership development. This chapter serves as a good reference for both business professionals and academic researchers. It provides original suggestions for both MNCs and small and medium-sized enterprises.

Keywords: leadership, enterprise social network, hedonic and utilitarian motivation, learning, pandemic, organizational resilience

1. Introduction

The COVID-19 pandemic has seriously influenced society in terms of health, economy, family, and travel. The pandemic has negatively impacted many facets of business, including human resource development, knowledge sharing and learning, business travel, and supply chain logistics. This crisis prompted us to seek innovative solutions to raise organizational resilience to better adapt to uncertainty in a continuously changing environment.

According to ref. [1], among the international human resource management (IHRM) insights for navigating the COVID-19 pandemic, distance and boundary issues exist for MNCs. It proposes three domains for future IHRM research: managing uncertainty, facilitating international and even global work, redefining organizational performance, and providing insights from international leadership in MNCs

(adaption, integration, and direction). Similarly, in ref. [2], the relationship between enterprise social network (ESN) and senior leadership was discussed. Using structural equation modeling (SEM) analysis and 347 respondents from 12 MNCs, this study concludes that it is important to use ESNs to exchange cross-border knowledge in the post-COVID-19 period, and senior leadership support plays a moderating role in raising the knowledge-sharing effect.

Unfortunately, no specific research exists on the kind of leadership that has such a moderating effect and how it impacts knowledge sharing through ESNs at various enterprise scales in different countries. Hence, this chapter explores this issue and addresses this gap.

2. Previous literature

To raise the learning effect of organizations and better develop human resources, especially during the COVID-19 pandemic, scholars have conducted extensive research on ESN and leadership. The next section presents the latest research results on these topics.

2.1 ESN and its impact factors

Online ESNs are important for employees in dispersed locations and are used for knowledge management and transfer activities among subsidiaries in various countries. They are primarily used by two groups: knowledge contributors and knowledge seekers for the creation, dissemination, and consumption of knowledge across countries [3].

According to ref. [4], ESNs include those used in public and private firms (Facebook, Twitter, WhatsApp, and Google+), and professional ESNs (Yammer, SharePoint, Salesforce, etc.). With 115 ESN users' responses, using SEM and partial least squares (PLS) analysis with 115 ESN users' responses, the study results indicate that using an ESN to share knowledge has a significant and positive influence on employees' productivity. Moreover, the decision to use an ESN is significantly influenced by hedonic motivations rather than utilitarian ones [4]. Hedonic motivation refers to intrinsic motivation that emphasizes enjoyment, play mentality, fantasy, entertainment, and stimulation. Utilitarian motivation refers to motivation based on economic purposes such as rewards and benefits [4]. Using SEM and PLS analysis, the results of ref. [5] indicate that the extent to which an ESN that supports the drive to comprehend, acquire, bond, and defend starkly influences employees' hedonic motivations. Hedonic motivation has a much stronger impact on use continuance than normative motivation.

In ref. [6], the author concludes that knowledge-sharing reward systems are influenced by the dominant type of learners (avid or impressionable), ESN structure, and digitization effect.

Reference [7] explores the use of ESNs in medium-sized enterprises. Using a survey of 41 employees from different departments of an Italian company, the study found that the limited number of active users was a key obstacle to the effective use of ESNs. The purpose of using ESN should be explained better. The company seeks efficiency and speed, but trust, collaboration, tolerance toward mistakes, and transparency are overshadowed. The specific factors that impact the use of ESNs are listed in **Table 1**.

Dimension	Aggregated factor/category	Identified enablers/drivers (+) or inhibitors/barriers (-)	
Technological	Platform Quality	Ease of use (+)	
		Integration with existing system (+); and lack of integration (-)	
		Accessibility (+)	
		Limitation of platform features (-)	
		Competing technologies (-)	
	Perceived Security	Confidential information leakage concerns (-)	
Organizational	Top management support	Top management commitment (+); and lack of involvement (-)	
		ESN Strategy	Lack of well-defined purpose (-)
			Lack of coordination of group efforts (-)
			Lack of enforcement (-)
	Facilitating conditions		Reward system (+)
			Policy (+)
			Awareness campaigns (+); and lack of awareness (-)
			Lack of alignment with key performance (-)
			Country culture distance (-)
		Size and Structure	Geographical/temporal distance (-)
Social	Critical mass	Critical mass (+); and small user base (-)	
	Reciprocity	Reciprocity (+)	
		Lack of feedback from others (-)	
	Information Quality	Quality contribution (+); and irrelevant information (-)	
		Information overload (-)	
	Task characteristics	Task uncertainty (+)	
	Social climate		Collaborative norms (+)
			Tolerance to failure (+)
			Supportive community members (+)
			Negative social climate (-)
	Sense of connectedness	Sense of connectedness (+)	
	Social ties	Existing preferred relationship (-)	
Individual	Personality	Reputation (+)	
	Enjoyment of helping others	Enjoyment of helping others (+)	
	Personality	Sociable personality (+)	
		Incompatibility with personal values (-)	
	Time	Lack of time (-)	
	ESN self-efficacy	Lack of ESN skills (-)	
	Knowledge self-efficacy	Lack of knowledge self-efficacy (-)	

Source: [8]

Table 1.
Factors influencing ESN use.

2.2 Leadership

Leadership has been extensively studied and approached from many perspectives, including cultural influence, organizational characteristics, leadership styles, leadership traits, gender, and ethnicity [9]. There are several categories of leadership: leadership in enterprises, education, government, sports teams, and family. The knowledge creation leadership-related theory purports to the existence of centralized, decentralized, and situational leadership [10]. Leadership is also influenced by organizational culture. During the COVID-19 crisis, scholars analyzed the various leadership roles and their influence on building better organizational resilience.

2.2.1 Leadership competencies, capabilities, and strategies

Some scholars have explored competencies, capabilities, and strategies of leadership to discover which leadership factors have a positive impact during a crisis. Using PLS-SEM to analyze quantitative data (interviews with 20 experts), [11] the results show that inclusive leadership benefits organizations during a global crisis. This is a significant moderator in the relationship between organizational inclusion and organizational citizenship behavior. According to ref. [11], inclusive leadership includes the following items and themes: the manager creates an ecosystem where employees feel a sense of belonging and trust; the manager believes that diverse thoughts lead to better performance; the manager promotes a culture of respect for diverse opinions and clarifies his team's differences in the organization; the manager values and shows appreciation, embracing the differences in opinions and ideas at work; and the manager promotes open communication within the team.

In ref. [12], leadership competencies and human resource development during a crisis were studied. It shows leadership best practices during normal times and times of crisis (see **Tables 2** and **3**).

Stephanie [14] discusses the relationship between leadership strategies and communication implications during the COVID-19 pandemic. It is considered effective for leaders to deliver prompt responses that hasten people to act and communicate in situational, behavioral, and adaptive leadership.

Jamie [15] also analyzes leadership strategies and summarizes 13 crisis-ready leadership strategies for the COVID-19 pandemic (**Table 4**).

Based on 120 questionnaire surveys and SEM analysis, leadership capabilities and organizational resilience were found to contribute significantly to higher private

Leadership Practices in Normal Times	Leadership Roles in Times of Crisis
Model the Way	Sense maker
Inspire a Shared Vision	Technology Enabler
Challenge the Process	Emotional Stability and Employee Well-being
Enable Others to Act	Innovative Communication
Encourage the Heart	Maintain Financial Health of the Organization

Source: [12]

Table 2.
Leadership best practices in normal times vs. times of crisis.

Leadership practice	Operating definition
Model the Way	Clarify values and set the example through finding own voice, affirming and personifying shared values, and reflecting on action.
Inspire a shared Vision	Envisioning the future through: imagining the possibilities, finding a common purpose, and enlisting others by appealing to common ideals and animating the vision.
Challenge the Process	Searching for opportunities and taking risks through: seizing initiatives, exercising oversight, generating small wins, and learning from experience.
Enable Others to Act	Fostering collaboration and strengthening others through: creating a climate of trust, facilitating relationships, enhancing self-determination, and developing competence and confidence.
Encourage the Heart	Recognizing contributions and celebrating values and victories through expecting the best, personalizing recognition, creating a spirit of community, and being personally involved.

Source: [13]

Table 3.
Five practices common to personal-best leadership practices.

learning institutions' performance [16]. Leadership capabilities also strongly promote performance. However, the specific styles or capabilities of leadership were not mentioned in this study.

2.2.2 Leadership's effect on learning and working

Some scholars have conducted research from the viewpoint of increasing the learning effect of organizations, human resource development, and knowledge sharing or transference. Nussbaum et al. [17] confirm the moderating effects of leadership and analyze whether and how work autonomy, supporting leadership, and human resource factors influence creativity and innovation in organizations. In this study, 126 responses from knowledge-intensive and innovation-driven Swiss organizations were collected and a hierarchical regression analysis was conducted. The results indicate that work autonomy and appropriate leadership behaviors are only enablers of creativity if they are combined [17].

In ref. [18], the motivation and evaluation facets of leadership in learning were analyzed. Using the adaptive cycle of the resilience model, the authors searched for motivational factors for improving adaptivity and avoiding falling back. They state that managers can use education to reach the organization's objectives through cooperation, implementation, and innovation and improve the learning process.

In ref. [19], the authors conducted an organizational culture inventory analysis and a case study on how culture, leadership, and engagement helped a small business survive during the pandemic. These findings indicate that cultural elements in the workplace contribute to company sustainability. According to the authors, focused leadership styles are crucial for company survival during pandemics. However, embracing ongoing leadership development with a focus on establishing strong and system-wide organizational core values is a challenge [19]. It also emphasizes the importance of fostering and maintaining a constructive workplace culture as well as empowering employees to grow and develop within their unique areas of organizational responsibility for effective workplace autonomy.

1. Plan and prepare	Anticipate major events, assess risk, specify areas of concern, identify warning signs and trigger points to mobilize action. Integrate risk communication into planning, make it part of training and preparedness exercises and embed it as part of harm mitigation strategies.
2. Narrate a clear-sighted strategy	Narrate the strategy for how the threat is to be addressed and the role people can play. Set the tone from the top, and lead by example. Don't give mixed messages.
3. Meaning-making	Describe the risk, explain and contextualize its significance at opportune moments of public connection.
4. Direction giving	Give clear, coherent, concise and comprehensible decision-relevant information and instruction. Emphasize efficacy.
5. Differentiating people's needs	Obtain, understand and address the varying information and support needs, preferences, and concerns of different individuals, groups, and cultures.
6. Credibility and trustworthiness	Show competence and commitment. Align with credible sources and use experts well. Communicate in ways that build trust. Do not over-protect or promise, do not stretch the truth. Be accountable.
7. Transparency	Make information ascertainable, comprehensible, and verifiable in a timely way.
8. Openness	Be candid, honest, and factual. Accept uncertainty. Enable critical input, and allow hard truths to be aired. Admit mistakes, and apologize when getting them wrong. Be receptive to and listen to external concerns.
9. Partnership and coordination	Establish networks integrating internal and external members and agencies at all levels. Identify the needs of stakeholders, partner up, and provide support where it is needed. Work together with communities, coordinate and pool respective strengths and resources.
10. Empathy	Show situational awareness. Acknowledge and respect others and show that feel as they do. Do not be aloof and dismissive.
11. Solidarity Express solidarity	Emphasize and enact a sense of "weness", identify that everyone is "in it together" including leaders "at the top". Share the burden of risk and responsibility for dealing with it.
12. Be responsive and adaptive	Act quickly and decisively. Continuously evaluate and update plans and impacts and react promptly to change. Conduct dynamic risk assessments to identify wider interdependencies, needs and practical constraints. Involve stakeholders at all stages.
13. Media engagement across traditional and digital platforms	Initiate lines of communication. Meet the needs of the media. Monitor sentiment, interact with and proactively engage across traditional and digital platforms and technologies.

Source: [15]

Table 4.
Thirteen pandemic risk leadership strategies and guidelines.

2.2.3 Gender differences in leadership and attitudes during a crisis

To raise organizational resilience in a crisis, some scholars have researched leadership's role from the perspective of gender. In ref. [20], the authors found that women leaders were more risk-averse than men leaders in the domain of human life; however, in the domain of the economy, these women leaders were clearly prepared to take more risks than men leaders. The authors state that men are task-oriented and women are likely to be interpersonally oriented. Female national leaders are more transformational and act more quickly to localize their economies than their male counterparts do. They had clear, empathetic, interpersonal, and decisive communication styles. They also showed a tendency to build and nurture new relationships with others [20].

Eichenauer et al. [21] explore the relationship between supervisory leadership and gender during COVID-19 and the results indicate that communal leadership is highly important during a crisis. Women were not more communal than men when managing crises and perceptions of leadership did not depend on supervisors' gender. However, evaluations of women's competence were more directly related to their display of communal behaviors than those of male supervisors [21].

The reflections of five female higher education leaders on the COVID-19 pandemic were analyzed in ref. [22]. Based on these five cases, the authors propose three implications for both human resource and leadership development: 1. Creating professional development programs at multiple levels (individual, group, organization, and society) that challenge the norm; and 2. leadership during a crisis necessitates a sense of timing and the ability to toggle among a range of directive/agentive and collaborative/nurturing styles, and 3. Concerning gender bias, human resource development research, and practice have not only an opportunity but also an obligation to investigate, discover, and create research and interventions that disrupt the organizational inertia that defaults to a preference for the masculine style of leadership [22].

2.2.4 Leadership in government

Craig [23] analyzed the language of leadership in such a deadly COVID-19 pandemic. The authors discussed the politics of pandemic speech and stated that when leaders do not know what they do not know, the risk of pretending to be knowledgeable ramps up communication in a crisis. Leaders should consider a message that can be inferred from their words and not use intemperate language during a crisis [23].

The government's leadership and collective action in Africa's COVID-19 response were analyzed in ref. [24]. According to ref. [24], compared to personal freedom during the pandemic in the US and the UK, Africans are more likely to accept the value of personal sacrifices, such as increased hunger for the public good. Collectivism is a drawback, from the perspective of a pure economy. However, from the healthcare perspective, a sense of collective belonging and in-group obligations is beneficial. Africa's strong government leadership during this crisis includes the African Union's three principles: science informs decisions; rapid action; and not only medical but also other facets like funding and food security need a response [24].

Montiel et al. [25] also analyzed the language characteristics of pandemic leadership by mapping political rhetoric. Using a sample of 1201 publicly available speeches from 26 countries, Ref. [25] maps national leaders' political rhetoric during the COVID-19 pandemic. This helps us to understand global pandemic leadership in an unequal world and political psychology [25].

Maak et al. [26] analyzed case examples of political leaders and pointed out the fault lines of leadership: narcissism and ideological rigidity. It compares narcissism, compassion, evidence-based decision-making, and ideological rigidity to show the differences between destructive and responsible leadership. It also proposed some opinions on leadership developing systemic thinking and the ability to mirror environmental complexity, reflective and critical thinking, and the ability to update one's view when evidence changes, reasoning and ethical skills, and thus, the ability to evaluate and judge one's decisions in the context of the greater good [26].

2.2.5 Transformational leadership

Transformational leadership is a crucial leadership style when leaders face risk and uncertainty. Trudel et al. [27] analyzed transformational leadership and its influence on teacher resilience during the COVID-19 pandemic. Using a case study based on in-depth interviews, this chapter presents an analysis of transformational leadership to support teachers during disruptive change [27].

Han et al. [28] analyze how transformational leadership affects knowledge-sharing intentions. Using SEM, the results of 426 samples from South Korea indicated that transformational leadership has a significant and direct effect on psychological empowerment and organizational commitment. This mechanism is illustrated in **Figure 1**.

2.2.6 Other styles of leadership

Rahul [29] obtained 205 cross-sectional data points from Indian IT employees, and the results indicated a positive relationship between leadership trust and communication, decision-making, integrity, and motivation. This shows high levels of trust among IT employees during the COVID-19 pandemic [29].

Klebe et al. [30] used a vignette study (257 samples) and a cross-section survey (196 samples). These results indicate that health-oriented leadership is important for the health of followers affected by crises. It also has a positive relationship with job performance [30].

Carvalho [31] conducts a theoretical analysis of the power of love in leadership and states nine propositions: It adopts the concept of the AGAPE and understands it from religious, philosophical, scientific, and political perspectives. It also describes the relationship between AGAPE-based leadership and authentic, ethical, spiritual, transformational, and servant leadership. The author's analytical model of leaders' AGAPE behaviors includes humility, forgiveness, self-sacrifice, emotional control, impartiality, and empathy [31]. It also proposed the antecedents of leaders' AGAPE: leaders' self-evaluation + (positively related to leaders' AGAPE), leaders' narcissism (negatively related to leaders' AGAPE), leaders' Machiavellianism, leaders' self-transcendent values +, and leader ecosystem motivational system +. Furthermore, it discusses the mediating processes of leaders' AGAPE: follower commitment to, and trust in, the leader. In addition, it proposes the moderating processes of leaders' AGAPE: follower power-distance orientation and follower attachment style [31].

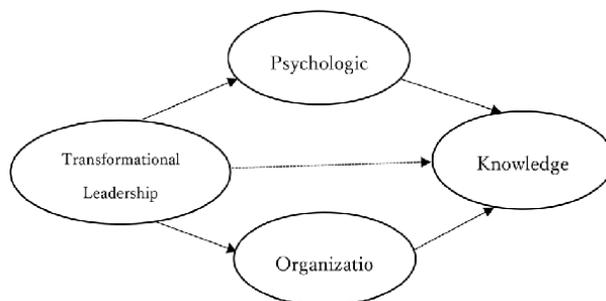


Figure 1.
Path model for relations among latent variables.

Dewi [32] analyzed digital leadership during the COVID-19 pandemic. Using logistic regression analysis with 1899 Indonesian managers as samples, the results indicate that digital leadership is a strong predictor of psychological well-being. According to ref. [32], the skills, attitudes, and competencies of digital leadership have significant and positive effects on psychological well-being, but the behavioral dimension does not.

According to ref. [33], digital leadership refers to leaders' ability to create a clear and meaningful vision for the digitalization process and their capability to execute strategies to actualize this vision. It requires leaders to integrate the business perspective and digitalization agenda to ensure that every member of the organization is engaged in the digitalization agenda and to build the digital skills needed for the digitalization processes [33].

Gheerwo [34] presents the concept of creative leadership and three attributes of creative leadership: empathy, clarity, and creativity. According to ref. [34], the next stage of research is neuroscience: brain plasticity, neural connectivity, and emotional intelligence theory.

Shekshnia [35] discusses indirect leadership and states that UK chairs provide exemplary leadership by displaying the attitudes and behavior they expect others to follow.

2.2.7 Leadership development

Bawany [36] mentioned the development of disruptive digital leadership in the post-pandemic era. Disruptive digital leadership competencies include disruptive mentality (innovative-driven), visionary and entrepreneurial skills (creativity), cognitive readiness and critical thinking (mental agility), resilience and adaptability (change agility), empathy and social skills (people agility), and driving success (result agility) [36].

Levy [37] analyzes the perceived leadership chance of the host, third, and parent nationalities of MNCs and concludes with their differences. This also contributes to the development of leadership. Chaturvedi [38] conducted a thematic analysis using NVIVO for effective leadership development. It summarizes the categorization of identified factors under organizational elements from people, systems, psychological, operational, and informational aspects.

3. Theoretical analysis and propositions

Some conclusions have been stated in previous literature regarding the leadership competencies or capabilities needed to deal with a pandemic environment and improve organizational resilience. First, a crisis may cause employees to experience anxiety as they easily become nervous and upset. Therefore, emotional stability and employee well-being play crucial roles in uncertain situations [12]. Second, during a crisis, leaders must assess risk, identify warning signs, and trigger points to mobilize action [15]. Hence, the strategy of "plan and prepare" is a significant competency. Third, communication becomes more important during periods of uncertainty. The external environment continuously changes. New problems and policies have arisen almost daily. Employees will benefit significantly if leaders are willing and able to narrate a clear-sighted strategy to address the threat and role they can play [15]. Hence, this is another capability of leaders during a crisis. Fourth, urgent situations

arise quickly during crises. Employees must consult with leaders to seek solutions within a limited period. Under such circumstances, leaders should act quickly and decisively. It is better for them to evaluate and update plans and impacts, and react promptly to changes continuously [15]. This is also an important leadership capability during a crisis.

In addition, according to refs. [27, 28], transformational leadership has a significant and direct influence on psychological empowerment and organizational commitment, then facilitates knowledge-sharing intention. It helps a leader to break the difficult situation and create a positive change for an organization.

Hence, the proposition on the leadership competencies or capabilities needed to deal with a pandemic environment and improve organizational resilience is as follows:

Proposition 1: “emotional stability and employee well-being,” “plan and prepare,” “narrate a clear-sighted strategy,” and “be responsive and adaptive” are the most effective and crucial competencies of leadership during a crisis. The capability of transformational leadership is also important in a risky environment.

From the viewpoint of the organization model of MNCs, there are four types of organization models: global, international, multinational, and transnational [39]. These characteristics are centralized power, high efficiency, high learning and knowledge transference effects, decentralized power of decision-making, and higher flexibility. The transactional organization model has all the merits of the previous three models.

As mentioned in “the previous literature” section, centralized and decentralized leadership exist in knowledge creation. The features of centralized leadership include planned cooperation, dictatorial conviction, and stable and robust decision-making power. Conversely, decentralized leadership involves self-initiative cooperation, participative conviction, and mobile power of decision-making [10]. It praises autonomy and permits more power and freedom for the team members. In addition, situational leadership exists with the characteristics of contingency [10]. Hence, the following proposition on the relationship between organizational models and the leadership type of knowledge creation is proposed:

Proposition 2: In the post-COVID era, to increase the management efficiency of MNCs, it is better for leaders in global-modeled organizations to use centralized leadership; in multinational-modeled organizations, leaders may adopt decentralized leadership; in other types of organizational models, leaders may adopt situated leadership.

Regarding the efficiency of knowledge sharing by ESN in organizations, previous literature [4, 5] indicates that hedonic motivation has a much stronger impact than other motivations (e.g., utilitarian motivations and normative motivations). However, it is unclear what leadership can create or increase employees' hedonic motivations. According to ref. [40], compassionate managerial leadership styles could reduce employee stress during the COVID-19 pandemic. Using a qualitative and interpretive methodology, via telephone interviews with 30 respondents in Nigeria, ref. [40] indicates that compassionate managerial leadership can drive a considerate response to employees' “fear of job security,” “healthcare risk,” and concerns about “work overload, underpayment, and delayed payment.” These are considered the causes of increased stress during the COVID-19 pandemic [40].

In addition, ref. [31] emphasizes the power of love in leadership. Factors such as forgiveness, self-sacrifice, emotional control, impartiality, and empathy help leaders build trusting relationships with employees more easily. Therefore, compassionate

leadership and the power of love in leadership contribute to increased hedonic motivation. Thus, the next proposition is as follows.

Proposition 3: Compassionate leadership and the power of love in leadership contribute to raising learning and knowledge-sharing efficiency through ESN.

As mentioned above, leadership is important for organizational learning, knowledge sharing, and transference by ESN in a crisis. How can we develop and innovate better leadership and increase organizational resilience? First, previous literature [20–22] on gender differences in leadership shows us the strength of female leadership: more transformational and acting more quickly to lock down their economies, more directly related to their display of communal behaviors, and disrupting the organizational inertia of preferring a masculine style of leadership.

Second, [37] concluded that employee nationality affects their perceived senior leadership opportunities in MNCs. The findings indicate that the structural position of parent, host, and third-country nationals in the social hierarchy affects sense-making and perceptions of access to senior leadership opportunities. The authors obtained data from 2039 employees of seven MNCs in Australia, Japan, and the US from five industries (telecommunications, high-technology manufacturing, chemicals, banking, financial services, and other services). In ref. [37], multilevel confirmatory factor analysis with robust standard errors was conducted, and the interactive effects were checked. The two specific findings are that host and third-country nationals perceive that nationality and location influence access to senior leadership opportunities more than parent-country nationals do. The moderating factors—gender, tenure, and education—increase the perception gap between parent country nationals and host and third-country nationals, although these results are inconsistent [37].

Third, based on the literature on government leadership [23–26], it is easy to understand that leadership is influenced by language and country culture. Leadership cannot transcend regional culture. In Africa, a collectivist country culture with strong centralized leadership is successful. Japan is also a country with collectivist culture. Many traditional Japanese MNCs are of a global organization model with a centralized power system and high efficiency of decision making.

Conversely, in countries with individualistic cultures, individual needs and expectations should be respected. If they are not satisfied, the society in that country will lose its stability. Leadership style must be determined according to the cultural environment of the country or corporation. Therefore, the following propositions were developed:

Proposition 4: It is necessary to consider raising the proportion of female and senior leadership opportunities for host and third-country nationals.

Proposition 5: While strong centralized leadership is effective in a collectivist cultural country, decentralized leadership is more successful in an individualistic cultural country.

4. Conclusion

Based on a literature review and theoretical analysis, this chapter proposes several propositions (**Figure 2**) to clarify what kind of leadership and what competencies of leadership have a positive influence on knowledge sharing via ESN and organizational resilience innovation. Some propositions were also proposed as suggestions for leadership development. They contribute to human resource management during crisis periods from both academic and practical business facets.

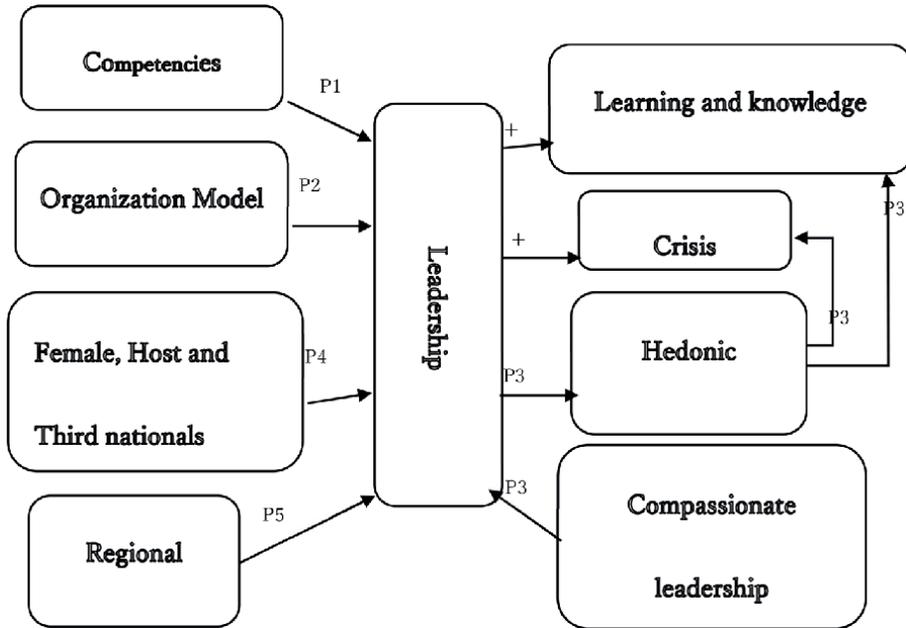


Figure 2.
Effective leadership competencies and how to develop leadership.

In academic facets, first, this chapter provides some new opinions on the challenges of people management in the new time, which is also the purpose of this book. In the new time, remote working and learning by ESN may be a normal style. How to find effective leadership and develop it, and how to raise the learning efficiency would be the new challenge for academic researchers.

Second, this chapter analyzes the crucial competencies and capability of leadership for enterprise knowledge learning in a crisis or other uncertain environment. Leadership-related research has begun for more than 100 years. The cognition, definition, and styles of leadership have changed a lot in the past years. Scholars have studied the effect of leadership in education institutes, such as schools or universities. Researchers also study the effect and methods of social and experiential learning. However, there are very few conclusions on the effect of leadership on enterprise knowledge learning or sharing by ESN. This chapter would fill this gap.

Third, the propositions stated in this chapter provide directions for future research, although they are not confirmed by cases or empirical data. Are there other competencies of leadership for crisis and organizational resilience? How do create more approaches to develop them? With the development of organizational models of MNCs, what are the new styles of leadership for the new organizational models of them? These questions may lead us to do more and better research on leadership and its influence on human resource management in the new time.

In practical business facets, for human resource managers, it would be effective to develop the crucial competencies of leadership mentioned in proposition 1. These help to increase an organization's resilience to compete against an uncertain environment or crisis. Compassionate leadership and love in leadership are also significant for leaders to raise members' hedonic motivation for learning or knowledge sharing in MNCs. In addition, transformational leadership is strong to risk and can conduct revolution in an uncertain environment. It is also worth development.

Compared with large MNCs, it is more significant for leaders in SMEs to build trust, collaboration, and tolerance relationships with employees through compassionate leadership with love to raise their hedonic motivation. According to ref. [7], the purpose of using ESN is not explained fully by managers. Moreover, for ref. [41], the results indicate a positive relationship between the carrot-and-stick approach and motivation. Using a quantitative approach with 12 returned questionnaires, the author obtained primary and secondary data from three dairy manufacturing Lebanese SMEs and stated that carrot-and-stick transactional leadership motivates employees in SMEs [41]. In MSEs, employees are motivated by utilitarian rather than hedonic motivations to use ESN. Hence, leaders in SMEs may not only fulfill transaction leadership to maintain the utilitarian motivation of employees but also actively try to raise their hedonic motivation, so that they feel they are respected and cared for and have more fun and interest in using the SEN to communicate on learning.

From the perspective of gender, human resource managers may pay great attention to fostering female leaders and gradually fulfilling their leadership, especially through knowledge learning and sharing programs. There is some default recognition that people prefer male leadership or that male leadership is better than female leadership. However, from research on female leadership in crises, we can find the merits of female leadership, such as being more transformational and acting more quickly than male leadership. Managers may create such a workplace environment and organizational culture to better accept female leadership.

With the advancement of localization in MNCs, an increasing number of local employees have been promoted and have entered the management layer of overseas subsidiaries. Some MNCs recruit hosts or third-country nationals to their managerial positions. Their proportion has been increasing. Doing this not only provides additional leadership opportunities to host or third-country nationals but also gives them more decision power and raises their job motivation. It shows the trust and expectations of relational psychological contracts from the parent country headquarters. This benefits many facets of MNC organizations, such as building a better organizational culture, improving the relationship between headquarters and overseas subsidiaries, corporate governance, decreasing dishonest and illegal behaviors, raising productivity quality, and organizational resilience to crises.

Leadership is influenced by both organizational culture and the country's culture. Leadership can also influence an organization's culture. When developing effective leadership for knowledge sharing and learning via ESN during or after a crisis, it would be better to identify the outside cultural environment of the country or region and confirm the present organizational culture.

Regarding government leadership, the language of leaders' speeches plays a crucial role. Likewise, language is also important for leadership in enterprises. Especially during a crisis, firm leaders' language may change an individual's feelings, psychological well-being, attitudes, and even behaviors. These findings are also worthy of attention.

This study has some limitations. First, case studies and quantitative approaches were not conducted to confirm the propositions. Future research could obtain more specific empirical data to make conclusions more persuasive. Second, it would be better to analyze the moderating effect of leadership on knowledge sharing or transference through ESN from the perspective of network organizations; MNCs are network organizations. However, SMEs are not although they have implicit personal networks or informal organizations. Hence, the differences in leadership influence between MNCs and SMEs are worthy of considering in future research.

Third, many leadership styles have been mentioned in the literature, such as transformational, creative, inclusive, trusting, disruptive digital, and health-oriented leadership [11, 27–29, 32, 34, 36]. Future research may explore the competencies of these leadership styles and further clarify their influence on knowledge sharing and learning by ESN.

Author details

Yanghua Zhou
Edogawa University, Nagareyama, Japan

*Address all correspondence to: youka_zhou@yahoo.co.jp

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Caligiuri P, De Cieri H, Minbaeva D, Verbeke A, Zimmermann A. International HRM insights for navigating the COVID-19 pandemic: Implications for future research and practice. *Journal of International Business Studies*. 2020;515:697-713
- [2] Chatterjee S, Chaudhuri R, Vrontis D, Mahto RV, Kraus S. Global talent management by multinational enterprises post-COVID-19: The role of enterprise social networking and senior leadership. *International Business Review*. Jan 2021:1-12
- [3] Chatterjee S, Chaudhuri R, Vrontis D, Piccolo R. Enterprise social network for knowledge sharing in MNCs: Examining the role of knowledge contributors and knowledge seekers in cross-country collaboration. *Journal of International Management*. 2021;27(1):1-14
- [4] Knowledge sharing through enterprise social network (ESN) systems: Motivational drivers and their impact on employees' productivity.
- [5] Meske C, Junglas I, Stieglitz S. Explaining the emergence of hedonic motivations in enterprise social networks and their impact on sustainable user engagement: A four-drive perspective. *Journal of Enterprise Information Management*. 2019;32(3):436-456
- [6] Sundaresan S, Zhang Z, (Justin). Knowledge-sharing rewards in enterprise social networks: Effects of learner types and impact of digitization. *Enterprise Information Systems*. 2018;14(5):661-679
- [7] Bolisani E, Scarso E. Exploring the use of an enterprise social network as a knowledge management tool in a medium-sized enterprise. In: Proceedings of the International Conference on Intellectual Capital, Knowledge Management & Organizational Learning. United Kingdom; 2017. pp. 10-19
- [8] Chin CPY, Evans N, Choo KKR. Exploring factors influencing the use of Enterprise social networks in multinational professional service firms. *Journal of Organizational Computing and Electronic Commerce*. 2015;25(3):289-315
- [9] Northouse P. *Leadership: Theory and Practice*. 2nd ed. Thousand Oaks: SAGE publications; Inc.; 2013
- [10] Mitsuru K. *Knowledge Creation Leadership*. Tokyo: Chuo Keizaisha; 2012
- [11] Sunaina K, Shubhasheesh B. Organizational inclusion and leadership in times of global crisis. *Australasian Accounting, Business and Finance Journal*. 2021;15(1):93-112
- [12] Khalil M et al. leadership competencies and the essential role of human resource development in times of crisis: A response to Covid-19 pandemic. *Human Resource Development International*. 2020;23(4):380-394
- [13] Kouzes J, Posner B. *The Leadership Challenge: How to Make Extraordinary Things Happen in Organizations*. San Francisco, CA: Jossey-Bass; 2012
- [14] Stephanie DK, Robin RA, Hermen D. Leadership strategies amidst disruption and shock. *Communication Implications*. 2022;14(1):36-58
- [15] Jamie WK. Recalibrating pandemic risk leadership: Thirteen crisis ready strategies for COVID-19. *Journal of Risk Research*. 2020;23(7-8):1092-1120

- [16] Afzal ZI, Norhayati M, Jamaliah S, Fauziah Y. Assessing the mediating effect of leadership capabilities on the relationship between organizational resilience and organizational performance. *International Journal of Social Economics*. 2022;**49**(2):280-295
- [17] Nussbaum J, Kaudela-Baum S, Seiler Z. The relationship between work autonomy, emphasis on creative skills, organizational creativity, and innovativeness: Moderating effects of leadership. In: *Proceedings of The ISPIM Innovation Conference – Innovating Our Common Future*; 20-23 June 2021. Berlin, Germany: LUT Scientific and Expertise Publications; 2021
- [18] Abcouwer T, Takács E and Rác Z. *Innovating Management and Leadership in Contemporary Times: Motivation and Evaluation in Learning*.
- [19] Blattner JF, Karmia WP, Walter TJ. How culture, leadership and engagement helped a small business survive during the pandemic. *Strategic HR Review*. 2021;**20**(3):88-93
- [20] Garikipati S, Kambhampati U. Leading the fight against the pandemic: Does gender really matter? *Feminist Economics*. 2021;**27**(1-2):401-418
- [21] Eichenauer CJ, Ryan AM, Alanis JM. Leadership during crisis: An examination of supervisory leadership behavior and gender during COVID-19. *Journal of Leadership & Organizational Studies*. 2022;**29**(2):190-207
- [22] Gedro J, Allain NM, De-Souza D, Dodson L, Mawn MV. Flattening the learning curve of leadership development: Reflections of five women higher education leaders during the coronavirus pandemic of 2020. *Human Resource Development International*. 2020;**23**(4):395-405
- [23] Craig R, Amernic J. The language of leadership in a deadly pandemic. *Strategy and Leadership*. 2020;**48**(5):41-47
- [24] Cambridge University Press. Another pandemic in Africa: Weak healthcare, strong leadership, and collective action in Africa's COVID-19 response. *Management and Organization Review*. 2020;**16**(4):753-759
- [25] Montiel CJ, Uyheng J, Dela PE. The language of pandemic leaderships: Mapping political rhetoric during the COVID-19 outbreak. *Political Psychology*. 2021;**42**(5):747-766
- [26] Maak T, Pless NM, Wohlgezogen F. The fault lines of leadership: Lessons from the global Covid-19 crisis. *Journal of Change Management*. 2021;**21**(1):66-86
- [27] Trudel LE, Sokal L, Babb J. Transformational leadership approaches and their influence on teacher resilience during the COVID-19 pandemic. *Journal of Organizational Psychology*. 2022;**22**(1):60-72
- [28] Han S-H, Seo G, Li J, Yoon SW. The mediating effect of organizational commitment and employee empowerment: How transformational leadership impacts employee knowledge sharing intention. *Human Resource Development International*. 2016;**19**(2):98-115
- [29] Rahul P. Trust leadership: A work-from-home scenario in IT sector during the COVID-19 pandemic. *Jindal Journal of Business Research*. 2021;**10**(2):251-269
- [30] Klebe L, Felfe J, Klug K. Healthy leadership in turbulent times: The effectiveness of health-oriented leadership in crisis. *British Journal of Management*. 2021;**32**:1203-1218
- [31] Carvalho FK, Mulla ZR. Power of love (AGAPE) in leadership:

A theoretical model and research agenda. *South Asian Journal of Management*. 2020;27(4):96-120

[32] Dewi RK, Sjabadhyni B. Digital leadership as a resource to enhance managers' psychological well-being in the COVID-19 pandemic situation in Indonesia. *The South-East Asian Journal of Management*. 2021;15(2):154-168

[33] Larjovuori R-L, Bordi L, Makiniemi J-P, Heikkila-Tammi K. The role of leadership and employee well-being in organizational digitalization. In: Russo-Spena T, Mele C, editors. *What's Ahead in Service Research? New Perspectives for Business and Society*: Naples, Italy; 2016. pp. 1141-1154

[34] Gheerwo R, Flory M, Ivanova N. Creative leadership: Design meets neuroscience to transform leadership. In: *Academic Design Management Conference, Impact The Future By Design*. Toronto, Canada; 2020. pp. 1-14

[35] Shekshnia S. Leading a Board of Directors in the United Kingdom: Indirect leadership, working paper. *The Business School for the World*. Working paper; 2021:1-22. Electronic copy. Available from: <http://ssrn.com/abstract=3847691>

[36] Bawany S. Developing 'disruptive digital leaders' for the post pandemic era. *Leadership Excellence*. November 2020:38-43

[37] Levy O, Taylor S, Boyacigiller NA, Bodner TE, Peiperl M, Beechler S. Perceived senior leadership opportunities in MNCs: The effect of social hierarchy and capital. *Journal of International Business Studies*. 2015;46(3):285-307

[38] Chaturvedi V, Bansal S. Understanding the crucial factors for post-pandemic adaptation: A thematic

analysis using NVIVO for effective leadership development. *The IUP Journal of organizational Behavior*. 2022;21(1):62-81

[39] Bartlett CA, Ghoshal S. *Managing across Borders: The Transnational Solution*. Boston, Massachusetts: Harvard Business School Press; 1989

[40] Oruh ES, Mordi C, Dibia CH, Ajonbadi HA. Exploring compassionate managerial leadership style in reducing employee stress level during COVID-19 crisis: The case of Nigeria. *Employee Relations: The International Journal*. 2021;43(6):1362-1381

[41] Frangieh M, Rusu D. The effect of the carrot and stick transactional leadership style in motivating employees in SMEs. *Review of International Comparative Management*. 2021;22(2):242-252

Chapter 5

Remote and Hybrid Working during Crisis: Challenges and Implications for Employee Development in Africa

Deseré Koko and Crispin Chipunza

Abstract

The emergence of the COVID-19 pandemic in 2020 and the associated lockdowns imposed by governments exposed disparities in how organisations on different continents were prepared for unplanned uncertainties. While the global north organisations, with their advanced adoption of 4IR technologies, quickly moved in to find affordable ways to ensure business continuity, adjustments by organisations in the global south were challenged by lack of modern advanced affordable technologies. The abrupt adoption of technologies associated with the fourth industrial revolution [4IR] in the global south meant an increased emphasis on remote working - a concept that has been taboo, especially in South Africa. The adoption meant fitting into a new world of work, which requires agility, re-learning, and de-learning of skills. The chapter aims to unpack the work challenges organisations face in times of crises and what it means for employee development in an African context.

Keywords: remote working, hybrid working, fourth industrial revolution [4IR], Africa, new world of work, employee development

1. Introduction

The new world of work, which has evolved mainly due to globalisation, the internet and the evolution of 4IR technologies, has generated an altered reality for both organisations and employees. Broad trends that have emerged in the new world of work include increased virtualisation and digitalisation, more part-time employment [or gig work], people working from home or any other location and employees being more frequently connected to their jobs than ever before [1]. The advent of the COVID-19 pandemic and the subsequent lockdown of economies have brought about increased remote and hybrid working. Current realities in the new world of work will subsequently be unpacked, as well as the concepts of remote and hybrid working followed by the need for continuous employee development in the African context. The chapter is informed by a literature review and desktop search of the current realities that inform the complexity of remote and hybrid working in an African context.

2. Current realities in the new world of work

In the 1980s telecommuting became a way of helping employees manage and balance work and family responsibilities. Over the years, telecommuting grew as technology advanced and economic systems evolved as a result. With the advent of COVID-19 global remote working became the new universal 'norm'. Prior to Covid-19 remote working was not a common practice, especially in the African context. Reports on South Africa indicate that 21% of professionals worked from home before the pandemic. The number increased to 79% during the pandemic [2].

The Gartner poll indicates the likelihood of more employees working remotely either full-time and/or part-time. According to Lavelle [3], 74% of CEOs interviewed planned on shifting at least 5% of employees to remote working. Amazon also announced its intention to create 3 000 work-from-home positions in South Africa [4]. Amazon is experiencing a boom due to increased online shopping, which has led to the creation of work-from-home jobs on a global scale. This shows that companies are contemplating remote working to a greater extent than before the COVID-19 outbreak.

The Gartner poll surveyed 145 CFOs and senior financial managers during April 2020 and found that most (51% of respondents) were expecting up to 30% decline in revenue. The respondents also showed caution in contemplating long-term investments. The findings further indicate that 55% of organisations intend to redesign roles, supply chains and workflows and that geographic diversification and investment in secondary markets were envisioned to mitigate and manage risk in times of disruption. These developments imply that a more complex business environment is likely to evolve, which can impact the operational models of organisations [5].

Results of the Gartner poll further indicate that 32% of companies were contemplating the replacement of full-time workers with contingency workers [6]. This places more emphasis on the prevalence of gig workers, which is already a trend in the new world of work. Gig employment, something that has not really existed in the African context is likely to become more prolific. This implies more part-time work as opposed to fix-term employment. The notion of gig work and/or part-time work is a contentious issue in the South African context where workers and especially unions push for full-time and fixed employment contracts.

Working remotely requires integrated and customised information technology (IT) systems to enable companies to not only enable remote working but also to track the work employees are performing. In this sense, the Gartner poll also showed that companies are increasingly using technologies to assist them - 16% of employers indicated that they have increased the use of technology to track work, computer usage and the emails and internal communication of employees.

This notion is supporting the central role of IT in organisations – which is likely to become more pronounced given that organisations require customised IT systems to run their operations [7]. Also, the IT and engineering professions are propelling the new world of work. Engineers are devising technologies on various platforms, e.g. nanotechnology, building rockers and spaceships for galactic travel (notably Virgin Galactic and SpaceX), autonomous vehicles (e.g. Tesla) including the planned Mars expedition of 2022 spearheaded by the tech entrepreneur, Elon Musk [8, 9]. These engineering advances need IT professionals to programme the systems. In fact, the programming of smart and integrated systems drives innovation on a global scale (e.g., Amazon) and programming is a key skill.

Remote work has implications for managers. Apart from the people skills required from managers, they need to be flexible and have the necessary soft skills to motivate and support staff. Managers also need to have digital skills to comprehend the systems involved in remotely managing and supporting staff. Employees also demand increased transparency—this was already apparent prior to COVID-19 [5]. In fact, the ways in which managers and organisations treated employees during COVID-19 can have implications for the employer of a choice strategy of organisations and ultimately talent management.

According to the research of Bersin [10] deep layoffs, especially in times of crises, have dire consequences for the future sustainability of organisations. This is mainly due to the loss of critical skills. A loss of critical skills impacts negatively on customer and stakeholder relationships, thus affecting the future viability of organisations. In addition to this, employees that were not retrenched go through a ‘survivor syndrome’ where they contemplate whether they will be next. This creates a less than conducive work environment where employees experience psychological stress that can have a significant impact on their engagement, motivation and commitment. It is thus pertinent that leaders show they care for their employees. Digital transformation driven by the various 4IR technologies is the future and organisations do not have any other option but to adapt to its demands, thus necessitating leaders and managers that are able to act as change agents spearheading this new reality.

3. Remote and hybrid working

Remote working can be characterised by working in a highly flexible environment where telecommuting, teleworking, virtual work, distributed work or distance work is the norm [11]. Remote working involves flexible work arrangements that allow employees to work from home or any other locality but not the central office. With this arrangement, employees do not have physical contact with their colleagues except for an online connection. Hybrid working is when employers expect workers to commute to the workplace during specified times – thus incorporating remote working and at times being office-based.

Remote working is not something new and has existed for decades, especially in the United States of America [USA], where around 3.9 million employees were working from home before the outbreak of COVID-19 [12]. An engineer Jack Nilles is believed to have coined and introduced the term ‘telecommuting’ in the 1970s. This was necessitated by the oil crisis that hits the USA in the 1970s and the idea that employees could work remotely to continue with production [13].

3.1 Challenges of remote and hybrid working

Remote and hybrid working can be an exciting prospect for employees who seek flexibility, but it can also result in psychological well-being challenges for others. Research by Russell [14] indicates that remote working has the potential to result in ‘no work boundaries’ that might ultimately lead to increased job stress, depression, anxiety, loneliness and isolation mainly caused by a deprivation of social contact [15–17].

Remote working can, however, benefit employers as the best talent can be sourced in an international sphere. Working hours are flexible and employees have greater autonomy and less office interruptions [18]. Pertinent challenges related to remote

working involve the likelihood of higher costs due to having a home office, employees that lack digital skills may find the work challenging, and team spirit may suffer as there are limited network opportunities that may cause psychological health to suffer as a result.

Compared to traditional employment, modern employees are expected to work in technologically advanced environments. This means the nature of jobs changed from using predominantly manual approaches to performing jobs that are more mentally and emotionally demanding [19]. These realities are likely to have significant implications for organisations. The post-COVID-19 world is likely to generate more gig work, as well as more employees working from home. Gig work is based on skills and individuals that work from home need to have the proper systems in place to perform their jobs, notably internet connectivity, laptops, etc. Gig work is likely to exacerbate already existing inequalities, especially in the South African and African context.

Further challenges include managing one's own schedule and time, blurred lines between personal and professional life, distractions, reduced supervision and direction, social isolation, working in pyjamas and lack of motivation and long-term vision. This will be discussed below.

According to Al-Habaibeh, Watkins, Waried and Javareshk [20] *managing one's own schedule and time* is one of the many challenges faced by employees working from home. Remote workers have the freedom to manage their own time meaning they need to take responsibility for performing their jobs. The concept of 'normal business hours' remains a global business practice for most organisations as it relates to efficient time management. Specified work hours create personal and work boundaries for employees, which separates work from personal interests. Furthermore, without proper time management and scheduling, many employees are likely to relax more and work less hours as expected by the employer. Employees might procrastinate and postpone work to 'later'. This can create work and personal conflict. Therefore, employees should try to have time structures in place for each day of the week working from home [21].

Gibbs, Mengel and Siemroth [22] note that *blurred line between personal and professional life* is a challenge as there is no geographic division between work and personal space. Ideally, home is a place where employees relax, feel safe and have security. As far as remote work is concerned, employees can easily forget the work and not meet work deadlines. Furthermore, Janza [23] mentions that some remote workers have indicated that they are never 'off the job'. This means they feel a compulsion to always check emails or get 'just one last thing done'. In other words, some remote workers might not find it easy to knock off and relax whilst others might continue working.

Another challenge identified by Nyberg et al. [24] is *distractions*. Employees can have a schedule or workspace but being productive during work hours can be a challenge due to unplanned or unwanted distractions. Home surroundings such as television, favourite books, laundry, dishes, child responsibilities and many more can easily become distractions. Noise cancelling headphones can help avoid auditory distraction and should therefore be considered. It is important that employees create and maintain a firm barrier between work and home life. Family members should respect working time at home as they would respect working time at the office.

Reduced supervision and direction is a challenge for some remote employees identified by Toniolo-Barrios and Pitt [25]. Many employees at the office complain about the supervision and direction from their managers but managers serve a crucial role in directing employees on what should be done including timeframes, supervising tasks and daily job responsibilities. Direction and supervision are important so that

managers can provide effective feedback to employees on their progress and job execution. Employees working from home receive less supervision and direction, which can influence job performance. Parker et al. [26] mentions that 29% of managers question whether employees have the required knowledge to do their jobs from home while 27% noted their employees lacked essential skills to properly execute their jobs from home. Male managers were also found to be warier than female managers. Fifteen per cent (15%) of female managers indicated that they lacked confidence in their remote employees whereas 36% of male managers had little trust in their remote employees' skills [26].

Toniolo-Barrios and Pitt [25] further state that *social isolation* is a challenge that cannot be ignored. Humans are social beings that need to interact with others. However, working from home takes away the social aspect of the workday and this might result in loneliness and/or psychological frustrations. Technology, such as Zoom, can make remote work more interactive but it cannot replace face-to-face interactions. *Working in pyjamas* is a challenge that many remote workers take for granted. Working in pyjamas is easy for most employees because they do not have to wake up early and dress for the office. A study conducted by Adam and Galinsky [27] in the *Journal of Experimental Social Psychology* found that people perform job tasks better when wearing clothes with 'symbolic meaning'. For example, doctors perform better at their jobs while wearing lab coats. Thus, working in pyjamas is not recommended for any employee because pyjamas and sleep are strongly connected in most people's minds. Moreover, bathing and feeling clean improves most people's professionalism and performance.

Davis [21] reckons that *lack of motivation and long-term vision* can also be a challenge to the remote workers. Being surrounded by the career-driven energy of ambitious and passionate colleagues around the office rubs off and can inspire colleagues to be more productive and motivated. However, working from home eliminates this energy and some employees might become lazy, unmotivated, and thus underperform.

3.2 Challenges of remote and hybrid working in Africa

The development of Africa, which has always lagged makes it difficult for hybrid or remote working. Remote working requires technological resources that are efficient, yet, for example, many African countries have complexities in terms of power and subsequent internet connectivity [28]. Electricity in Africa is not constant. Half the time it is not available, and this eventually affects the notion of effective remote working and productivity. The provision of other alternatives to electricity, such as generators, power banks and solar-powered devices is often regarded as an add-on to the already struggling companies compared to government-provided electricity, which seems to be cheaper. In addition, many African countries rely on the western world for technological development. As such their financial muscle to establish and adopt advanced technology for remote or hybrid working is often hampered. In South Africa, for example, a study by [29] revealed that several organisations were caught off guard by the pandemic as they had to adjust budgets and ensure employees had access to laptops and other aids. In addition to this, many employees lacked the requisite technological skills to ensure effective working from home. This lack of technological skills made organisations working in the African context have concerns about risks to security systems and privacy rights as employees worked remotely.

According to Osoba [30], many large parts of Africa still do not have wide coverage of networks at the same time the existing connectivity access is riddled with low bandwidth. This is exacerbated by the socio-economic environment in the African context, where workers do not own homes in urban areas but in rural areas. During the last two years (2020 to 2022) where COVID -19 was a menace in the whole world, remote working has seen many African workers drifting to rural places to save costs, yet, in those rural places, there are added challenges including poor location, affecting network connectivity. This has made it difficult for organisations to even fathom hybrid node of work or manage employee and in some cases team performance.

The African way of living is such that families live together in a household. Remote working for an African worker means disruption of family-set up and dealing with challenges one does not often confront when they are at the workplace. The set-up of many African homes were never meant to accommodate someone working from home - hence, during a crisis like Covid-19, very few African workers were fortunate enough to make temporary arrangements. Those who could shift to home set-up meant unavoidable distractions by children or other cohabiters [31].

In Africa, with remote working comes along the fear of employees working long hours and claiming to be compensated for overtime, the legal as well as health and safety issues. Chetty [32] reports that organisations in Africa have often failed to attract top talent because of their reluctance to adopt remote or hybrid working as a result of poor technological advancement and strict legal issues. However, the risk is failing in competitiveness, productivity levels and investment losses. Africa still has a long way to go when it comes to hybrid or remote working as it must grapple with the inherent infrastructural inequalities compared to the global north countries. In addition, inequalities experienced by workers, especially women and workers in low-income employment mean the need to have strategies that will enable the employers to embrace digitisation that will recognise inequalities among employees and allow working from anywhere.

3.3 Support strategies for remote and hybrid workers

It is important that employers offer support to their employees especially when they are working from home. The impact of remote working will vary from person to person due to differing needs. Generally, employees require safety, security, stability, trust relationships and social cohesion as well as the need to experience purpose and meaning in their jobs [33]. Management should support employees with flexible policies and procedures as well as provide work-related and personal support to employees. An integral part of this is to emphasise psychological wellness for both employees and managers [33]

Evanoff, Strickland, Dale, Hayibor, Page, Duncan, Kannampallil and Gray [34] in their study revealed that perceived low support from a supervisor predicts a range of negative psychological consequences, including anxiety and depression. Therefore, employers can develop managers' skills, offer progression, set clear expectations, and offer choice to employees.

These techniques will be discussed below:

- **Develop manager's skills:** line managers must be suitably skilled for remote working to be beneficial for employees. Managers need to develop skills to manage remote workers through easy communication, monitoring and motivating them as effectively as they would if they were at the office [35].

- Offer progression: employers should always consider career development opportunities for employees even though they are working from home [36].
- Clear expectations: remote working can improve employees' well-being if managed properly. Therefore, employers should clearly state what they expect from their remote employees in order to mitigate the potential effects of work-related stress [37].
- Offer choice: where possible, remote working should be optional because it is not a suitable work arrangement for all employees. If remote working is the only option, clear guidance on alternative co-working spaces should be provided [36].

3.4 Advancing the psychological well-being of remote and hybrid employees

Employee well-being should be a priority and promoted within the organisation because it is not only beneficial for employees for even for the organisation itself. Employee well-being incorporates all aspects of well-being, it is about optimising both physical and psychological health [38]. Aldana [39] reconns a healthy and happy workforce is more productive and engaged and that work life has a big impact on general employee happiness.

Feeling painful emotions disappoints or failure is a normal part of life and being able to manage these emotions is essential for long-term well-being. Psychological well-being is, however, compromised when negative emotions are extreme and interfere with a person's ability to function in his/her daily life. Effective psychological functioning involves the development of one's potential, having some control over one's life, having a sense of purpose and experiencing positive relationships [38, 40].

García-Moya, Brooks, Morgan and Moreno [41] suggest that psychological well-being can be promoted through positive experiences. Employee well-being can be promoted by focusing on the following issues: senior leaders' participation, raising awareness of psychological well-being, promoting employee dialogue and decision making, developing a culture of openness, inspiring work-life balance, learning and development, positive working relationships and social activities and peer support and buddy systems. These measures will be discussed below.

- **Senior leaders' participation:** Employers should send a clear message that employee well-being matters and that it is a priority for management. This also includes an emphasis on psychological well-being. For example, when the CEO addresses the importance of psychological well-being, it is likely to make a huge impact [38].
- **Raising awareness on psychological well-being:** Many if not most organisations treat psychological well-being as a stigma and often employees are not comfortable to speak up about their well-being challenges. This means such problems can quickly spiral out of control. Employers need to raise awareness, hold discussions on psychological well-being and proactively challenge any possible impact on the organisation's culture and work-related relationships [41, 42].
- **Promoting employee dialogue and decision making:** Employee dialogue and involvement in decision-making are highly encouraged. When employees feel

involved and well informed about new developments within the organisation, they are likely to experience increased motivation. Furthermore, leaders should include employees in decision-making processes, not only regarding their jobs but in the organisation's vision and direction as well [36]. Additionally, management should manage organisational changes such as implementing new systems in a collaborative and inclusive way [38].

- **Develop a culture of openness:** It is important that managers regularly communicate with their employees on whether they are coping especially when remote and hybrid working apply [41]. This will help identify some issues that might be contributing to their stress levels if any. If employees are comfortable, this can be conducted in a group setting and allow each employee to talk about their well-being. This is likely to promote positive attitudes and behaviours, help normalise conversations on health challenges and encourage employees to think more about their own well-being [36].
- **Inspire work-life balance:** long work hours might seem manageable to most employees, but sustained pressure and a poor work-life balance can easily lead to increased stress and burnout, reduced levels of productivity and performance and lack of creativity and critical thinking. Therefore, employers should encourage employees to work sensible hours, rest, recuperate and find a balance between their work and personal lives [41].
- **Learning and development:** Research by Riasudeen and Singh [35] on employee engagement revealed that employees need and want to feel valued, supported and to perform meaningful work. An organisational culture that values its employees and supports their growth and development should thus be evident. Development opportunities should be made available to employees where possible. This can be done cost-effectively through existing skills and knowledge within the organisation to develop coaching, mentoring or training opportunities. Moreover, managers should avail themselves of regular work-related interactions with employees.
- **Positive working relationships and social activities:** positive working relationships are partially encouraged by a mutually supportive environment created by both employees and employers. For healthy work relationships, employers should encourage and support teamwork, collaboration and information sharing. It is equally important that employers encourage regular social events amongst employees to boost their health, teamwork and psychological well-being [41, 43].
- **Peer support and 'buddy systems':** Employees might often feel the need to speak to a peer or a colleague. Peer support allows employees to support each other outside the line management structure. It also offers a great way to maximise teamwork, employee interaction and promote unity. Buddy schemes are used by many organisations and are mostly beneficial for new employees. Through this system, new employees understand and relate with the organisation better and quicker and are likely to feel supported and encouraged by the organisation [36, 44].

4. Employee development for remote working in Africa

With barriers to digital adoption and inequalities in employment and infrastructure, African employees need to be continuously kept abreast as the world enters a new era of high-tech, remote and hybrid working. With a high population of youth unemployed, Africa's growth will depend on the employment of these youths provided they have a great degree of digital technology skills. For example, Sub-Saharan Africa is estimated to require digital skill knowledge by 2030, presenting an opportunity of around \$130 billion for investors and education providers to train the future workforce and those already in the employment space [45]. The COVID-19 pandemic has taught Africa that there is a need to shift the frontier of skills that are essential for the future world of work, which is influenced by technology and automation. From an African perspective, this means disrupting the cultural barriers to working by emphasising the urgent need for digital and socio-behavioural skills for employees to enable them to effectively work from anywhere.

The rurality of Africa with its richness in natural resources is suitable for the development of socio-behavioural skills and digital skills of its human capital, thereby disrupting the traditional notion of firms and expanding global supply chain by allowing rural clusters of firms to emerge, grounded on traditional cultures fused with digital technologies for global relevance purposes. In tandem with the notion above, studies [1, 46] have pointed out that many new skills for the future are those that would require agility in terms of how employees work and adapt to new ways, as opposed to what employees know. Employers in Africa, therefore, need to keep pace with technology, and see the re-learning of new skills, thinking and behaviours of employees as a transformative vehicle for remote and hybrid working going into the future world of work. The anticipated envisaged continuous transformative development of employees to enhance remote and hybrid working in Africa in the future world of work cannot be achieved when the continent does not deal with the issues of power supply and internet access [47].

5. HR implications for remote and in working in Africa

With an existence of work that is uncertain as crises come one after the other, digital technology continues to be the vehicle that will ripple away the traditional ways of working and embrace remote or hybrid working. This new wave of change presents an opportunity for human resource practitioners to elevate themselves from just being operational to strategic through being proactive and demonstrating what they can offer in this digital era. For example, during crises situations, the role of HR in seeing significant training and upskilling of employees is imperative. The future world of work emphasises critical skills versus roles [48]. While this might be the case, in the African context, specifically, this emphasis cannot be done in isolation but must be complemented by good, improved electricity and internet connection availability in remote rural areas and townships as well as taking into consideration the gradual adoption of technology in workplaces of the continent. The African concept of 'ubuntu' – 'am because we are' must not be seen to be dehumanised because of remote working.

Linked to this, the 'ubuntu' concept is for HR leaders to determine how productive and efficient employees can be given a history of strong unionism and fighting

the employer as a solidarity group (physically present) and not from isolated remote working environments. In addition to this, most workers in Africa, especially in countries like South Africa are known for deriving their power in their numbers flexible working is a new concept developing in Africa, HR leaders need to also consider how it affects the mental health of employees. The implications are that resilience coaching to curtail the much-anticipated added strain to employee engagement, culture and value propositions should be prioritised. This means activities such as onboarding will be remotely done, but the question then is, how HR leaders will embark on such activities remotely, to ensure that there is bonding among team members to make new recruit's part of the organisational culture virtually.

6. Conclusion

The chapter unpacked the COVID-19 challenges in the African context, specifically those pertaining to remote and hybrid working. Support strategies were proposed to advance the psychological well-being of employees as well as to assist employee development in the African context.

One of the top priorities for HR departments posts any crisis is to establish a balanced structure to foster a thriving workplace culture that is suited to flexible working conditions. The challenge for HR leaders is to maintain the social dynamics between employees within an increasingly dispersed workforce.

Author details

Deseré Koko* and Crispin Chipunza
Central University of Technology, Bloemfontein, Free State, South Africa

*Address all correspondence to: koktd@cut.ac.za

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Arkenberg C Lee P, Evans A, Westcott K. TMT Predictions [Internet]. Deloitte Insights. 2022. Available from: <https://www2.deloitte.com/content/dam/Deloitte/pt/Documents/technology-media-telecommunications/TMTPredictions/tmt-predictions-2022/TMT-predictions-2022.pdf>
- [2] McCarthy N. COVID-19: How many remote workers are there in different parts of Europe? [Internet]. 2021. Available from: <https://www.weforum.org/agenda/2021/05/europeans-work-from-home-remote-covid-coronavirus-pandemic-europe-eu/>
- [3] Lavelle J. Gartner CFO Survey Reveals 74% Intend to Shift Some Employees to Remote Work Permanently. [Internet]. 2020. Available from: <https://www.gartner.com/en/newsroom/press-releases/2020-04-03-gartner-cfo-survey-reveals-74-percent-of-organizations-to-shift-some-employees-to-remote-work-permanently2>
- [4] BusinessTech. Amazon announces 3000 new work-from-home jobs in South Africa – here’s why you need to apply. [Internet]. 2020. Available from: <https://businesstech.co.za/news/technology/408635/amazon-is-hiring-for-3000-jobs-in-south-africa-heres-what-you-need-to-apply>
- [5] Cheremond RJ. 9 Future of work trends Post-COVID-19. [Internet]. 2020. Available from: <https://www.gartner.com/smarterwithgartner/9-future-of-work-trends-post-covid-19/>
- [6] Van der Meulen R. Gartner Survey Shows 51% of CFOs Are Preparing for Up to 30% Decline in Revenue This Year Due to COVID-19. [Internet]. 2020. Available from: <https://www.gartner.com/en/newsroom/press-releases/2020-04-16-gartner-survey-shows-51-percent-of-cfos-are-preparing-for-up-to-30-percent-in-revenue-this-year-due-to-covid19>
- [7] Anderson AO. Serious IT considerations for a post-COVID-19 world. [Internet]. 2020. Available from: <https://hrdailyadvisor.blr.com/2020/06/25/serious-it-considerations-for-a-post-covid-19-world/>
- [8] Etherington D. Virgin Galactic with NASA to develop supersonic point-to-point air travel. [Internet]. 2020. Available from: <https://techcrunch.com/2020/05/05/virgin-galactic-is-partnering-with-nasa-to-develop-supersonic-point-to-point-air-travel/>
- [9] Fernholz T. Elon Musk’s SpaceX has put two people in orbit. Available from: <https://qz.com/1862938/elon-musks-spacex-has-put-two-people-in-orbit/> [Internet]. 2020. Available from: <https://qz.com/1862938/elon-musks-spacex-has-put-two-people-in-orbit/%0A%0A>
- [10] Bersin J. Workday fires a cannon into the HR technology market. [Internet]. 2019. Available from: <https://joshbersin.com/2019/10/workday-fires-a-cannon-into-the-hr-technology-market/>
- [11] Grant M. Remote Working and Its Impact on Employee Job Satisfaction during COVID-19. Winona: Winona State University; 2021
- [12] Wang B, Liu Y, Qian J, Parker KS. Achieving effective remote working during the COVID-19 Pandemic: A Work Design Perspective. *The Journal of Applied Psychology*. 2020;**10**(11):3-54

- [13] Allen DT, Golden DT, Shockley MK. How effective is telecommuting? assessing the status of our scientific findings. *Psychology Science Public Interest*. 2015;**16**(2):40-68
- [14] Russell S. How remote working can increase stress and reduce well-being. 2019. [Internet]. Available from https://uk.news.yahoo.com/remote-working-increase-stress-reduce-093653600.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAC9bbK8OuWV7MZr02mI4Y3sGNbsxvYYD_Ti70BbFeJRO5CfSbVfqh3s5wgA7p9LRN3PkV6P_S5xE4wFPj-r11SZcyDJTTf1haXQGYN-n5HrzF_DhbfGyaouP21lc4bTGRO7Sxy7h5udTfwwYrrEvECfPwuRIfOzwQTKbcBD4PP-
- [15] Novotney A. The risks of social isolation. *American Psychological Association*. 2019;**50**(5):32
- [16] Scott E. 8 Tips to Handle the Stress of Working From Home. 2021. [Internet]. 2020. Available from: <https://www.verywellmind.com/the-stress-of-working-from-home-4141174>
- [17] Royal Society for Public Health. Survey reveals the mental and physical health impacts of home working during Covid-19. [Internet]. 2021. Available from: <https://www.rsph.org.uk/about-us/news/survey-reveals-the-mental-and-physical-health-impacts-of-home-working-during-covid-19.html>
- [18] Hafermalz E, Riemer K. Productive and connected while working from home: What client-facing remote workers can learn from telenurses about belonging through technology. *European Journal of Information Systems*. 2021;**30**(1):89-99
- [19] Rothmann S, Cilliers F. Present challenges and some critical issues for research in industrial/organisational psychology in South Africa. *SA Journal of Industrial Psychology*. 2007;**33**(1):8-17
- [20] Al-Habaibeh A, Watkins M, Waried K, Javareshk MB. Challenges and opportunities of remotely working from home during Covid-19 pandemic. *Journal of Science*. 2021;**3**:99-108
- [21] Davis B. 12 Biggest Challenges of Working from Home – How to Overcome Them. 2021. [Internet]. 2021. Available from: <https://www.moneycrashers.com/challenges-working-home-business-avoid-failure/>
- [22] Gibbs M, Mengel F, Siemroth C. Work from Home & Productivity: Evidence from Personnel & Analytics Data on IT Professionals. Chicago; 2021
- [23] Janza N. Remote Work – Advantages and Disadvantages. [Internet]. 2021. Available from: <https://www.spica.com/blog/remote-work-advantages-disadvantages>
- [24] Nyberg AJ, Shaw JD, Zhu J. The people still make the [Remote Work-] place: Lessons from a pandemic. *Journal of Management*. 2021;**47**(8)
- [25] Toniolo-Barrios M, Pitt L. Mindfulness and the challenges of working from home in times of crisis. *US National Libraries*. 2021;**64**(2):189-197
- [26] Parker SK, Knight C, Keller A. Remote Managers Are Having Trust Issues. [Internet]. 2020. Available from: <https://hbr.org/2020/07/remote-managers-are-having-trust-issues>
- [27] Adam H, Galinsky AD. Enclothed cognition. *Journal of Experimental Social Psychology*. 2012;**48**(4):918-925
- [28] Linders, B. Assessing remote employee experiences for hybrid

remote work settings [Internet] 2022. Available from: https://www.infoq.com/news/2021/07/hybrid-work-settings/?itm_source=infoq&itm_medium=related_content_link&itm_campaign=relatedContent_articles_clk

[29] Human Sciences Research Council 2020. Running remote Seminars in a time of Covid-19. [Internet] 2022. Available from: <http://www.hsrc.ac.za/en/review/hsrc-review-covid19-april-2020/running-remote-seminars-in-time-of-covid19>

[30] Osoba, A. Challenges of working remotely in Africa. [Internet], 2021. Available from: <https://www.infoq.com/articles/working-remotely-Africa/#:~:text=The%20unique%20challenges%20of%20working,financial%20difficulties%2C%20and%20societal%20problems>

[31] Haas M. 5 Challenges of Hybrid Work — and How to Overcome Them [Internet] 2022 Available from: <https://hbr.org/2022/02/5-challenges-of-hybrid-work-and-how-to-overcome-them>

[32] Chetty K. Working from anywhere: Is South Africa ready? [internet]. 2020. Available form: <http://www.hsrc.ac.za/en/review/hsrc-review-march-2021/working-from-anywhere>

[33] Greenwood K, Krol N. 8 Ways Managers Can Support Employees' Mental Health. 2020

[34] Evanoff BA, Strickland JR, Dale AM, Hayibor L, Page E, Duncan JG, et al. Work-related and personal factors associated with mental well-being during the COVID-19 response: Survey of Health Care and Other Workers. *Journal of Medical Internet Research*. 2020;22(8):e21366

[35] Riasudeen S, Singh P. Leadership effectiveness and psychological

well-being: The role of workplace spirituality. *Journal of Human Values*. 2020;27(2):109-125

[36] Fang X, Zhang J, Teng C, Zhao K, Su K-P, Wang Z, et al. Depressive symptoms in the front-line non-medical workers during the COVID-19 outbreak in Wuhan. *Journal of Disorders*. 2020;2020:441-445

[37] Waterman AS, Schwartz SJ, Zamboanga BL, Ravert RD, Williams MK, Agocha BV. The questionnaire for eudaimonic well-being: Psychometric properties, demographic comparisons, and evidence of validity. *Journal of Psychology*. 2010;5(1):41-61

[38] Adams JM. The value of worker well-being. *Journal of Public Health Reports*. 2019;134:6

[39] Aldana S. 7 Important reasons to offer employee well-being at work. 2022. [Internet]. 2022. Available from: <https://www.wellsteps.com/blog/2020/01/02/employee-well-being-at-work/>

[40] Huppert FA. Psychological Well-being: Evidence Regarding its Causes and Consequences. *Applied Psychology: Health and Well-Being*. 2009;1(2):137-164. DOI: 10.1111/j.1758-0854.2009.01008

[41] García-Moya I, Brooks F, Morgan A, Moreno C. Subjective well-being in adolescence and teacher connectedness: A health asset analysis. *Health Education Journal*. 2015;74(6):641-654

[42] Bartels AL, Peterson SJ, Reina CS. Understanding well-being at work: Development and validation of the eudaimonic workplace well-being scale. *PLoS ONE*. 2019;14(4):e021

[43] Panaccio A, Vandenberghe C. Perceived organizational support, organizational commitment and

psychological well-being: A longitudinal study. *Journal of Vocational Behavior*. 2009;75(2):224-236

[44] Banerjee K. *Why Companies Are Adding Mental Health Benefits for Their Employees*. 2021

[45] International Finance Corporation [IFC]. *Digital Skills in Sub-Saharan Africa* [internet] 2018. Available from: https://www.ifc.org/wps/wcm/connect/58f4396b-fcee-49c8-82a4-614fd3d53ea3/Digital+Skills+Report_WEB_ES.pdf?MOD=AJPERES&CVID=mGkda3h%20

[46] The World Bank. *The Future of Work in Africa: The Roles of Skills, Informality, and Social Protection in Unleashing the Promise of Digital Technologies for All* [internet] 2019. Available from: <https://www.worldbank.org/en/region/afr/publication/africa-future-of-work>

[47] Monthe P. *3 ways Africa needs to adapt to the era of remote working* [Internet] 2022. Available from: <https://www.weforum.org/agenda/2022/03/3-ways-africa-remote-working/>

[48] Reed J. *South Africa: Could Employers Who Don't Offer Remote Working Lose Valuable Talent?* [Internet] 2022. Available from: <https://www.mondaq.com/southafrica/health-safety/1171244/could-employers-who-don39t-offer-remote-working-lose-valuable-talent>

Chapter 6

Managing Workplace Skills Development during the COVID-19 Pandemic

Agnes Nyamande-Pitso

Abstract

South Africa has a huge skills shortage and by 2021 unemployment rate was 34.9 percent with 66.5 percent thereof amongst the Black youth aged between 14 and 25 years. Thus, managing workplace skills development is essential to ensure the development of an adequate and appropriately skilled Youth can get employment, enter the mainstream of the economy, and benefit therefrom. Consequently, after discussions with various stakeholders, government set up the National Skills Fund aimed at addressing the structural mismatch between the demand and supply of skills and the low skills output. The chapter reviews research done by various researchers to determine reasons for the low skills output with focus on the strategy, skills transfer, communication, and job readiness processes used by business as determinants for the success of the skills training. Almost 23 years after the commencement of the NSDP, skills output remained lower than expected with no proof of formal discussions to find solution to the low output. The COVID-19 pandemic brought to the fore additional technological and remote learning challenges that presented a different type of dilemma. Thus, it may take even longer for skills output to increase compared to the period prior to the onset of the pandemic.

Keywords: skills shortage, Black youth, unemployment, NSDP, COVID-19

1. Introduction

It has been twenty-three (23) years since the democratic government set up a national skills development programme (NSDP) to increase the number of adequate, appropriate, and high-quality skilled individuals that contribute towards economic growth [1]. The programme was meant to address the current structural mismatch between labour demand and supply as the job market demanded high skills in an environment with low skills [2]. The priority of the democratic government has been to address the low skills level which contributed towards the current structural mismatch between labour demand and supply as the job market demands high skills in an environment with low skills. Thus, the NSDP was unique in that it was meant to increase the number of job ready Youth and enhance the skills supply to the job market and address the shortage of skills required to grow the economy [3, 4]. Thus, the government funded skills development programme was meant to improve the employability of the skilled workforce and support inclusive growth through

employment equity [4]. After 23 years of government collaborating with trainers and billions of Rands spent on training, the skills output was reported to be lower-than-expected and the skills gap has not narrowed [5].

Thus, an attempt was made to explain the skills shortage experienced by business using various research results on skills development but the skills output was reported to be lower than expected [5]. Unemployment continued to rise, reaching 34.9 percent during the first quarter of 2022, compared to 34.5 percent estimated at the third quarter of 2021 which was the highest since 2008 [6]. The low output caused a serious training dilemma since billions of rands have been used to support and encourage business to partake in the skills development initiative using the workplace as a learning environment, providing employees (learners) opportunities to acquire new skills and providing the opportunity to gain experience needed to find employment [7].

The most disturbing fact about the youth unemployment statistics was that the majority of the unemployed was the youth between 15 and 24 years, at 63.9 percent of the total unemployment in the first Quarter of 2022 [8] when there was a demand for skills in the job market [9]. The scenario was indicative of a mismatch between the job demand by the market and skills supplied [10]. The mismatch has negative consequences and according to the ILO, job and life satisfaction can be affected, productivity and competitiveness can increase unemployment, and for countries and regions, competitiveness and attractiveness to investors can be affected, resulting in lost business opportunities to create more jobs and productive transformation [10].

Consequently, the chapter reviewed empirical research works by various researchers to explain the reasons for the low skills output by businesses that are partaking in the government funded NSDP before and after the beginning of the Covid 19 pandemic. The chapter highlighted possible gaps in the skills training that must be addressed to improve the low skills output challenges were being addressed before and after the COVID-19 pandemic to make a deduction about the future of skills development and skills output was made.

It must be noted that several assumptions were made to explain skills development, namely, that skills development automatically led to the employment of trainees and did not factor in issues of job discriminatory hiring based on race [11, 12]. Another assumption made was that business trainers would utilise the workplace as an investment contribution for training and were not primarily motivated by the tax incentives derived from participating in the NSDP, and the enhanced benefits and business standing in the Broad-Based Black Economic Empowerment (B-BBEE). Trainers can use training as a marketing tool by listing in the BEE directory which gave preference to training organisations as BEE-compliant suppliers [13].

2. Methodology

A desktop study was carried out to review online research done before and after the pandemic on skills development focusing on businesses trainers that are utilising the workplace to develop skills under the NSDP programme. The review covered the period before and after the between 2015 and 2022, and where literature was limited, the research study was extended to cover the period prior to 2015.

Online peer reviewed articles that focused mainly on skills development by business and the audited evaluation report of the Department of Education was used. In this study, it was the Department of Education and Training's NSDP evaluation from 2011 to 2016 [5] was used, including the statistical data from Statistics South

Africa (Stats SA). Stats SA was the lead and partner in producing systems for evidence-based decisions that enable government, citizens, articles by the International Organisations, and business to understand changes in society [14], including notices related to job availability. The trend of the research results prior to the pandemic and during the pandemic was used to deduce/predict future skills outcome and highlighted skills management areas that need improvement to increase skills output.

3. Study results prior to the pandemic

The skills training needs to follow the human development approach and improve the lives of people [15]. Literature reviewed showed that for the period prior to the pandemic, the skills training programme failed to produce sufficient skills to bridge the gap between demand and supply of skills. Thus the skills shortage continued to impact negatively on employment equity and the Broad-Based Black Economic Empowerment (B-BBEE) [16]. The evaluation report (NDSS 111) highlighted the following results [5]:

- a. An estimated 50.2 percent of employers stated that the supply of skills was below expectation, 42.1 percent indicating that expectations were met,
- b. About 51.1 percent indicated that the main motivation for training was to upskill employees in existing occupations, with only 17.9 percent providing young people with work experience through apprenticeships, learnerships and/or internships,
- c. Between 2006 and 2016, the average profit margin for the South African formal business sector declined,
- d. Surveyed members of organised labour indicated that training did not contribute towards equity,
- e. There are mixed views on whether skills development has been effective in increasing employment equity. Employers believed that employment equity improved but trade unions and the evidence from the Department of Labour painted a less positive picture, and
- f. Thirty-seven percent (37 percent) of graduates were unemployed after completing the programme.

Thus, the report [5] showed that employers were facing challenges when implementing the training programme which indicated that there was no maximum use of financial resources (investment) as shown a sizeable number of programme graduates remain unemployed.

With regards to the desktop results, the strategy used by trainers was noted, and a good strategy executed properly can result in improved performance [17]. However, communication was cited as crucial for human interaction during the development process and lack thereof has been a challenge [18]. It was argued that there was need for thought-out communication and information strategies in concurrent with an effective strategy which involved employees in the planning and implementing processes, including the engagement of the entire organisation improved the understanding and support by everyone [18, 19]. Regarding skills development, funding

was essential for the execution of the plan, and government funding was expected to enable the execution of the plan and enhance the skills output [20, 21].

The training was expected to assist trainees acquire skills to be job ready and that involved participation during change, quality of change, commitment, attitude of top management towards change, support by supervisors and trust in leadership. Supervisory support, according to other studies, motivated trainees to learn and enhanced the training and skills transfer [22, 23]. Literature reviewed showed that the various studies carried out focused on business that did not partake in the NSDP and the results showed that the strategy remained a challenge in many industries, namely:

- a. Government sectors [24, 25],
- b. SMMEs [26]
- c. The insurance industry [27],
- d. The tourism industry [28],
- e. Selected strategic leaders in the 2006 Financial Mail Top 200 companies [29], and
- f. The banking industry [30].

Besides the audited report by the Department of Education, a recent study which focused on businesses that are participating in the skills training programme which provided evidence and gave insight on the possible reasons for the low skills output. The following were the possible reasons for the lower- than-expected skills output [31]:

- a. Lack of appropriate strategies and focus,
- b. Poor communication,
- c. Poor feedback, and
- d. Poor knowledge and skills transfer.

In South Africa, there exists a knowledge gap in terms of understanding the reasons why training consistently fail to increase skills output as expected and the recent study [31] partly closed the information gap by identifying processes that could be attributed to the low skills output. Further, a review of literature prior to the pandemic showed that there was limited research probing the reasons for the low skills output by business from the implementation implementation process viewpoint [31]. The review of literature covered a period when the skills training programme was being implemented [20, 21]. To understand the training processes, it was important to interrogate the knowledge and skills acquisition (transfer) through the strategy implementation. Ideally, the skills transfer process was expected to give a positive outcome of skilled individuals required for economic development. Another study [32] provided a reasonable explanation for a mechanism through which the knowledge transferred enhanced innovation and performance. Even though has no clear definition, it was a powerful concept [33].

The current chapter described knowledge as an operational concept and from a managerial sense, it was a strategic resource adequate for a business output [33]. Thus, the recent study showed that strategy, communication, the skills transfer, and the ultimate job readiness of the trainees influenced the expected positive economic advancement that knowledge brings, the expected and actual impact on economic development as the business environment changed when both the environment of learning and work changes [31, 34]. Changes in both the environment of learning and work required strategic management based on the analysis of three basic processes [34] which are environmental scanning, strategy formulation, and implementation [35]. Thus, theoretical models were used to explain known facts and enable predictions about expected outcomes or what should be observed if theories were evaluated as principles representing the reality on how the system behaved [36].

The audited government report [5] and the most recent study [31] recent study done prior to the commencement of the COVID-19 pandemic showed that there were challenges with the implementation of the government funded training programme than can be used to explain the lower-than-expected skills output prior to the pandemic. Although there were diverse types of trainers partaking in the government funded skills development programme, the paper focused primarily on the skills training contribution by business prior to the pandemic. Government funding continued to enable business to implement the skills training and increase the possibility of increasing employee (trainee) readiness and improve employment equity in the workplace [16, 30]. According to The Human Development Theory and the Human Capital Theory used for explanatory and prediction purposes, allowance was made for trainees to be viewed as a produced means of production [16] with the potential of producing surplus value [17]. In addition, the Social Capital Theory gave emphasis on social relations and the current relations between government, labour, and unions was an investment with skills acquired by trainees as the expected return on investment [17]. Thus, innovation, availability of funding and resource allocation were critical for increased skills output. Rich as South Africa was, in 2020 aggregated wealth was concentrated amongst 10 percent of the population who owned 86 percent [37] and continued to be characterised by extreme poverty levels, inadequate education and health services, high inequality, and unemployment [38]. Thus, human development attributes necessary for sustained economic growth did not adequately reinforce one another [39].

Since economic growth was currently weak, it undermined progress made in the poverty reduction [40]. The paper focused on the government funded training programme to enable business to participate in bridging the current skills gap to make Youth employable. Regarding the successful transfer of skills, two theories were used. The Human Resource Development Theory that assumed that training enhanced skills acquisition and The Capital Theory assumed that skills acquired by trainees were a form of investment that was used for development [18, 19] and enhanced economic growth [8] as unemployment reduced.

Unfortunately, unemployment remained high, and skills development continued to be a challenge almost 23 years after the Skills Development Act of 1998 and 13 years after the Global Crisis which resulted in the loss of about a million jobs in one day [41]. Consequently, high unemployment amongst Black youth [27], including high income inequality [42], continued unabated. Thus, having a well-articulated strategy does not necessarily translate to an increase in successful skills output of skilled trainees with commendable skills and job performance. The challenge was with both the formulation and implementation of the strategy and as such most strategic planning efforts did not achieve the desired outcome resulting in wasted investment expenditure or inefficient

use of resources [43]. The programme funding and related resources were not being utilised efficiently as shown by the following challenges that were found to be affecting the skills development programme by business prior to the COVID-19 pandemic [5, 31]:

- a. Strategy focus,
- b. Communication,
- c. Knowledge and skills transfer, and
- d. Job readiness.

The challenges impacted negatively on the overall output of job ready youth. Therefore, it was concluded that there was need for business to be change agile as highlighted in other reports [44–48]. In general, the literature review showed that the strategy and implementation of the strategy remained a challenge and as such, most strategic planning efforts resulted in low return on investment [44–48].

4. Challenges after the onset of the COVID-19

The COVID-19 pandemic presented business with a different type of dilemma forcing change overnight with companies opted for offline-online working models [49]. Questions on whether remote working would fade and whether the containment phase of the crisis would gradually recede were not adequately answered. Currently, companies have the need to adapt employees' skills and roles to build operating-model resilience [49]. The COVID-19 pandemic commenced at a time when discussions were inconclusive on the impact that automation would have on work, the possible scenarios for employment growth, whether there will be sufficient work in the future, and the impact of automation on skills and wages and how the workforce transitions will be managed [50].

It has been long time (23 years) since the the skills training programme started but skills demand and unemployment remain high (**Figure 1**) and job losses due to the pandemic presented a dilemma on top the of the already existing low skills output

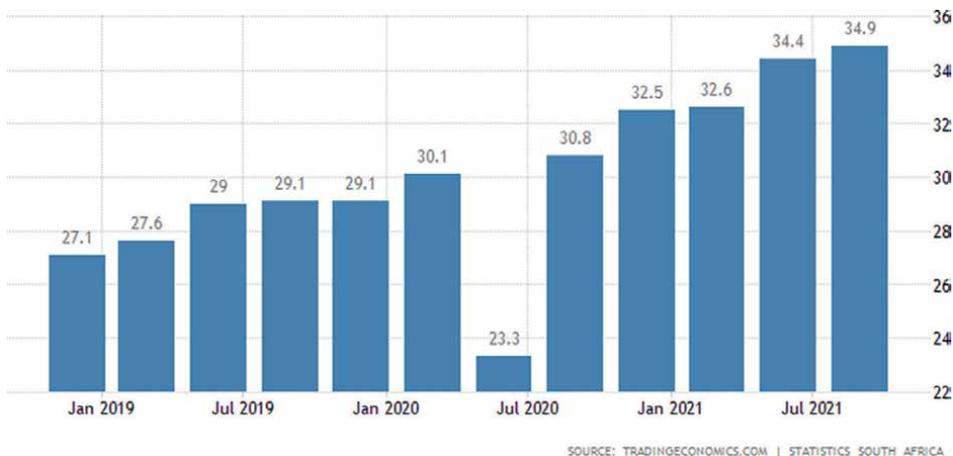


Figure 1. Unemployment rates (2019-2021). Source: Statistics South Africa (2022).

dilemma [51]. The report showed that 85.4 percent of businesses had a turnover below the normal range while 46.4 percent indicated temporary closure or pause in trading activity and an estimated decrease in the workforce size. About 30.6 percent of businesses reported that they could survive less than a month without any turnover, while 54.0 percent could survive between one (1) and three (3) months [51]. The COVID-19 lockdown and physical distancing measures were reported to have caused unprecedented disruption in the provision of education aimed at increasing the number of skilled workers (Youths) in the job market [52].

However, there was limited insight on how the COVID-19 pandemic affected the skills training by business as compared to the information on Technical and Vocational Education and Training (TVET) trainers [52]. According to the report, TVET programmes were hard hit because of the focus on work-based learning and the acquisition of practical skills and recommendations on how to address the challenges brought by Covid-19 pandemic, brought to the fore the following [52]:

- a. The need to expand the use of online and offline distance learning to meet the COVID-19 challenge,
- b. The importance of mobilising human and financial resources to expand distance learning,
- c. The importance of co-operation between TVET institutions and schools, telecommunication operators, technology providers and governments, and
- d. The importance of remote learning, socio-emotional skills, and future crisis preparedness.

With regards to the training, it was important to emphasize that the trainees targeted by the training programme are unemployed Black youth from low-income households that have low access to online/remote learning because of pre-existing digital and social divides [53]. That may present a risk of not achieving the learning objectives. However, it has been reported that TVET providers that switched to online distance learning may risk leaving the disadvantaged learners behind [52].

5. The future of skills development training

The process of correcting the shortage of skills in the job market has been slow and understanding of factors inhibiting an increase in skills output an evaluation of the strategy and implementation to enhance the skills. Prior to the pandemic, serious challenges impacted on the output of the skills to the job market and ranged from the strategy, communication, skills transfer [6]. However, the limited information/discussions or debate on how business can address the identified training challenges, will result in lower-than-expected skills output and it will take a longer period to recover because the Covid-19 pandemic has caused an interruption in the structure of training [52].

The crisis caused by the pandemic was reported to be the worst global crisis since the second World War [52] and thus, the skills training challenge since the onset of the crisis presents another dilemma on top of the already existing dilemma of lower-than-expected skills output. Thus, the skills output since the onset of the pandemic will be the lowest because of challenges identified prior to the pandemic which

were not addressed, and the structural changes brought about by the pandemic. Further, the costs related to the use of data and load-shedding will have a detrimental influence on education [54], including the training programme by business. Thus, load shedding remained a threat to the use of the basic technology meant to ease the disruptions caused by the COVID-19 pandemic.

A world report [52] predicted that it would take longer for economies to recover fully after the pandemic was over and to reach the employment rates like those achieved prior and South Africa was not different. In the case of South Africa, it is argued that the complexity of training challenges and the new technological challenges and loadshedding will result in even lower skills output because of inadequate technological infrastructure and data usage because Black learners (youth) may not afford the costs related to the use of data [52].

6. Conclusions

The paper introduces the reason for the government funded skills development programme and the rationale behind having such a programme that enable the disadvantaged and unemployed majority to access employment. The study showed that business was facing challenges with regards to the strategy and the implementation thereof. The theories used failed to fully explain the lower-than-expected skills output both prior and post to the pandemic. Literature reviewed to determine reasons for the low skills output, showed that business had challenges ranging from strategy focus, communication, knowledge, and skills transfer and ensuring trainee job readiness. Although challenges were identified and needed to be addressed urgently, there was no literature or documentation to indicate that there were discussions on how best how best to resolve the challenges and increase the skills output. However, the onset of the pandemic necessitated technological interventions to reduce its negative impact on the skills training. Thus, the challenges experienced by business were categorized under the before and after the COVID-19 pandemic. A comparison of the two sets of challenges showed that in addition to the strategy and implementation challenges, business faced technological challenges, making skills training more difficult. The conclusion reached was that the future of the managing the skills development programme was likely to be more challenging than prior to the pandemic. Thus, skills output may not increase anytime soon unless the challenges identified prior to the pandemic were addressed. The accumulation of unresolved challenges prior to the pandemic have complicated the implementation of the skills training programme and that will further impact negatively on the skills output. Thus, the future of managing the skills training will be unpredictable, making it difficult to predict how long it may take to increase the number of skilled Youth entering the job market. Although there are socio-economic and political factors that may impact on the success of the skills training, there are no known studies that have probed the impact of the socio-economic and political dynamics on the success of the National Skills Development Programme. Such a study may inform planners on the best strategy to adopt for maximizing the return on investment.

Acknowledgements

Special thanks to the Academic Editor, Diana Dias for editing the chapter.

Abbreviations

ILO International Labour Organisation
NSDP National Skills Development Programme
TVET Technical and Vocational Education and Training

Author details

Agnes Nyamande-Pitso
International Peace Diplomacy Corps Inc. (IPDCI), Philippines

*Address all correspondence to: agnesn22@gmail.com

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Department of Higher Education and Training. National Skills Development Plan 2030. 2019. Available from: <https://www.merseta.org.za/wp-content/uploads/2021/04/Promulgation-of-the-National-Skills-Development-Plan.pdf>
- [2] Asmal Z, Bhorat H, Culligan S, Hofmeyr H, Monnakgotla J, Oosthuizen M et al. 2019. Available from: <https://www.dhet.gov.za/SiteAssets/The%20Report%20on%20Skills%20Supply%20and%20Demand%20In%20South%20Africa%20-%202020.pdf>
- [3] Daniels R. Skills Shortages in South Africa: A Literature Review. 2007. Available from: <http://www.lmip.org.za/sites/default/files/documentfiles/Skills%20Shortages%20in%20South%20Africa.pdf>
- [4] Department of Higher Education and Training. National Skills Fund: Annual Performance Plan 2019/20. 2018a. Available from: <http://www.dhet.gov.za/NSF%20DOCUMENTS/NSF%202019-20%20APP.pdf>
- [5] Mashongoane T. Sustainability. 2018. Available from: <http://www.nwpg.gov.za/Documents/psdl/Dr%20Mashongoane%20-%20NSDSIII%20evaluation%20and%20NW%20perspective%201920092018.TSpptx.pdf>
- [6] Trading Economics. South Africa Unemployment Rate. 2022. Available from: <https://tradingeconomics.com/south-africa/unemployment-rate>
- [7] Department of Higher Education and Training. Draft National Artisan Development Strategy and Implementation Plan. Vol. 47. Government Gazette; 2018. p. 41074 Available from: [http://www.dhet.gov.za/Skills%20Development/Draft%20National%20Artisan%20Development%20Strategy%20And%20Implementation%20Plan%202017%20-%20For%20Public%20Comment%20\(1\).pdf](http://www.dhet.gov.za/Skills%20Development/Draft%20National%20Artisan%20Development%20Strategy%20And%20Implementation%20Plan%202017%20-%20For%20Public%20Comment%20(1).pdf)
- [8] Statistics South Africa. South Africa's Youth Continue to Bear the Burden of Unemployment. 2022. Available from: <https://www.statssa.gov.za/?p=15407#:~:text=According%20to%20the%20Quarterly%20Labour,stands%20at%2034%2C%25>
- [9] Staff Writer. Here Are the Most in-Demand Job Skills in South Africa Right Now. 2022. Available from: <https://businesstech.co.za/news/business/588656/here-are-the-most-in-demand-job-skills-in-south-africa-right-now-2/#:~:text=Despite%20this%2C%20recruitment%20activity%20over,and%20April%202022%2C%20it%20said.&text=Finance%2C%20Business%20%26%20Management%2C%20as,biggest%20increase%20in%20hiring%20activity>
- [10] International Labour Organisation. What Is a Mismatch and Why Should we Care? 2020. Available from: https://www.ilo.org/skills/Whatsnew/WCMS_740388/lang--en/index.htm
- [11] Moleke P. In: Buhlungu S, editor. State of the Nation South Africa 2005-2006. Post-apartheid era: HSRC Press; 2005-2006. pp. 202-210 Available from: https://books.google.co.za/books?id=foLKEIT3iFkC&printsec=copyright&source=gbs_pub_info_r#v=onepage&q&f=false
- [12] Yeats M. Black, White, and Different Shades of Grey. 2018. Available from: <https://www.cliffedekkerhofmeyr.com/en/news/press-releases/2018/>

employment/blackwhite-and-different-shades-of-grey.html

[13] BEE Rating Agency. Benefits of B-BBEE. BEE Empowered; 2007-2022 Available from: <https://bempowered.net/information/benefits-of-bee/>

[14] Statistics South Africa. Statement from the South African Council on Stats SA Funding. 2020. Available from: <https://www.statssa.gov.za/?p=12992>

[15] Human Development Report Office Outreach. What Is Human Development? UNDP. 2015. Available from: <http://hdr.undp.org/en/content/what-human-development>

[16] South African Institute of Chartered Accountants. Employment Equity Act no. 55 of 1998. 2017. Available from: <https://www.saica.co.za/Technical/LegalandGovernance/Legislation/EmploymentEquityAct/tabid/3041/language/en-ZA/Default.aspx>

[17] Sociawani S, Ramli B, Bin Mustafa M, Bin Yusoff RZ. Strategic planning and firm performance: A proposed framework. *International Academic Research Journal of Business and Technology*. 2015;1:201-207

[18] Christensen M. Communication as a strategic tool in change processes. *International Journal of Business Communication*. 2014;51(4):359-385 Available from: https://www.researchgate.net/publication/280207850_Communication_as_a_Strategic_Tool_in_Change_Processes

[19] Berger B. Employee/organizational communications. Institute for Public Relations. 2008. Available from: <http://www.instituteforpr.org/employee-organizational-communications>

[20] Department of Higher Education and Training. Skills Development Act. 1998.

Available from: https://ossafrica.com/esst/index.php?title=Summary_of_the_Skills_Development_Act%2C_no._97_of_1998

[21] Department of Labour. Skills Development Act and Amendments. 2009. Available from: <http://www.labour.gov.za/DOL/legislation/acts/skills-development/skills-developmentact-and-amendments>

[22] Kotzé M, Nel P. Job and personal resources as mediators in the relationship between iron-ore mineworkers' job demands and work engagement. *SA Journal of Human Resource Management*. 2019;17 Available from: <https://sajhrm.co.za/index.php/sajhrm/rt/prinrtFriendly/1183/1751>

[23] Matthysen M, Harris C. The relationship between readiness to change and work engagement: A case study in an accounting firm undergoing change. *SA Journal of Management*. 2016. DOI: 10.4102/sajhrm.v16i0.855

[24] Osah J, Khene C. Group structural elements in e-government strategy formulation at local municipal level in South Africa. *Transforming Government: People, Process and Policy*. 2018;12(1):2-15. DOI: 10.1108/TG-06-2017-0033

[25] Santura A, Muema W, Nkaabu C. Relationship between Strategy Formulation and Performance of Public Organisations in Isiolo County Government. 2017. Available from: <https://oapub.org/soc/index.php/EJEFR/article/view/191>

[26] Gomera S, Chinyamurindi W, Mishi S. Relationship between strategic planning and financial performance: The case of small, micro-, and medium-scale businesses in the Buffalo City metropolitan. *South African Journal of Economic and Management Sciences*

(SAJEMS). 2018;21(1). DOI: 10.4102/sajems.v21i1.1634

[27] Tait A, Nienaber H. Exploring the strategy-to-performance gap: The case of four south African life insurers. *Journal of Contemporary Management*. 2010;7:252-289 Available from: <http://uir.unisa.ac.za/handle/10500/4009>

[28] Grobler PA, Diedericks H. Talent management: An empirical study of selected south African hotel groups. *Southern African Business Review*. 2009;13(3) Scribd Inc. Available from: <http://www.scribd.com/doc/129948830/Talent-management-Anempirical-study-of-pdf>

[29] Fourie FB. The Role of Strategic Leadership in Strategy Implementation. University of Johannesburg; 2007 Available from: <http://hdl.handle.net/10210/141321>

[30] Baicher R. Leadership Competencies of Successful Business Leaders in South Africa. UNISA; 2005 Available from: <http://uir.unisa.ac.za/handle/10500/151>

[31] Nyamande-Pitso NA. Skills Training by Business [Unpublished doctoral dissertation]. Swiss Management Center; 2022

[32] Sung SY, Choi JN. Do organizations spend wisely on employees? Effects of training and development investments on learning and innovation in organization. *Journal of Organisational Behaviour*. 2014;35:393-412. DOI: 1002/job

[33] Bolisani E, Bratianu C. The elusive definition of knowledge. In: Bolisani E, Bratianu C, editors. *Emergent Knowledge Strategies: Strategic Thinking in Knowledge Management*. Cham: Springer International Publishing; 2018. pp. 1-22. DOI: 10.1007/978-3-319-60656_1

[34] Al-Rawahi M. Strategy Formulation. ResearchGate; 2017 Available from: <https://www.researchgate.net/project/Strategy-Formulation>

[35] Ópata CN, Sarbah A, Nusenu A, Tetteh S. The cultural school of strategic formulation (strategy formulation based on social interactions, beliefs, and traditions). *Scientific Research*. 2017. DOI: 10.4236/ojbm.2017.52029

[36] Bradford A. What is scientific theory? LiveScience. 2017 Available from: <https://www.livescience.com/21491-what-is-a-scientific-theory-definition-of-theory.html>

[37] Bakari S. Why Is South Africa Still a Developing Country? MPRA; 2017 Available from: <https://mpra.ub.uni-muenchen.de/80763/>

[38] Chatterjee A, Czajka L, Gethin A. Estimating the Distribution of Household Wealth in South Africa. Southern Centre for Inequality Studies; 2020 Available from: <https://wid.world/document/estimating-the-distribution-of-household-wealth-in-southafrica-wid-world-working-paper-2020-06/>

[39] Stewart F, Samman E. Advancing Human Development: Theory and Practice. United Nations Development Programme (UNDP); 2018 Available from: <http://hdr.undp.org/en/content/advancing-human-development-theory-and-practice>

[40] The World Bank. Overview. 2021. Available from: <https://www.worldbank.org/en/country/southafrica/overview>

[41] Steytler N, Powell D. The impact of the global financial crisis on decentralized government in South Africa. *L'Europe en Formation*. 2010;4(4):149-172. DOI: 10.3917/eufor.358.0149

- [42] Bhorat H, van der Westhuizen C, Jacobs T. Inequality and Economic Marginalisation. Income and Non-income Inequality in Post-Apartheid South Africa: What Are the Drivers and Possible Policy Interventions? Development Policy Research Unit; 2009 Available from: http://www.tips.org.za/files/u65/income_and_nonincome_inequality_in_post-apartheid_south_africa_-_bhorat_van_der_westhuizen_jacobs.pdf
- [43] Bouvier P. The Five most Common Strategy Execution Challenges. CU Management; 2019 Available from: <https://www.cumanagement.com/articles/2019/04/5-most-common-strategy-execution-challenges>
- [44] Carucci R. Executives fail to execute strategy because they're too internally focused. Harvard Business Review. 2017 Available from: <https://hbr.org/2017/11/executives-fail-to-execute-strategy-because-they-re-too-internally-focused>
- [45] Cândido CJF, Santos SP. Strategy implementation: What is the failure rate? Journal of Management & Organization. 2015;21(2):237-262. DOI: 10.1017/jmo.2014.77
- [46] Ivančić V. The biggest failures in managing strategy implementation. The biggest Interdisciplinary Management Research. 2013;9:197-208 Available from: <https://econpapers.repec.org/RePEc:osi:journl:v:9:y:2013:p:197-208>
- [47] Li V, Guohui S, Eppler MJ. Making strategy work: A literature review on the factors influencing strategy implementation. ICA Working Paper 2/2008. 2008. Retrieved from: https://www.researchgate.net/publication/49285998_Making_Strategy_Work_A_Literature_Review_on_the_Factors_influencing_Strategy_Implementation
- [48] Agrawal S, Lacroix, Reich. 2020. Available from: <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/to-emerge-stronger-from-the-covid-19-crisis-companies-should-start-reskilling-their-workforces-now>
- [49] Trading Economics. South Africa Unemployment Rates. 2022. Available from: <https://tradingeconomics.com/south-africa/unemployment-rate>
- [50] Qakoshe N. Load Shedding Continues to be a Threat to Higher Education. 2022. Available from: https://www.researchgate.net/publication/358286057_LOAD_SHEDDING_CONTINUES_TO_BE_A_THREAT_TO_HIGHER_EDUCATION
- [51] Statistics South Africa. Business Impact Survey of the COVID-19 Pandemic in South Africa. 2020. Available from: <http://www.statssa.gov.za/publications/Report-00-80-01/Report-00-80-01April2020.pdf>
- [52] International Labour Organisation. 2020. Available from: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/--ifp_skills/documents/publication/wcms_766557.pdf
- [53] Organisation for Economic Co-operation and Development. 2020. Available from: <https://www.oecd.org/coronavirus/policy-responses/the-impact-of-covid-19-on-student-equity-and-inclusion-supporting-vulnerable-students-during-school-closures-and-school-re-openings-d593b5c8/>
- [54] Qakoshe N. Load shedding continues to be a threat to higher education. 2022. Available from: https://www.researchgate.net/publication/358286057_LOAD_SHEDDING_CONTINUES_TO_BE_A_THREAT_TO_HIGHER_EDUCATION

Chapter 7

Ways of Learning: Suggestions for an Uncertain Future

Dorothy Sutherland Olsen

Abstract

Human resource managers have to keep up to date with new technologies, with changes in employment laws, business strategies as well as knowing what kind of people are coming out of the educational system. Keeping up to date on new learning methods and finding time to be creative is challenging. In this chapter a range of learning methods are presented and the challenges of adapting various learning forms to match the needs of ever-changing organisations is discussed. The starting point for understanding learning is based upon the concept of workplace learning (WPL). The study is built on interviews carried out in a range of organisations in Norway and the main finding is that different business sectors are interpreting and reinterpreting ways of learning. The potential for using these learning forms in different businesses and public sector organisations is discussed. This chapter contributes to our understanding of methods for working with skills and upskilling in an uncertain future.

Keywords: learning at work, learning forms, future

1. Introduction

One of the important tasks of HR managers is providing their organisations with the appropriate competence at all times. Sometimes this task is a simple one whereby every employee who leaves or retires is replaced by a new colleague with a similar competence profile, however, for most HR managers the task is much more complex than this. Most modern organisations exist in an ever-changing environment, where organisations can be merged, bought up, or downsized. Tasks can be outsourced, replaced by machines, or become obsolete. Specialists such as those with technology competence or an understanding of the green deal are in demand and there is often a need for a combination of firm-specific knowledge and for example updated technological knowledge. In order to ensure a good supply of qualified and competent employees, most HR managers use two methods, recruitment of new employees, and training and re-training of existing ones. It is this training and development of existing employees that we focus on in this chapter. There are many ways of developing competence and preparing employees to tackle future challenges. A quick overview of recent topics in the *Journal of Workplace Learning* in 2022 and 2021, mentions fluid work, learning from incidents, coaching, configuring workplaces for global

work, learning-oriented leadership, agile learning, self-directed learning, facilitation, problem-based learning, and simulation. All these forms of learning are available to HR managers, and they must pick and choose what is best for their employees. The study presented in this chapter looks more closely at how a diverse group of HR managers are interpreting the needs and finding solutions for their particular challenges.

In this chapter, we will examine how a range of firms and public and private sector organisations pick and choose between the various forms of learning to develop the appropriate competence for existing employees. The chapter is organised such that the data and methods used in the research are presented, followed by a presentation of some of the main concepts of learning at work and a short review of recent literature on learning at work. Examples of how HR managers work with competence development and some of the learning forms we found in a range of Norwegian organisations are described and discussed. The chapter concludes by offering some suggestions to HR managers or training managers.

2. How to understand learning at work: views from literature

There are various perspectives that have been used to study learning at work. One perspective which is relevant to the current study is workplace learning (WPL). The concept of workplace learning has gained interest among researchers trying to understand the broad aspect of learning at work. It is not limited to formal or informal learning, to theoretical or practical. It can be used to study learning in all kinds of workplaces, such as business, industry, or public sector. The concept differentiates between training and learning and suggests that the role of HR manager is not simply to make sure that employees attend courses but to ensure that they actually learn “to make sure that learners learn, not just that training takes place” [1]. An important aspect of workplace learning is that it assumes a lot of learning is social learning and thus based on interaction between workers [2] and it can be shaped by the tasks being carried out and the way the workplace is organised. Another interesting aspect of workplace learning is that theories of emergence have been used to study workplace learning [3, 4]. Emergence assumes that learning is practice-based, but knowledge or knowing is never stable and is continuously changing [5]. One of the models developed to assess different workplaces and how they might affect learning is the expansive-restrictive continuum which defines the characteristics of different working environments [6]. Lee et al. found that workplaces that had a more expansive learning environment produced better long-term learning and more adaptable employees. Thus, when using this concept, we might look for fluid and changeable forms of learning. We expect employers to be organising tasks in such a way as to stimulate new learning and we expect them to take a broad perspective on learning and not limit themselves to specific skills needed now.

A popular model for learning at work, which is frequently used by HR managers in Norway is based on the work of researcher Linda Lai, who has developed a method of linking competence development to management strategies and has championed the idea of competence planning [7]. Lai’s model defines the manager’s responsibility and highlights the importance of clearly defined work descriptions based on competence requirements. She describes competence in terms of cognitive knowledge, social knowledge, attitudes, and values.

Another learning concept that has become increasingly popular in recent years is a concept known as 70:20:10. This concept is not based on academic research but

has arisen from consultants in the US. It builds on the idea that 10% of learning is the result of formal education, 20% is the result of collaboration with colleagues or dialogue with others and the remaining 70% is the direct result of learning from tasks in the workplace. Experiences of using 70:20:10 in multinational companies have been published by Ruud [8].

In addition to these concepts of learning at work, our study of recent literature provided some interesting findings from empirical studies. The articles retrieved in the literature search can be divided into two broad themes:

- Organisation or learning context
- Self-driven learners

The majority of articles were taken up with the organisation or the context of learning often examining various factors which might support or hinder the development of a learning organisation.

Some of the factors found to affect the learning organisation are, for example, gender [9] where a gender mix was found to have a positive effect on the learning environment. Management support and particularly feedback were found to improve the learning environment for nurses and improve their motivation to learn [10], while the opportunity to develop contact with others outside the organisation seems to have a positive effect on the learning organisation. This can be achieved by encouraging employees to develop personal networks. A study of professionals [11] found that by stimulating employees to develop personal networks, their opportunity for informal learning was increased. One study carried out in a multinational company considered how social media networking might stimulate and support learning [12]. The authors suggest that social media has no place in a situation where learning is viewed as the acquisition of knowledge, but that it fits very well into the concept of learning by doing. They found that learning happened in the same way as face-to-face learning, but that employees learned more about other contexts outside their own workplaces. Negative influences on learning environments were also found in, for example, a study of a governmental social welfare department [13]. When a concept of continuous improvement based on the principles of “Lean manufacturing” was introduced, the learning environment became restricted, and employees found it difficult to define learning as a “Lean investment” or in terms of short-term economic gain. The result was that learning was down-prioritised in relation to other work tasks.

Several studies addressed the role of the learner and considered how this might influence the learning process. One such study [14] looked at a learner-centric model and examined ways in which employees become learning agents responsible for their own learning. They found that in order to succeed as learning agents, the employees should have had some time to develop their identities, that is, it did not work so well with young and inexperienced employees. They also found that space for dialogue and reflection on work tasks, which was not steered by management was important in order to develop the necessary independence. A longitudinal study [15] of an industrial company looked at how employees developed, what they called, responsible autonomy. It was found that by allowing employees to have a central role in developing new innovative ways of working, the learning environment was improved as well as productivity. Not all studies were positive, however, about the idea of self-steered learning. A study of small ICT companies [16] identified challenges to individuals in a flat organisation without a traditional hierarchy or traditional structures. Employees struggled to

prioritise learning or define their learning needs and they still required a lot of support from HR or management. Another study [17] described a large telecom company that decided to allocate 40 hours a year to each employee for training and competence development. The employees were free to decide how to use these hours; they could choose from a large library of digital courses, attend conferences or read. Employees were positive, but after 2 years it was found that most employees were unable to use up all the hours. They found it challenging to prioritise their own development over performance goals. The only part of the organisation where the project was successful, was where managers had regular dialogue with their employees about competence development and encouraged them to see the value of developing their own competence.

This brief overview suggests increasing interest in informal learning, that is learning outside the educational system or the classroom and also suggests increasing interest in practice-based learning.

3. Data and methods

This chapter includes the results of a research project carried out in Norway in 2021 for an employer's organisation, Spekter. Spekter represents employers of firms and public sector organisations who have in total 220,000 employees. Spekter invited NIFU to interview HR managers or training managers to gain a better understanding of how they worked with the planning of competence needs for the future. This was done by interviewing 19 HR managers or training managers. These interviewees were chosen by Spekter and included people who were known to have opinions on learning methods and long-term competence needs. Thus, these interviews are not representative of the national population or any particular sector of employment. They do however include representatives from a range of different sectors, such as public health including several hospitals, cultural institutions such as a theatre and an orchestra, Norwegian national television, electricity providers, pharmacies, transport and postal delivery services. The meetings were carried out during the pandemic, so they were all done online, using Teams. There were always two interviewers involved. An interview guide was used, but the interviews were semi-structured, and interviewees were encouraged to tell their stories and give examples. All interviews were recorded and transcribed before being analysed. Since there were two interviewers, we were able to discuss our interpretations and check with interviewees in cases of doubt. In some cases, interviewees sent us copies of documents mentioned in interviews.

In addition to the interviews, we also carried out a study of recent literature on learning at work. This was done to ensure that more recent developments were included in discussions and provided the starting point for our interview questions. The literature study also helped us to put the findings into a larger and more international context. The literature study was organised by developing a range of relevant search terms and using them on recent publications of selected journals. We found 254 relevant publications and after sorting them based on abstracts, we read 22 full-text articles. As in all literature studies, searching keywords gives a broad overview of research interest in the chosen themes. A closer examination of the chosen texts often reveals a variety of perspectives on the theme and often very different research questions or different focuses. Here we noted the broad themes and dipped into some of the papers in more detail to give a better picture of what recent research can tell us about learning at work. The themes from the literature study are described in terms of their relevance to HR managers.

In addition to these academic publications, we consulted some national and international reports and policy documents, mainly from Scandinavian countries.

4. How HR managers are working to meet future competence needs

In most cases, interviewed HR managers were involved in the organisation's strategic planning and this exercise was one of the main sources of information on future competence requirements. Typical outcomes of the strategic planning were the establishment of new offices or expansion into new regions, new markets, use of new technologies, and campaigns designed to achieve various short-term goals. In addition to the strategic planning, the HR managers also considered throughput, that is, how many employees are expected to retire or leave during the next 12 months and how many will need to be replaced. Some sectors are subject to changes in legal requirements, these requirements might be that a certain percentage of employees must have health and safety training. Other sectors are influenced by norms in their field, for example, many firms working with technology are expected to have employees who are certified, either by a supplier or by a professional body, to use the technology. Some sectors are heavily influenced by professional norms which generate the need for new competence. An example of this is psychologists who need to attend refresher courses to keep their competence up to date. All of these factors result in a need for new competence which feeds into the plan for training and competence development. **Figure 1** below sums up the drivers identified.

Many HR managers have studied educational science or the psychology of learning and are therefore familiar with various theories of learning. However, there are also those who are always on the lookout for new perspectives on learning which might be more relevant for learning at work. Most of them were aware of concepts of strategic learning and many used the work of Norwegian researcher Linda Lai, [7]. Most of the interviewees were familiar with these concepts and were thus used to planning future competence based on long-term organisational strategies.

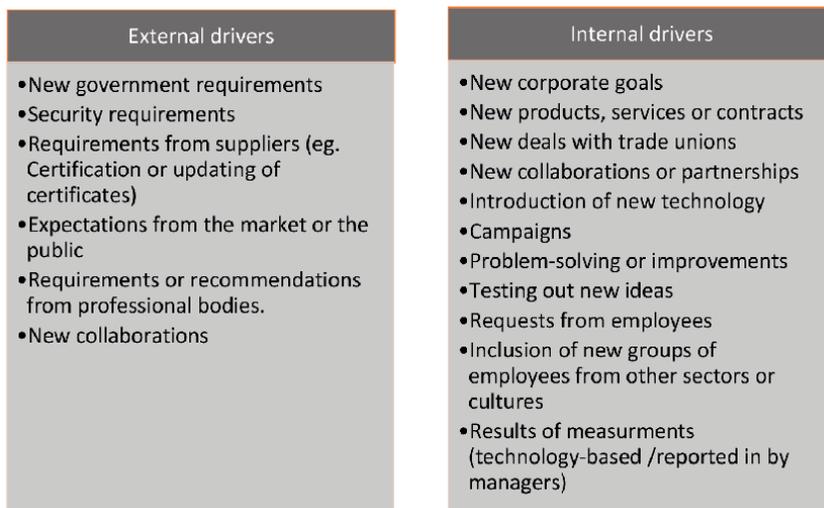


Figure 1.
What drives the need for new competence? (source: interviews).

Many HR managers admitted that they needed more than long-term strategic plans; they also needed more practice-based learning. Several of them mentioned the 70:20:10 concept [18]. Many interviewees found this concept very useful and used it to help plan what tasks or projects employees should work on as part of their practice-based training. They claimed that the concept made them much more aware of the potential of being proactive rather than allowing 70% of learning to be unintentional. Several of the interviewees worked in organisations with apprentices and they were very aware of the importance of the master/apprentice relationship, see [19] and took care to match good masters or good teachers with the right apprentices. They were also concerned with allowing enough time for reflection and learning for the apprentices.

Most of the HR managers interviewed also mentioned the concept of the learning organisation, see [20] and in our data, there are several examples of them trying to create arenas for exchanging experiences and discussing what they have learned and encouraging employees to be actively involved in developing their own competence.

We asked how they kept up to date about ways of learning, many mentioned that they still had close contact with academic environments and invited them to present their research on learning at meetings. Others had reading groups where HR employees read different publications, both academic and non-academic, and discussed them in monthly meetings. Some admitted that they searched YouTube for good examples of learning at work, while others mentioned learning from partners in different sectors when they participated in projects with them.

5. Examples of ways of learning

All the organisations in this project had examples of formal learning. Formal learning is a form of learning which is intentional and can be measured afterwards. Usually, this kind of learning results in study points or some kind of certificate when the course or training period is completed. Examples of this were internal courses or participation in further education or re-training programs at educational institutes.

What was more interesting was the informal learning and how it varied between the different organisations. Most of these examples were forms of practice-based learning.

The ways most organisations choose when training staff or developing new competence can be divided into practice-based initiatives and others which are mainly theoretical but may also include a mix of theory and practice. The next figure summarises the various forms of learning found in cross-sectoral group (**Figure 2**).

5.1 Digital learning

Digital simulation technology has gradually become more common in practical training at work. One of the earliest examples of digital simulation of working tasks was the flight simulator, whereby pilots could train their abilities to land a plane in different conditions. The pilots got feedback on the results of their efforts and could measure progress in their attempts. In our project, we had several hospitals, and all were actively using different kinds of digital simulation where the results of the employee's actions could be calculated, and they could see the effect it would have on a patient. Various kinds of simulation were used in training of both doctors and nurses. Most of these hospitals started to use simulation a few years ago with fairly simple technology where employees could practice using various tools and

Practice-based learning	Theoretical or mixed theory & practice
Mentoring	Formal education at universities and colleges
Placements	Further education
Job rotation	Courses & programs arranged by professional bodies
Leave of absence to learn from another workplace	Apprenticeships
Working in several part-time positions	Internal or external courses
Bringing in external project- or production managers with new requirements & expectations	Certification (usually offered by technology suppliers)
Campaign based learning	Campaign based learning
Participation in R&D projects	Short videos
Simulation (roleplay or technological)	

Figure 2.
Forms of learning found in cross-sectoral group.

technologies, such as how to insert a catheter, inject and set up drips, and how to connect various machines to measure the condition of the patient. The employees had already attended courses and learned these techniques, but they said that using the simulation technology gave them the possibility to practice various techniques over and over again. In most systems, they received feedback on how well they achieved their task. The training manager explained how the technology for developing simulations has become much better in recent years, making it possible to create new scenarios and include new technologies. The inclusion of sensor technologies has also made it possible to carry out more remote work where a more experienced surgeon can guide a less experienced one at a different location.

One of the transport companies participating in our project described how they had recently taken the step into using virtual reality (VR) and augmented reality (AR). They found AR particularly useful for training mechanics to repair vehicles. Augmented reality is based on images from the real world, but the user is able to interact with these images in a new way. In virtual reality, the user is immersed in artificial images and stimuli. The transport company explained how employees put on special clothing with integrated sensors, for example, gloves which make it possible for the mechanic to “feel” the screws and the materials they are trying to repair. Both employees and training managers are delighted with the opportunity to train using AR which is customised to their needs. As the training manager pointed out, some of this technology has been around for a while, however it is only recently that it has become cheaper and easier to implement. Like the healthcare example, one of the greatest benefits has been that employees can try things out again and again until they have mastered all the necessary movements and have learned to “feel” for errors and to feel when the repair has been done correctly.

A national delivery service organisation has noticed that many of their new data systems can provide information that is useful in identifying the need for training. This national delivery company registers packages at different stages in their delivery and at different places. The main aim of this registration is to help them to locate packages and to make sure that the company achieves its performance goals of fast delivery. They have noticed that certain places experienced delays at certain times. They decided to investigate and found that many employees were uncertain about how to deal with certain situations occurring when delivering parcels in the winter when there was snow on the roads. The HR department worked with some local managers to make a short video clip that explained to drivers what they should do and

showed them how to put chains around the wheels of their vehicles in order to drive in deep snow. The video only lasted about 5 minutes and was loaded up to YouTube and a link was sent to all the relevant employees. Within the next few hours, almost all the employees had seen the video. During the following months, fewer delays were registered on routes with bad weather. Since then, the HR department has produced many short videos of this type and has found them particularly useful to remind employees of certain procedures which they have learned in courses, but which may have been forgotten. Some themes they mentioned were new health and safety rules, guidelines for filling in forms, and reporting events. The HR department say that this way of spreading information gives them a great deal of flexibility, it is not expensive to produce, and employees seem to be happy and find the videos useful.

A similar example was found in a transport company. Newer buses, trains, and trams are equipped with digital technology which measures functionality of the vehicle and reports on errors and risks. It was found that this technology could also be used to measure the actions of drivers and their actions and reactions could be compared with averages. This provided an indication of who needed more training or if there were particular tasks or situations that all drivers found difficult to deal with. The management cooperated with trade unions in developing ways of using these measurements as the basis for developing new training programs and offering individual tuition. These examples used technology developed in-house using minimal resources but taking advantage of communication technology and the familiarity employees had with viewing video clips on their mobile phones.

By mixing different forms of digital technology, such as algorithms, high-quality visual content, reliable measurements, and feedback, a huge range of learning opportunities can be developed. The HR managers interviewed suggested that those who have not yet included simulation among their learning methods, should get acquainted with the technology and evaluate the potential for their own organisations. As one HR manager said, “this doesn’t happen by itself.”

5.2 Campaign-based learning

We found that one important way of learning was to organise a mix of theoretical and practical learning in the form of campaigns. These campaigns were aimed at improving a specific type of competence during a limited period of time. In some cases, the campaigns were a way of providing focus for employees who managed their own learning, but in other cases, the campaigns were linked to business goals. Several of the organisations in this study allowed employees to devote a certain amount of time to what they called “own learning” and the campaigns were an optimal way of structuring this time. Examples of some of the themes covered were quality control, health and safety, and more general ICT courses. Those who used campaigns to further business aims mentioned themes such as security, project management, and customer relations. An example of this kind of campaign is described in the previous section where a transport organisation produced videos for employees handling parcels. The company’s aim was to improve performance and reduce errors and the videos were an attempt to resolve this issue. Organising learning in campaigns does not necessarily include any new forms of learning. The learning may be in the form of courses, group discussions, presentations, or providing opportunities for trying out new technologies. The novelty here is in the way the training is organised. HR managers suggested that by organising training in the form of several campaigns every year, they had a lot of flexibility and they also felt it was easier to link learning goals to business goals in this way.

5.3 Learning by moving about

Most HR managers are aware of the benefits of exposing employees to other areas of the organisation or to other workplaces. We often find this in programs organised for new employees in larger companies. The idea is that employees will learn about the business from different viewpoints, and they will be able to talk to other employees in different departments and observe ways of working. In the current project, we found several variations of the concept of learning by moving about.

We found examples in the cultural sector, where moving about was a way of life. In a theatre, we found that employees were encouraged to take a leave of absence and work in the same job, but in a different organisation, preferably in another country for a few months. There are long traditions of working this way within theatre and entertainment. This kind of arrangement might not be practical for most employers, but ways of creating similar opportunities might be considered because of the benefits in terms of learning about alternative ways of working, new ideas, new technology, and new ways of meeting public expectations. The theatre pointed out that most of their innovations arose from situations where one employee had been away for a while and came back with new ideas.

We found something similar in the health sector. They did not have organised leave of absence, but many doctors took up short-term positions in other countries in order to work with famous surgeons and learn from them. The HR department had registered that many came back with suggestions for improvements in procedures as well as new surgical skills which they shared with colleagues.

Another form of learning from different environments was found within an orchestra. The employees often had part-time positions in the orchestra and most also had part-time jobs teaching in schools or universities. Like the theatre and the hospital, HR observed that there was a flow of ideas from one organisation to the other. Employees learned techniques in one job which they took to the other. They went on courses for one employer and took the competence to the other. Similarly, to the theatre and hospital, this flow of knowledge produced new ideas and was a source of innovation and new thinking.

The theatre and a national television company mentioned a variation of learning from other environments. Both were in the habit of hiring project or production managers linked perhaps to one particular project. These managers often came from a similar project in another country or in another organisation. As in the examples above, the learning came as a result of new expectations about how things should be done. The new production managers assumed that certain technology would be available, that certain routines would be established, or that employees could do something which they had never done before. One could say that external influences create a need for new competence or new understanding.

From studies of innovation, we know that exposure to alternative ways of working is a frequent source of innovation. In some cases, the learning will occur while working in a new situation but moving about can also generate a need for new courses or formal learning.

5.4 Learning from working in projects

This is not traditionally thought of as a form of learning, but HR managers, particularly in organisations involved in research, were very aware of the opportunities for learning in research or product development projects. Some described this

learning as “just something that happens in projects” and what they were referring to, was the knowledge resulting from trial and error. Trying out new ideas on customers, testing new technologies, and experimenting with new ways of working.

One example was from a hospital, which received funding for research collaboration with several other hospitals, local municipalities, and local businesses. The hospital employees admitted that it was quite a shock for them to have to consider how the other non-health service organisations thought about the issues. Often the priorities were very different, ways of sharing information and solving problems were also different. As one of the nurses said “I think we were so entrenched in the hospital environment, it is like its own little world, we forget that things can be viewed differently. The project gave me a lot to think about and I think the knowledge I gained was valuable”.

The HR managers with experience with projects as arenas for learning, thought that this form of learning was perhaps undervalued. Those who worked with the 70:20:10 model had become much more conscious of the value of learning in projects.

5.5 Learning from task-shifting

Task-shifting is a term frequently used in the health sector, whereby many employees are trained for more than one position and can take over responsibilities for a colleague. In Norwegian, the word for task-shift describes the process as one of sliding rather than shifting into another task. This idea of sliding seems to be particularly appropriate because it is a seamless move from the job the employee normally does, to other tasks, which are not normally part of their job description. This way of overlapping each other's competence gives employers a great deal of flexibility. In situations where a department is understaffed because of sickness or in emergencies, it is relatively easy to move another person over to cover the gap. Studies of this way of working suggest that employees are not usually able to take over all tasks of a colleague, often the task shift is applicable for certain prioritised tasks. A typical example of this way of working is when a cardiologist draws up plans for standard treatment of arterial fibrillation. These tasks and treatment plans are based on international standards; however, the role of the nurses can be expanded. The nurses can take over greater responsibility for patient communication. This frees up some of the cardiologists' time and speeds up the process. Another example is where experienced radiographers take responsibility for the first selection of ultrasound pictures before they are evaluated by radiologists. This kind of flexibility does of course have a cost, in that employers have to ensure that a large number of staff are trained for multiple tasks. If employees do not practice these tasks regularly there is a risk that their skills will not be as polished or high quality as necessary. This kind of system also requires a good deal of coordination in order to ensure that competence is used efficiently and that the quality and quantity of services are not reduced. There are many groups who can be affected if task-shift working is not managed correctly, patients can suffer and professionals are often protective about their areas of responsibility, so changes and sliding over boundaries should be carefully negotiated with employee and patient representatives.

Task-shifting is normally viewed as a way of organising scant resources, but it is also practice-based work, where employees regularly get the opportunity to work with different tasks, which provides greater value in terms of competence.

5.6 Learning from talking about learning

Talking about learning does not sound like a form of learning, but several of the more forward-thinking HR managers were certain that this is the way to go in the future. They had gained experience from working in groups where colleagues often exchange experiences and help each other solve problems. Some HR managers have analysed these group workshops and have concluded that the opportunity to put their own experiences into words makes it easier to share what they know with colleagues. Several HR managers have also been trying out the 70:20:10 concept, (See point 4) and devoting time to finding out what employees are learning while doing their normal work. They say that this has created a much greater awareness among employees about the knowledge they actually have and also resulted in employees being more involved in planning their own competence development.

6. Discussion on future use of various ways of learning

Many of the learning forms mentioned above have been around for a long time and are no doubt familiar to most HR managers; however, some forms of learning are less well-known or have been interpreted in a novel way. These are mostly practice-based, however novel use of video clips and campaign-based learning should also be included. Here we consider the different learning forms and the situations where they are most appropriate. Going back to some of the drivers of learning in **Figure 1**, we link them to examples of learning from the interviews in the next figure. **Figure 3** below summarises various stimuli for learning activities.

This table may be a bit confusing because some of the same learning forms can be found in multiple columns, this reflects the complexity that HR managers have to deal with when planning training and learning. The kinds of learning that occur in the first column, can be in response to a strategic aim that the employer has, which in turn requires new competence. The learning forms in column two are normally stimulated by a totally different need, which comes from outside the workplace, that is the requirements of the various professions. Again, working with professional organisations, societies, and trade unions on competence development is something that HR managers are used to.

It is the three remaining columns that are most interesting because these kinds of learning often arise from another kind of stimulus. Here we have identified local needs, these are often short-term and may not be linked up to the company strategy. The kind of learning that arises from local needs, is sometimes not traditionally classified as learning, it might be regarded more as problem solving; however, it does result in new competence, and HR managers should be aware of these forms of learning and be able to use them in similar situations to solve local problems. The column called technological opportunities is included to highlight forms of learning which do not necessarily arise based on a need, but on a new opportunity opened up by technology. This is particularly evident in the examples where new forms of technological monitoring can provide data that makes managers aware of a need for training. Examples of this are the technology used to monitor the behaviour of drivers of trains, trams, and buses. This technology can be used to monitor individual or group practices that need to be improved. The technology used in simulation, both for drivers and within healthcare to train on using new technology or carrying out

Strategic planning	Professional requirements/ recommendations	Local needs	Technological opportunities	Other opportunities
Formal education at universities and colleges	Formal education at universities and colleges	Short videos	Short videos	Leave of absence to learn from other workplaces
Further education	Further education	Job rotation	Digital simulation	Bringing in external project or production managers with new practices
Allowing employees to have several part-time positions in different organisations		Individual training based on feedback from technological measurements	Individual training based on feedback from technological measurements	Allowing employees to have several part-time positions in different organisations
Participation in development projects and R&D projects		Mentoring		Participation in development projects and R&D projects
Job rotation				
Placements	Placements	Campaign based learning		
Mentoring				
Apprenticeships				
Internal & external courses				

Figure 3.
Stimuli for learning activities.

operations, makes new forms of learning possible. It is important that HR managers follow up on new technological developments and consider how these might be utilised in their organisations. In the course of discussions between organisations in the project described there, it became evident that there was a potential to use technologies developed for the health sector in other sectors.

The final column is an attempt to include some of the opportunities for new ways of developing competence that arise in different sectors. These are largely based on traditions within the different sectors. For the orchestra example, where most of the permanent employees have part-time positions. This kind of arrangement is obviously not practical for all workplaces, but during our discussions in the project, it emerged that HR managers in other sectors with lots of part-time employees thought this might be interesting, particularly when considering potential recruits for part-time positions and what external knowledge they might bring with them from other part-time work. The concept of allowing employees to take a leave of absence to work in a different organisation was greeted with similar interest, as HR managers saw the opportunities to develop specific types of knowledge.

Although none of the HR managers mentioned the concept of WPL, their organisations have many of the characteristics of expansive learning environments. See [1]. They do not seem to be concerned with limiting learning to what is absolutely necessary to carry out their tasks today. As one of the HR managers said, “if the knowledge is not so useful today, it might be exactly what we need tomorrow”. In this way, some of the HR managers are thinking ahead in terms of more general competence for the future. Many of the organisations had examples that fell into 4.3 *Learning by moving about*, suggesting that most were quite open organisations, where knowledge is not compartmentalised but flows more freely. This kind of learning also presents many opportunities to develop soft skills, such as communication and adapting to different cultures. Learning from projects is a good example of what Stephen Billett [19] was talking about in his paper on workplace affordances and individual engagement when he mentions developing an individual curriculum for learning at work. The examples of learning from task-shifting are similar to those described by Nicolini and Gharhardi [3] on practice-based learning. The examples which we have called *talking about learning* are good examples of sensemaking as described by Weick [4], where employees discuss and agree on a shared understanding of what they are going to do. The examples of digital learning are similar to the concept described as tool-mediated learning in Engeström’s activity theory [21]. Many of the examples suggest that teamwork is valued and that organisations are open to bottom-up innovations. The practice of moving people around and allowing leave of absence makes room for reflection, which is so important for all learning. All these qualities and characteristics are what WPL leads us to expect in more expansive learning environments. Most of the examples described here show that the aim is not just to ensure that a certain percentage of employees have participated in a course or have achieved a certain certificate; the emphasis has been more on learning and understanding and being able to carry out work tasks to a high standard.

7. Challenges for people management

So far, we have focused on the positive results of using multiple forms of learning, but some of these forms of learning pose particular challenges for people management.

Autonomy was a theme that has turned up in earlier studies of learning at work. In the interviews, no one mentioned autonomy directly. However, many of the examples they describe are based on the idea of employees taking the initiative to discuss and reflect on what they have learned and what they need to learn. For the firms using the 70:20:10 concept, success is dependent on employees being actively involved in designing their own learning. HR managers should consider how employee engagement in learning might suit their own organisations. We know that some firms have done this, particularly technology firms, with limited success [17]. Although this issue has not been researched thoroughly, the findings so far suggest that employees being involved in their own competence development is positive; however, it might be advisable to ensure that this freedom is balanced by good dialogue with managers and that employees be followed up regularly.

A similar challenge for HR managers is the potential conflict between lean management methods and some of the more time-consuming ways of learning, such as sensemaking, developing new relationships, learning in projects, or by moving around and talking about learning. There may be others in the organisation who demand short-term results and it is important that HR managers are able to explain

that some forms of learning are necessary to produce the skills and abilities the organisation needs but that they will produce long-term results, not quick fixes.

Another potential challenge to people management when using these learning forms is related to the use of personal data. We saw examples in the transport company and with parcel delivery, where various tasks were monitored digitally and logged. In both cases, HR management used the data to develop relevant and often individual training. In both these examples, local trade unions and employee representatives were involved to ensure that employee data was not misused and that employees were aware of monitoring.

The role of people managers is changing, and these challenges suggest that it is important that HR or other managers are actively involved in planning and following up on the competence development of their employees. The array of learning methods makes it possible to adjust learning to fit the needs of the employer and the needs of the employees, but in order to be successful, this needs to be carefully managed and adapted as required.

8. Conclusions

This chapter has presented the concept of workplace learning and examples from recent literature and used these to interpret forms of learning found in different organisations in the public and private sectors in Norway. The main findings are that HR managers are very aware of the need for both theoretical and practical training and they see the need for long-term strategic plans for knowledge development as well as having the ability to offer local learning initiatives at short notice. These HR managers have been willing to experiment with new concepts, such as 70:20:10 and try out new technologies. We also found that different organisations in different sectors had adapted technologies and concepts to fit their own needs and some had developed more novel solutions. By using the WPL concept, we are led to understand that many of these learning initiatives we have described will contribute to a more adaptable workforce which is hopefully better prepared for an uncertain future.

The contributions of this chapter are both theoretical and practical. The theoretical contribution is the development of a detailed overview of what drives the need for competence development. This overview differs from earlier ideas that business strategies are the starting point for all competence development. The study has also provided more nuanced descriptions of informal learning and expanded the concept of informal learning to include problem-solving activities which result in new skills or knowledge.

It is hoped that these examples will provide practical guidance and inspiration for HR-managers. The focus has largely been on informal learning and learning forms which have been developed for specific organisations. By grouping these learning forms according to the drivers which stimulate learning and discussing how and when the various learning forms might be used, this should prove useful for HR-managers in their planning of learning and competence development. When these HR managers in this study were brought together to hear about the findings, there was tremendous interest in each other's work and a desire to learn from each other and try out different learning forms based on the experience of the others. We hope that this exchange of ideas might result in new forms of learning adapted to new industries and to new tasks. Uncertainty and change are often viewed negatively, hopefully the examples described here can help people managers to see change as an opportunity to develop the people who are already there in the organisation to meet future challenges.

Acknowledgements

Thanks to my colleagues Line Ingeborgrud, who participated in most interviews and discussed findings. Thanks to Spekter employers' organisation and all the employees of their member organisations who found time to describe and discuss their experiences with us.

Conflict of interest

The author declares no conflict of interest.

Author details

Dorothy Sutherland Olsen
Nordic Institute for Research on Innovation, Research and Education (NIFU), Oslo,
Norway

*Address all correspondence to: dorothy.olsen@nifu.no

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] O'Connor B, Bronner M, Delaney C. *Learning at Work: How to Support Individual and Organizational Learning*. Massachusetts: HRD Press; 2007
- [2] Hager P. Theories of workplace learning. In: Malloch M, Cairns L, Evans K, O'Connor BN, editors. *The Sage Handbook of Workplace Learning*. London: Sage; 2011. pp. 17-31
- [3] Gherardi S, Nicolini D. *Organizational Knowledge: The Texture of Workplace Learning*. Oxford: Blackwell; 2006
- [4] Weick C. *Sensemaking in Organizations*. Thousand Oaks CA: Sage Publications; 1995. p. 248
- [5] Olsen DS, Tikkanen T. The developing field of workplace learning and the contribution of PIAAC. *International Journal of Lifelong Education*. 2018;**37**:546-559
- [6] Lee T, Fuller A, Ashton D, Butler P, Felstead A, Unwin L, et al. *Workplace Learning: Main Themes and Perspectives*. Leicester: University of Leicester; 2004
- [7] Lai L. *Strategisk kompetanseledelse*. Oslo: Fagbokforlaget; 2013
- [8] Ruud G. *Kompetanseutvikling som virker: fra læring til implementering*. Oslo: Universitetsforlaget; 2021. p. 219
- [9] Johansson K, Abrahamsson L. Gender-equal organizations as a prerequisite for workplace learning. *The Learning Organization*. 2018;**25**:10-18
- [10] Kyndt E, Vermeire E, Cabus S. Informal workplace learning among nurses: Organisational learning conditions and personal characteristics that predict learning outcomes. *Journal of Workplace Learning*. 2016;**28**:435-450
- [11] Schreurs B, Van den Beemt A, Moolenaar N, De Laat M. Networked individualism and learning in organizations: An ego-network perspective on informal learning ties. *Journal of Workplace Learning*. 2019;**31**:95-115
- [12] Breunig KJ. Limitless learning: Assessing social media use for global workplace learning. *The Learning Organization*. 2016;**23**:249-270
- [13] Lundkvist AH, Gustavsson M. Learning conditions for continuous improvement in a public service organization. *Journal of Workplace Learning*. 2018;**30**:578-591
- [14] Akella D. A learner-centric model of learning organizations. *The Learning Organization*. 2021;**28**:71-83
- [15] Enehaug H. Ten Successful years: A longitudinal case study of autonomy, control and learning. *Nordic Journal of Working Life Studies*. 2017;**7**:67-89
- [16] Collin KM, Keronen S, Lemmetty S, Auvinen T, Riivari E. Self-organised structures in the field of ICT: Challenges for employees' workplace learning. *Journal of Workplace Learning*. 2021;**33**:95-108
- [17] Olsen DS, Børing P. *Kompetanseutvikling og livslanglæring blant seniorer innenfor akademikeryrker*. NIFU. 2019;**14**:80
- [18] Lave J, Wenger E. *Situated Learning. Legitimate Peripheral Participation*. New York: Cambridge University Press; 1991. p. 138

[19] Senge P. *The Fifth Discipline: The Art and Practice of the Learning Organization*. New York: Doubleday/Currency; 1990. p. 445

[20] Billett S. Learning through work: Workplace affordances and individual engagement. *Journal of Workplace Learning*. 2001;13:209-214

[21] Engeström Y. Expansive learning at work: Toward an activity theoretical reconceptualization. *Journal of Education and Work*. 2001;14:133-156

Section 2

A Bright Future for People
Management

Chapter 8

Achieving Business Sustainability through Diversity Management and Effective HRM

Keletso Lidith Moropane

Abstract

Diversity management and business sustainability are increasingly becoming essential drivers for business growth and development across the globe. It is because businesses in varying forms and sizes are the engine of the supply of goods, employment creation and innovation and contribute to the economic growth of different economies in the global sphere. Most modern businesses and organizations comprise a diverse workforce whereby managing employee expectations and maintaining an actively engaged labour force is challenging for management. Business globalization, workplace relations and varying organizational demographics necessitate diversity management for businesses. Despite the contribution of businesses to the development of labour market economies, diversity is overlooked, and achieving sustainable businesses is still a challenge in the world. Numerous business scholars have addressed the issues underlying the business sector by identifying causes and analyzing business failure rates but failed to provide answers as to what businesses can do to achieve diversity and become sustainable. This chapter highlights the importance of diversity management as a strategy to enhance sustainable businesses in the global economy. The chapter focuses on managing diversity, business sustainability and human resource management to achieve its objectives.

Keywords: diversity, human resource, management, business, sustainability

1. Introduction

The world of work is constantly developing because of changes in the economic, political and technological environment. Today, globalization poses significant differences in all spheres of varying economies at the national and international levels. Guillen [1] states that globalization brings diversity to everyday life. Diversity is massively permeating all areas of the business environment, so business managers are forced to employ diversity management policies to achieve social responsibility, diverse working backgrounds and sustainable businesses. Diversity management and sustainable businesses are increasingly becoming significant aspects of business growth and development worldwide [2]. Businesses are essential for supplying goods and services, combating unemployment rates, enhancing innovation, and fostering

economic growth in the global sphere. Fajcikova et al. [3] describe diversity as a social phenomenon closely related to globalization and considers demographic changes involving human qualities such as race, gender, age and ethnic groups.

On the other hand, human resource is an invertible concept where business is involved and plays a vital and most valuable role in any organization, whether small, medium or large. This chapter defines human resource management as the management of people as a collective by focusing on the functions, objectives and outcomes of HRM. That is, enabling and developing the workforce to achieve fulfilling employment relationships for employees and managers. It is further stated that employee diversity and human resource management contribute to creative and innovative dynamic work environments. While diversity influences labour markets, human resource management is a prerequisite for achieving diverse, sustainable businesses. The foundation for a competitive advantage in the business world is diversity, which is why diversity management is increasingly becoming a practical approach in human resource management [4, 5]—globalization is a result of the industrial revolution, where diversity management and human resource management are interrelated. Issues related to the sustainability of businesses are of paramount concern in this chapter as they highlight domineering dimensions meticulously linked to the working class and the future of business and can only be dealt with holistically. This chapter, therefore, focuses on managing diversity in the global economy and integrates human resource management tools toward achieving sustainable businesses. Conclusively, diversity management and business sustainability as areas of research interest for this chapter have recently gained attention from research scholars. However, specific research questions remain unexplored, which this chapter aims to address through the following objectives:

- Objective 1: To conceptualize diversity management and business sustainability based on existing literature.
- Objective 2: To identify emerging research issues of diversity management and contextualize factors to propose strategies to achieve business sustainability.
- Objective 3: To make recommendations for future research and practice.

2. Literature review

This section presents the concept of diversity management in the corporate world and conceptualizes the business case of diversity and human resource management. In addition, strategies to achieve business sustainability are highlighted, as indicated by numerous authors in different contexts.

3. Research methodology

A literature review on diversity management and business sustainability was conducted using relevant keywords. Bryman [6] defines a literature review as a piece of academic writing demonstrating a researcher's knowledge and understanding of existing academic literature about a topic of research interest. Specific words such as diversity, human resource, management, business, and sustainability were searched based on an inclusive criterion. The criteria used to search for articles are based on

the language and relevance of articles. Therefore, the search criteria for this chapter include English articles retrieved in peer-reviewed journals from the past decade. Business sustainability and diversity management have been prominent in research over the past decade. Using recent articles ensures the quality and relevance of studies that indicate the extent of available information on the current subject. The theoretical framework of diversity management and business sustainability in this chapter is conceived from numerous textbooks and content on electronic databases, including EBSCOhost, Research Gate, Sabinet, JStor, Google Scholar, ProQuest and conference papers. In addition, the author used news articles and internet resources, including social media, to trace government publications, public debates and reactions to diversity management and business sustainability.

The chapter mainly incorporates literature evidence which presents a synopsis of different factors. A study by Yadav and Lenka [5] explored dimensions, contextual variables, consequences, and emerging research trends in diversity management. The study highlights that diversity is more prominent in laboratory studies, and not much research has been done among group members in workplaces. This chapter adds to the literature by highlighting significant studies by Udin et al. [7] which investigated ways to manage workplace diversity to sustain organizational competitive advantage. The study shows that managing diversity can enhance creativity and organizational growth. Fajcikova et al. [3] examined whether diversity management can be used as a tool toward the sustainability of competitive advantage. The findings revealed that effective diversity practices could elevate the representation of women and minorities within organizations in senior management. Another study by Seliverstova [8] on workforce diversity management also reveals that diversity management contributes to organizational performance.

4. Diversity management in the world of work

Diversity is an inevitable social reality in a modern society whereby teamwork, demographics and business globalization necessitate diversity management in any organization. Guillen [1] asserts that diversity encompasses four dimensions, namely, external, internal, organizational and personality. Employee openness, conscientiousness, agreeableness, and level of introversion and extroversion form a person's personality. Internal dimensions focus on race, gender, sexual orientation, physical ability and ethnicity. In contrast, external dimensions refer to geographic location, personal habits, educational background, work experience, marital and parental status, religion, income and appearance. Organizational dimensions include management status, union affiliation, seniority, functional level or unit, work content and location.

Gupta [4] affirms that diversity results in a pool of wisdom, knowledge, talent and exposure to various cultures. Diversity management in the workplace creates an inclusive working environment where management embraces individual differences such as traditions, style, heritage and background [9]. Most modern businesses and organizations comprise a diverse workforce whereby managing employee expectations and maintaining an actively engaged labour force is challenging for management. Managing diversity in organizations is gradually becoming a complex and unique issue in human resource management [10]. Therefore, diversity management is prominently acknowledged for its ability to sustain organizations. Although diversity management is a challenging area for the human resource department, its implementation within organizations depends on a few factors, both within and outside

organizations. Research evidence on diversity and inclusion issues is very limited in emerging economies. There is a pool of studies investigating diversity management in western countries. Still, very few focus on how diversity management forms an integral part of human resource management, especially in developing countries.

Existing studies identified six areas in HRM that are easily affected by diversity management: training and developing diverse staff, linking HRM strategy to diversity, recruitment for diversity, selection for diversity, monitoring diversity and equality management, and providing work-life flexibility. Meena and Vanka [11] identified several diversity-orientated HRM practices. These include proper oriented selection and performance evaluation practices, team and control-oriented practices, fair oriented compensation and training practices and identity-free practices. Approaches to diversity management include affirmative action plans, legal compliance, the ad hoc approach, social justice approach and strategic diversity management. In South Africa, for example, affirmative action plans focus on gender equality and establishing ethnicity ratios, while social justice approaches are dedicated to corporate social responsibility. Literature reveals several positive outcomes that often result from diversity management. Amongst many other benefits of diversity management, researchers identified the following effects [1, 3, 12]:

- Increased representativeness of minority groups in workplaces;
- Stronger relationships between manager accountability;
- Higher organizational performance and competitiveness;
- Stronger relationships between corporate citizenship and diversity management;
- An inclusive organizational culture;
- Organizational citizenship and affective commitment;
- Employee perceptions of fair HRM practices increase organizational commitment and HRM productivity;

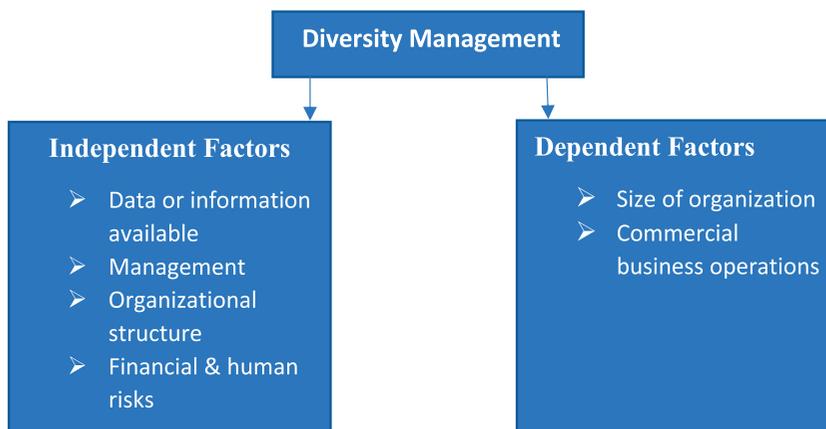


Figure 1.
Source: author's conceptualization based on Mazur and Walczyna [13].

Figure 1 presents factors that influence the implementation of diversity and elements that do not influence diversity management in the workplace.

The implementation of diversity management in organizations is renowned for its numerous benefits and include the following:

- Prestigious organizations
- Talented workforce
- Creativity and innovation
- Entry into new market segments
- Company culture and climate improves
- Competitive advantage
- Employee retention
- Increased employee performance
- Motivated workforce

Many organizations practice diversity management in pursuit of internal and external possibilities. Internal possibilities may include the quest for higher productivity, innovativeness within the organization, consistent personnel, or an inspiring work atmosphere [14]. External possibilities, for example, could be an organization's search for new customer segments, maintaining a good reputation and a prestigious level of social responsibility. Possible internal problems that an organization might want to overcome are conflict, maintaining work standards and staff turnovers, while external problems, on the other hand, relate to customer loss, recruitment issues and tight competition. To bring about a competitive advantage in a company through diversity management is not an easy task. Marketing, resource acquisition, creativity, costs, organizational flexibility and problem-solving are some factors that companies need to consider to sustain their business operations [14, 15].

Managing and valuing diversity management is vital for influential people management, improves workplace productivity, and significantly contributes to strategic human resource management objectives. Diversity is used strategically to boost an organization's competitive advantage through cultural diversity, differentiating factors such as efficient work practices and procedures, client consumer-related services, and technological and product services-related innovation [2]. Diversity management emerges due to the quest for businesses to recognize and develop optimal human resource value from existing inherent varying employees manifesting in different dimensions. Diversity management as an intrinsic approach to human resource management is a fundamental aspect that acknowledges and respects individual contributions within organizations and integrates their contribution to the overall mission and vision of companies. In addition, individual employees' personal and social development is of great importance. Diversity is, therefore, generally driven by sustained business growth, which depends on an organization's level of productivity, innovation, creativity, agility, and safety. Achieving sustained business growth

requires organizations to commit to ensuring a sufficiently diverse workforce, actively building workplace culture, teamwork, market knowledge, workforce skills and creating inclusive workplaces through dignity and respect [16].

4.1 HRM as an element of business sustainability

Human resource is also an invertible concept where business is involved and plays a vital and most valuable role in any organization or business, whether small, medium or large. Human resource management is defined from a macro perspective as the management of people as a collective by focusing on the objectives and outcomes of the HRM functions. That is, enabling and developing the workforce to achieve fulfilling employment relationships for employees and managers [17]. The transformation of human resource practices over the past years has been influenced by various factors, including globalization and diversity initiatives. Global competition, for example, is in pursuit of talented workers to achieve sustained competitive advantage. An organization's environmental, social and financial objectives are achievable through sustainable HRM practices and contribute to developing influential organizations that prioritize sustainable competitive advantage, flexible working environments, organizational culture, job security, work-life balance and participative leadership. While HR influences the success of businesses, HRM is a procedural concept which supports organizational activities to achieve the organization's predetermined goals. The contributions of HRM towards business sustainability include organizational change, professional development, organizational training, work-life balance and employee participation. Therefore, the process of HRM sustainability evolves through the development of employee skills maintenance of active and healthy working environments. Therefore, successful implementation of HRM sustainability considers factors that affect organizational and environmental sustainability, as presented in **Figure 2** below [14].

Sustainability at the business level refers to creating sustainable business models from a social, financial and ecological point of view and focuses on identifying strategies and practices that contribute to a more sustainable world and simultaneously maintain shareholder value. Therefore, sustainable human resource management uses HR tools to aid organizations in embedding sustainable strategies and creating HRM systems that add value to a firm's sustainable performance [18]. Through sustainable human resource management, organizations can achieve a triple bottom line and simultaneously provide long-term health and sustainability for the organization's

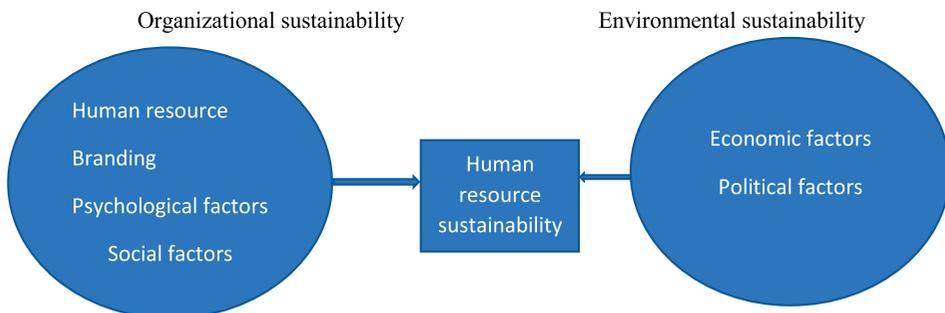


Figure 2.
Source: author's elaboration on the base of Mazur and Walczyna [13].

internal and external stakeholders. The triple bottom line is the performance measurement of an organization's pursuit of a sustainable strategy [19]. Consequently, the results of sustainable HRM can ensure policies that prioritize equity in the workplace, the development and well-being of the workforce, and concentrate on supporting friendly environmental practices. King and Cohen [15] confers that sustainable businesses depend highly on a company's leadership which embodies the organization's values, culture and communication channels. Sustainability of human resources, therefore, requires the integration of values, skills and trust to prevent harmful environmental effects that businesses can avert by adopting justice, welfare and development. Therefore, human resource management is an indispensable feature of management practices that focuses on matching relevant talents with specific jobs to increase firm performance.

Sustainability is rapidly becoming a primary focus for numerous organizations globally as societal demands, climate change, regulatory pressures and the need for greater environmental and social responsibility escalates. While organizations are held accountable for their impact on society and the environment, the HR function is critical to achieving the success of sustainable-driven organizations. HR professionals' primary focus and skills are mainly on changing management and organizational process, which requires HR managers to take on the leading role in developing and implementing sustainable business strategies.

4.2 HRM as a business case for business sustainability

Literature portrays HRM as an introspective function focusing on using the workforce to achieve short-term financial results effectively and efficiently. An appropriate approach to achieving sustainable HRM can contribute toward developing competent managers with the necessary attributes and abilities to deal with and handle present and future challenges that may hinder the sustainability of organizations. HRM is a critical contributor to corporate sustainability leadership. Business leaders, therefore, need to focus on including HR managers in business practices directed towards sustainable HRM through collaboration, consultation and accountability. Simultaneously, HR professionals are encouraged to modify HRM approaches from transactional and transformational to sustainable HRM. Therefore, performing HRM sustainably and supporting business sustainability are the prominent HRM roles necessary for implementing sustainability strategy in any organization.

Performing HRM sustainability focuses on professional HRM processes and tools that are integral to HRM contributions and execution of essential functions based on sustainability principles. These principles include the following:

- Respect and support for human rights are proclaimed internationally;
- Elimination and prevention of discrimination within organizations;
- Promoting the freedom of association;
- Elimination of human rights abuses;
- Elimination of forced labour in all forms;
- Anticorruption practices, including bribery and extortion;

Economic Delivering acceptable shareholder returns
Legal Business operation to align with law regulations
Ethical Social and environmental impact of business operations and duty to care
Discretion Seek opportunities proactively and positively contribute beyond business ethics, compliance and profitability in society; understand stakeholder needs, and address societal issues through business practice.

Source: Author's description on the base of Cohen et al. [14] and King and Cohen [15].

Table 1.
Principles of business sustainability.

- Diffusion and development of environmental technologies;
- Promotion of greater environmental responsibility;
- Recognition of the right to collective bargaining;

HR managers are therefore expected to fulfil the following responsibilities when performing HRM sustainability in order of importance (**Table 1**).

Embedding sustainability through HRM requires employee attraction, employee skills and knowledge, attainment of employee sustainability goals, sustainable work climate, and sustainable employee behaviours and attitudes. Firstly, organizations are encouraged to utilize their commitment to sustainability when recruiting because it can attract applicants who align with an organization's sustainability goals [12]. Secondly, commitment to sustainability within organizations is believed to affect employee commitment and job satisfaction positively. Sustainability behaviours in employees can increase if companies commit supervisory and organizational support to the workforce. Fourth, an organization's sustainability strategy should align with a company's organizational climate for sustainability strategies to be successful. Training and developing essential knowledge and critical skills are also necessary to achieve sustainability. Lastly, the evaluation and compensation system can include sustainability targets to increase attention and achieve sustainability goals.

HRM sustainability can be approached from different angles, resulting in varying outcomes and objectives. But, sustainability development integrates similar elements across sectors and types of organizations which are appropriate for forming sustainable strategies and programs. As a result, sustainable HRM features are most common across all HRM functions, irrespective of the organization's size, leadership style or geographic area. Sustainable HRM depends highly on an organization's leadership and strategy. Most corporate sustainable leadership strategies are carried out by an executive management team that deals mainly with implementing sustainability. The management team is therefore responsible for sustainability implementation through the following steps (**Figure 3**).

Working towards sustainable HRM is a journey that depends on three major components: compliance, corporate governance and business ethics. Compliance with, for example, national, federal, regional and local laws and labour regulations is the first step towards sustainable HRM. Business ethics includes behavioural guidelines



Figure 3.
 Source: Author's elaboration adopted from Cohen et al. [14], King and Cohen [15] and Parry et al. [18].

through which employees, managers, and directors are expected to behave and present acceptable moral and ethical business standards. On the other hand, corporate governance refers to systems by which companies are directed and controlled. While the board of directors in an organization are responsible for ensuring corporate integrity and providing direction for organizational strategies for sustainability, HRM practices can be enhanced by the board's directive through legitimate and empowering frameworks. These frameworks include (**Table 2**):

Framework	Explanation
SA8000	It focuses on human rights and business labour standards and prescribes process and performance criteria for sustainability. It also focuses on management systems necessary to ensure proper outcomes.
Global Reporting Initiative Framework	Its mission is to develop a disclosure mainstream for environmental, social and governance performance.
International Standard ISO 26000	Provides guidelines on social responsibility and is intended for use by organizations across the globe and of all sizes, but targets mainly small and medium-sized enterprises.
Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises	They are intended to govern large organizations and ensure harmonious relationships between organizations and government policies. This framework provides guidelines for developing HR policies and practices.
United Nations Global Combat	Requests businesses or organizations to observe ten universal principles around responsible business practices. These principles deal with, for example, labour standards, human rights, anticorruption and environmental stewardship.

Source: author's description based on Cohen et al. [14].

Table 2.
 Frameworks towards business sustainability.

Several factors have been identified that might affect the future of HR practices negatively or positively. In the ever-changing global economy, organizations are encouraged to consider reviewing labour policies, education, benefits packages and compensation, which are essential to human resource management. These factors contribute to the development of better organizational infrastructure. Therefore, the future of human resource management will force HR managers to only recruit competent staff and leaders who will develop strategic decisions that will enable organizations to compete with foreign companies. The HR focus in future includes workforce diversity to enhance leadership behaviours and incentives to motivate the workforce [12].

But most importantly, HR managers ought to pay attention to the impact of globalization for organizations to retain a competitive advantage in the global market and experience a long-lived experience. Aust et al. [20] postulate that globalization, diversity, compensation and benefits packages form an integral part of future-orientated organizations, which must ensure that business strategies align with organizational goals and objectives and that organizations compete effectively in the global market. Therefore, maintaining effective performance-based systems, adapting to new technological innovations, investing in workplace diversity and maintaining competitive pay systems and technical competencies are prerequisites for HR sustainability and business success.

In pursuing sustainable HRM, human resource managers need to understand and carefully implement critical tenets of sustainability practices and HRM capabilities. These include, amongst many others:

- Understanding both local and global sustainability issues affecting business performance;
- Understanding principles of sustainability in business;
- Ability to link issues of diversity, inclusion and organizational climate conditions that support improved performance;
- Ability to develop a process for using stakeholder feedback and external awareness to identify HRM aspects related to policies and practices with broader societal impact instead of focusing only on internal effects.

Sustainable HRM, in essence, plays a significant and positive role in achieving business outcomes and exerts a positive impact on employees and external stakeholders [20]. Ehnert et al. [9] assert that HRM sustainability practices increase the maximization of profits within organizations and simultaneously reduce negative detrimental influences on employees and societies. Positive consequences of sustainable HRM include the overall growth value of an organization's worthwhile boosting national and international competitiveness. Improved employee engagement, increased employee satisfaction, HR quality boost, employee development, enhanced work efficiency, increased motivation and higher organizational loyalty are some of the benefits that sustainable HRM has for organizations. It can be concluded that socially responsible human management presents itself in the treatment of employees as primary stakeholders in an organization [21]. Therefore, diversity management is consequently considered a social aspect of sustainable HRM in this chapter.

While human resource management incorporates planning, integration and action plan to manage employees effectively, diversity can also be included within the practice of human management, thus, creating an alignment between human resource strategies and diversity management goals. Based on the ecological perspectives, the concept of “greener organizations” is explained by Bangal and Tiwari [22] as HRM practices developed and implemented to promote employee behaviour to enhance the ecological efficiency of a company. It means that green HRM can be stimulated by employees, employers, regulatory stakeholders and customers [23]. Strategies to promote “green conduct include mobilizing employees to implement sustainable basic operations at all stages and different business levels. It also works towards holding employees accountable for applying sustainable practices in their daily work life and encouraging the workforce to further the practices in pay incentives. Lastly, using tools to equip employees and train them to develop or improve further. As a result, HR strategy and planning, talent management, building a strategy, organizational effectiveness, and leadership development are the critical knowledge areas for all HR practitioners.

The sustainability of HRM is distinguishable through three approaches: sustainable resource management, sustainable HRM and sustainable work systems. Work systems identify the core social aspects of sustainability and are intended to expand the perception of mechanisms involved in implementing and improving human resources [24, 25]. On the other hand, sustainable resource management prioritizes the clarification of organization and environmental association and further proposes approaches to combat resource scarcity. Sustainable HRM results in a shared advantage for stakeholders, eventually leading to enduring economic sustainability [13].

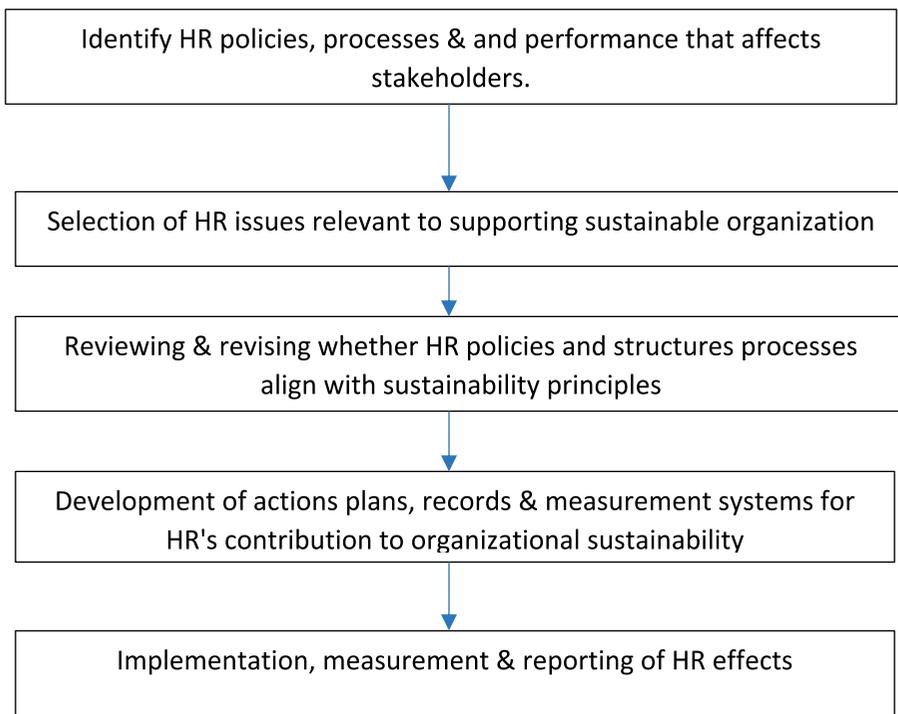


Figure 4.
Source: author's elaboration based on Mohanty and Nayak [26].

In a globalized, liberalized and industrialized world of work, all organizations work towards sustaining competitive business environments. Mohanty and Nayak [26] and Bangal and Tiwari [22] postulate that every organization is responsible for implementing eco-friendly businesses that create healthy working environments and long-term sustainability. As a result, Green HRM is an emerging concept that significantly influences the future of HRM and diversity management. Green HRM focuses on rules, regulations, recruitment, selection, performance, training, welfare and employee counselling. Green HRM, therefore, encompasses integrating HR practices and managing the environment in which businesses operate. **Figure 4** below presents the components of Green HRM as identified by Mohanty and Nayak [26].

Although the implementation of Green HRM has been criticized for its complexity, green HRM practices have been admired for their numerous benefits. They include, amongst many others, the ability to reduce overall costs, increase employee morality, motivate innovation and growth, develop knowledge for green HRM, increase a company's image, and improve stakeholder, customer, supplier and employee relationships. It is postulated by Margaretha and Saragih that Green HRM in the future focuses on enhancing HR practices to sustain businesses [27]. The main goal of Green HRM is to reduce the wastage of resources and ultimately preserve the environment. The components of Green HRM, as highlighted in **Figure 4** above, are powerful and practical tools to increase employee engagement and better productivity, make employees eco-friendlier, and achieve business sustainability [23].

The pursuit of business sustainability, in essence, depends on an organization's capacity to adapt to an organizational culture where diversity is concerned. The following recommendations are provided for HR managers to practice for successful diversity management and business sustainability.

- Educational courses for human resource managers and specialists to improve the competency level of managers in executing and implementing diversity management;
- Evaluating the effectiveness of diversity management approaches, programs, and cooperation and adjusting it to that of management;
- Accommodating vulnerable employees by continuously providing training and development activities related to education and language courses to break, for example, language barriers and deepen employees' technical skills;
- Adapting and adjusting the selection of employees with the needs of organizations to build the employer's brand through appropriate HR processes.

Concisely, cultural and personal diversity forms an integral part of diversity management as a strategy to improve individual and team performance and the organization.

4.3 Integration of diversity management and HRM towards business sustainability

Despite the contribution of businesses to the development of labour market economies, diversity is overlooked, and achieving sustainable firms is still a challenge in the world. Numerous business scholars have addressed the issue underlying the business sector by identifying causes and analyzing business failure rates but failed to

provide answers as to what businesses can do to achieve diversity and become sustainable. Business sustainability is rooted in numerous elements, but diversity, good governance, compliance and ethical conduct are fundamental features. Diversity initiatives are increasingly gaining attention and increasing in the job market due to globalization. It is stated that the impact of globalization on human resource practices in future will be dire as a result of the rapid growth of global markets due to the foreign competition, which will force small and medium businesses to improve their workforce for competitive advantage. Many organizations in the modern day are heavily invested in managing diversity to enhance firm performance through diversity initiatives such as workplace benefits and programs. These programs incorporate organizational features such as flexible work environments, which scholars within the field believe will transform the role of human resource managers and concert it into diverse areas focused on transferring knowledge, workers' expertise and skills. Researchers solicit that the initiatives mentioned above will significantly contribute toward developing harmonious skills, talents, leadership styles and behaviours, enabling businesses to achieve organizational goals and objectives [3, 19, 20, 28]. Although organizations will have a diversified workforce, achieving business sustainability and success in global markets will be very challenging for human resources.

In a study conducted by Mutku [28], it is highlighted that human resource managers may struggle to understand differences in global corporate cultures related to organizational policies, staffing, training, legal frameworks and recruitment and selection. In addition, it is proposed that human resource managers face challenges in recruiting and training employees for diverse workplaces where they will no longer be responsible for recruitment and selection but for employee training. As the diversity widens and employers pursue various workspaces, inequality and discrimination might escalate. Labour departments might also struggle to balance employment security for their workforce and adapt to changes within labour markets. For example, the determination of minimum wages for workers will become extremely challenging as technology is already making it difficult for job seekers to secure low-skilled jobs [26].

Diversity management as a component of HR practices significantly impacts HRM sustainability. HRM sustainability, for example, is achieved by developing employee skills and maintaining an active, healthy workforce. While HRM measures are believed to trigger employees' performance, training an organization's human resources is vital for sustainable development [20]. Aspects such as networking, succession planning, hands-on learning, self-development and coaching can enhance talent and ultimately lead to HRM sustainability at the organizational level. The social components of HRM sustainability for organizations should consider stakeholders' insights and behavioural patterns, setting objectives and strategies, taking accountability by observing the set goals and developing organizational involvement [17]. Social justice is, therefore, a significant factor and should also be kept in organizations because it influences employees to accept organizational structures, respect the code of conduct, make sacrifices for the best interest of business, and protect organizational resources [29]. Psychological components of HRM sustainability focus on freedom from work-related pressures as an essential part of sustainability because it aims to extend the sustainability paradigm by shifting it from the environmental sphere to the psychological and social contexts. It influences and increases employees' ability to work as a team and communicate effectively and constructively. Therefore, employees' psychological needs such as human qualities, self-esteem, self-awareness, organizational beliefs and self-reconstructions and a sense of belonging need to be met to provide employees with a basis for survival in the workplace, including

well-being and workplace advancement in a work environment that matches individual abilities and capabilities [30].

Where business is involved, diversity should not be seen as just a “moral issue” but also as a business concept. As organizations increasingly become global, diversity automatically transforms into a competitive advantage for many companies that embrace it [2]. Therefore, HR’s role is to create and empower diverse cultures that are inclusive and offer employees opportunities to grow, learn and contribute to their organizations. Diversity management is also renowned for its ability to aid managers in identifying new trends, which hones factors that motivate staff, increase productivity, boost the workforce at all levels and create an inclusive work climate. Diversity management, therefore, contributes to the changing nature of HRM and has rapidly transformed the role of HR in the past two years [28]. The future of HRM due to diversity management will consist of more agile working environments that are consistently innovative and require the workforce to share resources. That is, the growing gig economy will eventually transform into a sharing economy and become one that revolves around sharing physical, technological and human resources [31]. Sharing resources will contribute to a competitive advantage by attracting future talent, changing work styles, enabling HR managers to forecast future work economic trends, and matching the demand and supply from person to person. Furthermore, it is believed that working environments will be mostly micro-innovative in the next decade. The workforce will consist of product-centric teams, which will create policies around digitalization at work [28].

5. Contribution of the role of diversity management and HRM in business sustainability to People Management-Highlighting Futures

This chapter contributes to literature or knowledge by growing understanding of diversity management and its significant role in business sustainability. Diversity as a principle for competitive advantage is poorly understood and limited by the availability of academic research data. Diversity management is an under-researched concept, and achieving business sustainability remains a complex area in the global market. Therefore, diversity management and business sustainability as areas of research interest require a new balance between organizational strategies and business models, diverse working environments and sustainable business operations. This chapter, therefore, contributes to a unique, multidisciplinary framework, diversity management, which integrates a holistic approach to investigating its role in achieving business sustainability.

The approach to understanding people management in diverse working environments focuses on individual and collective performance in workplaces and the role of management at all organizational levels to gain competitive advantage. It recognizes that the business environment is often conceived as a workplace where employers, managers and employees encounter differences and imbalances. As a result, such experiences can result in transformational shifts which impact overall business performance. Therefore, the chapter contributes to a growing understanding of how diversity management improves business performance and sustainable business practices.

6. Conclusions

This chapter outlined an overview of diversity management and human resource management. Research studies prove that diversity is inevitable in modern society and

that HR managers must prioritize diversity management in workplaces as it is influenced by numerous factors such as demographics. It is evident that diversity management is a crucial area for strategic management and allows organizations to identify employee differences to obtain and maintain a diverse, skilled workforce. Diversity management has many benefits for organizations, including HRM productivity and inclusive organizational culture. The implementation of diversity management, although a rigorous process, is recommended for its ability to motivate employees, attract a talented workforce and retain employees. Human resource management is also discussed as an invertible concept in the business world, which plays a vital and most valuable role in any organization. Therefore, the chapter discussed several factors affecting human resource sustainability. Economic and political factors affect the environmental sustainability of businesses, while HR, organizational branding, and psychological and social factors contribute to organizational sustainability. The business case of HRM and sustainable businesses highlights aspects such as the recognition of the right to collective bargaining, promotion of freedom of association and greater environmental responsibility as principles of sustainability. A guideline for implementing sustainability goals was also highlighted, as well as sustainability frameworks. Lastly, diversity and human resource management are inseparable aspects. Thus, this work addressed diversity management's contribution to human resource management and sustainable businesses. Diversity management's contribution is linked to the future of HRM, which highlights the importance and impact of Green HRM as a powerful tool for managing diversity and achieving business sustainability.

Acknowledgements

My sincere appreciation goes to IntechOpen for acknowledging my interests in the field and inviting me to contribute to the book.

Conflict of interest

The authors declare no conflict of interest.

Thanks

Thanks to IntechOpen for the invitation to contribute to the book entitled "People Management-Highlighting Futures." It is an honour to be given such an opportunity to showcase our skills and talents on such prestigious platforms.

Other declarations

I, Lidith Moropane, declare that this chapter, "Managing Diversity and Achieving Business Sustainability," is my work. Furthermore, I declare that the text and biography reflect my consulted sources. Therefore, all sources used in this chapter are indicated and acknowledged using direct and indirect references. Sections with no source referrals are my ideas, arguments and conclusions. Lastly, this work has not been submitted to any institution or published on any platform.

Author details

Keletso Lidith Moropane
North-West University, Johannesburg, South Africa

*Address all correspondence to: lidithmoropane@gmail.com

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Guillen M. Diversity in globalization Organizational Change in Argentina, South Korea and Spain Discussants: Evelyne Huber and Michael JANUARY 2000, PAPER NUMBER 6. 2000
- [2] Kollen T. Diversity management: A critical review and agenda for the future. *Journal of Management Inquiry*. 2019;**30**(3):259-272. DOI: 10.1177/1056492619868025
- [3] Fajcikova A, Hudakova M, Urbancova H. Diversity Management as a Tool of Sustainability of Competitive Advantage. PRME Working Group on Developing a Sustainability Mindset. 2016 'Description'. Available from: www.unprme.org/working-groups/display-working-group.PHP?wgid=3344 [Accessed: 13 September 2022]
- [4] Gupta M. Management Practices Engaging a Diverse Workforce. New York: Apple Academic Press; 2020
- [5] Yadav S, Lenka U. Diversity management: A systematic review. *An International Journal*. 2020;**39**(8):2-30. DOI: 10.1108/edi-07-2019-0197
- [6] Bryman A. *Research Methodology in the Business Management Contexts*. Cape Town: Oxford University Press Southern Africa; 2014
- [7] Udin HS, Wahyudi S, Yuniawan A, Suharnomo S. A systematic literature review of managing workplace diversity for sustaining organizational competitive advantage. 2017;**8**(12):398-406. Article ID: IJMET_08_12_039. Available from: <http://iaeme.com/Home/issue/IJMET?Volume=8&Issue=12>
- [8] Seliverstova Y. Workforce diversity management: A systematic literature review. *Strategic Management*. 2021;**26**(2):3-11. DOI: 10.593/StraMan2102003S
- [9] Ehnert I, Parsa S, Roper I, Wagner M, Muller-Camen M. Reporting on sustainability and HRM: a comparative study of sustainability reporting practices by the world's largest companies. *The International Journal of Human Resource Management*. 2016;**27**(1):88-108. DOI: 10.1080/09585192.2015.1024157
- [10] Zaim H, Abid O, Youssef D. Diversity management and its impact on HRM practices: Evidence from Kuwaiti companies. *Eurasian Journal of Business and Economics*. 2017;**10**(20):71-78. DOI: 10.17015/ejbe.2017.020.05
- [11] Meena L, Vanka S. Developing an empirical typology of diversity-oriented human resource management practices. *Journal of Management and Development*. 2016;**36**(2):2-16. DOI: 10.1108/JMD-0
- [12] King D, Lawley S. *Organizational Behaviour*. Oxford: Oxford University Press; 2016
- [13] Mazur B, Walczyna A. *Bridging Sustainable Human Resource Management and Corporate Sustainability*. Lublin, Poland: Multidisciplinary Digital Publishing Institute; 2020. DOI: 10.3390/su12218987
- [14] Cohen E, Taylor S, Muller-Camen M. *HRM's Role in Corporate Social and Environmental Sustainability*. Alexandria, VA: Society for Human Resource Management; 2012

- [15] King DR, Cohen C. Human resource management: Developing sustainability mindsets. In: Molthan-Hill P, editor. *Business Students Guide*. 2nd ed. ResearchGate; 2017. pp. 261-287. DOI: 10.9774/GLEAF.9781783533213_10
- [16] Sunday E, Asaley A, Inegbedion H. Managing diversity for organizational efficiency. *Journal of Management Inquiry*. 2020;**10**(1):1-10. DOI: 10.1177/21582440199001732-2016-0031
- [17] Nawaz ZM, Shafique NM, Haque JW, Li W. Impact of workforce diversity management on employees' outcomes: Testing the mediating role of a person's job match. *SAGE Open*. 2020;**10**(1):1-16. DOI: 10.1177/2158244020903402
- [18] Parry E, Dickmann M, Cooke F. Building sustainable societies through human-centred human resource management: emerging issues and research opportunities. *International Journal of Human Resource Management*. 2022;**33**(1):1-15. DOI: 10.1080/09585192.2021.2021732
- [19] Savitz A. *Talent, Transformation and the Triple Bottom Line*: San Francisco, CA: Jossey-Bass; 2013
- [20] Muller-Camen M, Matthews B, Aust I. Common good HRM: A paradigm shift in sustainable HRM. 2020;**30**(3):1-11. DOI: 10.1016/j.hrmr.2019.100705
- [21] Sabokro M, Faradonbeh BS, Hossein E, Mohiuddin M. Achieving human resource management sustainability in universities. *International Journal of Environmental Research and Public Health*. 2022;**19**(2):928. DOI: 10.3390/ijerph19020928
- [22] Bangal D, Tiwari P. Green HRM: A way to greening the environment. *Green Human Resource Management*. 2015;**17**(12):44-53. DOI: 10.9790/487x-171214553
- [23] Newman A, Miao Q, Hofman PS, Zhu CJ. The impact of socially responsible human resource management on employees' organizational citizenship behaviour: the mediating role of organizational identification. *The International Journal of Human Resource Management*. 2016;**27**(4):440-455. DOI: 10.1080/09585192.2015.1042895
- [24] SHRM (Society for Human Resource Management). *Advancing Sustainability: HR's Role*. Alexandria, VA: Society for Human Resource Management; 2011
- [25] Ulrich D, Ulrich W. *The Why of Work*. New York: McGraw Hill; 2010
- [26] Mohanty V, Nayak S. Green HRM for business sustainability. *Indian Journal of Scientific Research (Chicago: Global Academic Society)*. 2017;**15**(2):102-105. Gale Academic OneFile, link.gale.com/apps/doc/A521163113/AONE?u=anon~1cd639e8&sid=googleScholar&xid=b9c0a60b. [Accessed: September 12, 2022]
- [27] Bhanu M. A way for corporate sustainability. *International Journal of Human Resource Management and Research*. 2016;**6**(2):13-20
- [28] Mutku C. *The Future of Human Resource Management*. Munich, Germany: GRIN Verlag; 2018
- [29] Caligiuri P, De Cieri H, Minbaeva D, Verbeke A, Zimmermann A. International HRM insights for navigating the COVID-19 pandemic: Implications for future research and practice. *Journal of International Business Studies*. 2020;**51**(5):697-713. DOI: 10.1057/s41267-020-00335-9

[30] Ulrich MD, Brockbank W, Younger J.
The State of the HR profession. *Human Resource Management*. 2013;52(3):
458-468

[31] Deloitte. 2018 HR Technology
Disruptions - Productivity, design &
intelligence reign. Deloitte Consulting
LLP; 2017

Chapter 9

The New Business Management of Innovation and Human Capital: European vs. American Model

Paulino Montes-Solla

Abstract

This work aims to shed light on the new principles and techniques of business management of innovation and human capital within a widely connected world. The two most extended innovative paradigms (startups and transfer innovation) are used in all world innovation systems. Their common point is the transformative potential of innovation based on good human capital skills in new management methods to promote an adequate combination of economic progress and social welfare. The human capital skills must be focused on the new agile business models used by these innovative paradigms on the frontier of technological knowledge. The entrepreneurs, startups, and innovative companies need to attract innovative talent that help to implement industrial initiatives (Industry 4.0 in Europe and Advanced Manufacturing in the USA) and dynamize the traditional productive sectors in a market with uncertainty. The technology knowledge is relatively stronger and reliable than business knowledge. Therefore, ICT skills and new innovation management are keys to supporting traditional sectors. The startup boom will produce changes in business models, organizations, and human capital skills.

Keywords: innovation, entrepreneurship, startups, new business management, human capital, EU, USA

1. Introduction

The objective of this chapter is to present orderly the new management principles and human capital skills to reduce the uncertainties and costs of the innovation processes at the market. The main innovation stereotypes (USA vs. European) are compared, and their implications for current innovation policy are discussed.

The content is structured as follows. In the first place, technological and market uncertainties that affect innovation are introduced. The second section highlights the necessary skills of human capital to cope the new challenges into a changing world and new business models focused on digitalization and blank spaces markets with fuzzy goals. The third part delimits the different styles of innovation, the startup model (American paradigm), and the innovation model by transfer to productive processes and sectors in industrial sectors to develop their productivity (European and especially

German paradigm). Finally, in the fourth part, by way of conclusion, current views on the possibility of a fourth industrial revolution (Industry 4.0 or EU model vs. advanced production initiative or US model) are discussed. The threats of the disruption innovation they can pose in a connected world on the brink of an information revolution are presented. The problems are exposed, and the support for both styles of innovation is justified as a more sensible line of policy, together with a growing diffusion of new techniques and principles of innovation management in the training of young professionals and managers, as well as their dissemination between professionals and managers of consolidated companies, opinion formers and policy-makers [1].

2. New ideas, inventions, and innovation: the market uncertainties

Currently, most innovations are linked to the inventions and advances of science and technology, but innovating is more than that. To innovate is to bring to the market new products and services that meet the needs of your potential customers and that they are willing to acquire. Therefore, the business management of innovation is different from invention. It is the art of designing, developing, and marketing new products and procedures with good expectations of success in the market.

Business innovation combines creativity, research, and product development to create offerings for different customer and consumer segments. It unfolds in a context of uncertainty (technological, productive, and market), the greater the degree of novelty (breakthrough) of the ideas and inventions on which it is based.

Usually, inventors do not pay much attention to the market phase (commercialization road map), but the evidence shows that it is essential in terms of benefits or net profits. Inventors do not usually pay much attention to the market phase (commercialization road map), but the evidence shows that it is essential in terms of benefits or net profits.

Once the innovation phase has been launched, there is a head-on collision between forecasts and reality, since entering an unknown territory (blue ocean) with multiple dimensions and unpredictable details. This context of uncertainty is characterized by an action and discovery spiral: new step (action), new information (feedback), and new context (continuous reassessment) of possibilities, needs, and objectives of the innovation development and implementation process.

3. Human capital skills to the innovation challenges

The main advantage of the innovation process is the creation of new economic business spaces outside the competition of traditional sectors.

Business managers have been transforming the vision of the human capital necessary to face the challenges of the market. In manufacturing societies, they were considered only as labor. Over time, human capital has been gaining importance as their skills and knowledge in business management have increased. So, Maslow [2] introduced his theory of hierarchical needs and provided management with new insights on how to use human capital. With the development of the service sector at the end of the twentieth century, a close relationship is generated between business human capital and business success for the sale of this intangible service.

When global business competition is generated at the beginning of the twenty-first century, the qualifications and capabilities of human capital become extremely

necessary to redesign or modify products and services and adapt them to customer demands. Good human capital facilitates the creation of value in companies. The scientific-technological revolution has fostered the process of change and appreciation of human capital in order to differentiate itself from the competition at a global level.

One of the key inputs for the success into innovation process is human capital training, defined as skills, knowledge, and experience of employees. A formed human capital strengthens the capacity of a firm to retain and develop a new knowledge frontier. Thus, a well-trained human capital is more likely to spur innovation at companies. Even, some companies come to pay a postgraduate innovation training to employees to improve the possibilities of success in the process of new products launch.

Technological change facilitated the spread of knowledge and prompted the birth of new models of innovation. This is what was called “the innovator’s dilemma” [3] of which there are such well-known examples as Kodak, IBM, or Xerox, which lost their leadership by “disregarding” an unknown segment of their business. New opportunities and capacities were opened to absorb external knowledge and take advantage of it in the company, which gave a key impetus to business innovation processes (concept of absorptive capacity [4]).

Open innovation [5] describes the radical change in the ways of managing R&D in large companies and small projects. The traditional internal models were opened to external sources to acquire new knowledge, exploit technologies, and improve results. The cooperation and openness of R&D to find new solutions for customers increased efficiency and generated new business models, increasing development possibilities [5, 6], on the evidence in the consumer electronics sector [7].

In the consolidated companies, marketing experts were integrated into the product development teams and new marketing techniques were put into practice for the new products (idea filtering, concept testing, and product testing. All these techniques are an essential part of the new business management of innovation [8].

The new open innovation models are also widely used in the startups and small- and medium-sized business sector based on the qualification, skills, and knowledge of human capital to break down many barriers and obstacles of the innovation [9–11]. A startup is not a company per se, it is a provisional organization whose objective is precisely to design and search for a product and a viable business model that allows it to develop sales and become a company. To do this, it is necessary to have a human team with skills in the new management of innovation.

In summary, human capital with postgraduate education on innovation management, or employer-sponsored training or business experience on innovation management, are significantly associated with the success of the innovation launch process to the market.

4. Innovation models: disruptive startups (US paradigm) vs. transferring process (EU paradigm)

There are many different types and classes of innovation, which makes it difficult to classify them, but they can be grouped into some reference paradigms.

4.1 US innovation paradigm: Startups model

On the one hand, there is the trend called “Innovation at the frontier of knowledge.” It refers to the American creative style, whose paradigm is the “innovative

milieus” (such as Silicon Valley at San Francisco or Route 128 at Boston). They are highly efficient innovation systems, endowed with expert knowledge and highly developed and sophisticated financing and marketing mechanisms, where inventions at the frontier of knowledge become highly relevant disruptive innovations (Google and Facebook, now called, Alphabet and Meta).

Currently, there is a boom in entrepreneurship and an explosion of technology startups in many parts of the world. According to many experts, the current boom in tech entrepreneurship has much stronger foundations than the internet bubble of the 1990s. The product development and market launch process are long, costly, and fraught with uncertainty about consumer response. For these reasons, the new startup management principles are oriented toward a process of customer discovery and customer validation hypotheses, where the product development goes hand by hand with the customer validation. The aim is to create an MVP (minimum viable

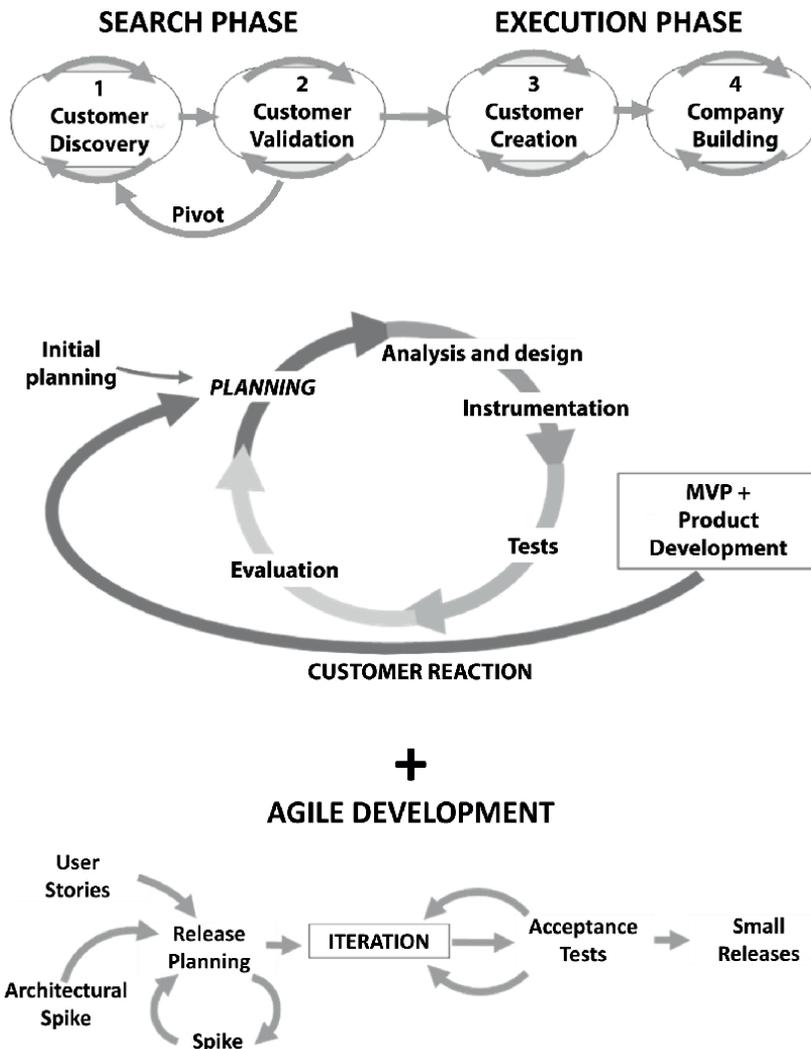


Figure 1. Development phases of a startup. Source: Own elaboration based on *The lean Launchpad* online blog.

product or prototype) with which the sales process can be started and captures the market information, unlike what traditional models of a complete development of the product have proposed.

This new methodology of the US paradigm (startups) is based on a gradual search process through experimentation and validation of the starting hypotheses (see **Figure 1** below). This makes faults discoverable quickly and inexpensive. With this, it allows ratifying or reorienting (pivoting) the attributes and benefits of the minimum viable product and the value proposition until they fit into the “pain points” and the unsatisfied needs of customers.

The key aspect to develop a startup is the search and discovery of a product and a business model that works and adapts to the needs of potential clients. As can be seen in **Figure 1**, it is a two-phase process: the first phase is search, based on a process of interaction with consumers and clients for discovery, reformulation, and validation of initial hypotheses, and the second phase is execution, based on the generation of customers sales and the construction of the company [12].

During the customer discovery process, startups look for a business model that works, so if potential customers do not validate their initial business hypotheses, they revise or pivot to new hypotheses. It is an iterative process of trial and error, where failures will be quick to find the right solution as soon as possible. Once the product has been validated and the model has been tested on the market, startups increase their marketing and sales spending and begin to scale their business. From there, the startups will begin the process of company building.

For this reason, the biggest real challenge for startups is to develop and validate their value proposition, define their products, and seek a profitable business model that allows them to consolidate sales and scale business volume. For this, there are instruments to evaluate the key points of the project, as is the case of The Business Model Canvas [13].

Agile development methods are used to shorten the product development cycle. This methodology (Lean Startup) was disseminated by Eric Ries, one of Steve Blank’s most brilliant students, in the homonymous book [14]. It uses in-market validation tests to align the processes of product creation and customer discovery and development, tweaking and pivoting (bottom part at **Figure 1**). It uses incremental indicators to measure the result of actions on interested customers and sales and analyzes and controls the appropriate growth model based on the costs of acquisition, customer retention, and value of customers throughout their life cycle.

Steve Blank indicates several advantages of the agile management of innovation and entrepreneurship through the Lean Startup methodology [15]:

1. Sharp drop in the cost of developing new products.
2. Better ways to finance risk with new types of investors (business angels, accelerators, and micro-VCs).
3. Own development of innovation management that greatly reduces the cost of errors and failures.
4. New technology fast consumer adoption, opening opportunities for startups with low-cost products, and large companies with novel solutions.

4.2 EU innovation paradigm: transferring process model

On the other hand, there is the “innovation by transfer” style, which is the European Union paradigm. It focuses on supporting the diffusion of new technologies to improve processes and products to the real economy, both in “spearhead” technology sectors and in industry in general, or even in the more traditional sectors (agricultural and livestock sectors). The key idea of this approach is that innovation should be spread broadly to drive productivity gains throughout the economy, and not be concentrated in just a few high-tech sectors. This European style is usually supported by collaboration networks with public-private partnerships and broad incentives from public policies.

The greatest exponent of the EU innovation paradigm is the German case. It has taken the lead in adapting innovations to industry and spreading them across business sectors. A large part of the innovations consisted of introducing new ideas and capabilities into businesses with traditional products and processes to give them dynamism and future prospects. In large part, “Germany’s style of innovation explains its prowess in the field of manufacturing; most of the Chinese products we buy every day are produced with machinery made in Germany, and the companies that make them are prospering” [16]. One of its most emblematic successes is the Fraunhofer Foundation innovation collaboration network.

The main characteristic of the EU transfer innovation paradigm is that generates vast possibilities for new styles of entrepreneurship. The possibilities and future trends are not yet well known, but it is observed that this type of transfer innovators

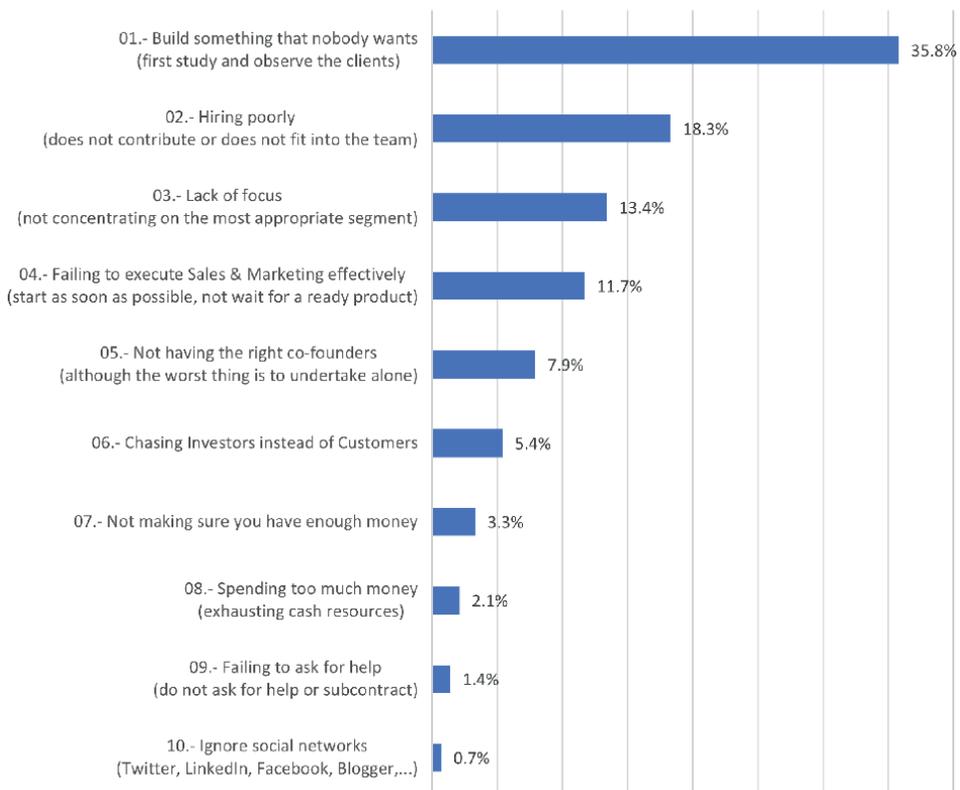


Figure 2. Top 10 startup mistakes (relative frequency %). Source: Own elaboration from 100FirstHits data [15].

requires broader professional skills, training, and knowledge to build bridges between different industries and businesses.

4.3 Startups mistakes of both paradigms

But even though startups use these agile methodologies at both paradigms, they also make mistakes and fail in their product launches to market (see **Figure 2**).

More than 60% of startups frequent mistakes are concentrated in areas related to the development (or discovery) of clients, reaching up to 66% if we also consider the mistake of devoting more effort to attracting investors than clients (5.4%). The biggest mistake is still building something that no one wants to buy (35.8%). Following in importance is the dispersion of efforts in search of all perceived opportunities without concentrating resources (very limited in a startup) in the appropriate market segment (13.4%). The next biggest mistake is overfocusing on internal product development without starting early sales and marketing studies as soon as possible (11.7%). Waiting to have the product completely ready is a major mistake that forces you to invest time and money without having solid evidence from customers through demos and minimum viable products (MVPs).

Disruptive technology startups have a lower probability of success (>25%) than the creation of SME companies in other traditional sectors, but their capacity for growth, scalability, and success (hockey stick growth trajectory) is in a very short time they reach prominent positions among the most influential and largest companies.

5. Conclusions

The two innovative paradigms (startups and transfer innovation) are used, to a greater or lesser extent, in all world innovation systems. Innovation processes are made up of very different combinations of both paradigms. Their common point is the transformative potential of innovation based on good human capital skills in new management methods to promote an adequate combination of economic progress and social welfare.

These skills must be focused on the new agile business models used by startups on the frontier of technological knowledge. These new projects challenge established norms and created new business spaces with disruptive capacity (Apple, Spotify, Amazon, Uber, Airbnb...) [17].

But also, human capital skills can be able to help industrial initiatives of the two paradigms (Industry 4.0 in Europe and Advanced Manufacturing in the USA). They can be able to increase the dynamism of the traditional productive sectors as central elements for employment, prosperity, and the countries' own innovative capacity [15].

Currently, process innovation in manufacturing and other sectors, supported by widely used new technology projects (ICTs, Robotics, New Materials, Algorithms, etc.) is causing profound changes in production methods and industrial organization (Industry 4.0) [18]. These changes are the beginning of the "fourth industrial revolution" because of a digital transformation of manufacturing and production. In this new paradigm of industrial change, Germany has a world leadership position. It has focused on the innovation of state-of-the-art industrial equipment and processes.

Currently, the possibilities of integrating the different general-purpose technologies (GPTs), such as IoT, in the different automation processes of production,

logistics, and distribution offer fantastic prospects for the development of the industry [19]. And, in the future, the changes in industrial production processes (general interest services included) will generate new personalized business opportunities for clients and consumers.

But, at this moment, only a few developed countries have maintained the value of generating industrial value added. Only Germany and Austria (see **Figure 3**) maintain an industry with a significant relative weight and a more favorable evolution than at the world level [20].

The objective of Industry 4.0 is to increase the competitiveness and sustainability of industrial sectors and maintain the weight of these sectors in the economy. For this, it is necessary that the promotion of automation, robotization, and information on industrial and manufacturing processes generates new jobs that have skills of the new principles of innovation management adapted to customers.

It is vitally important to preserve jobs and activities in the industrial core of developed countries, but it cannot be done at any price. ICTs and their use in advanced manufacturing open a window of opportunity. It is based on technological developments and R&D, whose evolution and trend have less uncertainty than innovation processes linked to the market [21].

As a summary, knowledge related to technology is relatively strong and reliable, while knowledge regarding business developments is weaker and less reliable [22]. Therefore, ICT skills and new innovation management are keys to supporting traditional sectors.

Disruptive changes combined with new agile business models will help increase the productivity of traditional sectors. The startup boom will produce changes in business models, organizations, and human capital skills. These changes will reach



Figure 3. Industrial added value in Europe (2017). Source: Interreg Europe data [17].

multiple private sectors (leisure, tourism, retail distribution, transport, energy, and finance) and public sectors (health, education, and public administrations).

The main contribution of this chapter is the evidence, both theoretical and practical, that a greater training of its human capital focused on new agile business models and new innovation management generates better marketing results for new products.

Acknowledgements

The author wishes to acknowledge the funding received from the research group to which he belongs: Jean Monnet Group on Competition and Development (C + D Group, <https://www.gcd.udc.es/paulino/>) at University of A Coruña at Galicia, Spain (<https://www.udc.es/>).

Author details

Paulino Montes-Solla

Jean Monnet Group on Competition and Regional Development, Faculty of Economics and Business, University of A Coruña, Spain

*Address all correspondence to: paulino.montes.solla@udc.es

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Faiña Medín JA, Losada-Lopez C, Montes-Solla P. "Innovación y Emprendedurismo: Ordenando el Rompecabezas de la Nueva Gestión Empresarial de la Innovación [Innovation and Entrepreneurship: Sorting the Puzzle of the New Business Management of Innovation]," MPRA Paper 75479. Germany: University Library of Munich; 2016
- [2] Maslow AH. A theory of human motivation. *Psychological Review*. 1943;**50**(4):370-396. DOI: 10.1037/h0054346
- [3] Christensen CM. The Innovator's Dilemma. Michael LT, Andrew H. Van de Ven, editors. HBS Press, 2003 edition Haper; 1997
- [4] Cohen WM, Levinthal DA. Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly*. 1990;**35**(1):128-152
- [5] Chesbrough H. Open Innovation: The New Imperative for Creating and Profiting from Technology. HBR; 2003
- [6] Chesbrough H. Open Business Models How to Thrive in the New Innovation Landscape. HBS Press; 2006
- [7] Christensen JF, Olesen MH, Kjær JS. The industrial dynamics of open innovation: Evidence from the transformation of consumer electronics. *Research Policy*. 2005;**34**:1533-1549
- [8] Assimakopoulos D, Carayannis E, Rafiq D. Knowledge Perspectives of New Product Development. New York: Springer; 2012. DOI: 10.1007/978-1-4614-0248-0
- [9] Chesbrough H, Crowther AK. Beyond high tech: Early adopters of open innovation in other industries. *R&D Management*. 2006;**36**(3):229-236
- [10] Lichtenthaler U, Ernst H. Opening up the innovation process: The role of technology aggressiveness. *R&D Management*. 2009;**39**(1):38-54
- [11] Van de Vrande V, de Jong J, Vanhaverbeke W, de Rochemont M. Open innovation in SMEs: Trends, motives and management challenges. *Technovation*. 2009;**29**:423-437
- [12] Blank, S. Why the Lean Start-up Changes Everything [Internet], HBR Magazine, 2013. Available from: <https://hbr.org/2013/05/why-the-lean-start-up-changes-everything> [Accessed: May 10, 2022]
- [13] Osterwalder A, Pigneur Y. Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers. Clark T, editor. Wiley; 2010. DOI: 10.5367/ijei.2014.0149
- [14] Ries E. The Lean Startup: How Constant Innovation Creates Radically Successful Businesses. Viking; 2010
- [15] Compass. The Global Startup Ecosystem Ranking 2015. The Startup Ecosystem Report Series: 2015. Available from: https://cdn.plataformaurbana.cl/wp-content/uploads/2015/08/ranking-2015-global_startup_ecosystem_v1.pdf [Accessed: May 10, 2022]
- [16] Garpild, D. Top 10 Startup Mistakes Infographics. 100FirstHits Blog. 2013. Available from: <http://100firsthits.com/2013/11/15/top-10-startup-mistakes-infographics/> or <https://www.slideshare.net/100FirstHits/startups-infographics> [Accessed: May 10, 2022]

- [17] Breznitz, D. Why Germany Dominates the U.S. in Innovation [Internet]. 2014. Available from: <https://hbr.org/2014/05/why-germany-dominates-the-u-s-in-innovation> [Accessed: May 10, 2022]
- [18] Interreg Europe. Industry 4.0: Policy Brief from the Policy Learning Platform on Research and innovation [Internet]. 2017. Available from: <https://ec.europa.eu/digital-single-market/en/cordination-european-national-regional-initiatives> [Accessed: May 10, 2022]
- [19] Kagermann H, Wahlster W, Helbig J. Recommendations for implementing the strategic initiative: Industrie 4.0. Hellinger A, Stumpf V, editors. Final Report of the Industrie 4.0 Working Group [Internet]. Fráncfort. 2013. Available from: <https://www.din.de/blob/76902/e8cac883f42bf28536e7e8165993f1fd/recommendations-for-implementing-industry-4-0-data.pdf> [Accessed: May 10, 2022]
- [20] Berger, R. Industry 4.0. The new Industrial revolution. How Europe will succeed [Internet]. 2014. Available from: https://www.rolandberger.com/media/pdf/Roland_Berger_TAB_Industry_4_0_ [Accessed: May 10, 2022]
- [21] Pavitt K. Knowledge about knowledge since Nelson & Winter: A mixed record. In: SPRU, Science and Technology Policy Research, Electronic Working Paper Series, Paper No. 83. University of Sussex; 2002
- [22] Nelson R, Winter S. An Evolutionary Theory of Economic Change. HBS Press; 1982

Chapter 10

Leadership in Multi-Space Offices: Realizing the Potential of Modern and Flexible Workplace Concepts

Sandra Gauer and Luka Ilic

Abstract

This chapter discusses the challenges for managers resulting from modern and flexible workplace concepts. It will specifically reflect on stressors that arise for employees when working in a multi-space environment and how employees bind to their workplace. Using a combined methodological approach, which integrates a literature review with the experiences of our daily work as workplace change consultants, managers receive concrete advice on how to lead in multi-space. This article thus aims to reduce the uncertainties and stressors triggered by New Work environments, or even to convert these into growth potential for the entire company, by naming concrete leadership measures based on values formulation and emotional leadership.

Keywords: organizational leadership, stress management, multi-space, New Work, training and development

1. Introduction

The world is in change, and New Work is a result of this. What is meant with New Work, a wide idea which encompasses a whole range of concepts? For that, one must get a hold on the underlying drivers which point the way in which work evolves.

New Work is a socially driven change, encompassed by the dynamics of globalization, technology development, and improvement of living conditions all abroad. Naturally, globalization has its downsides too. On the other hand, changing demographics impact directly the situation of work. Generations X, Y, and Z will progressively incorporate into the workforce, whereas society experiences altogether an aging of its population. The result is a lack of qualified and leading workers [1]. The nature of work turns global as well and demands on mobility and permanent availability increase, with a tendency toward globalized connection among people and coworkers. This widening of our network and social sphere also implies that the workforce has a larger range of employment options to reach. Organizations must therefore consider the needs of their employees more considerately if they want to keep the already scarce human resource.

As our societies have been experiencing, digitalization is abstracting work, information, and data into automatized circuits. It facilitates working with information and knowledge, automatizes physical and digital processes, and helps visualize facts that otherwise would be too complex or expensive to represent. Digitalization is a true disruptive force, which also allows employees to access their jobs within a tick of an eye, or a mouse click. In this sense, the last pandemic has also demonstrated to which degree the current network of jobs in our society can be extrapolated into our own homes, namely under the term of home office.

With changing dynamics and increasing ease of life, people have more resources and can decide more freely what they do. A rash change of values is taking place in our twenty-first century [1]. Generally speaking, work-centered lifestyles are shifting to more balanced ways of living, gaining family, friends, and relationships more consideration [2]. Within work, values divide, ranging from people who seek to live stress-free from work, others want to work in community and for social causes, or work committed with a vision and meaning in mind. New Work is increasingly being conceptualized as an element of life that promotes self-actualization, personal security, meaning in life, and relationships with others [1]. For instance, according to the Zukunftsinstitut, the prevalence of home office has been decreasing after the pandemic. Many long for the social aspect of work where one gets to creatively and genuinely engage with other coworkers [2], which strengthens the idea that people are social in nature.

In consulting practice, however, it is noticeable: executives from larger companies often express the opposite view. Many of their employees apparently do not want to return from the home office. The situation is not quite that simple; the problem seems to be a double-edged one. Often, attempts are made to get people back into the office by offering free coffee, sponsored lunches, or internal sports activities. There is nothing wrong with this in principle, but creating a monetary incentive is the wrong marketing strategy in this situation. Social factors must be used in advertising. Employees must recognize the benefits of the office on their own initiative and want to come back.

Currently, from a practice perspective, the trend is 60/40: 60% of managers struggle to get their employees back to work in the office and in 40% observe that employees are happy to return to the office. The key question is, how do you balance home office engagement with a conducive work environment? A strategy must be chosen that ensures the preservation of the corporate and individual added value of home office. How well this balance is achieved has a lot to do with a company's corporate, leadership, and team culture and its communication strategy. These four areas must therefore be analyzed and optimized. This is exactly where Workplace Change Consulting comes in. The goal is for employees to return to the office voluntarily and with pleasure, and to recognize the added value, especially of direct social interactions.

Indeed, humans are social in nature, a generally acknowledged fact. People are embedded in organizational structures, too, and the organizational structures of enterprises are experiencing deep remodeling because of pressing global demands. Being pressed by a changing work environment [3], organizations must be much more attentive to changes in the industry and technological realm to remain competent. With it, the individual carries more responsibility for the success and survival of the firm. Organizational hierarchies become decentralized, and coworkers gain in freedom and responsibility, which makes the production of internal knowledge a more collectivized and democratized phenomenon. Agility and resilience are

keywords for this development. And where abstract structures reshape also make the space conditions in which employees work. To optimize performance, the resources and physical space need to reflect the organizational dimension and how people cooperate with each other. Digitalization allows for new forms of teamwork, where digital tools and cloud-based services enable for direct communication and collaboration. Nevertheless, as stated before, the digital world cannot replace the real-time social world.

Activity-based work (ABW) is a concept that supports working in various areas, based on to the required work demands and needs [1]. Overall, ABW represents multifunctional workspaces with different work zones available for different needs. For example, an employee might need a day to exchange information with another employee in privacy, work in a bigger team, and then focus alone. Accordingly, he can use the exchange zones, collaboration zones, and retreat zones. The concept of ABW is embodied in Multi-Space offices which provide the users with diverse functional spaces.

It is important to note that, in addition to the type of work, personality also plays an important role. Personality-based working (How are employees structured and under what conditions are individuals efficient and capable?) is just as important as performance-based working. Depending on personality, a zone that is objectively perfectly designed for a certain function may nevertheless not work for a person because of his or her personal way of working.

Multi-Space offices have only recently been used because they are the direct result of New Work demands. Nonetheless, according to a review on modern office concepts, the breadth of literature covering this topic presents clear contradictions when referring to the perceived satisfaction employees experience with new office spaces [4]. Whereas some studies present satisfactory results with Multi-Space offices, others result in low levels of satisfaction and find more negative aspects than positive ones. According to the same study, the difference in perception is explained to a large extent by the fact that office designers do not consider the needs of the employees.

That is why it is so important to involve the employees in the process and check in on them regularly—not only on an architectural but also on a human level.

Nevertheless, the work change process should remain a top-down process. Practical experience has shown that change must be initiated from the top. A bottom-up approach does not achieve the desired results. In order to be able to integrate the needs of the employees, it is extremely relevant to define the framework conditions of the new working world in advance. This can be done, for example, by means of a basic document to which everyone can orient themselves and which contributes to a common understanding of the starting position, approach, and goal. In this way, it is also possible to set the right expectations. Incorrect expectation management can jeopardize the transition to the new working worlds and so exactly the opposite of what is intended happens: People are distrustful and close their minds to change.

The same study as mentioned above also shows that the perceived satisfaction with the workplace depends to a large extent on overall satisfaction with the work environment itself [4]. Influencing the satisfaction perception are the cultural aspects and climate of the organization, as well as the subjective aspect of employees. These are all factors that are part of the big picture and that need to be considered by leaders. Because those coworkers who are satisfied with their work overall are satisfied with their workplace, even if the workplace is functionally suboptimal or esthetically unpleasing [4].

Therefore, this chapter will cover the idea of leadership in Multi-Space offices, proposing a theory to diffuse the diverse contradictions found in the general breadth of Multi-Space Office literature. From here on, the psychological grounding to workplace satisfaction will be laid, significant stressors stemming from Multi-Space offices will be presented, and diverse perspectives on leadership will be proposed, concluding with a set of practical recommendations for organizations to influence and increase the performance and satisfaction with Multi-Space offices.

2. The psychology of the individual at the workplace

Perceived job satisfaction depends on a complex interplay of the individual's personality, attitudes, and goals with his or her physical and social environment. Simply stated: depending on a person's behavior, the environment reacts differently and vice versa, a person behaves differently depending on environmental conditions.

Explaining the intersection at a psychological level between the individual and the work environment is the Job Demands – Job Resources (JD-R) Model [5]. The JD-R Model assumes that the arousal and experience of stress is the result of an assessment weighing the difference between job resources and job demands. Job demands are those physical, psychological, social, and organizational aspects of one's job that are associated with physiological and psychological costs. On the other hand, job resources are those aspects of the job that support and lead to the completion of a goal. Should job demands outweigh job resources, the individual will proportionally experience stress. Where job resources can be, for example, being well equipped with knowledge, computers or being provided functional zones, examples of job demands include high workloads, failing computing equipment or having a distracting environment.

Whereas the JD-R Model explains the underlying cause of stress arousal, it does not picture the internal processes that take place within the individual's psychology at the time of assessment. Lazarus and Folkman's transactional stress theory [6] defines the individual stress assessment process as a series of appraisals. A primary appraisal determines if the situation poses either a threat or a challenge. A secondary appraisal estimates how manageable the threat or challenge is based on one's available resources. If the primary appraisal poses a greater threat than that what can be managed, stress is released accordingly. This stress assessment process is continuous and loops, meaning that the perception of the job situation and experience of stress is a dynamic process, which can also be influenced. The theory finalizes that to deal with stress, coping strategies will be used by the individual, being some coping strategies healthier than others (or not).

The stress model by Gauer also describes how stress in new working environments is evaluated from the interaction of technology/space, people, and companies. It plays a role whether a factor that triggers stress can be seen as an opportunity or as a problem. Such models are an enormously important basis for people from Chance Consulting as at Gauer Consulting. By understanding such processes, teams or companies can be supported. They can be supported in perceiving stressors as challenges and as opportunities, learning from them and growing from such obstacles.

The strength of the transactional stress theory is that it situates the individual in the center of the assessment and hints at the subjectivity of the individual, meaning it is finally the individual who assesses if he really possesses the required resources, some of which are highly personal and relate to one's identity. The solidity of this

self-assessment and self-belief is centralized here, but due to the subjectivity in the assessment, it might be that this self-belief is objectively accurate or not. For instance, a person's lack of trust in swimming might not be justified, if the person indeed knows how to swim.

On the same line, the aforementioned self-assessment acquires strong significance for another theory that literally "binds" the individual to the workplace. Scrima and colleagues [7] present a theory of workplace attachment that situates the individual at the workplace with different types and degrees of bonding with the workplace. This bond or attachment is explained as a cognitive-affective link to a significant place; individuals develop an emotional bond that determines part of the perception of the individual and how he behaves in relation to his environment. The theory uses two factors to determine the type of attachment. These factors are the place-assessment and the self-assessment, and each assessment can be evaluated as either positive or negative, which leads us to form a matrix-like table with four attachment styles (although one of them is not included due to its pathological nature, the negative-negative one).

Before going into the relevant attachment styles, the Scrima and colleagues' theory will be tied with previous theories. Relating the workplace attachment style theory to the JD-R model, it can be deduced that both the place and self-put demands on the individual. The workplace (or organization in JD-R model) objectively provides demands, and the individual integrates them into their assessment framework. On the other hand, the workplace (or organization) provides resources to the individual, and the individual or self is central to the assessment of owned resources, also determined by the belief in one's capacity to resolve the situation effectively. In this sense, a negative self-assessment relates both to the production of stress and less ideal attachment styles to the workplace.

The attachment styles are as follows: the secure attachment style (both positive place- and self-assessments), the avoidant attachment style (negative place-assessment but positive self-assessment), as well as the preoccupied attachment style (positive place-assessment but negative self-assessment). All theories set together and summarized are to be found in **Tables 1** and **2**.

	Job demands	Job resources
Organization (place)	Sets demands	Puts resources at disposal
	Environmental stressors are present in Multi-Space offices	Guides employees
		Sets rules for civic behavior
	Very high workloads will most likely lead to more negative place evaluations.	Providing the employee with resources will most likely lead to more positive place evaluations.
Self	Primary appraisal: Integrates and processes job demands.	Secondary Appraisal: Considers available resources and determines manageability of the situation.
	High workloads decrease the chance of positive self-assessments.	Equipping the employee with resources strengthens confidence and positive self-assessments.

Table 1.
The effect of job demands and job resources on place- and self-assessments.

		Place-assessment	Self-assessment
Workplace attachment style	Secure	Positive	Positive
	Avoidant	Negative	Positive
	Preoccupied	Positive	Negative

Table 2.
The workplace attachment styles ordered by place- and self-assessments [7].

1	Emotions arise as a consequence of an evaluative process
	Personal values determine what is important for oneself and what not
	Emotion follows in accordance to one's evaluative template/values
2	The engendered emotion has its own drive and motivation
3	Since emotions are born from values, the emotionally intelligent leader can better picture the individual's personality, what drives him or her, and which emotional reactions can be expected in which scenarios.
4	Emotional intelligence gives access to complex information, from which well-founded solutions can be devised in an agile manner. Particularly in environments in which action and mobility are fluid and relationships are dynamic.
5	Emotional intelligence ensures fluid understanding to bond employees with their team, organization, and workplace.

Table 3.
A logical process to understand how emotional intelligence contributes to leadership in the context of this chapter.

The next subsection will be dedicated to the analysis of stressors at the workplace. However, even the perception of environmental stressors such as noise is regulated by the self-assessment. For instance, the perception of noise, a stressor that is very common in Multi-Space offices, differs in accordance with one's own emotional state [8, 9]. The same noise will be perceived more negatively when the individual is in an emotionally negative state. Bad planning and management of demands has the potential of boosting the perception of already existing stressors. For that matter, the importance of an appropriate organizational culture, leadership, and climate is of detrimental importance. A study by Zheng and colleagues points out that alone culture, structure, and strategy explain 31% of the variance in organizational efficiency (**Table 3**) [10].

The organization analyzes the business environment and integrates into its strategy the recognized industry demands, which then translate into job demands for the organization at large and their employees. The fact that certain demands are either perceived as challenges or as threats is a partly subjective fact and points at the fact that organizational demands have an effect on the employees' stress level and perception. This indirectly shapes the way that the employee sees the organization, place, and themselves. On the other hand, job resources such as a valuable culture that inspires a climate of trust or being qualified and trained with enough knowledge and skills will positively strengthen the perception and felt satisfaction with the workplace, organization, and oneself. Here, too, the manager plays an enormously important role. Especially in change processes, where there is generally a lot of uncertainty, good leadership and communication top-down can be a positive game changer.

Overall, when applied to the way workplaces are perceived, it is found that employees tend to attach to workplaces mostly in a secure, avoidant, or preoccupied style. However, as stated previously, the analysis of the job situation is a constant and dynamic process [6], and there is much room to change things.

3. The stressors at sight

The fact that Multi-Space offices boost mobility through the implementation of diverse areas that serve for different activities also implies that new stressors will arise as a result of new dynamics. On the other hand, with new dynamics, open space, and mobility, the constellation of privacy providing spaces is redefined. More concisely, open-space-type offices boost both the need for privacy and the need for social interaction [11]. This apparently contradictory statement is justified by the fact that open offices leave the individual more “exposed” to the world, but the dynamics of the place increase the desire to socialize more [11], which goes in hand with the New Work idea, that the workplace is increasingly becoming a place to socialize [1]. As of this new dynamic and spatial configuration, the most commonly mentioned stressors in Multi-Space offices are as follows:

- Office noise [4, 12–14]
- Reduced privacy [12–14] and lack of retreat zones [4]
- Reduced confidentiality [4]
- Increased disturbance from others [4, 13]
- A sense of depersonalization and low status [13]
- Visual distraction [13]
- Climatic/air quality problems [4]

These stressors can impair the completion of current job demands, which can loop and exacerbate already present stressors and job demands. In accordance with Scrima and colleagues, low levels of privacy seem to amplify the negative consequences of avoidant and preoccupied attachment styles, whereas high privacy settings help buffer exhaustion [7]. Just as the generation of stress is a fact-dependent on personal traits [6], the need for privacy is a factor that is determined by personal characteristics [11].

The occurrence of potential stressors is independent of individual assessment, but managers shall take into consideration that the evaluation of these stressors is subject to personal assessment, which is a function of personal characteristics. On the other hand, stressors in Multi-Space offices arise mostly from social interactions in an environment that is more dynamic and open than traditional spaces. This means that stressors can be targeted independently from the subject and reduced through the implementation of rules at an organizational level. Stressors cause negative emotion to employees and can lead to hindering performance on an individual and organizational level.

4. Formulating organizational values for cultural adaptation and promoting emotional leadership

Organizational values are the main driver of fluidity in Multi-Space offices and as a determining force in the social climate of a company. Organizational values are also the grounding assumptions on which the collective meaning of the organization is generated, and guidance to employees' action and behavior is given [15]. Values ensure consistency in collective action and give a framework to assess each other's behavior. Values ensure collective fluidity and are of great strategic importance, particularly where firms need to orient themselves toward rapidly changing markets and environments [16].

The strategic importance of HR and people management has increasingly been reflected in the formulation of strategic decisions for organizations. Firms do not only recognize that they need to shift due to technological or market pressures, but that the employees who must contend with these shifts also have to adapt to change swiftly [16]. Being that Multi-Space offices and the division of space into functional areas reflect changing market and technological dynamics, the individuals who work and live on a day-to-day basis in these functional areas must adapt their behavior to live up to both the changing dynamics and the potential of Activity-Based Working (ABW). It is henceforth the task of HR to gear and point the direction of employees' development and their cultures, which makes the adaptation of employees to the usability of Multi-Space offices an ambition that is embedded in larger cultural initiatives within the firm. The way organizations work translate into the physical space. For example, there is evidence that innovative and cooperative climates lead to an increase in social interactions [17] or that confirm that mutual trust, flat hierarchies, or open feedback cultures promote strengthened teamwork [18].

To promote leadership in Multi-Space offices and guarantee the fluidity of these spaces, HR interventions must be designed from a standpoint that considers values as the gearing point of any cultural change. These values must then be incorporated and translated into specific measures and actions [15], such as leadership trainings, learning and development programs, or recruitment strategies. Values are the gasoline, and initiatives are the vehicle for fluidity. One cannot give the wrong gasoline to their vehicle if they intend to be mobile. Cultural change and value reformulations cannot remain in mere promise and must be set into practice and upheld at all levels of the firm through relevant development programs and support structures [16].

From the perspective of values as instruments, generating affective commitment toward the firm [19] are humane values such as courtesy, cooperation and forgiveness, and visionary values such as development, openness, and creativity. The significance of this fact is that such values can directly foster secure attachment styles toward the workplace and organization, since the individual's personal and creative growth is supported on one side, and the organization and the workplace as its physical embodiment serves for a more humane and supporting atmosphere, where individuals might not feel as much exposed to risk and failure as in other scenarios.

Since the fluidity, dynamism, and satisfaction with Multi-Space office depends on a large degree to the emotional climate formed by coworkers, the quality of leadership in Multi-Space offices will be considerable determined by the capability of managers to access employees' emotions, understand where they come from, and extract the information held in them. Accessing the emotional information, which is also the information that gives insights in the way employees relate to the environment or

Multi-Office space [7], is essential to be able to form decisions in an agile manner to promote the civic and dynamic use of Multi-Space offices.

Emotional information can be conceived as a set of signals that communicate information about the individual's assessments and motivated reactions to important survival phenomenon such as perceived threats, conflict, appeasement, alliance, and so on [20]. On the other hand, emotional intelligence is understood by Mayer, Salovey, and Caruso as "the capacity to reason about emotions, and of emotions to enhance thinking... which includes the abilities to accurately perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth" [20].

The emotionally intelligent leader should be able to recognize how a particular employee is relating to their environment and can understand how they are feeling. Furthermore, if one considers that, according to many philosophers of emotion, (a) a particular emotion arises as the outcome of our own evaluative process, and that (b) emotions have its own drive and motivation [21], the emotionally intelligent leader can more accurately calculate the behavior an individual based on their emotional predisposition and values. On the other hand, goals change as do our values [22], together with our emotions as signals of what is important or needed. Accordingly, the meaning employees find in their environment and the objects that occupy it changes as do their broader goals [22]. Simply said, our environment reflects back what we value, and we interact with it accordingly. As an example: an individual is anxious in social situations but values highly providing for their family. Being that the culture of the firm rewards efficiency and creativity, the employee might be more prone to pursue exchange with other coworkers to ensure productivity and new ideas, despite aversion toward social interaction. Naturally, this process is smoother for the employee, when he or she experiences support in that process, and his or her potential is promoted [23].

Employees want to be treated humanely, with room to exploit their potential, and when both organizational and personal values match, affective commitment is more likely to happen [19]. In that the affective commitment of employees toward the organization increases when treated in a humane and visionary way, leaders want to support their employees personally and aid them in the unfolding of their potential, which benefits both the employee and the organization. A competent leader will identify where the development of the individual is obstructed and help them unfold their capabilities and skills.

When targeting the development of staff for fluidity in Multi-Space office, where environmental stressors are have less impact on the individuals, skills that should be fostered to remain competent in more functional and dynamic environments are as follows: self-management, self-awareness, social skills, resilience and courage, empathy and emotional intelligence, critical thinking and questioning one's beliefs, goal setting and goal execution, awareness and focus, attentive listening, and also having a positive attitude toward work, the world, and people. Leaders and managers in New Work increasingly need to undertake the role of development partners for their employees and use situations to stimulate the development of employees [1].

Having mentioned relevant points of discussion for leadership in Multi-Space offices, the points are presented in **Table 4** as relevant topics for organizational development and fluidity in the use of space.

Naturally, by engineering meaning and values, ethical dilemmas come into play, such as that promoting a particular set of assumptions and beliefs might interfere with the development of true well-fare or the construction of healthy personal

Training leaders	
Organizational values	Trainings should sensibelize leaders about the strategic direction the firm wants to take, the values the firm wants to foster, and put leaders in context
Emotional intelligence	Trainings should enhance leaders perception, cognition, and emotion-generating capabilities in order to gain access to emotional information and produce a good organizational climate
Keywords	Emotional intelligence, proxemics, workplace attachment, emotional bond, culture and climate, social interactions and space, empowering others and unfolding potential, team cohesion and vision, and humane and visionary values

Table 4.
Key areas for the design of leadership programs for Multi-Space offices.

identities. However, the organization that wishes to generate affective commitment and workplace attachment and stimulate the liveliness and civility in Multi-Space offices should target values that are humane and visionary and reach the individual at a profound and existential level [22].

Structuring training programs for overall cultural change and leadership in Multi-Space offices should divide the different key areas in a way that makes sense. When training exclusively for emotional leadership, Sadri suggests dividing emotional leadership trainings in different focus areas [24]. After Mayer, Salovey, and Caruso's conceptualization of emotional intelligence, four areas are presented: perceiving emotion, the ability to use emotion to enhance thought, understanding emotion, and the ability to manage emotion. According to Sadri, training sessions should rather focus on single or various but not all focus areas for the development of competence, as this would lead to suboptimal results [24].

Overall, the way leadership trainings are delivered can be classified by methods: by personal growth (promoting self-awareness), by conceptual understanding, by feedback (promoting self-regulation), or by skill building (social skills) [24]. Some specific proposed training tools are given [16, 24], and all these tools can support the development of both focus areas 1 and 2:

- Individual reflection sessions and self-analysis.
- Group reflection and identification of patterns and strategies for improvement.
- 360° feedback rounds.
- Executive coaching targeting the improvement of social skills and conceptual understanding.
- Developing personal plans for leadership development to apply at work.
- Simulation exercises
- Team building, networking activities, and charity work for empathy development.

Emotionally intelligent leaders present a deeper understanding of their employees and teams, which supports leveraging the transformational capabilities they can exercise on their employees [24] and help boost team cohesion, communication, and teamwork [23].

5. Conclusion

Times change and work nowadays has become far from what it used to be centuries, even decades before. As has been narrated in this chapter, New Work is a social change surrounding the way work is performed and is driven by the course of globalization, digitalization, changing demographics, and an overall remodeling of values that individuals in society hold [1, 2]. Because of this development, Multi-Space offices are finding a recent boom in implementation. The literature describing the perceived satisfaction of users of Multi-Space offices is diffuse and contradictory, one study against each other [6]. There have been hints on the underlying psychological grounding of such differences, which can explain how Multi-Space offices can be led to ultimately increase performance, satisfaction, and fluidity in these novel work environments.

In this context, satisfaction is an important factor that depends on the attitude and emotion employees have toward their work environment. Emotions can be controlled from the outside to a certain extent. It is part of a manager's task to ensure a suitable change process in the event of a change in the working environment and to inform and involve the employees appropriately. The positive effects of New Work can only unfold if the introduction to the new working worlds is adapted to the target group.

It is important for managers to keep an eye on employees' stress levels. If job demands exceed job resources, stress is released according to the JD-R Model [5]. Within the context of our chapter, the experience of stress is assumed to be a high-level proxy of the quality and satisfaction experienced with one's work, since, according to Lazarus and Folkman, stress presents a subjective component [6].

Multi-Space offices are rich in social interaction, and most stressors in this environment present a causal factor that is social in essence, the largest targetable area in order to improve the manageability of Multi-Space offices are the social interactions that conform this work environment. Changes targeting the way social interactions take place and the way individuals behave imply large cultural and climate shifts [15, 16].

Subjective attachment to the job is described as a meaningful cognitive-affective attachment resulting from the evaluation of the place and the evaluation of the self [7]. Thus, job satisfaction can be influenced based on job demands and job resources. Following this train of thought, the main goal of HR is to influence the way social interactions take place in Multi-Space offices and promote a climate of trust, growth, vision, and cooperation. Values such as cooperation, trust, or any other value in general direct much of human thought and action, each value in its direction. Being that organizational values determine the context in which actions take place, and the meaning of social interactions is derived [14], fostering and implementing humane and visionary values across the length of the company is primordial in order to guarantee a good use of Multi-Space offices. With emotional leadership in mind, leaders can target their employees and improve their place- and self-assessments by gaining access and working with emotional information that explains much of the satisfaction experienced for the organization and workplace [24, 25].

Which work zone is supportive for which activity depends, for example, strongly on a person's personality or personal way of working. Therefore, special attention should be paid to which work types, work styles, and work methods are represented in a team. In practice, it has been repeatedly found that performance and team climate improve significantly when these points are taken into account and incorporated into the implementation of the new working environment.

It is also the task of the manager to clarify the framework conditions before introducing Multi-Space offices and to ensure appropriate and transparent communication

with the employees. In this way, a large part of the conflict potential of a change process is nipped in the bud. Not only the goal but also the path to new working environments must be clear. If the manager has clarified how the employees will be involved in the process, the employees can be approached. People have no problem with not having a say in the process. They only struggle when they a) do not know why they are not being involved or b) believe they have a say in the process and that is not the case.

To develop leadership traits that foster emotionally intelligent leadership, HR professionals can go through several considerations or specific programs that they can implement as part of leadership development programs. However, the central point of leadership development programs is to create a climate and culture that supports individuals in their workplace. Emotionally intelligent leadership can therefore be seen as an important tool for recognizing how employees relate to their environment.

Author details

Sandra Gauer* and Luka Ilic
Gauer Consulting, Bern, Switzerland

*Address all correspondence to: s.gauer@gauer-consulting.com

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Hackl B, Wagner M, Attmer L, Baumann D. *New Work: Auf dem Weg zur neuen Arbeitswelt*. 1st ed. Wiesbaden: Springer; 2017
- [2] Carsten S, Gisinger E, Kibala J, Kirig A, Muntschick V, Papasabbas L, et al. *Zukunftsinstitut*. New York: Megatrend; 2021
- [3] Mainka-Riedel M. *Stressmanagement - Stabil trotz Gegenwind*. 1st ed. Wiesbaden: Springer; 2013. pp. 5-43
- [4] Becker C, Kratzer N, Lanfer S. *Neue Arbeitswelten: Wahrnehmung und Wirkung von Open-Space-Büros*. *Arbeit*. 2019;**28**(3):263-284
- [5] Bakker A, Demerouti E. The job demands-resources model: State of the art. *Journal of Managerial Psychology*. 2007;**22**(3):309-328
- [6] Lazarus R, Folkman S. *Stress, Appraisal, and Coping*. New York: Springer Publishing Company; 1984
- [7] Scrima F, Mura A, Nonnis M, Fornara F. The relation between workplace attachment style, design satisfaction, privacy and exhaustion in office employees: A moderated mediation model. *Journal of Environmental Psychology*. 2021;**78**(4):101693
- [8] Asutay E, Västfjäll D. The perception of loudness is influenced by emotion. *PLoS One*. 2012;**7**(6):e38660
- [9] Kozusznik M, Peiro J, Soriano A, Escudero M. 'Out of sight, out of mind?' The role of physical stressors, cognitive appraisal, and positive emotions in employees' health. *Environment and Behavior*. 2018;**50**(1):86-115
- [10] Zheng W, Yang B, McLean G. Linking organizational culture, structure, strategy, and organizational effectiveness: Mediating role of knowledge management. *Journal of Business Research*. 2010;**63**(7):763-771
- [11] Haans A, Kaiser F. Privacy needs in office environments: Development of two behavior-based scales. *European Psychologist*. 2007;**12**(2):93-102
- [12] Lai L, Chau K, Davies S, Kwan L. Open space office: A review of the literature and Hong Kong case studies. *Work*. 2021;**28**(3):749-758
- [13] Morrison R, Smollan R. Open plan office space? If you're going to do it, do it right: A fourteen-month T longitudinal case study. *Applied Ergonomics*. 2019;**82**:102933. DOI: 10.1016/j.apergo.2019.102933
- [14] Jungsoo K, de Dear R. Workplace satisfaction: The privacy-communication trade-off in open-plan offices. *Journal of Environmental Psychology*. 2013;**36**:18-26
- [15] Williams S. Strategic planning and organizational values: links to alignment. *Human Resource Development International*. 2002;**5**(2):217-233
- [16] Hassan A. Human resource development and organizational values. *Journal of European Industrial Training*. 2007;**31**(6):435-448
- [17] Chen C, Huang J. How organizational climate and structure affect knowledge management—The social interaction perspective. *International Journal of Information Management*. 2007;**27**(2):104-118
- [18] Haner U, Wackernagel S. *Kurzbericht zur Studie. Wirksame*

Büro- und Arbeitswelten. Ausgewählte Erfolgsfaktoren für eine wirksame Gestaltung von Büro- und Arbeitswelten. 2018. Available from: <http://publica.fraunhofer.de/dokumente/N-494183.html>

[19] Finegan J. The impact of person and organizational values on organizational commitment. *Journal of Occupational and Organizational Psychology*. 2000;73(2):149-169

[20] Mayer JD, Salovey P, Caruso DR. Emotional intelligence: theory, findings and implications. *Psychological Inquiry*. 2004;15(3):197-215

[21] Cain T. Emotion and Value. *Philosophy Compass*. 2014;9(19):702-712

[22] Peterson J. *Maps of Meaning: The Architecture of Belief*. New York: Taylor & Francis/Routledge; 1999

[23] Dionne S, Yammarino F, Atwater L. Transformational leadership and team performance. 2004;17(2):177-193

[24] Sadri G. Emotional intelligence and leadership development. *Public Personnel Management*. 2012;41(3):535-548

[25] Parry KW, Sinha PN. Researching the trainability of transformational organizational leadership. *Human Resource Development International*. 2005;8(2):165-183

Career Development and Employee Value Proposition People Management Future

Caroline Igoki Mwangi

Abstract

Career development has gained a lot of interest over time as organizations and employees attempt to match individual goals with organizational goals to maximize performance. Value proposition, in human resource management focuses on the value that organizations and employees place on their worth, thereby the future of work for both. This chapter reviewed existing literature and linked the relationship between the two constructs to inform on their contribution to the future of people management. Global changes have made it necessary for employers and employees to re-examine the world of work and people management. How organizations manage employee careers is strategic in adding value to both the organization and the employees. The methodology employed was to search online and identify literature, review, and analysis were done per construct reviewed literature. Further the link between the career development and employee value proposition was identified. The limitation is that most of the available literature on the two constructs is before the Covid-19 pandemic and does not emphasize the future. The findings are that career though fast changing remains an important motivator for employees as an aspect of the employee value proposition that would impact people's management futures.

Keywords: career, development, employee, value, proposition, management

1. Introduction

Global changes have affected organizations and employees significantly, impacting the world of work. People are identified as the most important resource in organizations, yet it is observed that organizations have to come up with ways of managing people in the wake of rapid changes and many factors, such as the pandemic, knowledge economy, and knowledge workers, among others.

Career development is one of the individual responsibilities that employees need to grow themselves. Previously, organizations also had a significant role to play. A career may be defined as an individual's work-related and other relevant experiences, both inside and outside of organizations that form a unique pattern over the individual's lifespan [1].

Careers would previously entail a job for life several years ago where an organization employed an individual, and the individual developed through on-the-job training and

gaining experience in addition to formal education to grow their careers. Over time formal education required that an individual identify an area of interest and grow in it as a vocation and acquire certification in that area. The certification became proof of one having acquired certain knowledge and skill to enable them to enter an organization and work in the respective capacity. Once an employee acquired a job in a particular field, they then sort to grow in their line of career sometimes up to managerial levels in that area.

However, this has changed over time as individuals and organizations seek to align themselves with the current global changes. The need to develop one's career over the years has handed the organizational role and the individual role and matching organizational and individual career needs in the process. This has necessitated that right from recruitment and selection organizations obtain employees taking into consideration their dreams and aspirations and how these will be aligned to the goals and objectives of the organization, including succession management. Organizations, therefore, have availed information necessary for individuals to utilize to grow their careers and also carried out career counseling where necessary as part of mentoring and coaching. Individuals, on the other hand have hand to identify their career paths and to use formal opportunities, for example, educational institutions and informal opportunities, to grow their career and utilize where possible the knowledge and experience either in the organizations they are in or look for employment in organizations where their newly acquires skills may be used. Mulhall [2] notes that human resource practitioners and business leaders have a critical challenge in providing employees with career management programs that are effective.

Shaito [3] states that there is a need to develop an effective career development strategy in organizations. He identifies the career development process to consist of recognition of career needs, provision of career paths, carrying out job analysis, and succession planning for purposes of developing effective career opportunities. Further, there is a need to integrate the needs of employees with career opportunities using management by objectives and career counseling then having monitoring and evaluation regularly. Management may be seen as an antecede for career development as career development is a complex long-lasting procedure [4].

The employee value proposition has gained a lot of interest as organizations seek to brand themselves to attract and retain talented employees for competitive advantage. Employee value proposition focuses on how an employee may offer value to an organization and how an organization may receive and utilize that value as they also offer quality employment for employees. It is worth noting that with the increase in knowledge acquisition, the pool of available potential employees continues to increase, however, due to the current need for competitive advantage for employees, organizations need to offer value to obtain and retain employees and get value for money.

Deshoande, A. [5], states

“Employee value proposition (EVP) is the balance of the rewards and benefits that are received by employees in return for their performance at the workplace. Organizations generally develop an EVP to provide a consistent platform for employer brand communication and experience management. Value proposition is the full array of elements an organization delivers to employees in return for the contribution those employees make to the organization.

Employee's value proposition also refers to creating a balance between employee's job satisfaction and performance of the employee in work culture. Employee's value

proposition can be used as an effective tool for employment branding as it outlines the desired and desirable requisites of employees related to employment. By creating the better recruitment objectives, identifying the needs of employment and the positioning of the employees at the right place, and by creating the values of existing employees in the organization.”

It is worth noting that although career development research has been done from vocational skills development, and employee value proposition has been developing over the years, this paper focus on career development in the adult life within organizations in the face of change, such as mass layoffs, that have led to career shock. Further, this chapter utilizes hope action theory (HAT) in an attempt to contribute to the future of people management. Career development is part of the employee value proposition whose responsibility is now more on employees. Literature is reviewed to come up with the possible significance of career development and employee value proposition in the future contribute to people management futures.

2. Career development

Several scholars have defined career from individual and employee perspectives that it may be objective or subjective. Saleem [6] cites other scholars on career definition and change that “a ‘career’ has been described as a long-term procedure made up of a sequence of actions and relevant behavior or behaviors that take place in a person’s perform lifestyle. It is also considered as a routine of performing relevant encounters, such as job roles, tasks responsibilities or actions, perform relevant decisions; and a very subjective understanding of performing relevant events, such as work aspirations, objectives, principles, needs, and feelings about particular perform encounters, that period the course of an individual’s lifestyle.

This chapter defines a career broadly taking into consideration that there is no agreed-upon definition as a career keeps changing. A career refers to those experiences that are work-related for an individual forming a unique lifespan pattern, whether within or outside an organization. Further, careers may be portfolio or encore. Portfolio careers refer to workers engaged in the line of work that is more than one whole encore career refers to retired individuals who take up another kind of work as opposed to the work they did before retirement.

Career development then may be defined as both from an individual and organizational perspective. They point out that “individual perspective, career development is a lifelong process involving psychological, sociological, educational, economic, and physical factors, as well as chance factors that influence the career of the individual. From an organizational perspective, it is a process of assuring an alignment of individual career planning and organization career management processes to achieve an optimal match between individual and organizational needs.

There are many career theories, however, those that are development-focused include those of scholars, such as Donald Superlife, John Holland, Linda Goffredson, John Kromboltz, Ginberg, Ginsburg, Axelrad, and Herma, where development refers to a process over time.

Tamper [7] propose that career development be focused on only for core employees in the light of portfolio career in the workplace to enable organizations to focus on competencies that are core and match portfolio skills with the needs of the organization in the wake of changing HR function.

Career development is the lifelong process of managing learning, work, leisure, and transitions in order to move toward a personally determined and evolving preferred future [8]. Pawar [9] notes that employee value proposition is core to other organization processes to attract and retain employees.

Egan, and Lyneham [10] note that the twenty-first century realities need to be captured in a theoretical framework [11] and the need for career development to be made relevant in human resource development. Career definition also may be seen as aligning career aspects that are subjective with those aspects which are objective for best fit purposes in terms of organizational and individual needs [12].

Simonsen as cited by Hite [13] defines career development as “career development is an ongoing process of planning and directed action toward personal work and life goals. Development means growth, continuous acquisition, and application of one’s skills. Career development is the outcome of the individual’s career planning and the organization’s provision of support and opportunities, ideally a collaborative process.”

Colon, [14] in a literature review identifies eight themes on Career development namely demographics, old vs. new economy, career patterns, workplace justice, lifestyle & welfare trends, employee responsibilities, employee and individual responsibilities, education and training, and they note that there is a shift of career development from being a responsibility of the organization to being more of individual responsibility.

Nagarathanam et al. [15] in their study found that career development practices resulted in moderate employee retention. The specific practices were leadership development, career development structure, talent management structure, success planning development, and self-assessment evaluation.

A study by Crocitto et al. [16] emphasizes the need for mentorship as a career development practice for expatriates.

A recent study found unique challenges that have been experienced in the world of careers for individuals. The study by Yoon et al. [17] using the HAT theory developed by Niles, Yoon, and Amundson in 2010 classified workers into four types, namely, essential workers, remote workers, outgoing workers, and displaced workers. They emphasize the need for career development interventions and policies that facilitate continuous career development progression. Further the hope-action competencies.

- Hope: Being hopeful about one’s future.
- Self-Reflection: Thinking about oneself, one’s uniqueness, and lessons learned.
- Self-Clarity: Articulating self-identity.
- Visioning: Envisioning future possibilities based on self-clarity.
- Goal-Setting and Planning: Setting goals and plans, reflecting a vision and self-identity.
- Implementing: Implementing plans with intentionality.
- Adapting: Being open to change with the flexibility to modify the course of action or goals.

MacDonald and Hite [13] suggest that human resource development remains an integral part of the career development process and that organizational interest in expanding career development efforts should have a return on investment considered.

3. Employee value proposition

Employee value proposition may be seen to have motivation as an underlying factor, whereas process motivational theories connect in expectancy, goal setting, reinforcement, and equity. These areas connect with heart to action theory of career development.

Beacon Review [18] gives a framework of five elements for employee value proposition:

- Compensation: The money employees receive for their work and performance.
- Benefits: Indirect compensation, including health, retirement, and time off.
- Work content: The satisfaction employees receive from their work.
- Career: The long-term opportunities employees have for development and advancement.
- Affiliation: The feeling of belongingness employees have toward the organizations.

Research shows that employee value proposition attracts employees [19]. Pawar [20] notes that most organizations have an employee value proposition to attract, motivate and retain the right talent and to provide a line of sight to the company's culture. He points out that career is one of the attributes of employee value proposition and concludes that employee value proposition can help attract talent.

Parreira [21] carried out an analysis of employee value proposition and found out that there are two parts that are dependent on each other, that is, attraction and retention, where retention success depends on the attraction and retention strategy.

EVP purpose to a company:

1. To attract, motivate and retain the right talent.
2. Provide a line of sight to the company's culture.

There are elements to EVP that Sibson consulting has created in a reward for work (ROW) model.

- Compensation: Monetary reward for work done and performance.
- Benefits: These may be non-monetary, for example, insurance cover, retirement, and time off.
- Work content: It focuses on the satisfaction from work that employees receive from undertaking it.

- **Career:** The long-term opportunities for advancement and development are available for employees.
- **Affiliation:** This is a feeling of belonging that employees have toward an organization.

Shinde [22] gives three steps in developing an employee value proposition namely:-

1. Selecting the attributes for inclusion in the EVP.
2. Building candidate awareness of the EVP.
3. Shaping candidate perception.

Pawar A. and Charak [23] carried out research that showed that employee value proposition has not been formalized by many organizations even though it should be calc early statement that is written and communicated to employees and they are aware of it. They note the importance of employee value proposition to include in the corporate leadership councils research.

Isabel Holm and Linn Anderson Hutsch [24] carried out research on employer branding focusing on the importance of balancing the needs of employees with employer offerings note that the specific performance of an individual or a group of workers has a profitability impact that is significant. They note that organizational strengths are important and they may originate from behavior and assets of employees or the unique assets of the specific organization. Talent management focuses on how an organization manages its talent. Employer branding focuses on how talent perceived the organization.

Armstrong [25] notes the need for organizations to first identify employee expectations who are already engaged in the industry, that is, employee value proposition. This may include benefits offered to current and potential employees. Literature on employee retention and turnover indicate trust, satisfaction, work-life policies, and role congruence as some of the positive aspects that encourage employee value proposition and lead to retention.

4. Hope action theory

Reviewed literature shows using hope-centered model of career development promotes career management of individuals encountering challenges and opportunities, reinforcing the vigilance needed for individuals to maintain self and occupational awareness. They use (a) hope, (b) self-reflection, (c) self-clarity, (d) visioning, (e) goal setting/planning, and (f) implementing/adapting [26].

Niles, S. G., Amundson, N. E. & Neault, R. A. (2010). development. Boston, MA: Pearson Education.

Niles, S. G., & Harris-Bowlsbey, J. G. (2009). Career development interventions in the 21st century (3rd ed.). Upper Saddle River, NJ: Prentice Hall.

Pursglove [27] carried out a study on hope the holistic evaluation of employee hope, wellbeing and engagement using the hope theory and found out positive outcomes of employees with hope.

Snyder [28] in hope theory defines hope as “the perceived capability to derive pathways to desired goals, and motivate oneself via agency thinking to use those pathways.” He notes that there are two major types of goals in hope theory, namely:

Type 1 involves positive goal outcome.

- a. Reaching for the first time.
- b. Sustaining present goal outcome.
- c. Increasing that which already has been initiated.

Type 2 involves a negative goal outcome.

- a. Deterring, so that it never appears.
- b. Deterring, so that its appearance is delayed.

Building on this further research by Pursglove [27] notes that previous research views individual goal attainment as leading to a likelihood of attainment of organizational goals. That where hope is fostered in organizations, negative impacts of change are countered with a focus on shared goals.

In addition, Yoon et al. [29] carried out research and found that hope action competency, general self-efficacy, and job search clarity were effectively developed. They noted that HAT integrated three theories: human agency theory, career meta-competencies, and hope theory.

5. Career development, employee value proposition and people management futures

Dipak [30] states that at the recruitment level, career value proposition, which is specific and individualized with manager and employee roles, needs to be introduced to employees. Also, North [31] points out the need to make employee value proposition recognized and more intentional as a strategic and sustainable approach.

Pawar [32] argues that most organizations have an employee value proposition to attract, motivate and retain the right talent, and to provide a line of sight to the company’s culture. He points out that career is one of the attributes of employee value proposition and concludes that employee value proposition can help attract talent.

Parreira [21] carried out an analysis of employee value proposition and found out that there are two parts dependent on each other, that is, attraction and retention where retention success depends on the attraction and retention strategy.

This chapter notes that the hope Action theory would go a long way in employee proposition where individuals lay emphasis on career development as of prime importance.

6. People management

Human resource management literature shows that there are challenges that are being faced in the twenty-first century. Armstrong [33] states that human resource

management deals with people in organizations in three ways, namely, employment, management, and development.

Career development is an aspect of the employee value proposition. As organizations seek for uniqueness in employee value proposition, the career development aspect becomes invaluable in assisting employees to connect with employer value.

This is because career development offers present and future employees the opportunity to realize their goals alongside those of the organization. This is because there is a need to create a more compelling EVP. This takes into consideration the need to anticipate intense competition for talent, changing workforce needs due to disruptive technology, and general workers' view that employee satisfaction is not enough.

Research conducted during the Covid-19 pandemic identifies career development as a human resource management challenge due to career shock and fear of job loss and that job loss may lead to a reevaluation of individual goals or position fit by Akkermans, [34] who previously had defined career shock as:

... a disruptive and extraordinary event, that is, at least to some degree, caused by factors outside the focal individual's control and that trigger a deliberate thought process concerning one's career. The occurrence of a career shock can vary in terms of predictability, and can be either positively or negatively valenced."

They give the definition and point out the key elements to be frequency, intensity, controllability and predictability, valence, and duration which Hite [35] posits are relevant in the Covid-19 pandemic. There is a need to make careers sustainable and the implications for human resource development is to come up with training strategies that enable individuals to adapt making career development part of human resource development for sustainability and moving from job specialization to generalization.

It is suggested that people management is transitioning from human resource management, and human capital management where talent management is the focus to human self-management, and that multitalented employee value proposition is one of the drivers of human resource and human capital transition. This emphasizes the importance of employee value proposition for organizations in people management [36].

7. Conclusion

The reviewed literature brings out changes in career development to shift more to employees for sustainability. However, the literature emphasizes that career may be changing but remains important to employees. Further, the need for employees to focus on attainable goals that bring satisfaction is pointed out. Career development is being focused more on human resource development. It is further noted that career development is one of the outcomes of the employee value proposition that organizations may use to attract and retain employees with hope action theory (HAT) being utilized to offer employees sustainable career development for employee attraction and retention as a people management future aspect to address the challenge of employee attraction and retention in the people management future.

This chapter has examined the literature on career development and employee value proposition and the shift pointing out the need for management to play an active role in the future management of people. It is suggested that career development and employee value proposition policies need to be put in place and taken into consideration at the recruitment level in future for retention purposes. The future

management needs to be trained on incorporating career development and employee value proposition in the retention practices as part of supervision for future people management. Also, career value proposition and employee value proposition should be practiced simultaneously to cater for types of employees with training on building hope for employees.

Acknowledgements

I wish to acknowledge my University Murang'a University of Technology for allowing me to take the time to publish this chapter. I wish to thank IntechOpen for granting me the opportunity to publish this chapter in the book. I wish to acknowledge Jelena for her assistance to ensure that this work is published and for the reviewers who reviewed this chapter and made recommendations to improve the work. I acknowledge researchers who have published articles on these constructs and availed them online, thereby stirring interest in the two constructs.

Conflict of interest

I wish to state that I do not have any conflict of interest.

Notes/thanks/other declarations

I wish to declare that this work has not been published before.

Author details

Caroline Igoki Mwangi
Murang'a University of Technology, Nairobi, Kenya

*Address all correspondence to: cigokim@mut.ac.ke

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Baruch S. Advances in career theory and research. A critical review of agenda for future exploration skill. *Journal of Management*. 2009;35(6):1542-1571
- [2] Mulhal. Career and career development strategic human resource management: Research and practice in Ireland. Online Submission. 2014
- [3] Shaito. Career Development: Overview. 2019. Available from: <https://www.researchgate.net/publication/336812981>
- [4] Saleem Y. Career development an imperative of job satisfaction and career commitment: Empirical evidence from Pakistani employees in banking sector. *European Journal of Business & Management*. 2013;5(21):94-107
- [5] Amruta D. Sustainable employee value proposition: A tool for employment branding. Online Submission. 2019
- [6] Saleemi SI. Career development an imperative of job satisfaction and career commitment: Empirical evidence from Pakistani employees in banking sector. *Journal of Business and Management*. 2013;5(21):94-107
- [7] Templer AJ, Cawsey TF. Rethinking career development in an Era of portfolio careers. *Career Development International*. Emerald Insight. 1999;4:7076. ISSN-1362-0436
- [8] Armstrong. *Armstrong's Handbook of Human Resource Management Practice*. USA: Kogan Page Publishers; 2009
- [9] Kuldip C. Employee value proposition revisited. *International Journal of Social Science and Management*. 2020. ISSN: 2319-300x
- [10] Egan TM. Toward a multilevel theory of career development: Advancing human resource. Online Submission.
- [11] Hite MKS. Reviving the relevance of career development in human resource development. *Human Resource Development Review*. 2005;4:418-439
- [12] Van Dijk MS. Career development within HRD: Foundation or fad?. Online Submission. 2004
- [13] McDonald SK, Hite LM. Reviving the relevance of career development in human resource development. *Human Resource Development Review*. 2005;4:418-439
- [14] Thomas CJ. *Career Development Challenges for the 21st Century Workplace*. Minnesota: University of Minnesota; 2004
- [15] Nagarathanam R, Venkitasam S, Attiah EM, Mohannad E. The impact of career development practices on employees' retention in qatar aviation industry. In: *International Conference Proceeding-Accounting and Business Management*. ASCENT International Conference Proceeding, Imperium International College. 2018
- [16] Crocitto CS. Global Mentoring as a means of career development and knowledge creation a learning-based framework and agenda for future research. *Career Development International*. Emerald Insight. 2005;10(6/7):522-535
- [17] Yoon I. Mechanisms for hopeful employee career development in COVID-19: A Hope-action theory perspective. *Advances in Developing Human Resources*. 2021;23(34):152342232110178

- [18] Browne R. Beacon management review-employee value proposition. Online Submission. 2012
- [19] Ariyanto KKR. Employer branding and employee value proposition: The key success of startup companies in attracting potential employee in startups. *Annals of Human Resource Management Research*. 2021;2:113125
- [20] Avinash P. A study and review of employee value proposition: A tool of human resource management. Online Submission. 2014
- [21] Jaco P. An analysis of an employee value proposition. Online Submission. 2007
- [22] Shinde S. Effective human resource management with employee value proposition review of research. Online Submission. 2019
- [23] Avinash P, Charak KS. A study and review of employee value proposition: A tool of human resource management. Online Submission. 2014
- [24] May L. Employer branding as a response to talent shortage the importance of balancing the needs of employees with employer offerings. Online Submission. 2016
- [25] A. Michael Handbook of Human Resource Management Practice. Business and Economics. Kogan Publishers [Online]. 2006
- [26] Niles SG, Yoon HJ, Balin E, Amundson N. Using a hope-cen Turkish Psychological Counseling and Guidance Journal. 2010
- [27] Rukin PL. The holistic evaluation of employee hope, wellbeing and engagement through change. Online Submission. 2014
- [28] Snyder CR. Hope theory: Rainbows in the mind psychological. *Career Development International*. Tylor and Francis; 2002;10(6/7):522-537
- [29] Yoon SNHJ. The effect of a career development programme based on the Hope-action theory: Hope to work for refugees in British Columbia. *British Journal of Guidance and Counselling*. 2019;47(1):6-19. DOI: 10.1080/03069885.2018.1544827
- [30] Sundaram D. Build a career value proposition to tackle the great resignation. Online Submission. 2021
- [31] David N. Why career development is at the heart of your employee value proposition. Online Submission. 2021
- [32] Pawar K. Organizational significance and impact of employee value proposition. In: *International Conference on Business, Economics, Socio-Culture & Tourism*. 2016. ISSN: 9772528581002
- [33] Armstrong TS. *Armstrong's Handbook of Human Resource Management*. Kogan Page Publishers [Online]. 2020
- [34] Akkermans J, Richardson J, Kraimer M. The Covid-19 crisis as a career shock: Implications for careers and vocational behavior. *Journal of Vocational Behavior*. 2020;119:103434
- [35] Hite MKS. Careers after COVID-19: Challenges and changes. *Human Resource Development International*. 2020;23:427-437
- [36] Sánchez-Gardey M. Beyond Human Resources—Research Paths Towards a New Understanding of Workforce Management Within Organizations. IntechOpen; 2021. Online EBOOK (PDF). ISBN: 978-1-83969-274-1 IntechOpen [Online]

Rethinking Performance Management: Realities in South African Municipalities

Zwelinzima Ndevu

Abstract

Forthcoming priorities and initiatives in organisations are often based on existing gaps that have been identified through measuring performance. Measuring performance in South African municipalities is therefore fundamental in creating a foundation for the future. Through the grounded theory as a qualitative methodology, the chapter constructs a theory based on the assessment of events throughout the municipal terrain in South Africa. The theory is developed based on the performance management systems of two South African municipalities situated in the KwaZulu and Eastern Cape municipalities. Using purposive sampling, 8 interviewees were selected (four administrators and four municipal councillors). The findings indicate that in relation to the performance management systems, the relationship between the political and municipal leaders has over the years been strained. There is a lack of mutual understanding amongst staff and leadership due to the belief that community-based service delivery was strictly a political process. Though there has been dialogue regarding issues related to the performance management system, the political leadership has dominated the negotiations and dialogues in municipalities. It was further noted that there was a lack of transparency and efficiency in the performance management system in district municipalities.

Keywords: municipal performance, municipal systems, performance management systems

1. Introduction

Performance management systems that have been operational in both private and public sector organisations are founded on processes associated with the plans, reviews, rewards, punishment, and development of individual performance systems in the specific work environment. It has been over the years thought to be a key element in the success or failure of the management process. For such a process to be successful, employees must be aware of and believe in the organisation's mission and vision. The vision and the mission play a role in the success or failure of the employer. It is the responsibility of the organisation's/institution's leadership to plan, review, measure, reward and develop performance at all organisation level.

In most operational terrains and landscapes, the implementation of the performance measurement in an effective operational understanding is related to the utilisation of a balanced scorecard, a technique that when professionally planned and applied evaluates and measures individual and group performance in the appraisal process. The balanced scorecard can be an evaluation-based measurement instrument that paves the way to increased possibilities of organisation success.

For such processes and realities to be successful, there must inevitably be full integration of the professional performance of every employee within the parameters of the organisational and institutional strategy. This is directly related to the employees following the organisation's rules and regulations that are associated with institutional goals. This is also related to development and training, effective communication, and the relationship /s leading to existing performance and rewards.

International research has shown conclusively that the structure, processes, and functions of a successful performance management system are directly and indirectly related to the relationships, actions, performance, and overall behaviour of leadership, management, and staff at all organisational and institutional levels. This means that an analysis of performance management can only be based and rooted on the investigation of behavioural, organisational, and structural dimensions of the phenomenon. Organisational structure can be considered the root of success or failure, but the rest are equally responsible at all levels. The importance of the behavioural element at all levels is related to all employees' utilisation of the existing performance organisational systems.

Internationally the key role of a municipality is to deliver services that are essential to the development and overall well-being of communities. In their efforts, municipalities seek to ensure that service delivery is honest, transparent, accountable, economical, effective, and efficient. The municipal political and administrative leaders are responsible for formulating strategic and tactical, well-structured plans, allocating existing resources to the plan implementation, and monitoring and evaluating such a plan. At the end of the process, these are reported to their communities and the central state authorities and institutions.

A municipality's performance is a social, political, and administrative necessity of key importance as it is instrumental in focusing the immediate attention of the state oversight bodies as well as their entity's population. Communities and other entities are the final judges of the municipality's efforts, they assess the outcomes and outputs of the municipalities' efforts in the process of delivering value for money. The municipalities' performance is compared with its service delivery plans and its budgets thereby informing present and future decisions.

In South Africa, the performance management systems in municipalities have more similarities than differences in comparison with sister organisations in African countries and internationally. This is because their aims, objectives, missions and visions, policies, and processes are more or less similar. These are directly related to the efforts to fulfil their legal and humanistic duties and responsibilities for the betterment of the people who vote them into leadership positions [1].

These responsibilities are efforts directly related to honest, accountable, efficient, and effective management. These are rooted in well-structured and researched plans, transparent budgeting and implementation, and processes of monitoring, evaluation, and reporting of processes. Continuous communication with communities regarding the overall performance of municipalities is instrumental in creating and perpetuating high levels of accountability. In such a context the community, politicians, and administrators are enabled to track the progress, the challenges, the

difficulties, and the problems that exist. They identify the possibilities for present and future improvement. Performance information also plays a growing role in budget allocations and will increasingly be used to monitor service delivery. This means the information must be accurate, appropriate, and timely [2].

During monitoring and evaluation, the most valuable reason for measuring performance in an organisation is it creates the foundation of the future, as the forthcoming priorities and initiatives are based on the existing gaps that are the root of weaknesses and mediocre or poor performance. Good performance can only be achieved through professionally based performance management systems that are well-planned and implemented. Performance management systems need public ownership; people in the municipality need to be well informed about the efforts towards pursuing results-based approaches. They need to be well informed about the market and professional initiatives associated with contractual agreements, timelines, benchmarking realities, performance contracts, risk management, and market testing.

Performance management is essential for improved service delivery in South African municipalities. This chapter contributes to the literature regarding performance management in the South African context by building a theory of performance management systems based on the experiences of municipal officials. The theory gives a better understanding of the South African municipal context in relation to performance management systems. The theory assists in rethinking the approaches to performance management in municipalities. The theory also assists in the development of strategies and creates a foundation for further research on various issues covered. Furthermore, it gives recommendations of actions that governments and related entities could try in efforts to address the challenges experienced in municipalities.

The chapter goes about this by providing a brief theoretical framework section, a methodology section followed by a data collection, and thereafter a synopsis of the data interpretation.

2. The significance of trust in a public sector performance environment

An appropriate conflict-free employment relations strategy is the key to a successful organisation. The most fundamental element of such a strategy is deeply rooted in common trust permeating all sections, divisions, leadership, management, and all employees [3].

State rules and procedures are significant in shaping and determining organisational imperatives, structures, systems, strategic plans, and actions of an entity. However, the quality of existing relations depends on the levels of trust. Trust is founded and cemented mainly through the strategic plans and actions of the leadership and higher management levels of an organisation. Research conclusively shows that trust amongst key stakeholders in an organisation is a key element in the success of the entity. Lack of trust within a public sector entity such as a municipality will have direct or/and indirect effects on individual or group performance [4, 5].

The latest report of the World Economic Forum ranks South Africa as the worst of 137 countries in terms of the relationship between employer and employee [6]. The report links this outcome to the very low levels of trust both in the private and the public sector.

The report identifies mistrust between employers and employees in South Africa as a phenomenon with historical roots that has been perpetuated and exacerbated by the country's lack of capacity in training, retaining, and attracting talent. This has

also been attributed to poor reliance on management, the existence of high inequality levels, unemployment, and poverty [6].

An efficient and effective state and a well-functioning market have positive effects on continuous economic and social growth and development; these further enhance corrupt-free competitiveness and GDP growth. On the other hand, unhealthy relations between employees and management bear negative impacts on organisation performance. This poses a serious threat to both sectors' ability to constructively build a more productive and equitable future for the country as a whole [3, 7].

Statutory frameworks enable workplaces to adopt and implement commonly agreed aims, objectives, strategies, and plans concerning all work-related aspects. Some of the work-related aspects are collective bargaining and the resolution of disputes in a collegial and legally-bound manner. The existence or the absence of such priorities cements or destroys trust within an organisation, especially a municipality, an organ empowered legally to be the foundation of community-based efficient and effective service delivery.

Trust within a municipality is instrumental in building and cementing cooperation, coordination, synergy, and collective decision-making and planning while mistrust is instrumental in creating and perpetuating divisions. Subsequently, conflicts damage relationships and in the long run, affect organisation stability and efficiency [8].

Empirical studies confirm that widely spread mistrust can be eased out through strict and thoroughly observed reliance on existing rules and regulations that could lead to higher productivity and better performance. High levels of trust within an organisation, lead to employees experiencing higher degrees of job satisfaction, motivation, self-belief, discipline and solid performance. In such a trust-driven environment, conflicts are resolved faster because of general agreements on key issues amongst the key elements of leadership, management, and employees [3, 4].

Such a vision within a municipality would be the foundation of accountability, transparency, honesty, and high-performance levels leading to service delivery excellence, and the development of new, fresh professional identities and relationships committed to the principles of the NDP.

Extensive research has been conducted on the experiences of municipal employees in South Africa at several levels and there is no doubt that their experiences are unique at most levels. This is because most of them are classified as 'micro-environments' in terms of human resources realities. The municipalities that can be classified as 'mega environments' (mainly found in the urban areas) are to a large extent more complicated not only because of their size but also the wider spectrum of interests created by the relationships between politicians and administrators, or politicians and the private sector service providers amongst other. The diversification of service delivery targets is also a key issue of difference [9].

Lack of harmonious cooperation and coordination within an organisation as a result of mistrust towards leadership, the management, or existing plans and decisions lead to frustration, dereliction of duty, withdrawal, absenteeism, and lack of motivation. Poor work performance, ill-discipline, and perpetual ignorance of duties and responsibilities have also been described as results of mistrust [10].

The foundation stone of trust building is employee participation summarised in the phrase 'an employee must be given a voice', pointing to collaboration, understanding, and trust-building. This could become a reality through the opening of communication channels, regular strategy, tactics, monitoring, and evaluation meetings

and socials. Such an eventuality is the exact opposite of the 'top-down approach'. In municipalities, the later approach is represented by the political leadership (Mayor, Speaker, and senior councillor) or the administrative sector (Municipal Manager, Chief Financial Officer etc.). The most used types of 'top-down communications' includes 'leadership team briefings' electronic communication with announcements and/or instructions when the need arises, or employee surveys mainly associated with employee performance cards. When the obsession with outcomes overtakes the importance of communication, information sharing, and serious and honest engagement, trust tends to diminish [11].

Power struggles have become a common feature in municipalities, these are as a result of political or administrative battles over resources, monopoly of knowledge and/or existing opportunities for corruption. These lead to 'professional distance' between leaders, managers, and employees. This becomes the foundation of mistrust as employees feel alienated from existing municipal realities, knowledge, opportunities, and decisions. These are kept away from them in a situation where the leaders' and managers' authority cannot be challenged.

Leadership must make decisions and must take the prerogative to provide employees with the opportunities to participate actively in decision-making. Employees need to have a clear picture and an understanding of decisions made by leadership and management. Employees must be consulted for their input on key issues, it is only when such an accountable, transparent, fair, and collegial process of decision-making is followed that trust is built. Organisations, therefore, manifest voluntary cooperation, coordination, and synergy that are guided by solid, fruitful, and creative performance through such continuous commitment [5].

Employee performance is also related to the belief that leadership and senior management will involve and value employees' contribution to most, if not all, aspects of the organisation. This is how trust becomes a reality [12].

Given the challenges facing human resources leaderships and practitioners throughout various sectors, the only organisation culture that guarantees solid and efficient employee performance is the one characterised by active participation, continuous up-skilling and development, and collective support relations [2]. It is only such an environment where core organisation aspects can be discussed, agreed upon, and planned in terms of administrative, legal, regulatory, financial, budgetary requirements, risk management, and effective structures, systems, and processes that trust can grow [13, 14].

Trust cements a culture of inclusivity, fairness, and collegiality. It has been accepted as such by the principled position on the matter on behalf of the International Labour Organisation (ILO). They have described fair labour practices, equal and participatory treatment, freedom of expression association, and participation as the fundamental rights of employees and the foundation of common trust [15].

3. Municipal performance management systems: the South African legal roots

South Africa's 283 municipalities are classified into three categories according to the country's Constitution, six Metropolitan municipalities, 46 District municipalities, and 231 local Municipalities. Their structures, functions, and political and

administrative priorities, duties, and responsibilities are based on a widely diversified and regularly updated legislature that is enriched by a rich multiplicity of rules and regulations researched and produced by the relevant Ministries, as well as state institutions and entities.

Performance management systems in the South African municipal landscape lie in the Municipal Systems Act of 2000 [16] and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers [17]. The two documents provide the fundamental processes such as the establishment planning and implementation of the system in every municipality in South Africa. Municipal leaders in the country must adopt a performance management system as an official institutional policy. Performance management has been described as a foundation of excellence and a foundation for honest, transparent, and effective service delivery rooted in good and honest governance, unity, and commitment.

Such a policy is rooted in the aims and objectives of a performance policy framework structure in such a way as to pinpoint the path leading to the provision of guidance. Such guidance is associated directly with the cycle and processes of the municipality. This is in terms of rooting and developing the institutional performance through meticulous planning, thorough monitoring, reviewing and evaluation, measuring and calculating, reporting, and communicating, and quality and control measures. The performance management policy framework is founded on the directives of the Municipal Performance Regulations [17]. The Municipal Systems Act [16] aims to improve the existing integrated systems processes and structures required to manage information associated with individual and group performance. It clarifies performance information associated with the definition and standards leading to the support of regular audits of existing information at specific periods. It promotes transparency, accountability, effectiveness, and efficiency. When all these are achieved, they are reported to the National Parliament, all provincial legislatures, municipal councils, and their communities through the provision of accurate, accessible, and timely performance information.

Policies associated with performance management systems lie with Section 152 of the country's Constitution which deals directly with local government as an integral part of "accountable government". Democratic principles and values described in Section 195(1) of the constitution deal with a wide variety of principles that are fundamental in the existing policies and performance management systems. These values include the promotion of institutional accountability, efficiency and effectiveness, honesty, and accountability in all sections and departments of the public domain. Furthermore, the values include the promotion of the availability of all relevant information to the population through openness and transparency, openness and responsiveness to the needs of the community, and the facilitation of a culture of public service and accountability amongst staff [18].

The White Paper on Local Government published in 1998 (RSA 1916) which was amended in 2016 [19] introduced a much wider spectrum of local government performance management practices. It was described as a catalyst for the municipality's developmental role. The crux of the new practice appeared to be increased and continuous accountability of the municipality. This would increase and perpetuate trust and belief in municipalities.

These concepts were expanded by the Municipal Systems Act, 2000 (Act 32 of 2000) [16]. Sections 4, 6, and 8 belaboured the importance of accountability. Section 11(3) described the municipal legislative and executive authority as the guide to delivery target setting; monitoring and evaluating the effectiveness and impact of all

policies, plans, programs, and services; monitoring and regulating all tender-based services provided as well as planning, establishing, and implementing performance management systems.

Section 38 provides a plan for a Performance Management System (PMS) and it promotes the performance management culture amongst all municipal structures, political office bearers, councillors, and the administrative sector. Section 39 sets the EXCO (Executive Committee (Exco) as the responsible unit for the development of a PMS, with the municipal manager taking full responsibility. Section 40 stipulates that a municipality must establish mechanisms with which to monitor and review the PMS while Section 41 establishes the processes and components of PMS, i.e., the PTs (performance targets), KPIs (key performance indicators, performance improvement, and continuous reporting. The internal and external knowledge of all these processes is found in Section 44, while Section 42 advocates for the active participation of the communities in all aspects and steps of KPIs and PTs for the municipality. Section 43 deals with the correct applications and regulations of the key performance indicators.

Section 45 deals with the audits associated with all results of the performance measurement which are certified by the Auditor General. Section 46 deals with the municipality's compulsory annual reports, these include financial statements, audit reports, performance reports, and other reports that are legislative requirements. All records and decisions associated with official documents are submitted to the Auditor General, the political leadership, and the provincial government as per Section 46(3).

These legal foundations have been strengthened by several government documents; the Municipal Planning and Performance Management Regulations [20] was instrumental in diversifying the performance management systems and their realities. Besides a full description of the system, the document relates the connection of municipal employees with the communities as an integral part of their KPIs. This includes the access to basic services for households with low income; the possibilities of job creation for the unemployed (an integral and important element of the municipality's Local Economic Development); the conditions of households who have access to basic services; the realities of the budgetary spending as planned by the official plans and decisions of the municipality, as well as the community-based stakeholders and role players; the continuation of the employment equity in the highest levels of the municipal management and the implementation of the municipality's work skills plan.

These documents have established these duties and responsibilities to ensure that municipal leadership protects and develops the financial viability of municipalities. The operation of municipalities should be based on appropriate and well-thought-out processes. These should be implemented according to performance target founded on, the review and measurement of the performance through monitoring and evaluation as identified in sections 12, and 13 as well as performance measurements of internal auditing (Section 14).

These legal documents are enriched by the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers [17]. This document sets out the directions to guide the performance of the senior municipal leaders i.e., the Municipal Managers, and all managers are directly accountable to them. The directions provided are based on the principles of unity, uniformity as well as common direction, monitoring, and improvement at all institutional levels. These regulations contain all the provisions, particularities, and requirements of employment contracts. Furthermore, they contain provisions, particularities, and requirements for all performance agreements

amongst the participants in the group which includes all prescribed Core Competency Requirements and Key Performance Areas, and a very comprehensive job description of the Municipal Manager.

Amongst other documents, there is a series of very well-researched and official documents produced by the South African Local Government Association (SALGA). These are associated with municipal capacity-building strategy [21], a generic document dealing with legal, regulatory, and social realities of municipalities [22]. The “Learning Framework for Local Government” [23] and a comprehensive national human resource management and development strategy (HRM&D) act as a blueprint for local government [24].

4. Conceptual framework and methodology

The researcher uses the grounded theory as a conceptual qualitative methodology; it was used as a method of collecting, coding, shaping, and analysing data in a systematic and well-planned process in the effort to construct a theory. With particular attention to the theme of this chapter, the research process was based on a continuous assessment of existing events throughout the municipal terrain in South Africa and Africa in general. Within this process, construction, thoughts, and interactions with a plethora of existing data opened new paths of understanding and knowledge about structures, processes, functions, municipalities, intellectuals, and rural and urban communities and realities [25, 26].

The grounded theory method is the foundation of an understanding and application of new strategic paths leading to the development of empirical research-based theoretical analysis at several levels. Such a developmental method leads to the generation of new concepts in the chosen discipline and research terrain [27, 28].

Besides theory construction, grounded theory is also the foundation for the exploration of a new study area in the social and human sciences. It explores a new area of study in several intellectual and knowledge-based ways such as analysing public voices in a wide spectrum of social, professional, public, and private sectors entities and policy development initiatives [29, 30].

To construct the new theory, the grounded theory was based on a qualitative research design approach. The researcher created the theory from data emanating from the experiences of municipal performance management systems in two South African municipalities that are situated in the KwaZulu and Eastern Cape. The researcher used purposive sampling of the qualitative paradigm. 8 interviewees were selected (four administrators and four municipal councillors). The administrative officials were in middle and senior management positions in key sections (human resources and supply chain management and procurement) and the councillors were all members of the ruling party in the country, the African National Congress (ANC). The interviewees were selected based on their experience, knowledge, and understanding of political, administrative, and social realities and relationships within and outside the municipality.

The interviews were based on open-ended questions; confidentiality and anonymity were guaranteed to all respondents. The transcripts of the interviews were shown to the interviewees to confirm the truth of their responses. The confidentiality of the informants, as well as their anonymity, was maintained throughout. The sample size of the interviews was in accordance with the limits in the case of qualitative studies on phenomenological studies, which ranged between 6 and 10 [31–33].

The following questions were asked:

- How would you describe the relationship between municipal leadership, management, and staff in relation to the realities of the performance management system? Provide the reasons.
- Is there a common understanding amongst leadership and staff in terms of the realities of the performance management system? Provide the reasons.
- Is there a common dialogue and employee involvement in the processes and decisions associated with the realities of the performance management system? Provide the reasons.
- Would you consider the realities of the performance management system to be transparent and efficient? Provide the reasons.

Following the completion of the interviews, data was coded, categorised, and analysed. The study employed a meticulous application of empirical research based on an objective analysis method. The data gleaned from the in-depth interviews was connected, triangulated, and corroborated with the existing laws, rules, and regulations associated with municipal performance management systems. The process followed qualitative content analysis in both the analysis of the interviews but also their relationship and connectivity with official documents.

The study employed the qualitative software of data analysis NVIVO version 22 to analyse, code, and categorise data to generate themes. During data analysis, a simultaneous examination of the authenticity and trustworthiness of the qualitative data themes indicated that the credibility of the data was intact.

5. Analysis of data

The opinions of the eight respondents were strongly analysed and dissected. Their knowledge and experience were outlined by a range of examples related to relationships, realities, contradictions, partial and complete agreements, and disagreements on key issues associated with the performance management in their municipalities. Their opinions were considered 'general' as both administrative and political interviewees had frequent meetings with colleagues in all municipalities in their provinces.

5.1 The relationship amongst municipal leadership, management, and staff in respect to the realities of the performance management system

The question on the relationships of the structures of the municipalities produced similar responses from most interviewees. They identified existing challenges that were primarily but not exclusively rooted in the relationships between politicians and administrators. The general position primarily concentrated on existing and/or past relationship/s between the Municipal Manager and the Mayor and senior municipal councillors. Most respondents indicated that in most cases the relationship between political and municipal leaders has 'over the years' been 'strained' (Interviewees 1, 2, 3, 4, 6 and 8).

Such a position has been qualified and on occasion quantified. The problematic relationship between individuals and groups was described as the root of problems because in most cases this would take the form of ‘inter-political’ or ‘intra-political rivalries’ amongst leaders. The relationships between administrative and political leaders worsened when the incumbent political leaders belonged to different parties from those of the senior administrators, especially the Municipal Managers and the Heads of Sections and Departments close to them. The findings concur with Caillier [8] who states that relationships within municipalities are prone to conflict due to the absence of trust. Individuals working in the municipalities are prone to mistrusts each other especially if there is a difference in political party association. Politics as a zero-sum game makes one group winners and the other loses hence fostering division and mistrust.

As one senior administrator in an Eastern Cape municipality stated (Interviewee 7).

“The situation and relations between Municipal Managers and Mayors are crucial for a successful performance management system and presently here in the Eastern Cape those of us who support clean and honest service delivery for our people are worried and careful about many reasons because there are problems. Over the years there have been problems, but now they have worsened for a lot of reasons. We all know and accept that there are truths and realities we cannot afford to ignore. When the Mayor and the Municipal Manager belong to the same party as it happens in most cases here in the Eastern Cape one expects all the systems must be based on common understandings, objectives, aims, and plans. We all know the importance of organising and developing all systems and functions that will benefit our communities. Every municipality needs honest, educated, and committed staff members and this is the importance of the performance management system. For this system to be operational to the full there needs to be unity of politics, beliefs, commitments, and collaboration. At the moment it is difficult to have it so it is most likely that the systems will suffer because of the political infighting in the ANC, the ruling party in most municipalities. This means that most likely there are possibilities that the relationships amongst politicians, senior administrators and staff, in general, would be characterised by poor accountability and communication both in the municipal offices and the community. If or when this becomes a reality corruption and lack of service delivery will increase”. According to Schwab [6] the situation can be attributed to poor reliance on management, the existence of high inequality levels, unemployment, and poverty.

5.2 A common understanding amongst leadership and staff in terms of the realities of the performance management system

The question on the common understanding amongst leadership and staff was responded to through the utilisation of several ‘realities’ that exist within the parameters and functionalities of the municipalities in which the interviewees are employed. It became evident throughout the research and analysis process that the majority of respondents believed that their answers apply to most, if not to all municipalities in their provinces.

There was a belief amongst the majority of respondents that there were several issues facing the permanent staff in the municipalities including a large number of managers who ought to learn, understand, plan, and implement their well-structured duties and responsibilities per their signed contract documents. They believed that these documents were the foundations upon which the relationship between leadership, management, and employees would be strengthened or not. This was because

the employees' performance is as important as that of the leaders and managers (Interviewees 2, 3, 4, 5, 6, and 8).

The understanding amongst staff and leadership was and is still weak in most cases based on the belief that some politicians and some senior administrators shared. They believed that community-based service delivery was strictly a political process. This belief was directly related to 'political dominance' not only in terms of the ruling party that dominates both municipalities (i.e., the African National Congress-ANC), but also the existence of political factions within it. Interviewees described such realities vividly and with specific examples pinpointing the political dominance at all municipal levels. This means that in most cases both high-ranking political and administrative leaders use their positions to determine the performance management audits that are fundamental not only to the progress or failure of the staff or their leadership but also to the municipality as a whole (Interviewee 1, 3, 5, 6, 7 and 8). Wright and Pandey[10] state that such lack of cooperation and coordination lead to frustration, dereliction of duty and a lack of motivation thereby resulting into poor performance.

Another issue raised by the interviewees as a burden was the professional relations between political and administrative leaders and the general staff. This was described to contribute to the weaknesses in planning and implementation of knowledge compliance, oversight of the performance management systems, as well as processes and outcomes in the municipalities (Interviewees 3,5,6,7 and 8).

It was stated that even though staff at all levels, including the sectional directors, have been obligated to study thoroughly to learn, a number of them failed to. For long periods, some key politicians and administrators including some municipal managers and those under them have been unable to relate and be instrumental in the improvement of the staff performances. Many amongst the higher and middle management staff believed that one of the reasons for such an attitude and behaviour was low knowledge levels of legal and regulatory demands associated with KPIs (Interviewees 1, 3, 5, 6, and 7).

Throughout the years, the multiplicity of laws, rules, and regulations has become a major challenge for all professional sections and levels. This has been a serious obstacle in the process of building a common understanding amongst leadership and staff in terms of the performance management system. Evidently, the lack of skills amongst staff, especially those dealing with complicated issues associated with internal audits and supply chain management and procurement has been the underlining cause of the problem. The updating rules and regulations by the National Treasury and the Auditor General creates new problems and challenges for administrative staff and politicians. Both administrative staff and politicians are obligated to receive specialised training to be able to perform their duties per the new knowledge demands (Interviewees 1, 4, 5, 7, and 8). In line with Hassan and Hatmaker [5], leadership must make decisions and must take the prerogative to provide employees with the opportunities to participate actively in decision-making. Organisations, therefore, manifest voluntary cooperation, coordination, and synergy that are guided by solid, fruitful, and creative performance through such continuous commitment.

5.3 Common dialogue and employee involvement in the processes and decisions associated with the performance management system

According to official government documents, rules, and regulations, dialogue and employee involvement are necessary, especially in the processes and decisions

associated with the performance management systems. Dialogue builds up unity, common beliefs, and commitment; these actions have positive effects on organisation productivity (Interviewees 1, 2, 3, 5, 6, 7, and 8).

Despite the almost unanimous belief, there were slight differences amongst the interviewees in regard to the existing realities on the issue. There was the belief that over the years the municipal political leaderships have dominated negotiations and dialogue with managers and employees in most, if not all, municipal operational aspects including the crucial performance management system. This is so even though municipal managers legally have a very strong decision-making duty and responsibility in several operational functions and processes such as performance management. These opinions were supported by all administrative interviewees and one municipal councillor (Interviewees 2, 5, 6, 7, and 8).

Even though common and honest dialogue and employee involvement in performance management systems could lead to employees' commitment to honest and efficient engagement to excellence in their work, the opinions and attitudes of the political leaders remain questionable. The positions, attitudes, behaviours, relationships, and activities of the political leaders are keys to the success of the municipal efforts. These strengthen the aims and objectives, as well as the honest and successful service delivery. The lack of engagement of employees, especially in terms of their performance alienates them and affects their loyalty on many occasions, damage to the municipal functionality.

Similarly, Cho and Lee note that when employees are not involved or consulted on issues affecting them it creates professional distance. This becomes a foundation for mistrust as employees feel alienated which eventually affects employee's performance. Vermeeren et al. [11] concur stating that when outcomes overtake the importance of communication, trust tends to diminish. Hassan and Hatmaker [5] advocate for leadership initiatives to actively involve employees in decision making. They note that when employees have a clear picture of what is going on, it fosters solid and fruitful performance.

Municipalities are government institutions with duties and responsibilities. They are directly involved in a multiplicity of pre-determined functions including the collection of operational funds, disaster management, and service delivery amongst others. Municipal leadership needs to continuously interact with their communities to communicate their actions, plans, achievements, and failures honestly so they can win and perpetuate the communities' support. These efforts can become a reality through direct, honest, continuous, and successful interaction amongst the leadership, management, and all employees. Ultimately, this will lead to inevitable dialogue and employee involvement in the processes and decisions associated with the performance management system. The possibility of 'collaborative management' disappears in a performance management system without common dialogue and employee involvement. This means that the existing weaknesses of performance management systems will be perpetuated therefore affecting efficient service delivery (Interviewees 1, 2, 3, 4, and 7).

6. Transparency and efficiency in the performance management system

Transparency and efficiency in performance management systems are dependent on the continuous and honest engagement of the senior political and administrative leadership with all employees. Continuous and honest engagement elevates the aims

and objectives of the municipality and leads to its success for the benefit of the community. Interviewees strongly believed that throughout the years all staff expected that leaders and managers engage and support them mainly in terms of retention, training, and development. It was believed that these leadership and management initiatives would become increase productivity. However, the feeling was that these initiatives did not happen for many reasons. Amongst the many reasons, they believed that leadership's failure had serious negative effects on staff performance; mediocre to bad governance has negative effects on service delivery (Interviewees 1, 3, 4, 6, 7, and 8).

It was felt that transparency and efficiency on the part of leaders and managers was the root of employee empowerment which when achieved increases staff commitment, leading to better performance, commitment, and dedication to duties and responsibilities. It was felt that one could not accuse all leaders and managers of not being transparent and efficient but there is a need for many of them to change their beliefs and attitudes to empower employees and simultaneously better performance (Interviewees 2,3,5,7 and 8). Schultz and Van der Walt [12] note that employee's performance is also hinged on the belief that management involve and value them. Therefore, it is imperative to change such attitude in efforts foster better performance.

Several interviewees indicated that on many occasions' transparency in municipalities depended on the political and administrative circumstances, beliefs, aims, objectives, and future aspirations of the District Municipalities. It was perceived that all local municipalities were under political and administrative dominance; there was a belief that in most cases transparency and collegiality were absent in the behaviour of the district municipalities' political and administrative systems. It was believed that the improvement of such attitudes and behaviours would be a serious improvement and a major step forward. Interviewees strongly felt that improvements in the 'intergovernmental system' could lead to a mutual mediation-based agreement between local and District municipalities. Such an agreement would reconcile 'conflict-ruined relations' that were based on resource allocations and stabilise the relationships amongst administrative and political leaders and managers.

It was also perceived that the success of such relationships would lead to the 'professionalism' of staff. This would improve present weaknesses and gaps that exist in the performance. Interviewees perceived that it was the appropriate time to replace "political deployees" (administrative staff employed because of their connections with political leaders) with well-educated and capable professionals. Newly employed professionals would be instrumental in improving skill development in the municipal administration. These would be senior and middle managers as well as technical professionals who were desperately needed (Interviewees 2,3,4, and 5).

The responses of well-educated and self-employed municipal politicians and administrators did not differ substantially when compared with the findings of seminal research conducted by the Department of Cooperative Governance and Traditional Affairs [34]. This research was produced 15 years after the first democratic elections in the country. The report outlined the weaknesses, strengths, problems, and challenges facing South Africa's municipalities at the time. The key weaknesses were observed in the financial terrain, these were associated with corrupt and ineffective financial systems, misuse of municipal funds and assets, fraud, and inadequate collection of revenue. Other weaknesses included the continuous breach of the constitutional sections 152 and 153 which outline key municipal obligations of service delivery to their communities; conflict between councillors and senior administrative management, which had negative effects on human resources and

performance environment; absence of the necessary steps and checks in the human resources and political systems.

The existence of these problems and challenges were followed by challenges associated with backlogs in several services; poor relations with their communities because of the lack of good governance, accountability, and communication; problems emanating from the administrative and political interface; fraud and corruption because of the lack of transparency, honesty, greed, and existing opportunities. All of these were considered instrumental in inducing violent protests which were associated with service delivery challenges and community demands, inter and intra- and political party infighting leading to negative effects in terms of service delivery and overall governance and delivery, and the lack of scarce skills in key administrative positions ([34], pp. 19–22).

The government officials and well-documented research pinpoint the fact that these challenges and problems led to a lack of service delivery to communities. These have been persistent over many years; it could have been a very different case if existing laws, rules, and regulations were followed. Furthermore, solid cooperation amongst the municipal political and administrative leadership, as well as a well-planned and well-implemented performance management system, could have prevented such problems in service delivery. These could be foundational for continuous and well-functioning political and administrative relations. These mechanisms could have similar opinions, plans, and implementation for the improvement at all levels including continuous and effective monitoring and evaluation as well as sophisticated and well-functioning early-warning systems. When in existence such circumstances and situations based on an effective and efficient intergovernmental oversight would ultimately lead to the strengthening of municipal processes, functions, and structures at all levels.

One of the most important contributions of the research document was the acceptance that the problems identified were symptomatic of problems within the jurisdiction of all municipalities in the country. These situations were the cause of decisive interventions throughout the municipal terrain, this was an immediate necessity because the assessment reports of all municipalities conclusively showed substantive evidence of several acts of fraud, financial mismanagement, corruption, serious irregularities, and a wide variety of related wrongdoing. The lack of capacity of the provincial and national governments to solve such major problems called for a significant emphasis on the 'Turn-Around Strategy' ([34], pp. 25–26).

The central government's initiative named 'Turn-Around Strategy' began in 2009 as a new strategy to solidify municipalities' position as the foundation of the local, provincial, and national efforts of reconstruction and development. The aims and objectives were rooted in democratisation of society and a continuously growing economy. These aspirations could only be realised through the creation of a local government that was honest, sustainable, effective, and efficient; such a local government is an integral component of a future developmental state. The vision of the state and society was to work together to become a developmental state through a path leading to development, economic growth, and social justice.

These principles and actions are the heart of South Africa's developmental local government, the foundation of the country's developmental state. Within this context, the strategy was set to fight against worrying signs and trends in the municipal terrain. For many years, these undermined the success and progress in the fight for a democratic and economically growing society. This strategy was planned and

implemented in a South African context facing 'great development risk in case the local government fails' ([35], p. 3).

The Local Government Turnaround Strategy (LGTAS) concentrated on counter-acting the existing forces that continuously undermined the country's local government systems. The research undertaken led to plans, designs, and implementation of the strategy. This began with pinpointing a number of the problems and challenges. These included the 'systemic factors' that were linked with the local government 'models'; political factors; skills and capacity constraints and difficulties; legislative and policy factors; accountability systems weaknesses; intergovernmental weak support and oversight; and inter-governmental systemic fiscal issues ([35], p. 5).

Five years later the South African Department of Planning, Monitoring, and Evaluation produced a critical review following up on the previous reports. A wide variety of empirically based research projects dealing with the country's local municipalities also followed up on previous reports. The official government research document dissected the challenges faced by local government. The document was produced in a context where substantial changes had taken place in the political and administrative terrain as well as that of fundamental local government reform. These reforms included the amalgamation and rationalisation of municipalities; challenging and wide mandate of the developmental local government terrain and a significant number of challenges that remained in the processes of the planning and implementation of the 'new system' leading to success [36].

Research shows conclusively that there is a need to stop the continuous appointment of 'political deployees', especially in technical and administrative positions. This is crucial because the clear separation between politicians and administrative employees will play a key role in increasing the possibilities of municipal success. Once completed, leadership must support the initiative to development of skills, and future strategies for technical professionals and senior managers. These will address the existing operational gaps in leadership, operational, and management capabilities of government. This will be in important areas such as human resource management, development planning, service delivery, performance management, governance, and community engagement ([36], p.5).

The report confirms that the inheritance of skills and capacity gaps has been perpetuated during the new democratic era, this has negatively performance management. There is a significant number of municipalities with such gaps that have been exacerbated by the restructuring and amalgamation of municipalities throughout South Africa ([36], p. 11). In terms of governance, the research findings pinpointed many challenges that existed in all categories of municipalities. These were related mainly to political patronage and interference, lack of political leadership, complex reporting demands, complicated policy agenda, and weak institutional skills and abilities in many municipalities ([36], pp. 29–30). Amongst several problems, continuous political interference, problems in the political and administrative relations leading to poor compliance and weak oversight by both groups, weak skills and knowledge bases and administrative and political leadership and employees staff inability to respond to policy expectations and administrative demands were the cause of inefficient and ineffectiveness ([36], pp. 30–31). These problems discouraged honest communication with the communities. These were also related to the role of confusion in the political section of the municipalities that involved the Speakers, Mayors, and Chief Whips, as well as ward and proportional representation councillors. These led to a lack of transparency in the committee work of the mayor's office, ineffective ward committees, and administrative confusion ([36], p. 33).

7. Recommendations

In the quest to rethink performance management, leadership, interacting with employees, providing constructive criticism, and working as a team are all important components that leads to effectiveness in performance management. Even when it comes to the challenging job responsibilities of managing a process your employees do not like or find valuable, managing a paper process, gathering data, and keeping other managers motivated to give employees helpful feedback, there are solutions available that make these chores more manageable. The six tactics listed below can help you manage performance effectively.

8. Identify and share the organisation's goals and performance objectives

This is the first step towards effective performance management since without clearly defined performance expectations, employees cannot accomplish company objectives. When describing goals or organisation objectives, managers do not always make themselves as clear as they should, and frequently, employees do not ask follow-up questions when they are unsure or puzzled about anything. By being as transparent and communicative as you can be, avoid these pitfalls.

Using a goal-tracking program, making a chart in the workplace, sending out emails, handing out flyers throughout the office, conducting meetings, or doing each of these things individually are all ways to establish and describe goals. When laying down goals and objectives, it's crucial to say them again so that they stick, provide visuals (such an office chart and emails) so that staff members have a reference, and, most importantly, schedule meetings to assess how things are going.

9. Use technology to enhance the performance management system

It could be time to think about trying out performance management software if you are not already. If you already have one and it is not saving you any time, your team is complaining about it, or employee engagement is low, it might be outdated and in need of an upgrade. It is essential that you start using performance management software or at the very least start thinking about upgrading because it may greatly streamline your performance management techniques.

A strong performance management software system includes both conventional reviews and 360-degree evaluations, is user-friendly for employees, has an intuitive dashboard design, enables rapid and effective reporting, and, of course, promotes employee growth. The program will assist you and your staff in maintaining control of the situation so that your business always operates effectively. Here are a few helpful illustrations of more recent performance management tools.

10. Provide regular performance feedback

While it is crucial for every organisation to communicate both company and individual goals properly, communication alone will not get you very far. Your supervisors will also need to periodically check in with teams and staff members to assess progress and offer comments. Good performance feedback highlights opportunity

areas with a clear route for progress while reinforcing strong skill sets and positive behaviours. Feedback of this nature cannot wait until HR begins the annual review cycle. Instead, it ought to be communicated in real time and incorporated into the business culture (it should also start during the interview process, but that is another post for another time). The best method to support your staff and their work while also effectively shaping it is to provide timely performance feedback. If you now use performance software, it ought to be able to assist you in gathering frequent feedback. If not, you can get very far using free tools like Google forms, Survey Monkey, or even just a straightforward email request.

11. Peer reviews

Utilising peer reviews, commonly referred to as 360-degree reviews, is another excellent technique to promote efficient performance management. Once more, most performance management software packages have this feature. Peer reviews are beneficial because they give colleagues the chance to complement one another, draw attention to their best qualities, and identify areas for growth. While observing their co-workers, this activity teaches workers how to collaborate, enhance communication, and self-evaluate. This procedure does require some managerial or human resources control, and all peer reviews should be examined to make sure that no claims, worries, compliments, or other remarks go overlooked or unanswered.

12. Reward and recognition

Applying rewards and engaging in proactive management are two ways to ensure results at work. This simply means that there is never any need for penalties at work because your staff always know what is expected of them. As a result, everyone is placed on an equal playing field with clear expectations and measurable objectives. Rewards and incentives are also a powerful tool for letting workers know that you value them, appreciate their efforts and hard work, and want them to keep up the good work.

Similarly, having an effective “HR Toolbox” in place that enables managers to identify slipping workers early on and offer constructive criticism aids in stopping an issue before it even arises. Thus, “Pre-emptive Management” is all about interacting with your staff to let them know what is expected of them, what is not, and how to achieve the objectives that have been set.

13. Feedback sessions

Setting aside time to meet with your team and discuss how things are doing with your stated goals and objectives, also known as progress reports or progress meetings, is crucial for achieving those goals and objectives. These meetings can be held once a week, once a month, or whenever frequently you see fit. Make sure your team is aware that attendance is required. This improves the accuracy of the progress feedback and enables you to create plans. Never get together for the sake of getting together. You want to have a topic that is both important to discuss and worth talking about. Meetings may be held less regularly and used as checkpoints throughout the year if you feel that everything is going well, that employees are receiving performance feedback

and acting on it, and that the business is Never get together for the sake of getting together. You want to have a topic that is both important to discuss and worth talking about. Meetings may be held less regularly and used as checkpoints throughout the year if you feel that everything is going well, that employees are receiving performance feedback and acting on it, and that the business is moving in the right direction. Have meetings as soon as possible if you wish to discuss any difficulties, worries, questions, or ideas. Maintaining your team's involvement, knowledge, and awareness is crucial to the seamless operation of the machine that is your company. Moving in the right direction. Have meetings as soon as possible if you wish to discuss any difficulties, worries, questions, or ideas. Maintaining your team's involvement, knowledge, and awareness is crucial to the seamless operation of the machine that is your company.

14. Conclusions

The findings of the present empirical study bare serious similarities with research undertaken by the South African government state departments, therefore, drawing a conclusion pointing to the reality that 'the more things change the more remain the same'. The municipalities need to undertake radical changes given the harsh realities of the present, especially those associated with the Covid-19 pandemic, perpetual corruption, xenophobic uprisings, increased poverty, and climate change-ridden devastations in the Eastern Cape and KwaZulu.

The priority lies in the stabilisation of the political-administrative interface challenges that are instrumental in the municipalities' downfall. One of the key issues to be addressed is political patronage in which employees are appointed based on political and/or factional support of the ruling party. It is a fundamental need that political representatives are separated from the administrative staff. This should form the basis for the employment of well-educated and highly skilled administrators who after following developmental plans, designs, and advanced training can upgrade the municipal performance significantly.

These initiatives can only be successful through a decisive movement aimed at the improvement of the intergovernmental municipal system and existing protocols at all levels. Such a move will add strength to the intergovernmental protocols that exist between district and local municipalities. Such a movement will be important to solve the existing problems associated with the existing conflicts regarding the allocation of existing resources and responsibilities.

The improvement of participatory governance and accountability at all municipal levels needs to be a key aim and objective. For this to become successful, a performance management system that is well-planned, structured, and implemented is a key priority. This is because only such a system can provide solutions to the municipality and its citizens since it is rooted in a collective and forward-looking leadership and management. This can be achieved through the unification of community-based, political and institutional initiatives planned and implemented with one aim and objective: to strengthen and develop an active and decisive public participation energy and action with the strong alliance of local community leadership, civil society, and Ward Committees.

Once these initiatives are introduced and developed, South African municipalities will be strengthened as there will be active support and oversight from both provincial and national governments. Concurrently, active community participation will increase in the process.

Author details

Zwelinzima Ndevu
Stellenbosch University, Stellenbosch, South Africa

*Address all correspondence to: zwelinzima@sun.ac.za

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Svava, J.H. & Thoreson, K. (2015). Leaders at the Core of Better Communities: Six Characteristics of Innovative Local Government. Available from: <http://icma.org/>. [Accessed: May 4, 2019]
- [2] Warnich S, Carrell MR, Elbert NF, Hatfield RD. South African Human Resource Management: Theory & Practice. 5th ed. London: Cengage Learning; 2015
- [3] Belle N. Leading to make a difference: A field experiment on the performance effects of transformational leadership, perceived social impact, and public service motivation. *Journal of Public Administration Research and Theory*. 2014;**24**(1):109-136
- [4] Boerner S, Eisenbeiss SA, Griesser D. Follower behavior and organizational performance: The impact of transformational leaders. *Organization Studies*. 2007;**13**(3):15-26
- [5] Hassan S, Hatmaker DM. Leadership and performance of public employees: Effects of the quality and characteristics of manager-employee relationships. *Journal of Public Administration Research and Theory*. 2015;**25**(4):1127-1155
- [6] Schwab C. The Global Competitiveness Report 2017-2018. Geneva: World Economic Forum; 2018 Available from: <https://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf>
- [7] Fernandez S. Examining the effects of leadership behavior on employee perceptions of performance and job satisfaction. *Public Performance and Management Review*. 2008;**32**(2):175-205. DOI: 10.2753/PMR1530-9576320201
- [8] Caillier JG. Toward a better understanding of the relationship between transformational leadership, public service motivation, mission valence, and employee performance: A preliminary study. *Public Personnel Management*. 2014;**43**(2):218-239
- [9] Van Wart M. Dynamics of leadership in public service: Theory and practice. New York: Routledge; 2011
- [10] Wright B, Pandey S. Transformational leadership in the public sector: Does structure matter? *Journal of Public Administration Research and Theory*. 2010;**20**(1):75-89. DOI: 10.1093/jopart/mup003
- [11] Vermeeren B, Kuipers B, Steijn B. 'Does leadership style make a difference? Linking HRM, job satisfaction, and organizational performance. *Review of Public Personnel Administration*. 2015;**34**(2):174-195
- [12] Schultz C, van der Walt H. Reinventing HR. Knowledge Resources. Randburg, South Africa; 2015
- [13] Hall D, Pilbeam S, Corbridge M. Contemporary Themes in Strategic People Management. A Case-Based Approach. Basingstoke: Palgrave Macmillan; 2013
- [14] Schuler S, Jackson SE. Strategic human resource management: A reader. London: Blackwell Publishers; 2007
- [15] Rainey HG. Understanding and managing public organizations. San Francisco, CA: Jossey-Bass; 2014

- [16] RSA. Municipal Systems Act No 32 of 2000. 2000. Available from: <https://www.gov.za/documents/local-government-municipal-systems-act>
- [17] RSA. Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (No R. 805, 1 August 2006). 2006. Available from: <https://static.pmg.org.za/docs/2006/060906regulations.pdf>
- [18] RSA. Constitution of the Republic of South Africa No 108 of 1996. Pretoria: Government Printers; 1996
- [19] RSA. White Paper on Local Government. 2016. Available from: https://www.cogta.gov.za/cgta_2016/wp-content/uploads/2016/06/whitepaper-on-loca-gov.pdf
- [20] RSA. The Municipal Planning and Performance Management Regulations (No 796, 24 August). 2001. Pretoria: Govender Printers
- [21] South African Local Government Association (SALGA). Salga's Municipal Capacity-Building Strategy. 2009. Available from: <http://www.salga.org.za>. [Accessed: June 22, 2018]
- [22] South African Local Government Association (SALGA). About Local Government. 2011. Available from: <http://www.salga.org.za>. [Accessed: June 13, 2014]
- [23] South African Local Government Association (SALGA). Learning Framework for Local Government. 2012. Available from: <http://www.salga.org.za/pages/Municipal-Focus/Learning-Framework-for-Local-Government> [Accessed: June 13, 2018]
- [24] South African Local Government Association (SALGA). National Human Resource Management and Development Strategy (HRM&D)—A Blueprint for Local Government. 2013. Available from: <http://www.salga.org.za>. [Accessed: June 13, 2018]
- [25] Charmaz K. Grounded theory: Objectivist and constructivist methods. *Handbook of Qualitative Research*. 2000;2:509-535
- [26] Charmaz K. *Constructing Grounded Theory: A Practical Guide through Qualitative Analysis*. London: Sage; 2006
- [27] Charmaz K. The power of constructivist grounded theory for critical inquiry. *Qualitative Inquiry*. 2017;23(1):34-45. DOI: 10.1177/1077800416657105
- [28] Charmaz K. “With constructivist grounded theory you can't hide”: Social justice research and critical inquiry in the public sphere. *Qualitative Inquiry*. 2020;26(2):165-176. DOI: 10.1177/1077800419879081
- [29] Ayón C, Messing J, Gurrola M, Valencia-Garcia D. The oppression of Latina mothers: Experiences of exploitation, violence, marginalization, cultural imperialism, and powerlessness in their everyday lives. *Violence Against Women*. 2017;24(8):879-900. DOI: 10.1177/1077801217724451
- [30] Faija CL, Tierney S, Gooding PA, Peters S, Fox JR. The role of pride in women with anorexia nervosa: A grounded theory study. *Psychology and Psychotherapy: Theory, Research and Practice*. 2017;90(4):567-585. DOI: 10.1111/papt.12125
- [31] Faulkner SL, Trotter SP. Theoretical saturation. In: *The International Encyclopaedia of Communication Research Methods*. Hoboken, NJ, USA: John Wiley & Sons, Inc; 2017. pp. 1-2. DOI: 10.1002/9781118901731.iecrm0060

[32] Morse JM. Strategies for sampling. In: Morse JM, editor. *Qualitative Nursing Research: A Contemporary Dialogue*. Newbury Park, CA: Sage; 1991. pp. 127-145

[33] Morse JM. Designing qualitative research. In: Denzin NK, Lincoln YS, editors. *Handbook of Qualitative Inquiry*. Thousand Oaks, CA: Sage; 1994. pp. 220-235

[34] Department of Cooperative Governance and Traditional Affairs. *State of Local Government in South Africa: Overview Report National State of Local Government Assessments Working Documents*. 2009a. Available from: <https://static.pmg.org.za/docs/091017tas.pdf>

[35] Department of Cooperative Governance and Traditional Affairs. *Local Government Turnaround Strategy*. 2009b. Available from: https://www.gov.za/sites/default/files/gcis_document/201409/locgovt-turnaround-strategy-25-november-2009.pdf

[36] Department of Planning Monitoring and Evaluation. *Twenty Year Review South Africa 1994-1914: Background Paper: Local Government*. 2014. Available from: <https://www.dpme.gov.za/publications/20%20Years%20Review/20%20Year%20Review%20Documents/20YR%20Local%20Government.pdf>

Chapter 13

ICT as the New Age of Development of HR Management

Kiril Anguelov

Abstract

Information and communication technologies are becoming increasingly important for the development of corporate management. This fully corresponds to the human resources management. Integrating various HR information systems with other information systems in the company (ERP, CRM, PLM, etc.), we expect a serious increase in efficiency of company results, which could lead us for a new age in HR management. The more and more elements of artificial intelligence we include in these systems, the more real this conclusion becomes. In this chapter, after the general review of the main achievements in the field, we analyze various issues related to the direction of development of information systems for human resources in terms of their applicability in the enterprises of the future (ENTERPRISE 5.0); the limit of the effective application of artificial intelligence in HR management; the main difficulties faced by human resources departments in implementing and using such systems.

Keywords: digitalization, enterprise resource planning (ERP), human resource information systems (HRIS), artificial intelligence (AI), Industry 4.0, Enterprise 5.0

1. Introduction

Digitalization is the key understanding for modern success and covers almost every possible aspects of our life—both professional and private, from digital communication (social networks and media, all types of blogs and s.o.) to directly totally new digital world (such as Meta is). Therefore, information and communication technology has very important impact on our professional and social development.

Following this line of considerations, it is absolutely impossible to imagine today's business world without information systems. Competitiveness and effectiveness of an enterprise for years is based on the speed development of information and communication technology and its implementation in almost every sphere of doing modern business. From new customers' attraction, from production to relations with suppliers or final clients—all process of one enterprise could be integrated in some business information systems. In this regard, human resource management is one of the spheres where the implementation of information systems is growing rapidly each passing year and this focus is not just a coincidence. Employees are the most important resource of an enterprise nowadays, and it is quite reasonable to become one of the lines for the development of information and communication systems.

There are a lot of available human resource information systems (HRIS) already introduced at the market and also a number of new ones in the development phase. Something more—IT companies are willing to develop specific HRIS especially designed for their key corporate clients. Despite the various IT developments in HRIS, we could outline three major lines supporting human resource management:

- information systems for selection potential employees of enterprise.
- information systems managing available staff (including their career development, work experience, salary, timing for vacation, replacement etc.)
- information systems for training and qualifications.

Modern companies use all possible systems in attempt to improve their performance and to increase their competitiveness, which in fact is in totally accordance with the specifics of Industry 4.0. Information society and Information Technology impose new understanding of doing effective business. Without proper digitalization (as first step) and implementation ICT, the enterprise is convicted to be rejected by the market (sooner or later). Something more—the progress to Industry 5.0 will introduce new application and dimension of HRIS. Artificial intelligence will be used to complete for instance the process of new employees selection procedure with making the final decision (instead of people) who exactly among all candidates fits perfectly to the available working position.

This chapter is dedicated to human resource information systems with focus on the introducing artificial intelligence in these systems and guidelines for future possible development of HRIS.

In this chapter, after the general review of the main achievements in the field, we analyze various issues related to the following:

1. Main functionalities of human resource information system and trends for development.
2. Development of HRIS in the context of ENTERPRISE 4.0 and ENTERPRISE 5.0;
3. The limit of the effective application of artificial intelligence in HR Management;
4. The main difficulties faced by human resources departments in implementing and using such systems.

2. Literature review

Due to the fact that information and communication technologies have become the major part for both the present and future business developments, it is absolutely logical that human resource information systems are in the focus of scientific interest in recent years.

2.1 Human resource management and Industry 4.0

Digitalization and future development of Human Resource Information Systems in the context of the Industry 4.0 is no doubt one of the interesting areas, attracting

scientific attention. In this line, the literature is quite rich proposing vivid discussion and different interpretation of the topic. After a profound analysis, based on a solid literature review on this specific field, authors [1] found that digital trends in human resources are distributed into three main themes: HR-Digitalization (covering future trends in workforce; new technologies; Interaction Human-Robot and New ways of working); HR-Management (covering different learning and training models, Recruitment and different selection procedures; Rewards based on individual/team performance; Talent Management); and HR-Strategy (covering different social aspects such as: Diversity and Inclusion, Leadership, Organizational Changes, and Organizational Culture). This forth industry revolution in fact requires the development of new skills and competence of employees. Temelkova [2] synthesizes a definition of the notion “digital leadership,” as a process leading to a higher added value for the organizational system, as well as to an integrated comprehensive utilization of information and communication technologies, toolset, and human resources in a digital environment in view of achieving the strategic targets of a business system through team interaction between people working with network-connected computers or mobile devices, achieved on the basis of applying a particular leadership style in a virtual environment. Some of authors directly have pointed new abilities of workers such as: “super-strength capability, augmented capability, virtual capability, healthy capability, smart capability, collaborative, social capability, analytical capability. Base” [3]. These new competences undoubtedly require and new managerial approach namely in the field of Human Resource Management (in terms of planning, hiring, and career development of staff). Some of researchers also explore the social acceptability dimension of adoption of Industry 4.0 and admit: “To unlock the digitalization of sustainable production systems, manufacturing organizations are keen to adopt digital technologies to enhance performance” [4]. At the same time, however, this can cause organization different social difficulties and challenges. Authors have analyzed seven dimensions of social acceptability: Cultural, Employee, Market, Physiological, Compliance, Safety and Behavioral Acceptability. On the other hand, some of the economy sectors (for instance, automotive industry) suffer strongly from a lack of well-qualified employees and new technologies are capable to solve for them this crucial problem. In this line comes the following conclusion: “Due to the lack of skilled workers and the reduction in automotive manufacturing costs, automotive industries are more focused on automating their manufacturing processes” [5]. In this sense, many scholars admit that successful transformation of one company from traditional to Industry 4.0 has to be implemented along with both technological and internal organizational changes at the same time. They emphasize on the pivotal role of “strategy, work design, and people management” [6]. Gallo and Santolamazza describe the specifics of new skills and abilities for an effective technician in Industry 4.0 as “has to be able to interact, as instance, with Cyber Physical Systems and robots” as well as “should be able to find relevant information and predict events by a proper use of Big Data analytics” and to have “the ability to rapidly adapt his skills to innovations” [7]. Authors also consider that the training process within the company, conducted by the Human Resource Department, will be also rapidly developed based again on the same technologies for Industry 4.0 (including smart devices and virtual reality). In this sense, Angelova develops specific indicators and overall methodology for assessing e-platforms for business meetings (as a starting point to put on proper evaluation specific elements of HRM in Industry 4.0) [8, 9]. Something more—at first glance the speed of innovations in information and communication technology suits only for new generation and our first assumption is that older employees could be

rejected due to their slower adaptation to changes at working processes. But scholars succeeded to prove that “the accumulated workers’ knowledge and experience of older workers and automation of physically demanding tasks can not only improve the productivity of industrial systems but also decrease the costs of ill-health related expenditures” [10]. Stoyanova outlines the valid relation between strategic management and company staff, and this relation in terms of Industry 4.0 has to be considered even as more determining for the final effectiveness and performance of the enterprise [11]. At the same time, we have to outline that the overall principles of development of HRM in the context of Enterprise 4.0 are applicable and relevant not only for the business organizations, but also for other sectors—NGOs and public sector if these organizations are willing to be modern and innovative. The example of such type of consideration is presented in [12].

All abovementioned presents different trends and perspectives of development of Industry 4.0 and their close relations and influence to human resource of one enterprise. Although undeniable role of this concept for the rapid increase of the enterprise performance, there are also various and controversial opinions on the confrontation line new technologies—new threats to employees and their jobs [13]. Authors admit that despite the stronger role of information and communication technologies, humans “will continue to play active roles in manufacturing process ... , those roles may change over the time” [13]. Therefore, this new paradigm generates new concerns, including new approach for the prevention of human rights [14]. Some scholars find the possible solution in building strong relationship on the line human technology in order to be successful in this new fourth industrial revolution. “A key concern in Human Technology Integration is creating a compelling narrative for the future workforce, with space for both human strengths and weaknesses” [15]. In addition to these considerations, the concept for corporate social responsibility in its internal organizational domain and perspective could be also one of the working mechanisms to overcome this basic confrontation for the relative weight of human and technological force in the context of Industry 4.0 [16].

2.2 Human resource information systems and ERP systems

The author, as a university professor and scientist working closely with the practice, has over 15 years of experience with the implementation and effective use of Business Information Systems, including the modules related to HRM.

In this regard, over the years, he has conducted numerous studies and collected many opinions of various stakeholders in this process: business owners, top managers, managers at different levels, including heads of HR departments and units, system users, information system implementation consultants, business process re-engineering consultants, HRIS manufacturers, system architects of such systems, and sales representatives of various business information systems.

This experience has been gained not only among different stakeholders, but also in different types of enterprises and over different information systems, such as SMEs, multinational corporations, enterprises in different fields, both industrial and commercial enterprises; organizations in the NGO sector as well as public authorities at different levels (national, regional, and local).

In surveying these stakeholders, the main issues were related to the usability of these systems, the possibility of business process reengineering through these systems, various difficulties that users encounter in implementing and using these systems, and the additional capabilities that can be incorporated into these systems in order to

effectively implement business process reengineering in human resource management. On this basis, as a consequence of this multigenerational study of different opinions and experiences in the implementation as well as modification of specific business processes, different conclusions related to the classification of the development of these systems, to their evolution, and to the trends of their development are synthesized. Some of these opinions have been presented in the previous publications of the author, and here they are developed in a summarized way in terms of the trends of human resources development mediated by the use of HRIS.

As an integral part of a modern management, human resource information systems (HRIS) respectively attract scholars' attention generating vivid discussion covering various aspects of its applicability in an enterprise. At the beginning of development of information and communication technologies and especially integrated enterprise resource planning systems, the focus for both practitioners and researchers was mainly on the added value that ERP could bring to big and multinational corporations. This line of considerations is reasonable having in mind the costs and efforts needed to be successfully integrated one ERP. With the development of technologies, the sphere of applicability of management information systems drastically increases and now, we could consider for specific HRIS designed by IT companies especially for different types (in terms of size) corporate clients. Some authors consider HRIS as a key component of modern competitive advantage of a company: "organization success widely depends on their talented pool of human resource; they are treated as a strategic asset by an organization and this could be competitively maintained through effective application of Human Resource Information System (HRIS)" [17].

A research team tracks the development of HRIS back to its beginning from the 40s of twentieth century until the latest development—passing through the four major periods of technological development, namely: client server, mainframe, cloud-based, ERP, and web-based systems. They concluded that "the majority of the studies on the application of technology to support HR, has been conducted in the last 20 to 25 years, as a response to the use of the web, as a medium for delivering HRIS" [18]. Another profound analysis on the development of HRIS is proposed by Bilgic [19], who convincingly claims the following: "Today's HRM-related software do not deal with just payrolls, they also include recruiting and record-keeping, training and performance appraisal which have transitioned HRM from task-oriented to people-oriented." Some of authors (based on their profound analysis on the field) even claim that sometimes the management of a company in its attempt to strive for the strategic alignment on the axis Information Technology – Business Goals often underestimates or even ignores the role of HRM especially in creating added value [20].

Along with the researches devoted to the development of HRIS, there are also a number of scientific works, focusing on specific added value that HRIS brings to the final effectiveness and performance of enterprise, exploring various case studies in different economic sectors. As example here we could point out the research of scholars, who explore the role of HRIS and its impact on the operational efficiency in the context of multinational corporations. They have focused on five specific functions of HRIS and its reflection to the corporation operational efficiency: job analysis, e-recruitment and selection of staff, e-compensation and benefit, e-performance appraisal as well as e-communication. For all these five functions, authors admit that there is a positive impact on the overall operational efficiency of the corporation [21]. According to Wandhe [22], who analyzes the role of effectiveness of HRIS in the twenty-first century, there are more benefits for the company implementing HRIS

such as: increase the accessibility of appropriate data both for all company's employees as well as information for all applied for job candidates; totally new quality level of standard for the HR department; more focusing career planning, consulting and development of all staff; ability to react and adapt to rapid change environment, etc. On the other side, scholars also admit, that "companies seem to be using technology more to ease, speed up and improve their current human resource practices and procedures and less to analyse data and plan around such analysis" [23]. Specific focus is explored on the level of employee satisfaction on the effectiveness of the HRIS [24].

The analysis on the development of HRIS usually involves and another big aspect—the social price and the social dimension of this development, especially concerning the interaction between technology and humans. Authors explore the level of acceptance and confirm the "importance of the human-machine-organisation relationship to contribute to the understanding of HRIS acceptance in professional environments" [25]. Although the increasing role of HRIS in every day live of a modern digitalized company is undeniable, the scholars still admit that humans will continue to play significant part. The social dimension of this discussion has to be transformed in possible advantages that information technologies could bring and on this basis to find new solutions possibility to develop human role and intelligence.

2.3 Artificial intelligence and human resource management

One of the biggest and actual directions for scientific researches is the possibilities of using artificial intelligence (AI) especially for the purpose of human resource management. This line of scientific developments are quite actual and relevant in light of concept Industry 5.0 and in attempt of researchers to find out the key component for successful and effective business development, based on AI in human resource management. Here, we observe many standpoints—from core technical (focusing basically on the required technical equipment for introducing AI in HRM) to more "soft" skills identified by scientists again in the context of AI in HRM. For instance, a team of researchers admit that if one organization is willing to benefit from AI application in HRM, the management of this organization should have more strategic thinking and to be able to look beyond technical requirements for equipment. Authors explicitly emphasize that organization has to pay attention and to develop also nontechnical resources such as: human skills and competencies, leadership, team coordination, organizational culture and innovation mindset, governance strategy, and AI-employee integration strategies, to benefit from AI adoption [26].

There are also many scientific researches devoted to the specific technologies and IT instruments to improve performance of AI in more general business management context, but also in specific context of HRM [27–29]. Scholars admit that "The proliferation and use of AI-enabled innovative database management is evident in the real world with emerging AI-HR applications and solutions, such as CloudHR, SAP SuccessFactors, BambooHR, GustoHR, OnPay, CakeHR, Trakstar, Deputy, ZohoPeople and so on" [30]. Other researchers are focusing on the further development of AI in HRIS—for instance as an instrument for prevention from situation of missing deadlines, which always is one of the great challenges for any management and becomes even much more important when it comes for the project deadlines [31]. One of other suggestions is the directions of digital innovations with the key support of AI in this area, including in the context of human resource management [32].

It is quite reasonable that such powerful instrument as artificial intelligence is could generate vivid scientific discussion, including in more human and philosophic

aspects. An interesting approach in this regard is presented by scientific team, which explores the perceptions of employees, computer systems, and AI. According to results of this research, the authors found out that humans consider themselves and computer systems as better than AI, but at the same time, respondents claim that humans are both weaker and less active than computer systems and AI [33]. Some researchers explore in more general context (not only for HRM) the problems caused during the interaction between natural and artificial intelligence [34]. Again in this line, but this time based on the essential regular opposition “more AI – less human employees” at the organization is dedicated to another research. Authors admit that in this specific case the role of human resource manager is very challenging due to the fact that have at the same time they have to convince people in the organization on the benefits of adoption of AI at different working processes [35]. Exploring the trends in the future development of in relation to AI-HRM, including the line of potential interest of scholars, they argue “future research may investigate the roles of institutions (as an environmental driver) as more rules and regulations emerge to formalize the interaction between AI and HRM” [35].

Despite the different standpoints, scholars agree on the basic idea that one of the biggest interventions in the field of HR development and HRIS will be namely based on the future development of AI and new horizon for the enterprise efficiency which AI could bring as an added value of its application. For instance in [36], authors explore the role of AI for revolutionizing innovation management. Therefore, the debate on the role of machine—humans—artificial intelligence—natural intelligence will continue during the coming decades in an attempt to find the key balance between social/human price and economy benefits, based on the revolutionary ideas and innovations.

3. Main functionalities of human resource information system and trends for the development (Enterprise 4.0 and Enterprise 5.0)

The basic understanding is that at present HRIS must significantly support the practitioners of the human resources department in almost all their activities, and in the future, through the use of artificial intelligence—to replace them fully, performing to a large extent (or directly in full) their professional tasks. Undoubtedly, without the presence of HRIS, a modern business organization would suffer from many problems that have the potential to become major threats to the future development of the company. It is clear to everyone that multinational corporations, as well as large companies, are to some extent doomed to use, if not ERP, then at least HRIS in their day-to-day operations, in order to ensure at least a smooth execution of business processes.

In this regard, the main basic and advanced functions provided by HRIS can be identified in **Figure 1**.

3.1 Basic functions

1. Digitize classic business processes related to human resource management: recruiting, time management, payroll, career development, motivation, training, social environment. The main benefits due to digitalization are realized, related to the reduction of the prime cost of the business processes for human resource management.

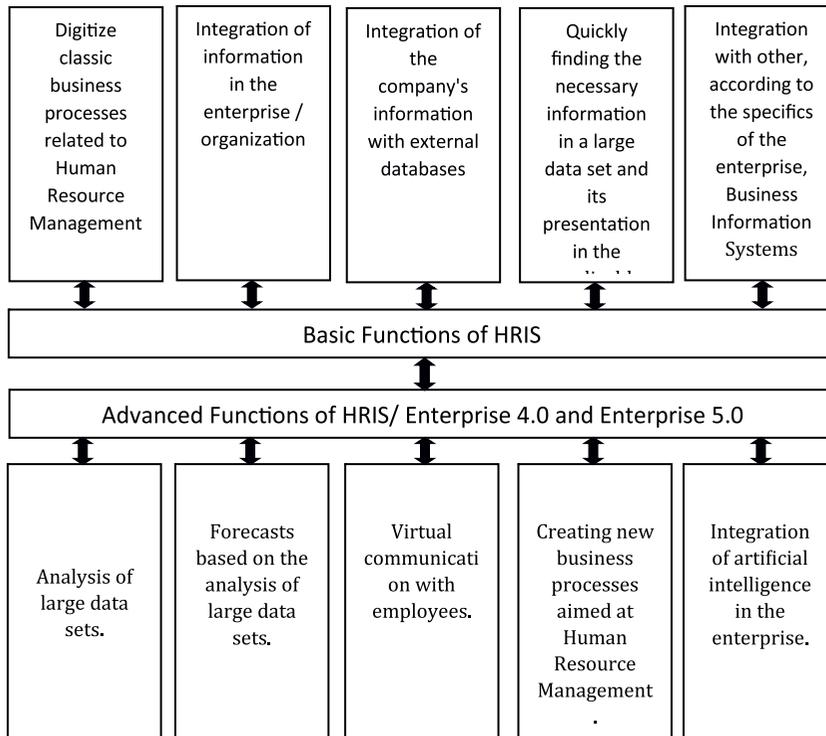


Figure 1.
Major functions of HRIS.

2. Integration of information in the enterprise/organization, which allows faster and more efficient business processes involving several units in the enterprise;
3. Integration of the company's information with external databases, such as insurance and insurance institutions, different government, or local authorities (according to the regulations of the country).
4. Searching and processing of large datasets allowing quickly finding the necessary information and its presentation in the form of a report and/or some type of official document. This feature is basic for HRIS, saving many man-days, and allows quick access to information for employees when providing it for the needs of other processes in the company, as well as for external organizations and different public authorities.
5. Integration with other, according to the specifics of the enterprise, business information systems (such as customer relationship management—CRM, warehouse management systems—WMS; supply chain management systems—SCM; product lifecycle management—PLM, and many others) in a complete enterprise resource planning—ERP solution; thus, the information received from the human resource management is available for use, processing, and analysis by all interested business processes. This function is fundamental for the modern development of HRIS, as it could claim the implementation of only one information system for human resource management is an outdated concept and

now, there are available at the market many opportunities for application of integrated systems not only for big enterprises and corporations but also for the other types and size companies. HRIS has to be an inseparable part of a comprehensive ERP information platform of the enterprise.

3.2 Advanced functions

1. Analysis of large datasets. Trends stand out on the basis of statistical processing. This allows obtaining essential information, securing the implementation of human resource management processes at a qualitatively new level. New opportunities are being created: finding the average salary for a given job position in a given geographical region; future availability/shortage of workforce in the enterprise or in a given geographical region; financial analysis of the effectiveness of investments (e.g., ROI) in various human resource management activities (e.g., training) as well as many others.
2. Forecasts based on the analysis of large datasets. This function is connected to the use of elements of artificial intelligence, such as hidden facts or trends related to various aspects of human resource management, such as seasonal/climatic trends in the workforce (sick leave, vacations, leaving work, etc.); the level of remuneration that serves as a motivator for the employees of a given job position; forecasts for the implementation of work tasks during certain calendar periods/stages and many others.
3. Virtual communication with employees. Facilitated communication of employees with the Human Resources Department is one of the functions of HRIS, which not only saves man-hours, but is also a demonstration of appreciation of the employee's personal time in his communication with the administration. Whether it is about applying for paid work leave, sending a sick leave, or keeping a job in an open space, this is always assessed positively by the employee. A well-organized communication on a virtual job application is a guideline for the potential employee for future communication in the company (especially in terms of relation of administration-employee) and can be one of the factors for choosing one company over another.
4. Creating new business processes aimed at human resource management. The use of artificial intelligence, data analysis, forecasts that can be performed, and virtual communication with employees build prerequisites for creating new business processes that are inefficient without HRIS. An example would be the booking for a specific day and time of a common workplace or meeting room (in case of such an open space policy in the enterprise), through a digital application, part of HRIS.
5. Integration of artificial intelligence in the enterprise. This feature implies not only forecasting related to the analysis of large datasets, but also an overall comprehensive approach to enterprise management using artificial intelligence, typical of Enterprise 5.0. Examples include wage efficiency (salary motivation), atypical behavior among employees (suggestive of lack of commitment, problems, poor motivation, looking for a new job and new employer, etc.); guidance by artificial intelligence at work; assistance in evaluation and selection

of job candidates; early identification of talents (by key performance and individual results achieved in different task at work) and many others. The main specificity is the use of the most complete, efficient, and creative possibilities of artificial intelligence in the overall management of the enterprise. Of course, this creates many moral, legal, and psychological problems and challenges that are not part and focus of the current study.

As it became clear from the functions of HRIS discussed above, the main ones are related to the initial and classical application of HRIS in enterprises, and the Advanced functions are related to the implementation of the concepts for Enterprise 4.0 and 5.0. In this regard, on the effective application of these advanced features will be given special attention in the next two sections related to the application of artificial intelligence and new trends in these business information systems (**Table 1**).

Conditionally, we can consider the application of functionalities of HRIS in four important areas following the logic of search, selection, and career development of employees, in which the classical processes of human resources management are grouped (**Figure 2**).

Let us explore comprehensively these four main areas focusing on the advantages that HRIS has the ability to bring for the improvement of quality of Human Resource Management Department.

HRIS in ENTERPRISE 4.0	HRIS in ENTERPRISE 5.0
Integration at enterprise level/ holding	Integration of HRIS of the enterprise with the external systems
Partial virtualization of workplaces	Significant virtualization of workplaces
Partial access to HRIS <i>via</i> the Internet	Full access to HRIS <i>via</i> the Internet
Artificial intelligence as an Advisor	Artificial Intelligence can be in two roles: Advisor and Decision Maker

Table 1.
Future trends in HRIS development in the context of Enterprise 5.0.

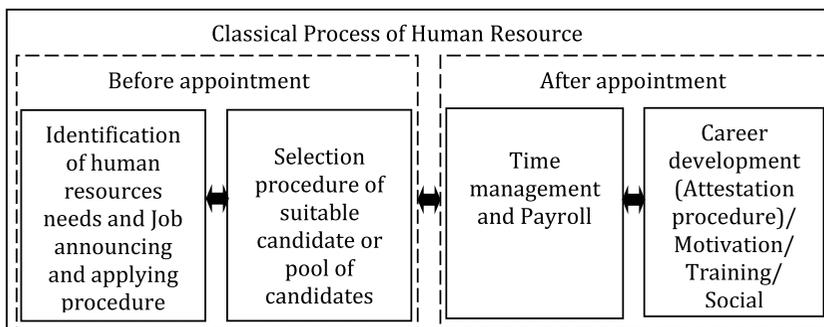


Figure 2.
Groups of human resource management processes in a classical aspect.

3.3 Identification of human resources needs and job announcing and applying procedure

To begin with, in order to announce vacant position in an organization, there must first be clearly identified the need to recruit new staff. Basically, there are three possible scenarios leading to the announcement of an available vacancy:

1. leaving staff—that is, in this scenario, this position exists before a job vacancy is announced, but for various reasons (e.g., retirement, maternity job leave, or sick leave, fired by the employer due to poor performance), this position is now currently available. Therefore, the documentation (job description, job qualification, specific professional requirements for the potential candidate) should be updated here only if necessary. In this specific case, HRIS will have preliminary available information with only one exclusion—when the expert is leaving on its own wish. Even in this situation, the expert is obliged to announce in advance his intention to leave the job so that the employer can take action to recruit new staff during this period of time.

In this specific scenario, HRIS can help a lot in several different aspects:

- During the constant monitoring of the personnel files of employees, HRIS establishes and automatically reports on a job vacancy due to retirement, expiration of a fixed-term contract, etc.
 - The system can make analyses and forecasts for potential hospitalizations, maternity leave, and other events that can be statistically established for the enterprise. On this basis, the system may recommend starting the procedure for appointing a new employee (s).
 - From previous recruitment sessions, HRIS can maintain, as well as the contacts of the applicants, but also their performance, which is a strong starting point, in cases where a suitable candidate for the available job position can be identified.
2. Enterprise development with inclusion of new activities and/or services, which requires the formation of totally new units in the organization and elaboration of completely new documentation and job descriptions for the work positions in these new units.

An effective management has to be proactive and not just waiting the processes to happen by themselves, including in terms of HRM and the necessity of new employees—it is aware in advance to who are the potential candidates from other employees. This is the focus of HRIS's work in the next steps, which takes place long before the vacancy is announced:

- identification of potential candidates.
- motivation of candidates with the opportunity to take a higher position.
- qualification courses for potential candidates.
- monitoring the progress of each potential candidate.

- proposal for selection of a candidate.
- How effective the implementation of the abovementioned activities will be will largely depend on the capabilities of HRIS.

3. Changes in the enterprise that affects already existing jobs and their transformation into new ones (e.g., in case of optimization, automation of production, business process reengineering, and other internal organizational changes).

In case of change the company's strategy, this can be a starting point for HRIS to assess the necessary retraining courses and manage their implementation.

In all three cases, the following HRIS options remain the following:

- HRIS maintains automatic contact with potential partners—suppliers of human resources;
- Possibility for digital submission of the candidates' files.

In these three scenarios mentioned above, HRIS should have gathered information from advance and informed human resource experts of the forthcoming need to recruit new staff. At the same time, for the preparation and writing of the necessary documentation, including updating existing or directly developing new job descriptions, employment contracts, etc., the information collected by HRIS is essential to prevent deviations from the overall company policy and could be served as a guarantee for following internal standard (for instance: people at the same position of organization hierarchy to have the same starting level of wages).

Once the need to recruit new staff is on the agenda of the Human Resource Department, the second logical step is to find out if within the organization, there is a potential candidate(s) suitable for the vacant position. This analysis also has to be made with the information help of HRIS comparing requirements with the already available qualification and description of employees. In case that the system indicates suitable potential candidate(s), human resources should be directed to conduct an internal selection procedure. Thereby, they will secure firstly career development for their employees and on the second place come the new ones.

3.4 Selection procedure of suitable candidate or pool of candidates

In case that such internal selection procedure is impossible, the Human Resource Department has to announce the information for vacant position for all appropriate and relevant channels (including using professional platforms, specialized sites, etc.). At the same time, HRIS could collect information both for potential and real candidates. Depending on the functionalities, HRIS also could provide initial selection of real candidates—comparing between requested and real possessed abilities, skills, qualification, expertise, experience, etc. Therefore, HR experts will be maximally relieved from reading numerous CVs and supporting documents of candidates who definitely do not meet the requirements originally set by the employer. The importance of digital possibility for job applying was already considered and recommended. Whether the submission of documents is digital (directly in the system) or the information for the candidates is subsequently included in it, a very strong effect of storing the information is achieved, including with the possibility of easy use in the future.

At this stage, however, the greatest benefit of HRIS may be in the re-selection of files. Depending on the vacancy, the procedures usually include several rounds, the first of which must always be compliance of the submitted applications with the minimum declared requirements for holding the position. This routine work can take hundreds of man-days for a large company receiving numerous applications for each position. Automatic rejection of candidates who do not meet the minimum requirements is mostly easily done with a digital application. In addition, depending on the number of applications, the selection commission may set higher requirements and preselection on purely administrative criteria can be done extremely effectively by HRIS—if a criterion is raised, it can be determined immediately how many candidates remain, which be an indication of how much the requirements should be increased. By using artificial intelligence, significant benefits can be achieved in the next stages, which will be the subject of the next part of the chapter.

On the other hand, with the help of HRIS information for all candidates is included at the database of the organization, thus forming a pool of possible suitable candidates, from which, giving the needs of the organization can be executed additional selection. This saves time and effort in the next need to go through the whole long procedure of hiring the right staff again. However, it should be noted that such a pool of potential experts is formed and works along with a very good public reputation of the organization, including in its capacity and reliability as an employer.

3.5 Time management and payroll

These processes are historically the first to begin the development of HRIS. On the other hand, they very much illustrate the integration of information about different units in the enterprise, such as human resources and accounting. The integrated processes of time management and payroll through the common information database of HRIS clearly illustrates the benefits in the following areas: saved many man-days based on more integrated and more efficient business processes; reduced possibility of making mistakes; understandable and easy processes for the company's employees (e.g., when providing sick leave or requesting leave); automated transmission of the necessary data for information systems external to the enterprise (e.g., insurance companies); quick and efficient preparation of reports for different periods and for different groups of employees; creation of statistics and on their basis—analyzes for the efficiency of the work processes, both by departments and by employees; and many others.

At the same time, it should be noted that in these classical processes in recent years, there has been a great development. The global sanitary crisis associated with the COVID-19 pandemic has become a catalyst for many industries to transform their business processes and the overall working policy (to online and digital). Recent pandemic situation could be considered as a push-up for both public administration and business to make crucial changes. This observation is relevant especially for industries where it is possible to transform from traditional office work to home office options (fully or partially). This new workplace organization has become a big challenge for HRIS and has driven development in the following areas:

- further development of time management systems, including in the home office;
- development of opportunities for online bookings workplace, meeting room, or other part of the infrastructure of the enterprise (in case of necessity or in

situation where the policy of the company requires that employees have to be physically at the office part of the working week). These systems are easily accessible from employees' personal devices and are yet to be developed.

3.6 Career development

Once we have appointed staff, the main effort of the Human Resources Department of a modern organization is to focus on the implementation of a consistent and comprehensive policy to ensure their career development. As we all know, in the age of information and communication technologies, when companies offer a lot of great (but also and very similar) products and services, the competitive advantage may be due to a well-motivated expert team working for the organization. In this sense, one of the main efforts of human resource management is to guarantee and ensure the personnel development of each employee, taking into account his professional qualities, competence, expertise, and individual preferences. In modern organizations, the overall career development policy of the employee team is implemented on the basis of information provided by HRIS and additional analysis carried out by HR experts. This is especially true for companies from the creative and IT industries, where management of the company has to build appropriate and friendly environment where employees could create. According to the results of specific research, conducted by the author for the purpose of another study, focusing on the degree of commitment of employees working in IT companies in Bulgaria, employees clearly pointed out that the attractiveness of the salary is the most important factor for their motivation, but right after that, they put the role of positive microclimate and opportunities for professional development.

Based on all of the above-mentioned, it should be noted that a significant part of the usefulness of an HRIS is the opportunities provided for the implementation of the following business processes:

- Career development related to the assessment of the capabilities of each employee. Very often, this process is intertwined with the process of reporting what has been done for a certain planning period. In this way, people can be directed to achieve better results, as well as to specify the specialists who are appropriate to be developed in their careers.
- In this regard are related trainings and qualification courses, which not only allow to increase work results, but are also an additional motivation for staff in connection with their career development. HRIS information systems can not only provide information to the whole process, making its implementation very effective, but also create an opportunity to assess the return-on investment ROI, a function embedded in many modern HRIS.
- On the process of using HRIS (especially if it is with artificial intelligence), it is possible to profile the individual employees and according to their specific motivating factors to achieve the greatest possible degree of their commitment to the company's goals;
- We must not forget that the early identification of talent can be a very useful area for the company. Usually, this can be supported by artificial intelligence, which is the focus of the next part of the chapter.

- Social environment—creating conditions for creative work and good team spirit. Improving the efficiency of the implementation of these processes is rooted not only in the management functions of such processes, but also in the unified database of employees, which can assess what are the desired directions of development of the social environment by employees. Opportunities for direct communication with HR staff through HRIS are important, which is especially useful for sharing information about corporate news and events, but it is also a good opportunity to conduct opinion polls of employees in connection with the social environment.
- The significant benefits that such systems can have in organizing and supporting Corporate Social Responsibility cannot be ignored.

As much as the motivation of the staff may not seem to be linked to the proper work of HRIS, this, albeit indirect, connection should not be overlooked, given that such a system can ensure that minimum basic working conditions are met. In this case, for example, we can comment on the guarantee of mandatory rest, especially when working part-time or shift work, in compliance with work discipline, the possibility of annual vacation, as well as opportunities for substitution between colleagues, etc. Rest coincides in a specific period, and it is through the use of HRIS that the danger of only the same staff using their annual vacation during this period can be overcome (and here, of course, the role of the direct supervisor of these staff is also important). At the same time, the system can quickly check the extent to which, for example, an employee participates in training funded by the organization and the extent to which he/she shows a desire for self-development and self-improvement.

Therefore, with the help of HRIS, it is possible to make a very correct planning of the overall annual workload of employees, distributing the work and tasks relatively evenly and therefore relatively fairly. In this sense, the information system can indeed be seen as guaranteeing minimum/basic standards of work, thus ensuring, in particular, the rights of employees in terms of effort involved—reword—career development.

At the same time, thanks to the information it collects for each employee, forming his complete work file, the system can generate various reports related to the need to conduct training for different groups of employees and/or teams. In the case of a multinational corporation and/or a large enterprise, the training of the teams is largely carried out with internal resources of the organization (including trainers, training materials, needed equipment, etc.). The time needed to conduct the training, including the format in which it can be conducted, the necessity to interrupt the usual work and tasks of employees, their replacement so as not to disrupt the work process—all this can be planned and implemented using the potential and the capabilities of the information system. HRIS could be used not only to select and show the staff needed to be trained but also for the overall planning of the training.

Social environment could be considered as an indirect result from the efficient work of HRIS, due to the fact, as already mentioned that it creates and guarantees the basic conditions for organizational culture and atmosphere. Human resources are inherently a horizontal activity in an organization, as they relate to each employee, regardless of his place in the hierarchy, opportunities, specializations, qualifications, individual preferences, etc. Therefore, the way people are managed is key to the overall organizational development and the creation of an appropriate environment (we can really even talk about a specific atmosphere of social interaction) in which

each employee can trace their own contribution to the implementation of organizational goals and at the same time be clear about what he/she has achieved with this contribution to his own organizational and career development.

One of the many benefits that HRIS undoubtedly creates is to a large extent the elimination of the personal moment of evaluation by HR experts, thus contributing to building institutional confidence and increasing the engagement of employees in the organization. With the increasing implementation of HRIS and using objective data of everyday activities of HR experts, the element of subjectivity is largely being erased—this applies both to the selection of a candidate for a vacant position and, for example, to the attestation procedure of staff—in this sense, through such a system, it is impossible for an employee who has regularly and conscientiously performed his/her duties to receive a lower attestation grade than an employee who has more mediocre results in performing the tasks, as all information should be available in the system and therefore, it will be easy to be checked and at the same time—difficult or impossible to manipulate.

This equal treatment of all employees at the first time by the HRIS and at the second step—by the HR experts of the HR Department, in fact creates confidence once between managers and employees and secondly builds trust between employees themselves.

4. Development of HRIS in the context of ENTERPRISE 4.0 and ENTERPRISE 5.0

In addition to the above presented main functionalities of Human Resource Information System and trends of development, it is also appropriate to explore what will be the difference for HRIS in the transition from ENTERPRISE 4.0 to ENTERPRISE 5.0. The enterprises of the future put in a new context the requirements to the management of human resources, respectively to the information systems supporting this process. The direction of development toward ENTERPRISE 5.0 can be drawn, taking into account the changes occurring in the current top companies in the context of ENTERPRISE 4.0. Some of the trends stand out in ENTERPRISE 4.0:

1. Integration of all business processes in the enterprise on the basis of a unified information system. This is reflected in the fact that HRIS is part of a complete ERP solution both at the level of concrete company and the overall integration on the holding corporation level or related companies.
2. Virtualization of workplaces. Home office is one of the clearest evidences of this trend.
3. Access to HRIS both *via* the company's Intranet and *via* the Internet. This is an important element and helps to submit, update, and use HRIS information at any time and from any place, and the level of capabilities is determined by the level of security provided. The level of HRIS information security will be commented as one of the main difficulties and respectively one of the biggest challenges related to the implementation of HRIS including concerning its future development.
4. Introduction of elements of artificial intelligence in the management of individual processes related to the management of human resources and performing in this regard analyzes and forecasts. The full range of existing AI

capabilities is used: Expert System., Fuzzy Logic, Metaheuristic Methods, Machine Learning. In ENTERPRISE 4.0, the introduced artificial intelligence has the meaning of advising and alarming for potential future adverse effects. The decision to respond to alarms and follow advice on the other hand remains for the human and is the role of the person responsible for the business process or part of it.

What will be the requirements for HRIS in ENTERPRISE 5.0? As a comparison with the above, the development can be expected in the following areas:

1. Integration of the information system of the enterprise or holding with the information systems of contractors, customers, national databases. In the field of HRIS, this implies the integration of HRIS with the databases of human resource providers, national insurance and insurance institutions, and the national tax system of the country/countries to which employees are taxable.
2. The trend toward virtualization of workplaces will intensify, with a number of professions being able to be performed virtually on the one hand, and others disappearing and being replaced by those in which machines and equipment are operated remotely.
3. Full access to HRIS information both on the company's Intranet and on the Internet on the basis of resolved information security issues.
4. Increased use of artificial intelligence (AI) in all HRIS-managed processes, including the ability for artificial intelligence to make its own decisions.

5. The limit of the effective application of Artificial Intelligence in HR Management

Essential for the development of HRIS is the limit of the effective application of artificial intelligence. From this starting point of view, it could be considered that there are three criteria that determine the limit of effective application of artificial intelligence:

1. **The economic criterion.** It is related to the optimization of costs related to the business processes of human resource management. Using AI can significantly change business processes, reducing many of the operations, while others will be cheaper. In this regard, the following formula (1) can be proposed to calculate the effectiveness of the use of AI in HR management. The formula takes into account the general case when there are both operations that create and do not create added value from the user's point of view.

$$E = \frac{\sum_{i=1}^I C_{istart} + \sum_{q=1}^Q Y_{qstart}}{\left[\sum_{i=1}^I C_{istart} - \sum_{m=1}^M C_{mfinal} \right] + \left[\sum_{q=1}^Q Y_{qstart} - \sum_{p=1}^P Y_{pfinal} \right]} \quad (1)$$

where E —effectiveness of the use of cost for AI in HR management; C_{istart} —costs for execution of operation, that is, creating added value without the use of an AI solution, \$; C_{mfinal} —costs for execution of operation m , creating added value with the

use of an AI solution, \$; Y_{qstart} —costs for execution of non-value-added operation q without the use of an AI solution, \$; Y_{pfinal} —costs for execution of non-value-added operation p, with the use of an AI solution, \$; I—number of operations creating added value in business process j without the use of an AI solution, \$; M—number of operations creating added value in business process j with the use of an AI solution, \$; Q—number of non-value-added operations in business process j without the use of an AI solution, \$; P—number of non-value-added operations in business process j with the use of an AI solution, \$.

This indicator is intended to determine the complex benefit of reducing business processes due to AI: reduction and consolidation of value-added processes and non-value-added ones.

The values of this indicator can cover the following cases:

- i. $E < 0$ —the proposed implementation of AI solutions is not economically justified because the costs of implementing the business process with the use of AI are higher;
- ii. $0 < E < N$ —the proposed implementation of an AI solution is not economically justified because the benefits of AI do not meet the desired level of efficiency. The value of N is determined by the vision and understanding of the management of the enterprise and shows what is the desired increase in the efficiency of the business process;
- iii. $E > N$ —the proposed implementation of an AI solution is economically justified because it corresponds to the desired degree of process efficiency.

2. Technical limitations. The limit of possibilities based on both scientific developments and industrial AI solutions is constantly growing. We are currently at a stage where many areas of AI use, related to HRIS, are being developed with great force, such as:

- AI for human profiling based on behavior analysis;
- AI for human recognition based on analysis of biometric data;
- AI for finding hidden trends in phenomena based on the analysis of large datasets;
- AI for recognizing atypical behavior.

It should be noted that the development of AI is one of the ways to ensure information security and not only on the basis of analysis and recognition of biometric data. Similarly, a person's behavior in an information system (e.g., word choice or keystroke speed) can be a sure indication (after learning AI about specific human behavior) of a person's presence in the system. In parallel to this, recognizing an employee's atypical behavior can:

- be an indication of an ongoing process;

- suggest a certain behavior (dissatisfaction; desire to change employer; over ambition, etc.).

3. Moral and legal restrictions. The introduction of AI in every human activity can be viewed through its legal and moral aspects. Only with the development of the capabilities of AI, and the desire as well as acceptance to use, will the discussion be productive and at this base—the legislation will be improved. As the legislation on personal data protection is in the process of development, the related legislation on the use of AI will be established by creating the technical prerequisites for creating AI solutions at a much higher level than the current ones.

Exploring these three limitations, it should be also taken into consideration that the introduction of AI should not be in the form of a “new toy” for the company’s management, which it can boast of. The implementation of AI must be legal and necessarily economically justified based on the company’s priorities and strategic goals.

6. The main difficulties faced by human resource departments in implementing HRIS

The following three main groups of risks can be identified during the implementation of HRIS:

- 1. Deterioration of business processes.** During the implementation, the implementers do not understand in full capacity the business processes of the enterprise, which is why the new human resource management processes with HRIS not only do not achieve the desired results, but also become slower, require more man-days for implementation, and generate negative opinions from users of the system. The basis of any business information system should be business processes and the desire to make them faster, cheaper, and more user-friendly. Sometimes, however, HRIS is bought as a “shiny new toy” that the company’s management thinks has super power for automatically achieved business goals. This is not the case at all! This predetermines the need to include many intellectual resources, on one side to understand the existing business processes but also on the other side—to optimize them (without losing their meaning and specificity of the enterprise), and on the third to be realized according to the capabilities of the specific HRIS solution. In this regard, every major and serious company developing and offering such software has a methodology on the basis of which it claims to ensure results (e.g., accelerated SAP). The percentage of implementations for which the desired results have not been achieved or the initially set budget has been exceeded or the initially set deadlines have not been met shows the importance of this issue and clearly demonstrates that no methodology without brain and heart involvement can guarantee results.
- 2. Lack of effective interaction between the top management of the enterprise, the implementers from the internal team, and the external consultants.** Each implementation is the result of the efforts of the above-mentioned groups. In order to achieve the desired effect, there must be full synergy between these three sides, each of which has its own specific role, which cannot be

compensated by the others. In addition to the strategic vision, senior management must provide unconditional support in connection with the ongoing reengineering actions (see next risk). The internal implementation team must be most familiar with both the current business processes and the overall direction of development of the enterprise, its specifics, traditions, and experience. In this regard, the main task of the internal team is both to assist in describing the processes and to monitor the extent to which the new processes will meet the requirements set by senior management. The external consultants (if they are good) have both knowledge of the capabilities of the specific HRIS solution, but during their previous implementations, they have gained experience reflecting in established good practices. It is very important to note here that the experience is accumulated in a domain, a type of industry. For example, the experience of human resource management processes in an oil company and in the IT sector differs significantly. In this regard, external consultants must not only indicate how best the technical solution will “dress or suit” the business processes of human resource management, but also suggest good practices that cannot propose the employees of the company, part from the internal implementation team.

- 3. Resistance to change.** Human psychology makes human distrustful of change, especially when these changes lead to totally new working strategy, destroying already build working habits and teams and/or requiring training and/or requiring more effort based on stronger control by HRIS and/or simply leading to insecurity for job position. This is the reason for the need to plan measures to overcome resistance to change. A very important factor here is the clear and consistent policy of the top management.

7. Conclusion

Human capital management poses various challenges in a modern context. At present, it is impossible to effectively manage the processes related to the staff of the companies without their digitalization. This is clearly confirmed by the researches of many scientists. In this regard, they use a class/category of specialized human resource information systems. In a modern context, these systems are part of the company’s Enterprise Resource Planning.

At the same time, the correct digitalization of human resource management processes is not possible without a proper understanding of the main functionalities of the Human Resource Information System and trends for development. In this regard, the chapter presents both basic functions and advanced functions, the implementation of which we have to follow for in a modern context.

The change of the companies, of their business processes inevitably reflects in the processes of human resource management, respectively in the digitalization of these processes. In this regard, the characteristics and development of HRIS in the context of ENTERPRISE 4.0 and ENTERPRISE 5.0 are indicated.

One of the main directions in the development of digitalization of processes is related to the increasingly focused use of artificial intelligence in Human Resource Information Systems. In this regard, three important groups of limitations have to be carefully evaluated, before integration of AI in HRIS, namely: economic efficiency, the development of science and practice, and moral and legal limitations. In order to

determine the economic feasibility of the implementation of Human Resource Information Systems with AI, an indicator has been proposed that determines the degree of cost reduction for the new process compared with the original one.

At the same time, when digitizing the processes, it is necessary to take into account various risks. The chapter identifies also three main groups of risks associated with deterioration of business processes, lack of effective interaction and communication between the top management of the enterprise, the implementers from the internal team, and the external consultants and the risk of resistance to change.

The important contributions of this chapter are related to the identification of main functionalities of Human Resource Information System and trends for development (Enterprise 4.0 and Enterprise 5.0), as well as clearly described potential limitations in the use of artificial intelligence in human resource management activities. In this sense, the main findings and conclusions of the work will help both researchers and scholars as well as practitioners in making important decisions related to the use and implementation of HRIS. At the same time, this work helps to enrich and extend the multifaceted discussion related to the use of artificial intelligence in human resource management. From this perspective, the work can serve as a basis for future researches in the field of development HRIS especially in the context of using AI.

Acknowledgements

The author would like to thank the Research and Development Sector at the Technical University of Sofia for the financial support.

Author details

Kiril Anguelov
Technical University of Sofia, Sofia, Bulgaria

*Address all correspondence to: ang@tu-sofia.bg

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Da Silva LBP, Soltovski R, Pontes J, Treinta FT, Leitão P, Mosconi E, et al. Human resources management 4.0: Literature review and trends. *Computers & Industrial Engineering*. 2022;**168**: 108111. DOI: 10.1016/j.cie.2022.108111
- [2] Temelkova M. The relation “digital leadership - swarm management – lean organization” in the digital smart organizations. *Journal of Engineering Science and Technology Review (Special Issue)*. 2020;**13**:247-251
- [3] Dornelles J d A, Ayala NF, Frank AG. Smart working in Industry 4.0: How digital technologies enhance manufacturing workers activities. *Computers & Industrial Engineering*. 2022;**163**:107804. DOI: 10.1016/j.cie.2021.107804
- [4] Kumar A, Agrawal R, Wankhede VA, Sharma M, Mulat-weldemeskel E. A framework for assessing social acceptability of Industry 4.0 technologies for the development of digital manufacturing. *Technological Forecasting and Social Change*. 2022;**174**:121217. DOI: 10.1016/j.techfore.2021.121217
- [5] Javaid M, Haleem A, Singh RP, Rab S, Suman R. Exploring impact and features of machine vision for progressive industry 4.0 culture. *Sensors International*. 2022;**3**:100132. DOI: 10.1016/j.sintl.2021.100132
- [6] Laubengaier DA, Cagliano R, Canterino F. It takes two to Tango: Analyzing the relationship between technological and administrative process innovations in Industry 4.0. *Technological Forecasting and Social Change*. 2022;**180**:121675. DOI: 10.1016/j.techfore.2022.121675
- [7] Gallo T, Santolamazza A. Industry 4.0 and human factor: How is technology changing the role of the maintenance operator? *International Conference on Industry 4.0 and Smart Manufacturing. Procedia Computer Science*. 2021;**180**: 388-393. DOI: 10.1016/j.procs.2021.01.364
- [8] Angelova M. Indicators for effectiveness and efficiency of E-platforms for business meetings. In: 3rd International Conference on High Technology for Sustainable Development, HiTech 2020 – Proceedings. NY, USA: IEEE; 2020. DOI: 10.1109/HiTech51434.2020.9364000
- [9] Angelova M. Methodology of evaluation effectiveness of E-platforms for business meetings. In: 3rd International Conference on High Technology for Sustainable Development, HiTech 2020 – Proceedings. NY, USA: IEEE; 2020. DOI: 10.1109/HiTech51434.2020.9363993
- [10] Grah B, Colnar S, Dimovski V, Penger S. Age management in the context of Industry 4.0 and beyond. *IFAC-Papers OnLine*. 2020;**53**(2): 10591-10596. DOI: 10.1016/j.ifacol.2020.12.2811
- [11] Stoyanova T. Strategic management in the formation of the company personnel. *Academy of Strategic Management Journal*. 2019;**1**:1-6
- [12] Stoykov S, Dimitrova S, Marinov R. The development of educational capacity of human resources in the field of security-main priority of national security. In: *International Conference on Creative Business for Smart and Sustainable Growth, CreBUS 2019*. NY, USA: IEEE; 2019. DOI: 10.1109/CREBUS.2019.8840062
- [13] Reiman A, Kaivo-oja J, Parviainen E, Takala E-P, Lauraeus T. Human factors

and ergonomics in manufacturing in the industry 4.0 context – A scoping review. *Technology in Society*. 2021;**65**:101572. DOI: 10.1016/j.techsoc.2021.101572

[14] Emanuilov I, Yordanova K. Business and human rights in Industry 4.0: A blueprint for collaborative human rights due diligence in the factories of the future. *Journal of Responsible Technology*. 2022;**10**:100028. DOI: 10.1016/j.jrt.2022.100028

[15] Moencks M, Roth E, Bohné T, Romero D, Stahre J. Augmented workforce canvas: A management tool for guiding human-centric, value-driven human-technology integration in industry. *Computers & Industrial Engineering*. 2022;**163**:107803. DOI: 10.1016/j.cie.2021.107803

[16] Stoyanova T, Stoyanov P. Corporate social responsibility in the human resources management practice. In: *International Conference on Creative Business for Smart and Sustainable Growth, CreBUS 2019*. NY, USA: IEEE; 2019. DOI: 10.1109/CREBUS.2019.8840093

[17] Srivastava S, Bajaj B, Dev S. Chapter 6: Human resource information system adoption and implementation factors: A theoretical analysis. In: *Research Anthology on Human Resource Practices for the Modern Workforce*. Hershey, Pennsylvania, USA: IGI Global; 2022. DOI: 10.4018/978-1-6684-3873-2.ch006

[18] Shahreki J, Nakanishi H, Jayiddin NF, Abdullah Sani N, Ibrahim NF. Technology and the HR field: The growth of human resource information systems. *Journal of Soft Computing and Decision Support Systems*. 2020;**7**(2):7-18

[19] Bilgic E. Human resources information systems: A recent literature

survey. In: Turkmenoglu MA, Cicek B, editors. *Contemporary Global Issues in Human Resource Management*. Bingley: Emerald Publishing Limited; 2020. pp. 73-87. DOI: 10.1108/978-1-80043-392-220201008

[20] Oehlhorn CE, Maier C, Laumer S, Weitzel T. Human resource management and its impact on strategic business-IT alignment: A literature review and avenues for future research. *The Journal of Strategic Information Systems*. 2020;**29**(4):101641. DOI: 10.1016/j.jsis.2020.101641

[21] Hosain S, Arefin AHMM, Hossain MA. The role of human resource information system on operational efficiency: Evidence from MNCs operating in Bangladesh. *Asian Journal of Economics, Business and Accounting*. 2020;**18**(2):29-47. Available from: <https://ssrn.com/abstract=3740318>

[22] Wandhe P. A Role of Effectiveness of Human Resource Information System (HRIS) in 21st Century. Rochester, NY, USA: SSRN; 2020. DOI: 10.2139/ssrn.3718247

[23] Fenech R, Baguant P, Ivanov D. The changing role of human resource management in an era of digital transformation. *Journal of Management Information and Decision Sciences*. 2019;**22**(2):166-175

[24] Hamid JA, Johannes J, Yacob S, Edward E. The effectiveness of human resource information system through employee satisfaction and the system usage. *Put It Right Journal*. 2022;**1**(1):29-46. DOI: 10.22437/pirj.v1i1.17189

[25] Menant L, Gilibert D, Sauvezon C. The application of acceptance models to human resource information systems: A literature review. *Frontiers in*

Psychology. 2021;**12**:659421. DOI: 10.3389/fpsyg.2021.659421

[26] Chowdhury S, Dey P, Joel-Edgar S, Bhattacharya S, Rodriguez-Espindola O, Abadie A, et al. Unlocking the value of artificial intelligence in human resource management through AI capability framework. *Human Resource Management Review*. 2022;**21**(1): 100899. DOI: 10.1016/j.hrmr.2022.100899

[27] Ahammed TB, Patgiri R, Nayak S. A Vision on the Artificial Intelligence for 6G Communication. *ICT Express*; 2022. DOI: 10.1016/j.ict.2022.05.005

[28] Gill SS et al. AI for next generation computing: Emerging trends and future directions. *Internet of Things*. 2022;**19**: 100514. DOI: 10.1016/j.iot.2022.100514

[29] Qi L, Yao K. Artificial intelligence enterprise human resource management system based on FPGA high performance computer hardware. *Microprocessors and Microsystems*. 2021;**82**:103876. DOI: 10.1016/j.micpro.2021.103876

[30] Prikshat V, Malik A, Budhwar P. AI-augmented HRM: Antecedents, assimilation and multilevel consequences. *Human Resource Management Review*. 2021;**31**(3):100860. DOI: 10.1016/j.hrmr.2021.100860

[31] Sheoraj Y, Sungkur RK. Using AI to develop a framework to prevent employees from missing project deadlines in software projects - case study of a global human capital management (HCM) software company. *Advances in Engineering Software*. 2022; **170**:103143. DOI: 10.1016/j.advengsoft.2022.103143

[32] Johnson PC, Laurell C, Ots M, Sandström C. Digital innovation and the

effects of artificial intelligence on firms' research and development – Automation or augmentation, exploration or exploitation? *Technological Forecasting and Social Change*. 2022;**179**:121636. DOI: 10.1016/j.techfore.2022.121636

[33] Shank DB, Bowen M, Burns A, Dew M. Humans are perceived as better, but weaker, than artificial intelligence: A comparison of affective impressions of humans, AIs, and computer systems in roles on teams. *Computers in Human Behavior Reports*. 2021;**3**:100092. DOI: 10.1016/j.chbr.2021.100092

[34] Alkatheiri MS. Artificial intelligence assisted improved human-computer interactions for computer systems. *Computers and Electrical Engineering*. 2022;**101**:107950. DOI: 10.1016/j.compeleceng.2022.107950

[35] Basu S et al. Artificial intelligence–HRM interactions and outcomes: A systematic review and causal configurational explanation. *Human Resource Management Review*. 2022; **32**(1):100893. DOI: 10.1016/j.hrmr.2022.100893

[36] Füller J, Hutter K, Wahl J, Bilgram V, Tekic Z. How AI revolutionizes innovation management – Perceptions and implementation preferences of AI-based innovators. *Technological Forecasting and Social Change*. 2022;**178**:121598. DOI: 10.1016/j.techfore.2022.121598

Section 3

People Management for
People Happiness

How to Measure the Happy-Productive Worker Thesis

Natália Costa, Carlos Miguel Oliveira and Pedro Ferreira

Abstract

Globalisation and intensifying competition force organisations to create distinctive competitive advantages, transforming classic management models and seeking effective responses to the mutability and dynamics of markets. People management plays a central role in achieving differentiating capacities, forcing more effective management of human resources. In an environment marked by high absenteeism and turnover, followed by the growing difficulty in retaining talent, organisations have been seeking to increase the satisfaction of internal customer needs (employees), working on issues such as well-being and happiness at work. The increasing concern with employee well-being and their association with job performance have been the basis for many research studies aimed at understanding the impact of the concept of happiness on employee behaviour and performance. This chapter seeks to summarise the main ways of operationalising the constructs inherent to the thesis of the happy-productive worker (happiness and performance). This chapter is structured as follows: introduction, exploration of the happy-productive worker thesis (concept and origin and main theoretical frameworks related to the idea), measuring the constructs (happiness and performance), and conclusion.

Keywords: happiness, well-being, retaining talent, performance, operationalisation, happy-productive worker thesis

1. Introduction

Recently, organisations are facing one of the most significant difficulties regarding human resources. Today, talent retention is one of the most critical issues in human resources management. The lack of human resources that want to stay in organisations is strangling managers, who are beginning to realise that their strategy must involve innovative solutions and discarding classical management forms [1, 2]. The organisational management mind-set is now shifting from an external to an internal perspective, that is, to view their employees as their internal customers [2, 3].

This new vision of managers allows them to perceive their employees as vital resources for organisational development and success [4, 5]; this was only possible due substantial increase in their concern for the well-being of their employees. This growing concern with well-being only begins to spread more widely when managers realise how they can get a return on their investment in promoting the well-being

of their employees. Research following these trends has proven that employees with good levels of well-being are employees who have better performance levels. Happy workers provide superior quality services, adding value, promoting competitiveness and innovation, improving motivation and organisational learning, enhancing employees' commitment to their organisations and improving their attitudes and behaviours [2, 3, 6–12]. In this line of thought, the thesis of the happy-productive worker (HPW) arises based on the belief that a happy worker is more productive.

This chapter aims to answer the following question: in what ways can the constructs of the HPW thesis be operationalised? Based on a systematic literature review, the methods of measuring happiness and performance high in the literature will be elevated, as well as seeking to identify the most common scales for one of the main concepts of the HPW thesis. Hopefully, this exercise will contribute to the systematic and analytical understanding of the components of the HPW thesis.

2. Happy-productive worker thesis

The current topic aims to clarify the concept and origin of the thesis and identify the principal theoretical frameworks that have been used in existing works that explore the HPW thesis in their research.

2.1 Concept and origin of the HPW thesis

The HPW thesis is founded on the belief that happy employees are more productive; that is, the higher the level of happiness of an individual, the better their performance will be as opposed to what is expected of unhappy employees [13–24]. However, there are still doubts about the integrity of the relationship postulated by the thesis, and investigations fail to ascertain a positive relationship between happiness and performance levels [5, 25]. The relationship between these constructs (happiness and performance) is favourable for reducing absenteeism and turnover levels and improving behaviour and results at both organisational and individual levels [3]. Given the above, managers should focus on finding the most efficient ways to promote happiness. Some antecedents are already mentioned in the literature, such as health status and employment situation [21].

The research on this theme faces a significant challenge that has not allowed a more remarkable evolution and exploration. This challenge is related to operationalising the constructs underlying the thesis (happiness and performance), being one of the main reasons pointed out for the lack of consensus in published studies that test the HPW hypothesis [26–28]. Possible ways of measuring happiness and performance will be explored in topic 3 of the present chapter.

This thesis is a more recent research topic than happiness or employee performance studies. However, its origins are also a bit difficult to define. In this sense, some authors argue that the origin of the HPW thesis is associated with human relations theory, focused on the concern for the well-being of workers and developed in the 1930s [4, 5]. Other authors mention the Hawthorne studies as the antecedent of the constitution of this thesis [28, 29], mentioning that it is in the 1930s that the investigation of it takes its most significant point of exploration researchers [23, 30]. Current research also attributes to Positive Psychology some orientations evidenced in the HPW thesis. The first contributions appeared in the 1990s and added knowledge from the fields of Psychology and Philosophy [31, 32].

The pursuit of happiness is a universal goal. Still, it was only in the new millennium that managers realised this is not only an individual project but can also be a collective one [33–36]. Only more recently has the literature emphasised the benefits of promoting employee happiness, attributing both individual and organisational benefits. However, defining happiness and performance is arduous because of its subjective nature. Positive Psychology helps construct the concept of happiness, associating that it can be obtained through the sum of positive experiences to the detriment of negative experiences [17].

Moreover, this area also states that individuals with more positive experiences tend to be people characterised by high levels of resilience, with a greater remarkability to face complex situations, and are more innovative and intuitive, optimistic, and proactive [18, 37]. All these are favourable characteristics for employees considering the current context of high uncertainty levels, unmeasured competition and the intense search for competitive advantage [6, 7, 38]. Thus, the relevance of exploring the theme and its current nature is highlighted.

In the following subtopic, we will explore the theoretical frameworks that have been most often used to justify the analysis models proposed by their studies, whose purpose is to validate the existence of a positive relationship between happiness and performance.

2.2 Theoretical frameworks associated with the HPW thesis

Empirical studies have tried to analyse the relationship postulated by the HPW thesis using analytical models. This modelling is supported by the HPW thesis and complemented by other theoretical frameworks that integrate new variables into the original model. Remember that the model of the HPW thesis only mentions the existence of a positive relationship between happiness and performance. However, researchers have used other arguments even to justify, at times, the constructs that will measure happiness and performance. In this sense, the leading five frameworks considered by these researchers are explored below, clarifying the concept of each one and justifying their association with the HPW thesis.

Thus, of the most recurrent frameworks, the following will be highlighted: social exchange theory, positive psychology, organisational citizenship behaviour, job demands resource model, and broaden and build theory.

Social exchange theory is commonly used in research related to psychology and organisational behaviour [39]. This theory holds that an individual's production of a confident behaviour/attitude is developed according to the individual's perception of the reward derived from that behaviour/attitude. Behaviour/attitudes are conditioned by the expected reward and its impact on the individual's life. This reward can be immediate or posterior, but its relevance is associated with the value that each individual attributes to it, thus determining their behaviours [32, 39]. This establishes a reciprocal relationship in which the employee offers something (behaviour) in to expect from the organisation [40]. Put another way, "it means that people expect to receive resources or actions of similar value to the ones they give, or, vice versa, people tend to respond with resources or actions of similar value to the ones they receive" [39]. Thus, social exchange theory is associated with the HPW thesis in that the primary goal of all organisations is to make a profit. This profit is obtained through customer satisfaction, which can be internal and external [11, 12]. For this purpose, internal customers (employees) are considered, and their well-being/happiness is regarded as a necessary condition for obtaining better results (performance) that are beneficial both at individual and organisational levels.

Positive Psychology is a ramification of Psychology that many researchers credit with creating the HPW thesis, as already mentioned in the previous topic. This field aims to understand how research into affective components can prevent the appearance of psychological disorders and others arising from the above by improving quality of life [34]. Positive Psychology “is a field of psychological science that focuses on the study and observation of positively deviated behaviours, outcomes, and processes at the individual, collective, and societal levels of analysis” [41]. In this sense, Positive Psychology is associated with the HPW thesis. It advocates that happiness can be measured by the sum of positive experiences and the absence of negative experiences [42]. Some researchers have taken advantage of this area’s ideology to justify measuring the construct of happiness regarding the investigations of the HPW thesis [28, 29, 43]. The inclusion of Positive Psychology in the HPW thesis “positive emotions could encourage the acquisition of skills and the construction of social capital” [20].

Organisational citizenship behaviour is “defined as workplace behaviours that are discretionary and not explicitly prescribed, required, or rewarded by an organisation” [15]. These behaviours relate to the social and psychological environment where tasks are performed, thus providing more effective organisational functioning. Here one anticipates behaviours such as helping others and staying overtime to improve a task [15, 27]. Organisational citizenship behaviour has been used to justify reducing absenteeism, improving performance, and providing good relationships, thus suggesting reciprocal exchanges where everyone is rewarded [44].

The job demands-resources (JD-R) model states that “well-being exists when there is a balance between the demands perceived by the worker and the existing physical, social and individual resources, generating less work stress, greater engagement and facilitating job performance” [30]. On the other hand, the JD-R model advocates that these resources improve individual behaviour. Still, it also points out that demand levels produce negative results, leading to psychological problems such as increased levels of burnout [26]. In addition, the higher the levels of demand in the workplace, the worse both the commitment and the performance of employees will be, leading to problems such as high turnover and absenteeism [33]. In contrast, work environments with lower demands generally have more satisfied and psychologically healthier employees [45]. Thus, this model suggests a relationship between the resources that lead to employee motivation, increasing their levels of involvement with their work and ultimately impacting performance. In a way, and considering what was previously mentioned, this framework also studies, in a more indirect way, the relationship between happiness (represented here by motivation) and performance, only adding engagement as a mediating variable between both [32, 39].

Finally, the broaden and build theory, suggested by Fredrickson, is presented. This theory argues that it is necessary to

broaden-and-build theory, several positive feeling states, traits, or emotions, including the experience of PWB, all share the capacity to “broaden” an individual’s momentary thought-action repertoires through expanding the available array of potential thoughts and actions that come to mind [31].

The HPW theory has been used as a theoretical foundation for understanding the relationship between satisfaction (a possible operationalisation form of happiness), performance and their antagonistic patterns [14]. In this sense, this theory states that “positive evaluative sentiments associated with high levels of job-related satisfaction are further broadened and built upon when the employee is also psychologically well in

general” [31], so this theory relates to concepts such as positive emotions/affection(s), but also psychological well-being and even employee retention [31, 32, 39].

3. Ways of operationalising the HPW thesis

This topic will allow answer one of the objectives of this research. Thus, the following subtopics will list the various ways used in the literature to operationalise the subjacent constructs in the thesis (happiness and performance) individually.

The data provided in the following subtopics were obtained from documents found in the Web of Science (WoS) and Scopus databases, whose purpose of their investigation was to study the HPW thesis. In this sense, only 45 documents with these characteristics were found, and it is from these that we based the arguments illustrated below.

3.1 Happiness at work

Happiness is a universal desire, and society in general lives to find the formula that allows constant happiness. Since the search for permanent happiness has become a utopia, then the new goal of society is to find the procedure that allows its extension in time [33–35]. The difficulty begins with the definition of a concept that is so changeable and intensifies even more when we try to define ways to measure it [42]. However, there is already an acceptance of the concept of happiness, which considers it a state (affective or emotional) related to affections or positive experiences [31, 46].

Before proceeding to the possible ways of measuring this very complex construct that is happiness, it is necessary first to try to define this concept. Thus, and similarly to what has already been mentioned, no consensus in the literature allows us to reference a single definition. It is known that happiness is not something that happens naturally but something for which we all must search and build a way to obtain [37]. In this sense, some authors consider happiness as a set of experiences whose evaluation is subjective [25, 29, 33, 35]. Positive Psychology simplified this definition by referring that happiness is obtained by the sum of positive experiences in detriment of the absence of negative experiences. However, both concepts are dependent on the subjectivity of everyone’s evaluation, as the perceptions of each one of us are different and, therefore, the holistic assessment we make of our life in the face of these feelings/emotions/experiences lacks this subjectivity, complicating, even more, the definition of this concept. However, the question of the purpose of studying happiness remains. The answer is simple, happiness research has been crucial recently because of its multiple advantages at the individual employee level, but it has also played a vital role in determining competitive advantages for organisations. Thus, research that has been conducted seeks to identify the antecedents and continue to list the consequences of promoting happiness in the workplace. Workplace happiness is a “state is perceived by the individual (perceptions), and its presence is influenced by some factors (antecedents). This positive state also impacts individual behaviour in the workplace (consequences)” [42], that is, it serves as a form of motivation to leverage performance.

One cannot talk about happiness without mentioning the classical perspectives on which happiness can be measured, namely the eudaimonic and hedonic perspectives [15, 20, 24, 30, 36, 39, 42, 47]. The hedonic perspective is associated with the pursuit of pleasure and escape from emotions that cause suffering in the individual.

Most frequent constructs	Most common scales	Papers that have used these scales
Affects	PANAS – Scale of positive and negative affects	[5, 28, 29]
	SPANE – Scale of positive and negative experiences	[4, 17, 53]
Well-being	Affective well-being with work by Sevastos (1996) and Watson and Clark (1992)	[29, 47]
Subjective/psychological well-being	Index of psychological well-being	[30, 35, 47]
Happiness	Oxford Happiness Questionnaire	[16, 37]
Happiness at work	Work-related affective well-being scale	[45, 49]
Life satisfaction	Life satisfaction scale	[4, 5, 20, 21]
Intrinsic job satisfaction	The intrinsic satisfaction questionnaire a developed by Cook and Mal (1981)	[29, 45]
Job satisfaction	Job satisfaction scale	[5, 28, 35]

Table 1.
Main concepts used to measure happiness.

The eudaimonic perspective relates to the individual perceiving his existence/work as meaningful [20, 36, 42].

The most common ways of operationalising the construct of happiness mentioned in HPW’s thesis have been: affections [5, 25, 28, 29, 36], well-being [20, 29, 33, 35, 48, 49], subjective or psychological well-being [4, 20, 22, 30, 35, 37, 48, 49], happiness [16, 37, 45, 50] and satisfaction, both with life and at a professional level [4, 5, 20, 21, 25, 28, 29, 33, 35, 36, 45, 50, 51]. However, there are also others such as motivations [50, 52], organisational commitment [50], and engagement [36, 50]. In this sense, **Table 1** was prepared to list the main concepts behind the measurement of the concept of happiness, identifying the main scales for this purpose and listing some of the works that have used them.

Before moving on to the concept of performance, it is necessary to define the concepts of well-being, subjective/psychological well-being, and satisfaction. In this sense, well-being is understood as an individual state whose evaluation depends on the holistic view of everyone [16]. On the other hand, subjective or psychological well-being can be perceived “as the cognitive and affective evaluations that the individuals make of their lives, i.e., how individuals think and feel about their own lives and work” [4]. Some authors say this form of well-being is more interconnected with the hedonic perspective [35], which is also related to affections. Subjective well-being is associated with the hedonic perspective, that is, the pursuit of pleasure. Subjective or psychological well-being is a global evaluation of the psychological effectiveness of everyone [35]. Some authors mention that their evaluation is done in stages. People are happier when they trust their abilities, and people in a good mood have a greater tendency to have positive experiences; this self-assessment must consider life holistically and timelessly to measure psychological well-being [28, 30, 35]. Finally, satisfaction can be viewed as “the pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values” [1]. Again, this concept is also subjective, but it is associated with positive emotions [36, 51]. In short, they are the behaviours practised by everyone at work that impacts personal life and the organisation [26].

3.2 Performance

The performance construct and its association with the HPW thesis still have some divergences in its operationalisation. The attention of different studies has been more focused on the measurement of happiness [27]. This is usually measured through constructs such as productivity (which can be considered actual values or considering individuals' perceptions), service quality, or performance [1, 32, 54]. These forms may also consider data to obtain levels of performance/productivity at the individual or collective level. Thus, **Table 2** was prepared to list the main concepts that are behind the measurement of the performance concept, identifying the major scales for this purpose and listing some of the works that used them.

Performance is considered the complete set of “actions that are relevant to the achievement of organisational goals” [5]; in other words, they are all actions that, through employee behaviours, allow the achievement of pre-established objectives by the organisation, thus contributing to its growth and development [15, 30]. In this sense, measuring performance will depend on the purpose of the investigation itself since this construct can combine several perspectives and levels. In terms of scope, performance can evaluate a broader level, that is, organisational, or it can be more restricted and focus only on what represents results or quality [1]. Some authors advocate that performance measurement should group data related to “financial performance, operational performance, customer satisfaction, and service quality” [1]. When the focus of the performance is to ascertain quality, it should gather data that allows measuring “product, processes and service quality, employee service quality, employee satisfaction, customer satisfaction and supplier performance” [1].

Most frequent constructs		Most common scales	Papers that have used these scales
Job/contextual performance		Several different scales were used. Some were developed for the study itself.	[4, 20, 24, 26, 33, 35, 45]
Productivity/ Results		Scales were developed according to the research objectives.	[5, 18, 49]
Performance	In the role, extra-role e creative performance.	In role: scale by Williams and Anderson (1991); extra-role: scale by Mackenzie et al. (2011) and creative performance: scale by Oldhamings and Cummings (1996).	[27]
	Performance evaluated by superiors.	It was developed for the study.	
	Global performance	Adapted from Goodman and Svyantek's (1999).	[15]
	Work facilitation, emphasis on objectives, and team building	The scale used is not identified.	[28]
Job performance components	Efficacy	Open answer questions.	[52]
	Autonomy	The scale of Breugh (1999).	[50]
	Involvement	Adaptation of Kanungo's (1982) scale.	[16]

Table 2.
Main concepts used to measure performance.

4. Conclusion

Globalisation, work flexibility, increased competition, and the need to obtain competitive advantage currently turn the organisational world into a context of pure uncertainty [6, 7]. All these constraints are already more than enough concerns for managers. Still, in addition to these, there are elevated levels of absenteeism and turnover associated with the difficulty in retaining talent [13, 38, 45]. Employees only consider staying in their organisations when they feel committed and loyal to their organisation and to achieving results [20]. However, it is known that today's employees have different perspectives than in the past. They do not intend to stay for a lifetime in organisations, so it is necessary to invest strongly in strategies that lead them to stay due to the changing nature of jobs [40]. In this scenario, the concern with employees' well-being arises and develops until it reaches the HPW thesis.

The HPW thesis, in a very general way, postulates the existence of a positive relationship between happiness and performance; that is, the thesis is supported by the belief that happy workers tend to be more productive or perform better than unhappy workers [13–24]. Thus, from the thesis analysis, it can be assumed that if organisations/managers focus on increasing happiness, they will be able to differentiate themselves from the competition, having a greater probability of gaining a competitive advantage over their competitors. The most significant difficulty in the evolution of research on this topic is the complexity and ambiguity of the constructs that can be considered to operationalise the concepts of happiness and performance.

Answering the starting question that led to the development of this research, we conclude that the constructs of performance and happiness postulated by the HPW thesis can be measured in multiple ways. As for happiness, we highlight well-being (generalised or psychological), satisfaction, and affect. As for performance, productivity (effective or perceived), performance (task/contextual or perceived), and service quality are highlighted.

The research set out in this chapter contributes to advancing research on the topic of people management as it has theoretical and practical implications. At a theoretical level, the study presents the distinction between the concepts underlying the HPW thesis (happiness and performance), assesses the main measurement forms for each construct and lists some lines of future research on the topic under analysis. On a practical level, the study allows to ascertain a new formula for obtaining competitive advantages for organisations, distinguishing them from their competitors and increasing performance. The focus on improving employees' happiness impacts their performance during the development of their functions. This increase in performance allows organisations to gain competitive advantages over their competitors, and even, in the case of services with direct contact with customers, it will enable them to enhance the experience and satisfaction in the provision of services.

The main limitation of the study presented in this chapter is that a limited set of works was considered in further operationalising the happiness and performance constructs underlying HPW's thesis. Future studies should seek to broaden the spectrum of consideration of papers to obtain more significant evidence and to support further the information provided in this chapter. Researchers interested in exploring this topic should focus on mixed studies, develop models that allow for multiple levels of analysis, and verify whether there are differences in the results obtained when considering demographic variables that serve as control variables in the same model. It is also urgent the development of further studies that investigate antecedents and consequences of the model suggested by HPW's thesis, as well as mediator variables

that allow the perception of how organisations can enhance happiness in their employees and, in this way, will enable them to provide better performance levels, that is, adding value to the organisations.

Conflict of interest

The authors declare no conflict of interest.

Author details

Natália Costa¹, Carlos Miguel Oliveira^{1*} and Pedro Ferreira²

1 ISLA – Polytechnic Institute of Management and Technology, Vila Nova de Gaia, Portugal

2 University Portucalense, Porto, Portugal

*Address all correspondence to: miguel.oliveira@islaguia.pt

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Bouranta N, Psomas E, Suárez-Barraza MF, Jaca C. A cross-cultural study is the key factors of total quality management in the service sector. *Benchmarking: An International Journal*. 2019;**26**(3):893-921. Available from: <https://www.emerald.com/insight/content/doi/10.1108/BIJ-09-2017-0240/full/html>
- [2] Mazzarolo AH, Mainardes EW, Montemor DS. Effects of internal marketing on strategic orientations in the banking sector. *The International Journal of Bank Marketing*. 2021;**39**(5):810-833. Available from: <https://www.emerald.com/insight/content/doi/10.1108/IJBM-08-2020-0437/full/html>
- [3] Imani S, Foroudi P, Seyyedamiri N, Dehghani N. Improving employees' performance through internal marketing and organisational learning: Mediating role of organisational innovation in an emerging market. *Cogent Business & Management*. 2020;**7**(1):1762963. DOI: 10.1080/23311975.2020.1762963
- [4] Salgado JF, Blanco S, Moscoso S. Subjective well-being and job performance: Testing of a suppressor effect. *Journal of Work and Organizational Psychology*. 2019;**35**(2):93-102. DOI: 10.5093/jwop2019a9
- [5] Zelenski JM, Murphy SA, Jenkins DA. The happy-productive worker thesis revisited. *Journal of Happiness Studies*. 2008;**9**(4):521-537. Available from: <http://link.springer.com/10.1007/s10902-008-9087-4>
- [6] Olorunsola VO, Saydam MB, Ogunmokun OA, Ozturen A. Service beyond the status quo: The ripple effect of corporate social responsibility and internal marketing on employee's customer-oriented behavior. *The International Journal of Bank Marketing*. 2022;**40**(4):820-841. Available from: <https://www.emerald.com/insight/content/doi/10.1108/IJBM-07-2021-0321/full/html>
- [7] Park JH, Tran TBH. From internal marketing to customer- perceived relationship quality: Evidence of Vietnamese banking firms. *Total Quality Management and Business Excellence*. 2020;**31**(7-8):777-799. DOI: 10.1080/14783363.2018.1446754
- [8] Pascual-Fernández P, Santos-Vijande ML, López-Sánchez JÁ. Harnessing innovation success in hotels: The interplay among key drivers of new service performance. *International Journal of Contemporary Hospitality Management*. 2020;**32**(9):2757-2776. Available from: <https://www.emerald.com/insight/content/doi/10.1108/IJCHM-12-2019-0988/full/html>
- [9] Khalid Z, Hadi NU. Theoretical approach towards internal marketing and customer-oriented behavior: A developing world perspective. *Pacific Business Review International*. 2021;**13**(8):64-75. Available from: www.pbr.co.in
- [10] Ferdous AS, Polonsky M, Bednall DHB. Internal communication and the development of customer-oriented behavior among frontline employees. *European Journal of Marketing*. 2021;**55**(8):2344-2366. Available from: <https://www.emerald.com/insight/content/doi/10.1108/EJM-10-2019-0750/full/html>
- [11] Taştan SB, Davoudi SMM. Investigating the mediating role of job

satisfaction on the relationship between internal marketing and job performance: Research within the services industry. *Middle East Journal of Management*. 2020;7(5):492. DOI: 10.1504/MEJM.2020.10029527

[12] Bohnenberger MC, Schmidt S, Damascena C, Batle Lorente FJ. Internal marketing: A model for implementation and development. *Dimension Empresarial*. 2019;17(1):7-22. DOI: 10.15665/dem.v17i1.1657

[13] Ravina Ripoll DR, Villena Manzanares DF, Gutiérrez Montoya DGA. Una aproximación teórica para mejorar los resultados de innovación en las empresas desde la perspectiva del “Happiness Management.” *Retos*. 2017;7(14):113. DOI: 10.17163/ret.n14.2017.06

[14] Sender G, Nobre GC, Armagan S, Fleck D. In search of the holy grail: A 20-year systematic review of the happy-productive worker thesis. *International Journal of Organizational Analysis*. 2021;29(5):1199-1224. Available from: <https://www.emerald.com/insight/content/doi/10.1108/IJOA-09-2020-2401/full/html>

[15] Kozusznik MW, Peiró JM, Soriano A. Daily eudaimonic well-being as a predictor of daily performance: A dynamic lens. *PLoS One*. 2019;14(4):e0215564. Available from: <https://dx.plos.org/10.1371/journal.pone.0215564>

[16] Huang LC, Ahlstrom D, Lee AYP, Chen SY, Hsieh MJ. High performance work systems, employee well-being, and job involvement: An empirical study. *Personnel Review*. 2016;45(2):296-314. Available from: <https://www.emerald.com/insight/content/doi/10.1108/PR-09-2014-0201/full/html>

[17] Graziotin D, Fagerholm F, Wang X, Abrahamsson P. Unhappy developers: Bad

for themselves, bad for process, and bad for software product. In: 2017 IEEE/ACM 39th International Conference on Software Engineering Companion (ICSE-C) [Internet]. Buenos Aires: IEEE; 2017. pp. 362-364. DOI: 10.1109/ICSE-C.2017.104

[18] Haagsman K. Do transnational child-raising arrangements affect job outcomes of migrant parents? Comparing Angolan parents in transnational and NonTransnational families in the Netherlands. *Journal of Family Issues*. 2018;39(6):1498-1522. Available from: <http://journals.sagepub.com/doi/10.1177/0192513X17710773>

[19] Foncubierta-Rodríguez MJ. Influence of the entrepreneur’s personal values in business governance style and their relationship with happiness at work. *Corp Governance*. 2021;22(3):592-617. Available from: <https://www.emerald.com/insight/content/doi/10.1108/CG-05-2021-0197/full/html>

[20] Luna-Arocas R, Danvila-del-Valle I. Does positive wellbeing predict job performance three months later? *Applied Research in Quality of Life*. 2021;16(4):1555-1569. Available from: <https://link.springer.com/10.1007/s11482-020-09835-0>

[21] Baadel S, Kabene S. Sustaining corporate performance through the happy worker influence. *Journal for Global Business Advancement*. 2020;13(4):469. DOI: 10.1504/JGBA.2020.10034577

[22] Piekalkiewicz M. Why do economists study happiness? *The Economic and Labour Relations Review*. 2017;28(3):361-377. Available from: <http://journals.sagepub.com/doi/10.1177/1035304617717130>

[23] Muñoz E, Casallas R. Bibliométrico entre felicidad en el trabajo y desempeño laboral: análisis bibliométrico, evolución

y tendencias. *Revista Virtual Universidad Católica del Norte*. 2021;**64**:241-280. DOI: 10.35575/rvucn.n64a10

[24] Peiró JM, Kozusznik MW, Soriano A. From happiness orientations to work performance: The mediating role of hedonic and eudaimonic experiences. *International Journal of Environmental Research and Public Health*. 2019;**16**(24):1-17. DOI: 10.3390/ijerph16245002

[25] Cropanzano R, Wright TA. When a “happy” worker is really a “productive” worker: A review and further refinement of the happy-productive worker thesis. *Consulting Psychology Journal: Practice and Research*. 2001;**53**(3):182-199. Available from: <http://doi.apa.org/getdoi.cfm?doi=10.1037/1061-4087.53.3.182>

[26] Salas-Vallina A, Pozo-Hidalgo M, Gil-Monte PR. Are happy workers more productive? The mediating role of service-skill use. *Frontiers in Psychology*. 2020;**11**(456):1-11. Available from: <https://www.frontiersin.org/article/10.3389/fpsyg.2020.00456/full>

[27] Peiró JM, Kozusznik M, Rodríguez-Molina I, Tordera N. The happy-productive worker model and beyond: Patterns of wellbeing and performance at work. *International Journal of Environmental Research and Public Health*. 2019;**16**(3):479. DOI: 10.3390/ijerph16030479

[28] Wright TA, Cropanzano R, Denney PJ, Moline GL. When a happy worker is a productive worker: A preliminary examination of three models. *Canadian Journal of Behavioural Science*. 2002;**34**(3):146-150. DOI: 10.1037/h0087165

[29] Hosie PJ, Willemyns M, Sevastos P. The impact of happiness on managers’

contextual and task performance. *Asia Pacific Journal of Hum Resources*. 2012;**50**(3):268-287. Available from: <https://onlinelibrary.wiley.com/doi/10.1111/j.1744-7941.2012.00029.x>

[30] Gutiérrez OI, Polo JD, Zambrano MJ, Molina DC. Meta-analysis and scientific mapping of well-being and job performance. *The Spanish Journal of Psychology*. 2020;**23**:1-22. DOI: 10.1017/SJP.2020.40

[31] Wright TA, Cropanzano R. The happy/productive worker thesis revisited. *Research in Personnel and Human Resources Management* 2007;**26**:269-307. Available from: [https://www.emerald.com/insight/content/doi/10.1016/S0742-7301\(07\)26006-2/full/html](https://www.emerald.com/insight/content/doi/10.1016/S0742-7301(07)26006-2/full/html)

[32] García-Buades ME, Peiró JM, Montañez-Juan MI, Kozusznik MW, Ortiz-Bonnín S. Happy-productive teams and work units: A systematic review of the ‘happy-productive worker thesis. *International Journal of Environmental Research and Public Health*. 2019;**17**(1):69. DOI: 10.3390/ijerph17010069

[33] Thompson A, Bruk-Lee V. Employee happiness: Why we should care. *Applied Research in Quality of Life*. 2021;**16**(4):1419-1437. Available from: <https://link.springer.com/10.1007/s11482-019-09807-z>

[34] Moccia S. Happiness at work. *Papeles del Psicólogo*. 2016;**37**(2):143-151

[35] Wright TA, Cropanzano R. Psychological well-being and job satisfaction as predictors of job performance. *Journal of Occupational Health Psychology*. 2000;**5**(1):84-94. Available from: <http://doi.apa.org/getdoi.cfm?doi=10.1037/1076-8998.5.1.84>

[36] López JP, Fierro I. Determinantes de la felicidad en los administradores:

una investigación realizada en las farmacias del Grupo Difare en Ecuador. *Universidad & Empresa*. 2016;17(29):181-211. DOI: 10.12804/rev.univ.empresa.29.2015.08

[37] Caballero-García PA, Ruano Dávila N, Sánchez RS. Happiness in university students: A descriptive study for educational improvement. In: *EDULEARN18 Proceedings*. Spain: IATED; 2018. pp. 10226-10231. DOI: 10.21125/edulearn.2018.2488

[38] Yu Q, Barnes BR, Ye Y. Internal market orientation, interdepartmental relationships and market performance: The pivotal role of employee satisfaction. *European Journal of Marketing*. 2022;56(5):1464-1487. Available from: <https://www.emerald.com/insight/content/doi/10.1108/EJM-11-2020-0800/full/html>

[39] Peiró JM, Montesa D, Soriano A, Kozusznik MW, Villajos E, Magdaleno J, et al. Revisiting the happy-productive worker thesis from a Eudaimonic perspective: A systematic review. *Sustainability*. 2021;13(6):3174. DOI: 10.3390/su13063174

[40] Edwards C. The pursuit of happiness. *Engineering & Technology*. 2009;4(4):76-79. DOI: 10.1049/et.2009.0419

[41] Coo C, Salanova M. Mindfulness can make you happy-and-productive: A mindfulness controlled trial and its effects on happiness, work engagement and performance. *Journal of Happiness Studies*. 2018;19(6):1691-1711. DOI: 10.1007/s10902-017-9892-8

[42] Sender G, Carvalho F, Guedes G. The happy level: A new approach to measure happiness at work using mixed methods. *International Journal of Qualitative Methods*. 2021;20:1-17. Available

from: <http://journals.sagepub.com/doi/10.1177/16094069211002413>

[43] Yang JS, Hung HV. Happy workers value effort, sad workers value reward. *International Journal of Human Resource Management*. 2017;28(11):1591-1624. Available from: <https://www.tandfonline.com/doi/full/10.1080/09585192.2015.1128458>

[44] Khan K, Hameed I, Hussainy SK. Antecedents and consequences of brand citizenship behavior in private higher education institutions. *Journal of Marketing for Higher Education*. 2021;0(0):1-22. DOI: 10.1080/08841241.2021.1927934

[45] Hosie PJ, Sevastos P. Does the “happy-productive worker” thesis apply to managers? *International Journal of Workplace Health Management*. 2009;2(2):131-160. Available from: <https://www.emerald.com/insight/content/doi/10.1108/17538350910970219/full/html>

[46] Wright TA. The role of “happiness” in organizational research: Past, present and future directions. In: *Research in Occupational Stress and Well Being [Internet]*. Bingley; Emerald Group Publishing Limited. 2004. pp. 221-264. Available from: [https://www.emerald.com/insight/content/doi/10.1016/S1479-3555\(04\)04006-5/full/html](https://www.emerald.com/insight/content/doi/10.1016/S1479-3555(04)04006-5/full/html)

[47] Shimizu S, Kan C, Bordlein C, Nobuhiro M, Kobayashi Y, Yasui N, et al. Psychological and subjective well-being under corporative worksite at an automobile manufacturing. In: *2022 IEEE 4th Global Conference on Life Sciences and Technologies (LifeTech) [Internet]*. Osaka, Japan: IEEE; 2022. pp. 508-509. DOI: 10.1109/LifeTech53646.2022.9754917

[48] Al Jassmi H, Ahmed S, Philip B, Al Mughairbi F, Al AM. E-happiness

physiological indicators of construction workers' productivity: A machine learning approach. *Journal of Asian Architecture and Building Engineering*. 2019;18(6):517-526. DOI: 10.1080/13467581.2019.1687090

in enterprises from the perspective of "happiness management{}". *Retos-Revista Ciencias La Adm Y Econ*. 2017;7(14):107-122

[49] Yap WM, Badri SKZ. What makes millennials happy in their workplace? *Asian Academy of Management Journal*. 2020;25(1):103-121. DOI: 10.21315/aamj2020.25.1.6

[50] Kessler SR, Taylor EZ, Levine EL, Wiley JW, Kessler LM. Is a happy nation a productive nation? An exploration of the relationship between job satisfaction and productivity at the national level. *European Journal of International Management*. 2008;2(3):356-375. DOI: 10.1504/EJIM.2008.019701

[51] Duncan R, Tilbrook K, Krivokapic-Skoko B. Does academic work make Australian academics happy? *Australian Universities Review*. 2015;57(1):5-12. Available from: <http://search.informit.com.au/documentSummary;dn=306553773555637;res=IELHSS>

[52] Bergsma A, Buijt I, Veenhoven R. Will happiness-trainings make us happier? A research synthesis using an online findings-archive. *Frontiers in Psychology*. Nov 2020;11:1-32. DOI: 10.3389/fpsyg.2020.01953

[53] Graziotin D, Fagerholm F, Wang X, Abrahamsson P. On the unhappiness of software developers. In: *Proceedings of the 21st International Conference on Evaluation and Assessment in Software Engineering [Internet]*. New York, NY, USA: ACM; 2017. pp. 324-333. Available from: <https://dl.acm.org/doi/10.1145/3084226.3084242>

[54] Ripoll RR, Manzanares FV, Montoya GAG. A theoretical review to improve outcomes of innovation

Emotions and Their Impact on Employee Happiness and Satisfaction in Organizational Performance

*Manuel Sousa Pereira, António Cardoso,
Sílvia Maria Pereira Silva Faria
and Álvaro Miguel da Costa Cairrão*

Abstract

The objective of this study is to contextualize and understand the different emotions felt by employees, as well as their involvement and performance in the context of small and medium-sized Portuguese companies. An online questionnaire was developed, with a total of 227 participants; 210 were validated and 17 were excluded due to missing answers. Results show that as anger, anxiety and discouragement increase, happiness decreases; and, if there is an increase or an improvement in relationships, involvement and happiness increase, so do performance and satisfaction at work.

Keywords: emotions, job involvement, happiness, job satisfaction, job performance, turnover

1. Introduction

The main challenge of this study is to analyze the factors that can contribute to the constant search for a balance between the individual well-being of workers and their perceptions of their workplace. In other words, it seeks to verify which emotion impacts, positively or negatively, on satisfaction in the work environment.

The objective of the study is to contextualize and try to understand emotions — anxiety, discouragement, anger, happiness, interpersonal relationships — and their impact on the employee's involvement with their work, their satisfaction in the work environment, turnover intention, and level of performance.

The variables included, in this study, aim to understand the relationship between the following dimensions: anger and anxiety; anger and happiness; anxiety and happiness; anxiety and satisfaction; discouragement and anxiety; discouragement and happiness; happiness and job performance; happiness and satisfaction; happiness and turnover; interpersonal relationships and anxiety; interpersonal relationship and

satisfaction; satisfaction and job performance and satisfaction and turnover. They also aim to understand their impact, positive or negative, on the individual's performance at work.

We started by doing a brief literature review to better understand the state of the art and including the most relevant concepts and studies developed on the topic. Then, we developed an online questionnaire, with closed questions supported by a Likert scale, as a result of the bibliographic research carried out. The questionnaire was applied to a convenience sample, having been shared on the research team's social networks, for faster implementation. We then present the results analysis, main conclusions, limitations, and recommendations for future research.

2. Literature review, methodology and data analysis

2.1 Literature review

The analysis of employees' emotional states and their importance in satisfaction with their job is the central theme of this study. About this, previous studies [1] refer that those feelings are known as individual and subjective emotions that can trigger various events or behavioral reactions. Therefore, feelings can be interpreted as distinct emotions that are commonly felt. In a business context, it is useful to understand its impact on individuals' balance and satisfaction. The authors describe feelings from a psychological and sociological perspective, in the area of organizational research. It is crucial for companies to manage their workers' emotions and emotional intelligence, meaning to understand the degree to which a person can manage their different emotions and correctly direct their own thoughts and actions [2]. Feelings can be interpreted as distinct emotions that are commonly felt, such as anger or pleasure, which are assumed to match specific facial expressions and corporal signals (body language).

According to previous research [3], it is important to pay attention to relationships between people; this interpersonal component applies to the personal relationships between the various employees. For this personal component to exist, it is necessary to have mutual knowledge, and the deeper this is, the greater the probability of the parties getting closer, dialoguing with each other spontaneously. The author believes that this leads to seeing themselves as partners or even friends, with common interests and goals. Therefore, the author states that the greater the interaction between people, the better the mutual understanding and acceptance. This, in turn, leads to the creation of strong, lasting, and high-quality relationships between employees that translate into something positive for organizations [3]: commitment, (better) performance, motivation, (contribution) for innovation, error detection, widespread adoption of environmentally friendly practices, a taste for teamwork, mutual help, better organizational communication (internal and external), lower rate of abstention and conflict, and greater resilience to negative events that could come to translate into feelings of discouragement.

In a work context, there are some factors that can hinder the efficient management of emotions: specific circumstances, activities that need to be carried out, lack of time, and/or short deadlines. These are all aspects that can generate stress in the work environment [4]. This, in turn, impacts the health and well-being of any employee [5, 6]. When individuals perceive a high amount of work and are not able to control the associated stress, there is an adverse impact on their health [7]. Other authors [8, 9]

refer to “basic emotions”, such as fear, anger and joy, and consider that it seems to impact, not only the desire to remain in the organization but also the level of performance (actual vs. expected and desired).

That’s why interpersonal relationships must be promoted among employees, regardless of the type of company and the sector in which it operates [3]. Any organization wanting to contribute to sustainable development must monitor the quality of interpersonal relationships at work to minimize the propensity of employees to engage in counterproductive work behaviors. In this sense, the organizational environment must provide conditions for assertive communication and, also, promote favorable conditions for a good working environment.

About involvement at work, employees can have positive or negative feelings and that can affect aspects such as satisfaction, performance, and happiness at work. This range of feelings was verified in the study by [1]. A wide range of affective responses is correlated with employment and may involve general positive (pleasure, happiness) or negative (displeasure, frustration) and other feelings, including anger, frustration, joy, and excitement.

This study focuses on analyzing feelings of happiness, anxiety, anger, and discouragement. Thus, it is essential to find strategies that facilitate and contribute to the promotion of positive emotions and minimize negative ones. In a complementary way, the objective of sustainable human resource management is to get long-term goals and results, focusing on care for employees and the environment, employee participation and development, external partnership, flexibility, compliance with legal regulations, employee cooperation, equity and equality, all without affecting profitability [10].

Job satisfaction, another important issue to bear in mind, is a constant challenge for companies [11–13]. It is a concept that has been recognized and long studied as an important factor, which impacts an individual’s organizational commitment, performance, and intention to stay. Some authors report that learning more about their workers will help organizations establish training and development, as well as identify ways to promote a sustained interest of employees to continue carrying out their professional activity and superintendent position [13]. Given that, job satisfaction was identified as the main antecedent to turnover intention, the variables mentioned (job satisfaction and turnover intention) were chosen as a starting point for this study. Thus, we verified that it is necessary to increase positive emotions, satisfaction, involvement to decrease dissatisfaction, turnover, and the emergence of negative emotions.

With regard to turnover intention, it seems to decrease when employees feel integrated, understood, and relevant to the company [11], therefore, feeling satisfied at their job. It is also vital that top managers who have determined that they have quality hierarchical managers (mid-level managers and section heads) are interested in understanding what specific situations, factors, and circumstances cause discontent at work. As already mentioned, company managers have an important role in coordinating and keeping a collaborative and efficient organizational environment among all employees.

Work performance depends on the ability to manage emotions on the part of the various hierarchical managers, as well as on the acceptance and involvement of employees. In previous studies, competence, self-determination, and impact positively influence the work performance of employees [10]. Job satisfaction seems to lead to good job performance and to partially mediate the relationship between competence and job performance [10]; job performance and job flexibility appear to have a strong positive correlation and flexible working arrangements improve employee retention happiness and job satisfaction, increasing productivity [11, 13].

2.2 Methodology

In order to analyze how workers' emotional feelings, job involvement, and interpersonal relationships influence happiness and job satisfaction, and their impact on job performance and turnover intention, a quantitative study with a descriptive design was developed [14, 15].

Thus, based on the previous literature review [1–4, 10, 11, 16], the following hypotheses were defined:

- H1. There is a significant relationship between anger and anxiety.
- H2. There is a significant relationship between anger and happiness.
- H3. There is a significant relationship between anxiety and happiness.
- H4. There is a significant relationship between anxiety and satisfaction.
- H5. There is a significant relationship between dejection and anxiety.
- H6. There exists a significant relationship between dejection and happiness.
- H7. There is a significant relationship between happiness and job performance.
- H8. There is a significant relationship between happiness and satisfaction.
- H9. There is a significant relationship between happiness and turnover.
- H10. There is a significant relationship between interpersonal relationship and anxiety.
- H11. There is a significant relationship between interpersonal relationship and satisfaction.
- H12. There is a significant relationship between job involvement and anxiety.
- H13. There is a significant relationship between job involvement and satisfaction.
- H14. There is a significant relationship between satisfaction and job performance.
- H15. There is a significant relationship between satisfaction and turnover.

In order to validate the hypotheses and the research model under study, a questionnaire was developed for data collection and, later, data statistical analysis.

The theoretical model is composed of the structural model that incorporates nine constructs (latent variables: feeling of anxiety; feeling of dejection, feeling of anger; job involvement; interpersonal relationship; happiness of work; job satisfaction, job performance; and turnover intention) that represent the elements of the model developed and the measurement module formed by 57 items intended to measure the constructs (observable variables), as shown in **Table 1**. We used a Likert-type scale from 1 (strongly disagree) to 5 (strongly agree). Questionnaire can be consulted in the appendix.

To assess the emotional management and happiness of employees in organizations, we adopted the WORAF scale - work-related affective feeling [16], which includes three dimensions (feeling of anxiety, feeling of discouragement, and feeling of anger).

To assess the other constructs, we took into account the scales used in similar surveys: happiness at work [1]; work involvement [4]; interpersonal relationship [3]; happiness [1]; job satisfaction [1, 10]; work performance [10]; and turnover intention [11].

To analyze the research model created, the structural equation model (SEM) was used, a multivariate technique that combines aspects of multiple regression and factor analysis to estimate a series of interrelated dependence relationships simultaneously [17]. SEM requires the definition of two models: the measurement model and the structural model, which represent two sets of linear equations [18]. After using the SmartPLS® 3.0 Software, the measurement model was obtained, allowing to check of the observable variables (VO), with the respective connections and constructs, as shown in **Figure 1**.

Latent Variable	Number of Items	Authors	Scale
Feeling of anxiety	8	Jaworek, Marek & Karwowski (2020)	1 (strongly disagree) to 5 (strongly agree)
Feeling of dejection	5	Jaworek, Marek & Karwowski (2020)	1 (strongly disagree) to 5 (strongly agree)
Feeling angry	4	Jaworek, Marek & Karwowski (2020)	1 (strongly disagree) to 5 (strongly agree)
Interpersonal relationship	3	Szostek D. (2019)	1 (strongly disagree) to 5 (strongly agree)
Job Involvement	7	Pelfrene et al. (2003)	1 (strongly disagree) to 5 (strongly agree)
Job Satisfaction	11	Çakit et al., 2020 Davidescu et al. (2020)	1 (strongly disagree) to 5 (strongly agree)
Happiness	7	Çakit et al., 2020	1 (strongly disagree) to 5 (strongly agree)
Turnover intention	8	O'Connor J. (2018)	1 (strongly disagree) to 5 (strongly agree)
Job performance	3	Davidescu et al. (2020)	1 (strongly disagree) to 5 (strongly agree)

Table 1.
Conceptual model–variables.

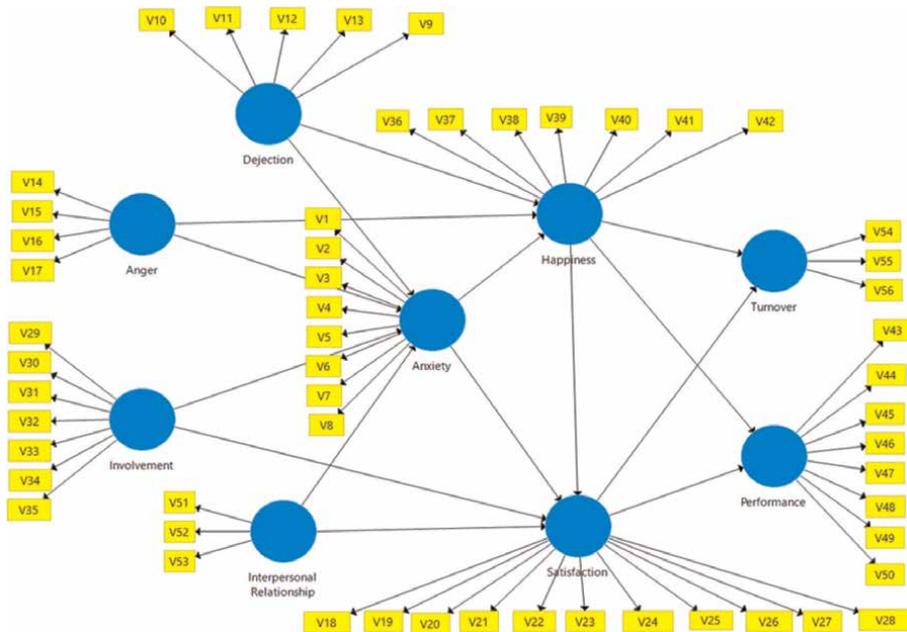


Figure 1.
Path model.

Despite the non-probabilistic convenience sample obtained [14], the G*Power software was used [17] to calculate the sample size; with an f^2 of 0.15, a minimum sample of 189 respondents was estimated.

		n	%
Gender	Male	92	43.8
	Female	118	56.2
Age groups	20–30 years	25	11.9
	31–40 years	40	19
	41–50 years	90	42.9
	51–60 years	42	20
	61–70 years	10	4.8
	+ 71 years	3	1.4
Qualifications	Secondary	21	10.0
	Bachelor	77	36.7
	Master	62	29.5
	Doctorate	50	23.8
Work experience	0 to 3 years	63	30.0
	4 to 9 years	40	19.0
	10 to 14 years	21	10.0
	15 to 19 years	28	13.3
	+ 20 years	58	27.6

Table 2.
Sample characterization.

227 questionnaires were collected and 210 were validated (92.5%), allowing the analysis using the SmartPLS® 3.0. 56.2% of respondents were female, against 43.8% of male participants. The sample was distributed between 21 and 73 years of age, so six age groups were created, as shown in **Table 2**. It should be noted that 42.9% of respondents were aged between 41 and 50 years (90 individuals) and that only 6.2% (13 individuals) were over 61 years of age. With regard to educational qualifications, most of the sample reveals that they have graduated in higher education, with 11.6% having a PhD degree and 30.2% having a Master’s degree. Most respondents reveal that they have been in their current job for a short time; thus, 30% of respondents (60) have been in the same company for one, two, or three years (range from 1 to 3); 19% (40) reported being in the same company and in the same service in the time horizon between 4 and 9 years. Only 23.3% of the participants indicate being in the same company for more than 10 years.

2.3 Data analysis

For descriptive statistics (demographic information, frequencies, mean and standard deviation analysis) in SPSS, version 25 (statistical package for social sciences) were performed; other statistical analyses were conducted in SmartPLS 3.0 (partial least squares) software. Confirmatory factor analysis, reliability and convergent validity, discriminant validity, path coefficients, hypothesis testing, and PLS-SEM were used to investigate the relationships among model factors.

(Total mean)	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	M	SD
	1	2	3	4	5		
	F (%)	F (%)	F (%)	F (%)	F (%)		
Feeling of anxiety	119 (56.7)	48 (22.9)	19 (9)	18 (8.6)	6 (2.9)	1.78	1102
Feeling of dejection	116 (55.3)	42 (20)	23 (11)	15 (7.1)	14 (6.6)	1.9	1192
Feeling of anger	103 (49.1)	49 (23.3)	28 (13.3)	18 (8.6)	12 (5.7)	1.98	1183
Interpersonal relationship	11 (5.1)	19 (8.9)	31 (14.7)	73 (34.6)	77 (36.7)	3.89	1097
Job involvement	7 (3.3)	18 (8.3)	46 (22.1)	75 (35.7)	64 (30.6)	3.82	1035
Job satisfaction	25 (11.9)	32 (15.2)	46 (21.9)	61 (29.1)	46 (21.9)	3.34	1141
Happiness	9 (4.3)	18 (8.5)	38 (18.1)	82 (39.1)	63 (30)	3.81	1071
Job performance	- -	3 (1.4)	24 (11.5)	104 (43.8)	79 (37.3)	4.22	0,692
Turnover intention	97 (46.1)	36 (17.1)	34 (16.3)	23 (10.8)	20 (9.7)	2.21	1371

Table 3.
Descriptive statistics per dimension.

Table 3 presents the aggregated data of the nine dimensions, using descriptive statistics: absolute and relative frequencies, mean and standard deviation. In summary, the total mean values allow us to conclude that most respondents totally disagree (56.7%) and disagree (22.9%) with the statements presented, indicating a low feeling of anxiety (M = 1.78; SD = 1.102). The same happens with the “feeling of discouragement”; it was possible to verify that the majority of the respondents (55.3%) disagreed with the set of statements presented (M = 1.9; SD:1.192). The “feeling of anger” has an identical behavior, with the majority of respondents totally disagreeing (49.1%) or disagreeing (23.3%) with the statements presented (M = 1.98; SD = 1.183). In turn, the dimension “interpersonal relationship” shows high percentages of agreement (34.6%) and total agreement (36.7%) with the statements presented (M = 3.89; SD = 1.097). The same happens with the dimension “involvement at work”, with the majority (66.3%) of the respondents agreeing and fully agreeing with the set of statements presented (M = 3.82; SD = 1.035). Respondents seem to be satisfied with their work, as they agree (29.1%) and totally agree (21.9%) with the statements presented (M = 3.34; SD = 1.1141). Likewise, the dimension “feeling of happiness” has high levels of agreement (69.1%), which means that respondents are satisfied with their work (M = 3.81; SD = 1.071). The perception of “work performance” is high, with 81.1% agreeing and fully agreeing with the set of statements presented (M = 4.22; SD = 0.692). The study reveals low turnover intention (M = 2.21; SD = 1.371), with 63.2% totally disagreeing with the statements presented.

2.3.1 Reliability and convergent validity of the scale

To assess internal consistency, Cronbach's Alpha (Alpha) was used; to assess the measurement model, a confirmatory factor analysis (CFA) was performed. The questionnaire reveals good internal consistency (Alpha = 0.919), based on the 56 items that make up the scale. All the values of the nine dimensions are greater than 0.887 (**Table 4**), which reveals a good internal consistency.

The first aspect to be observed in the measurement models is the Convergent Validities, obtained from the observations of average variances extracted (AVEs). We followed Fornell and Larcker criterion [18]: AVEs values must be greater than 0.50 (AVE > 0.50) [19].

The convergent validity tests of the constructs with values above 0.5—1st Order LV—attest to the convergent validity of the scale. On the other hand, it can be observed that the factor loadings of VO in the original constructs (VL) are always higher than in the others; this confers discriminant validity to the model [20].

The structural model was found to satisfy all relevant reliability and validity requirements, as follows: Cronbach's alfa > 0.8; rho_A > 0.8; composite reliability (CR) > 0.9; and average variance extracted (AVE) > 0.5 (**Table 4**).

With regard to cross-loads, it is intended to verify whether each item has a greater ratio/weight to the construct to which it is related than to the others [21]. **Table 5** proves that the criterion was also met.

After verifying the conditions mentioned above, it can be concluded that the model meets the criteria of convergent and discriminant validity, guaranteeing the consistency of its construction and statistical inference. Following the analysis of the structural model and considering that our study is related to correlations and linear regressions, we evaluated whether these relationships are significant ($p \leq 0.05$), because for cases of correlation, the null hypothesis (H_0) is established as $r = 0$ and for regression cases, it is established with $H_0: \Gamma = 0$ (path coefficient = 0). If $p > 0.05$ the H_0 is accepted, the inclusion of VL or VO in SEM should be reconsidered.

Table 6 presents the data related to the procedure, described above, with 500 resamplings, pertinent to the values of Student's t test, p values.

Only five values are below 0.7, which is not a cause for concern, considering the reliability studies presented above. The results presented for the modules—structural and measurement—point to the adherence of reliability, consistency, and explanation of the constructs, therefore validating the conceptual model proposed on the factorial aspects based on the 9 (nine) constructs and on the 56 variables. It is possible to verify the significance of each item for the variables, through the external weights, which analyze the significance of each item for the formative variable [18]: all scores are significant ($p = 0.000$).

Likewise, it is possible to verify the significance between the variables, through the external weights (**Table 7**), which analyze the significance of each item for the formative variable [18], in which all scores are significant ($p = 0.000$).

2.3.2 Structural model assessment

After validating the measurement model, we needed to calculate the structural model criteria. Considering that this study was carried out using correlations and linear regressions, it was evaluated whether these relationships were significant ($p \leq 0.05$). For correlation cases, the null hypothesis (H_0) is established as $r = 0$ and

	1	2	3	4	5	6	7	8	9
Cronbach's Alpha	0.909								
1. Anger	0.929								
2. Anxiety	0.935	0.831							
3. Dejection	0.928	0.791	0.882						
4. Happiness	0.948	-0.702	-0.643	0.876					
5. Interp. Relationship	0.877	-0.578	-0.571	0.721	0.896				
6. Involvement	0.934	-0.642	-0.604	0.903	0.631	0.848			
7. Job Satisfaction	0.909	-0.154	-0.274	0.442	0.408	0.475	0.736		
8. Performance	0.880	-0.657	-0.587	0.834	0.758	0.790	0.355	0.727	
9. Turnover	0.935	0.652	0.560	-0.736	-0.581	-0.675	-0.261	-0.734	0.941
Composite Reliability	0.950	0.947	0.946	0.958	0.924	0.947	0.924	0.904	0.959
rho-A	0.901	0.848	0.897	0.917	0.900	0.909	0.815	0.886	0.938
Average Variance Extracted (AVE)	0.826	0.691	0.779	0.766	0.804	0.719	0.529	0.541	0.886

Table 4.
 Discriminant validity-Fornell Larcker criterion.

	Anxiety	Dejection	Anger	Satisfaction	Invol	Happiness	Performance	Int. Relat	Turnover
V1	0.833	0.651	0.661	-0.447	-0.482	-0.487	-0.249	-0.469	0.416
V2	0.869	0.667	0.690	-0.452	-0.508	-0.529	-0.253	-0.426	0.417
V3	0.909	0.691	0.738	-0.523	-0.479	-0.536	-0.193	-0.514	0.485
V4	0.810	0.644	0.690	-0.488	-0.507	-0.532	-0.131	-0.456	0.459
V5	0.821	0.651	0.693	-0.405	-0.461	-0.477	-0.186	-0.385	0.431
V6	0.822	0.703	0.774	-0.651	-0.574	-0.658	-0.242	-0.652	0.613
V7	0.685	0.458	0.471	-0.341	-0.431	-0.444	-0.372	-0.310	0.295
V8	0.880	0.728	0.723	-0.531	-0.538	-0.595	-0.264	-0.505	0.533
V9	0.740	0.875	0.733	-0.539	-0.575	-0.614	-0.135	-0.468	0.576
V10	0.797	0.909	0.806	-0.579	-0.633	-0.655	-0.198	-0.506	0.599
V11	0.716	0.931	0.780	-0.622	-0.632	-0.694	-0.232	-0.500	0.660
V12	0.511	0.779	0.588	-0.645	-0.594	-0.636	-0.203	-0.410	0.611
V13	0.700	0.910	0.724	-0.649	-0.625	-0.695	-0.208	-0.506	0.648
V14	0.764	0.762	0.926	-0.629	-0.610	-0.698	-0.124	-0.516	0.639
V15	0.766	0.802	0.929	-0.608	-0.614	-0.648	-0.126	-0.531	0.613
V16	0.746	0.750	0.899	-0.598	-0.573	-0.636	-0.151	-0.569	0.634
V17	0.731	0.684	0.880	-0.552	-0.527	-0.572	-0.178	-0.485	0.478
V18	-0.247	-0.322	-0.368	0.540	0.387	0.367	0.054	0.327	-0.410
V19	-0.470	-0.502	-0.478	0.779	0.573	0.635	0.244	0.623	-0.560
V20	-0.283	-0.366	-0.370	0.676	0.511	0.529	0.250	0.525	-0.442
V21	-0.462	-0.493	-0.524	0.772	0.500	0.581	0.252	0.640	-0.514
V22	-0.333	-0.350	-0.334	0.595	0.369	0.396	0.085	0.482	-0.342
V23	-0.425	-0.560	-0.505	0.763	0.668	0.697	0.340	0.465	-0.596
V24	-0.441	-0.523	-0.455	0.758	0.554	0.553	0.267	0.537	-0.540
V25	-0.458	-0.496	-0.509	0.786	0.546	0.577	0.258	0.578	-0.560

	Anxiety	Dejection	Anger	Satisfaction	Invol	Happiness	Performance	Int. Relat	Turnover
V26	-0.404	-0.537	-0.469	0.673	0.642	0.666	0.358	0.444	-0.567
V27	-0.551	-0.566	-0.581	0.792	0.593	0.689	0.244	0.826	-0.589
V28	-0.519	-0.654	-0.582	0.809	0.810	0.816	0.394	0.552	-0.655
V29	-0.575	-0.618	-0.587	0.733	0.885	0.786	0.455	0.595	-0.597
V30	-0.622	-0.715	-0.668	0.792	0.925	0.869	0.429	0.652	-0.710
V31	-0.595	-0.660	-0.644	0.761	0.893	0.812	0.365	0.587	-0.646
V32	-0.463	-0.520	-0.529	0.585	0.803	0.676	0.330	0.456	-0.486
V33	-0.484	-0.579	-0.498	0.631	0.841	0.783	0.473	0.509	-0.549
V34	-0.327	-0.379	-0.314	0.484	0.727	0.613	0.387	0.378	-0.370
V35	-0.440	-0.574	-0.484	0.614	0.845	0.780	0.395	0.503	-0.573
V36	-0.503	-0.657	-0.555	0.749	0.838	0.896	0.418	0.571	-0.640
V37	-0.525	-0.700	-0.603	0.767	0.853	0.944	0.401	0.629	-0.699
V38	-0.496	-0.690	-0.601	0.743	0.826	0.915	0.378	0.590	-0.704
V39	-0.516	-0.658	-0.591	0.734	0.838	0.918	0.410	0.560	-0.686
V40	-0.691	-0.677	-0.742	0.701	0.746	0.845	0.378	0.629	-0.636
V41	-0.631	-0.581	-0.640	0.743	0.667	0.774	0.328	0.835	-0.603
V42	-0.588	-0.602	-0.570	0.660	0.753	0.823	0.412	0.620	-0.524
V43	-0.221	-0.148	-0.129	0.230	0.354	0.334	0.680	0.252	-0.188
V44	-0.138	-0.074	-0.079	0.218	0.304	0.277	0.762	0.284	-0.146
V45	-0.182	-0.198	-0.100	0.252	0.377	0.359	0.749	0.276	-0.222
V46	-0.171	-0.118	-0.065	0.235	0.306	0.279	0.720	0.300	-0.152

Convergent Validity: All factor loadings are significant at 1%.

Table 5.
 Cross-load criterion-convergent validity.

	Fator Loadings	STDEV	T Statistics	P Values
V1 < - Anxiety	0.832	0.025	33.395	0.000
V10 < - Dejection	0.912	0.013	69.140	0.000
V11 < - Dejection	0.931	0.012	76.822	0.000
V12 < - Dejection	0.771	0.034	22.928	0.000
V13 < - Dejection	0.908	0.015	61.879	0.000
V14 < - Anger	0.927	0.012	75.572	0.000
V15 < - Anger	0.928	0.013	71.262	0.000
V16 < - Anger	0.898	0.018	49.744	0.000
V17 < - Anger	0.882	0.016	55.513	0.000
V18 < - Satisfaction	0.540	0.057	9.562	0.000
V19 < - Satisfaction	0.779	0.034	22.624	0.000
V2 < - Anxiety	0.869	0.020	42.690	0.000
V20 < - Satisfaction	0.678	0.036	18.763	0.000
V21 < - Satisfaction	0.770	0.029	26.926	0.000
V22 < - Satisfaction	0.590	0.052	11.345	0.000
V23 < - Satisfaction	0.766	0.029	26.207	0.000
V24 < - Satisfaction	0.756	0.031	24.078	0.000
V25 < - Satisfaction	0.784	0.029	26.880	0.000
V26 < - Satisfaction	0.676	0.039	17.208	0.000
V27 < - Satisfaction	0.789	0.028	28.272	0.000
V28 < - Satisfaction	0.812	0.023	35.949	0.000
V29 < - Involvement	0.888	0.015	60.488	0.000
V3 < - Anxiety	0.910	0.012	74.540	0.000
V30 < - Involvement	0.927	0.009	102.176	0.000
V31 < - Involvement	0.896	0.012	72.486	0.000
V32 < - Involvement	0.803	0.035	22.616	0.000
V33 < - Involvement	0.838	0.024	35.435	0.000
V34 < - Involvement	0.723	0.050	14.452	0.000
V35 < - Involvement	0.841	0.027	31.193	0.000
V36 < - Happiness	0.900	0.016	55.206	0.000
V37 < - Happiness	0.947	0.007	135.768	0.000
V38 < - Happiness	0.919	0.011	82.277	0.000
V39 < - Happiness	0.922	0.014	64.922	0.000
V4 < - Anxiety	0.811	0.033	24.428	0.000
V40 < - Happiness	0.842	0.021	40.438	0.000
V41 < - Happiness	0.767	0.034	22.750	0.000
V42 < - Happiness	0.818	0.029	27.849	0.000
V43 < - Performance	0.693	0.044	15.872	0.000

	Fator Loadings	STDEV	T Statistics	P Values
V44 < - Performance	0.773	0.043	17.812	0.000
V45 < - Performance	0.763	0.037	20.715	0.000
V46 < - Performance	0.714	0.054	13.159	0.000
V47 < - Performance	0.683	0.061	11.139	0.000
V48 < - Performance	0.709	0.056	12.671	0.000
V49 < - Performance	0.732	0.044	16.492	0.000
V5 < - Anxiety	0.820	0.027	30.566	0.000
V50 < - Performance	0.815	0.030	27.485	0.000
V51 < - Interpersonal Relationship	0.931	0.010	90.662	0.000
V52 < - Interpersonal Relationship	0.935	0.010	90.155	0.000
V53 < - Interpersonal Relationship	0.818	0.035	23.551	0.000
V54 < - Turnover	0.946	0.011	86.034	0.000
V55 < - Turnover	0.922	0.018	51.292	0.000
V56 < - Turnover	0.955	0.008	120.735	0.000
V6 < - Anxiety	0.823	0.025	33.066	0.000
V7 < - Anxiety	0.684	0.051	13.312	0.000
V8 < - Anxiety	0.880	0.018	47.669	0.000
V9 < - Dejection	0.879	0.020	43.563	0.000

Note: Values >0,7; p = 0,000.

Table 6.
Outer loadings.

	Mean (M)	STDEV	T Statistics	P Values
Anxiety - > Anger	0.828	0.027	30.491	0.000
Dejection - > Anger	0.827	0.029	28.817	0.000
Dejection - > Anxiety	0.792	0.031	25.665	0.000
Happiness - > Anger	-0.701	0.040	17.499	0.000
Happiness - > Anxiety	-0.643	0.043	14.968	0.000
Happiness - > Dejection	-0.744	0.036	20.924	0.000
Interpersonal Relationship - > Anger	-0.580	0.050	11.611	0.000
Interpersonal Relationship - > Anxiety	-0.573	0.051	11.178	0.000
Interpersonal Relationship - > Dejection	-0.544	0.055	9.835	0.000
Interpersonal Relationship - > Happiness	0.721	0.037	19.569	0.000
Involvement - > Anger	-0.643	0.045	14.244	0.000
Involvement - > Anxiety	-0.605	0.045	13.468	0.000
Involvement - > Dejection	-0.693	0.039	17.648	0.000
Involvement - > Happiness	0.902	0.015	58.316	0.000
Involvement - > Interpersonal Relationship	0.633	0.041	15.499	0.000

	Mean (M)	STDEV	T Statistics	P Values
Performance - > Anger	-0.163	0.074	2.064	0.039
Performance - > Anxiety	-0.278	0.071	3.857	0.000
Performance - > Dejection	-0.223	0.075	2.874	0.004
Performance - > Happiness	0.451	0.063	7.005	0.000
Performance - > Interpersonal Relationship	0.413	0.057	7.109	0.000
Performance - > Involvement	0.482	0.061	7.731	0.000
Satisfaction - > Anger	-0.658	0.044	14.938	0.000
Satisfaction - > Anxiety	-0.589	0.045	13.090	0.000
Satisfaction - > Dejection	-0.685	0.042	16.455	0.000
Satisfaction - > Happiness	0.836	0.031	26.676	0.000
Satisfaction - > Interpersonal Relationship	0.760	0.030	25.566	0.000
Satisfaction - > Involvement	0.792	0.034	22.994	0.000
Satisfaction - > Performance	0.364	0.065	5.464	0.000
Turnover - > Anger	0.651	0.048	13.597	0.000
Turnover - > Anxiety	0.559	0.057	9.813	0.000
Turnover - > Dejection	0.698	0.047	14.989	0.000
Turnover - > Happiness	-0.735	0.032	22.723	0.000
Turnover - > Interpersonal Relationship	-0.582	0.050	11.694	0.000
Turnover - > Involvement	-0.674	0.039	17.438	0.000
Turnover - > Performance	-0.267	0.067	3.872	0.000
Turnover - > Satisfaction	-0.736	0.037	20.014	0.000

Table 7.
External weights.

for regression cases, it is established as $H_0: \Gamma = 0$ (path coefficient = 0). If $p > 0.05$ and H_0 is accepted, the inclusion of VL or VO in SEM should be reconsidered.

To verify the statistically significant hypotheses, significance tests were carried out in the Smart PLS 3.0 software, obtaining the results through bootstrap, with 500 subsamples. As stated by Henseler et al. [21], in the evaluation of the structural model, three aspects must be analyzed: (1) the trajectory coefficients, (2) the determination coefficients (R and R²), and (3) the relevance of the f² coefficients.

After analyzing the trajectory coefficients at the level of significance and relevance of the coefficients, it was found that not all the hypotheses initially proposed were confirmed. As can be seen in **Figure 2** and **Table 8**, hypotheses H3, H4, H10, H12, and H14 were not supported by the data collected. The hypotheses H1, H2, H5, H6, H7, H8, H9, H11, H13, and H15 proved to be statistically significant ($p < 0.05$), so they were confirmed.

The results of the evaluation of Pearson's coefficients of determination (R²), as shown in **Table 9**, point to a high degree of adjustment and adherence regarding the explanation of the variable "anxiety" (R² = 0.729), "satisfaction" (R² = 0.757), "turnover" (R² = 0.589), "happiness" (R² = 0.78) and "performance" (R² = 0.196), the

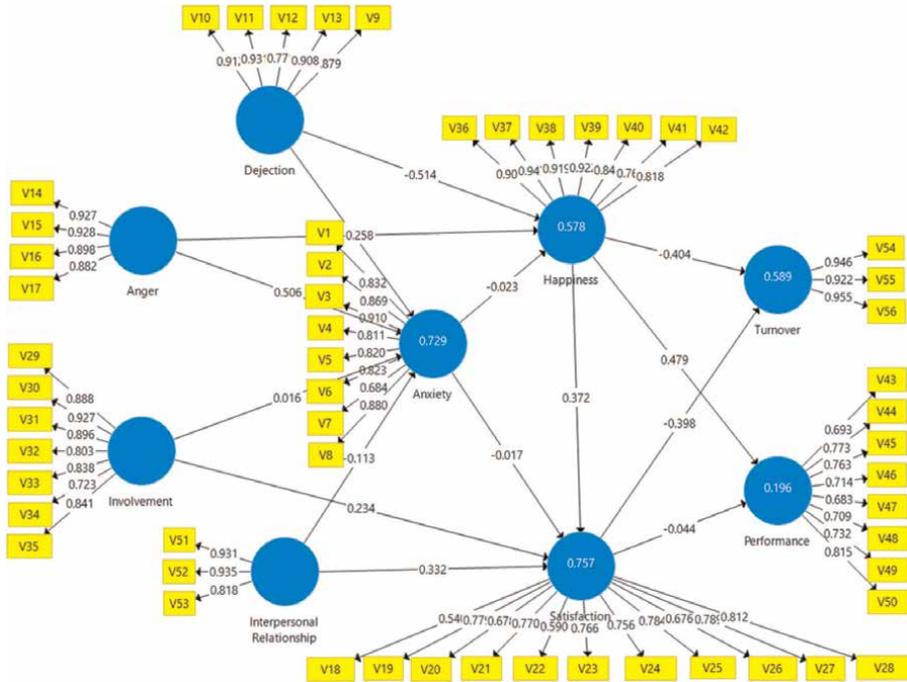


Figure 2.
 Structural model with standardized path coefficients.

	Hypothesis	Sample Mean (M)	STDEV	T Statistics	P Values	Confirmation of the hypothesis
H1	Anger -> Anxiety	0.506	0.102	4.937	0.000	Confirmed
H2	Anger -> Hap	-0.258	0.111	2.323	0.021	Confirmed
H3	Anxiety -> Hap	-0.023	0.094	0.240	0.810	no
H4	Anxiety -> Satisf	-0.017	0.039	0.434	0.664	no
H5	Dej -> Anxiety	0.328	0.108	2.997	0.003	Confirmed
H6	Dej -> Hap	-0.514	0.097	5.285	0.000	Confirmed
H7	Hap -> Perfor	0.479	0.117	4.084	0.000	Confirmed
H8	Hap -> Satisf	0.372	0.088	4.239	0.000	Confirmed
H9	Hap -> Turnover	-0.404	0.101	3.990	0.000	Confirmed
H10	Int. Relat. -> Anxiety	-0.113	0.065	1.738	0.083	no
H11	Int. Relat. -> Satisf	0.332	0.043	7.721	0.000	Confirmed
H12	Involv -> Anxiety	0.016	0.068	0.227	0.820	no
H13	Involv -> Satisf	0.234	0.086	2.730	0.007	Confirmed
H14	Satisf -> Perfor	-0.044	0.122	0.361	0.718	no
H15	Satisf -> Turnover	-0.398	0.101	3.940	0.000	Confirmed

Table 8.
 Significance results and hypothesis testing.

	R Square	R Square Adjusted
Feel of Anxiety	0.729	0.723
Happiness	0.578	0.575
Job Performance	0.196	0.190
Job Satisfaction	0.757	0.752
Turnover intention	0.589	0.585

Table 9.
Determination coefficient.

latter considered a weak effect according to the criteria of Cohen (1988) and Chin (1988), not allowing it to be explained by the model [20–22].

Changes in discouragement, anger at work, work involvement, and interpersonal relationships affect anxiety, with $R^2 = 0.729$. That is, anxiety is affected by discouragement, anger at work, involvement at work, and interpersonal relationships, with a contribution of 72.9%. Likewise, discouragement, anxiety, and anger at work play a crucial role in happiness, with $R^2 = 0.578$. Happiness, anxiety, involvement, and interpersonal relationships affect anxiety, with $R^2 = 0.757$. Happiness and satisfaction affect turnover intention and, finally, happiness and satisfaction affect job performance (Table 9 and Figure 2).

The study carried out and based on the patterns illustrated in Figure 2, allows us to conclude that: (1) as anger at work increases, happiness at work decreases; (2) as anxiety at work increases, happiness at work decreases; (3) as discouragement at work increases, so does anxiety at work; (4) as anger at work increases, so does anxiety at work; (5) as involvement at work increases, so does anxiety at work; (6) as involvement at work increases, so does satisfaction at work; (7) as interpersonal relationships increases, so does satisfaction at work; (8) as interpersonal relationship increases, anxiety at work decreases; (9) as anxiety increases, satisfaction at work decreases; (10) as happiness increases, so does job satisfaction; (11) as happiness increases, so does job performance; (12) as happiness increases, turnover intentions decreases; (13) as satisfaction increases, turnover intentions decreases (14) as satisfaction increases, job performance decreases.

3. Discussion and conclusions

This research is in line with previous studies [1] stating that general positive feelings (pleasure, happiness) in the work context seem to impact turnover rates; in fact, also in this study, we saw that (1) happiness and satisfaction affect the turnover intention and (2), happiness and satisfaction affect job performance. Negative feelings (e.g., displeasure) and other feelings, including anger and frustration, cause anxiety, according to the participants' answers in this study.

Job satisfaction, being an important issue to consider, is a constant challenge for companies, as mentioned in some studies [11–13]. It is a concept that has been recognized and studied for a long period of time as an important factor that impacts organizational commitment, performance, and the employee's intention to stay in organizations. In a specific way, we noticed that, as anger and discouragement increase, anxiety at work also increases. On the other side, promoting involvement

and good interpersonal relationships seems to contribute to an increase in job satisfaction. Our study highlights that, (1) as interpersonal relationships increase, workplace anxiety decreases; (2) if anxiety increases, job satisfaction decreases; (3) if happiness, satisfaction, and performance increase, turnover intentions decrease. Although not expected, this study reveals that as satisfaction increases, performance decreases. This may allow us to say that any organization needs to bear in mind the constant development of Human Resources practices and methods that allow engaging workers; interesting training actions, teamwork, new forms of reward, and career development may keep employees aware of the need for constant commitment and personal development, thus avoiding any decrease on job performance.

To summarize, this study allowed us to verify that negative emotions, such as anger and discouragement, contribute to the increase in anxiety. Also, aspects such as involvement and interpersonal relationships seem to contribute to better performance, satisfaction, and happiness. However, increasing satisfaction seems to lead to a decrease in performance.

The research findings have managerial implications by showing us that motivation needs to be constantly rethought in order to contribute to committed and challenged employees, aware of the need to maintain and improve their level of performance.

The main limitations of this research are related to having a convenience sample and data obtained through an online questionnaire; these aspects do not allow for extrapolating results to the Portuguese population and, also, to all national companies. For future research, we suggest the use of a statistically representative sample, as well as combining the study with insights from the owners and managers of some companies, representing the main Portuguese economic sectors—qualitative study, such as Delphi, personal interviews and/or observation (case study)—and focusing, also, on employees' engagement.

Acknowledgements

No funding was given to the authors.

Conflict of interest

The authors declare no conflict of interest.

Author details

Manuel Sousa Pereira^{1*}, António Cardoso², Sílvia Maria Pereira Silva Faria³
and Álvaro Miguel da Costa Cairrão¹

1 ESCE, Polytechnic Institute of Viana do Castelo, Valença, Portugal

2 FCHS, University Fernando Pessoa, Porto, Portugal

3 Universidade Portucalense, Porto, Portugal

*Address all correspondence to: msousa.manuel@gmail.com

IntechOpen

© 2023 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Çakit E, Karwowski W, Marek T, Jaworek, Wrobel G. A cross-sectional study of the relationships between work-related affective feelings expressed by workers in Turkey. *International Journal of Environmental Research and Public Health*. 2020;**17**(24):1-13. DOI: 10.3390/ijerph17249470
- [2] Ekman P. What scientists who study emotion agree about. *Perspectives Psychology Science*. 2016; **11**:31-34
- [3] Szostek D. The impact of the quality of interpersonal relationships between employees on counterproductive work behavior: A study of employees in Poland. *Sustainability*. 2019;**11**(21):5916. DOI: 10-3390/su11215916
- [4] Pelfrene E, Vlerick P, Moreau M, Mak RP, Kornitzer M, De Backer G. Perceptions of job insecurity and the impact of world market competition as health risks: Results from Belstress. *Journal of Occupational and Organizational Psychology*. 2003; **76**(4):411-425. DOI: 10.1348/096317903322591569
- [5] Bonn TL. The complete guide to book marketing. *Publishing Research Quarterly*. 2000;**16**(2):98 <https://link.gale.com/apps/doc/A69653011/AONE?u=anon~14809615&sid=googleScholar&xid=e2dba356>
- [6] Ferrie JE, Shipley MJ, Stansfeld SA, Marmot MG. Effects of chronic job insecurity and change in job security of self reported health, minor psychiatric morbidity, physiological measures, and health related behaviours in British civil servants: The Whitehall II study. *Journal of Epidemiol Community Health*. 2002;**56**:450-454. DOI: 10.1136/jech.56.6.450
- [7] Karasek RA. Job demands, job decision latitude, and mental strain: Implications for job redesign. *Administrative Science Quarterly*. 1979; **24**:285-308. DOI: 10.3390/bs7040066
- [8] Ekman P. All emotions are basic. In: Ekman P, Davidson R, editors. *The Nature of Emotion: Fundamental Questions*. New York, NY: Oxford University Press; 1994
- [9] Shaver P, Schwartz J, Kirson D, O'Connor C. Emotion knowledge: Further exploration of a prototype approach. *Journal of Personality and Social Psychology*. 1987;**52**: 1061-1086
- [10] Davidescu AAQ, Apostu S-A, Paul A, Casuneanu I. Work, flexibility, job satisfaction, and job performance among Romanian employees – Implications for sustainable human resource management. *Sustainability*. 2020;**12**(15):6086. DOI: 10.3390/su12156086
- [11] O'Connor J. The impact of job satisfaction on the turnover intent of executive level central office administrators in Texas public school districts: A quantitative study of work related constructs. *Education Sciences*. 2018;**8**(2):69. DOI: 103390/educsci9020069
- [12] Lambert EG, Hogan NL, Barton SM. The impact of job satisfaction on turnover intent: A test of a structural measurement model using a national sample of workers. *Social Sciences Journal*. 2021;**38**:233-250
- [13] Zopiatis A, Constanti P, Theocharous AL. Job involvement, commitment, satisfaction and turnover: Evidence from hotel employees in

- Cyprus. *Tourism Management*. 2014;**41**: 129-140
- [14] Pestana M, Gageiro J. *Análise de dados para Ciências Sociais. A Complementaridade do SPSS*. 6ª ed. Lisboa: Edições Sílabo; 2014
- [15] Malhotra N. *Marketing Research: An Applied Orientation*. 7th ed. NY: Pearson; 2019
- [16] Jaworek MA, Marek T, Karwowski W. The scale of work-related affective feelings (WORAF). *Applied Ergonomics*. 2020. DOI: 10.1016/j.apergo.2019.102945
- [17] Hair FF Jr, Sarsted M, Hopkins L, Kuppelwieser VG. Partial least squares structural equation modeling (PLS-SEM). *European Business Review*. 2014; **26**:106-121. DOI: 10.1108/EBR-10-2013-0128
- [18] Henseler J, Ringle C, Sinkovics R. The use of partial least squares path modeling in international marketing. *Advances in International Marketing*. 2009;**20**:277-319
- [19] Hair FF Jr, Rischer J, Sarsted M, Ringle CM. When to use and how to report the results of PLS-SEM. *European Business Review*. 2018;**31**(1):2-21. DOI: 10.1108/EBR-11-2018-0203
- [20] Chin WW. The partial least squares approach to structural equation modeling. *Modern Methods for Business Research*. 1998;**295**(2):295-336
- [21] Henseler J, Ringle CM, Sarstedt M. A new criterion for assessing discriminant validity in variance based structural equation modeling. *Journal of the Academy of Marketing Science*. 2015; **43**(1):115-135
- [22] Cohen J. *Statistical Power Analysis for the Behavioral Sciences*. New York: Routledge; 1988. DOI: 10.4324/9780203771587

Towards Managing Humanely

Laurent Taskin

Abstract

Traditional Human Resource Management (HRM) is today fundamentally being called into question. Its tools and policies have contributed to a certain professionalisation in the management of persons, by means of managerial techniques, which are today challenged in terms of their results: high levels of resignations, dissatisfaction, lack of commitment, burnout, etc. Workers no longer want to be treated as ‘resources’, and HRM must not only be at the service of the economic and/or financial performance of firms. Whilst criticisms are numerous and deserve to be qualified, alternative offerings are more rare. In French-speaking countries, ‘Humane Management’ has truly developed and confers other cornerstones, end purposes and methods to the management of persons within organisations, whilst being more focused on human beings, *real work* and recognition for it. This chapter presents this proposal and the conditions for Managing Humanely and opens up the path to a more sustainable, ethical and qualitative management of people and organizations.

Keywords: recognition, humanism at work, real work, human dignity, rehumanisation

1. Introduction

Traditional Human Resource Management (HRM) has received a great deal of criticism in the world of work and businesses. In 2007, Sharon Bolton and Maeve Houlihan summarised these criticisms of instrumental and brutal management in their work entitled ‘*Searching for the Human in Human Resource Management*’ [1]. HRM has also been subjected to a certain amount of ‘bashing’ in the arts and literature – as we can see, for example, in films such as ‘Human Resources’ by Laurent Cantet (1999) or Stéphane Brizé’s trilogy (‘The Measure of a Man’, ‘At war’ and ‘Another world’, released in 2022) or the book entitled ‘DRH, la machine à broyer’ (‘HRM, the grinding machine’) by Didier Bille (2018). Human Resources’ professionals are themselves also ill at ease with the name of their position, and they do not hesitate to set other names: Human Relations Director, Chief Happiness Officer, Head of People Management, etc.

This constant underlying factor is well known and widely shared: traditional HRM considers both public and private sector workers as a resource whose performance must be improved whilst reducing costs. In this approach, the main aim of the HRM is above all efficiency – the result of improved resource planning, between rational investment and cost control. Such a vision, instrumental and oriented towards the sole pursuit of efficiency and profitability, reduces human beings in the workplace to resources to be exploited, objects to be seized, shaped and used [2]. However, neither

work nor workers can be reduced to just a few figures in a column [3]. Companies cannot function without the daily *giving* on the part of workers [4, 5]. Managers are not accountants, and the purpose of HRM can no longer be only efficiency, the measurement of which suppresses real work [6]. Whilst this criticism has been voiced many times, within various disciplines, few alternatives have yet to emerge.

What is worse, teaching of HRM in business schools, universities and executive programmes reproduces this perspective that is less and less in tune with contemporary society – in which both young people and the less young mobilise to show respect for human dignity, preservation of the common good and recognition of all forms of diversity. In this way, a phenomenological analysis of the six most widely distributed manuals in the United States and the United Kingdom showed that humans are considered an economic variable, a resource that needs to be exploited as efficiently as possible to produce maximum economic value [7].

In other words, there is a need for other models to manage people and work, in tune with radical humanism [8], and that bring with them an anthropology of workers other than that of the *homo economicus* [9]. An alternative that values recognition at work, expertise and professions, in short, *real work* – rather than promoting the happiness or well-being of individuals in a psychological perspective [10], and even a company without management, in a perspective where happiness and autonomy are no longer ends, but instead a means of being more productive [11]. *Humane Management* is an offering that responds to this urgent need for the real. This is in line with an ethical perspective, promoting ‘representative’ and responsible management methods, which work towards respect for human dignity – which in itself automatically aligns Humane Management with the United Nations sustainable development goals. Whilst fundamentally being an affirmation of an alternative anthropology – in which humans are considered as reflective beings and not resources – it is also a matter of promoting the many different end purposes of management. *Humane Management* is presented as a vector for the rehumanisation of work and thereby is believed to contribute to the professionalization of humane company management by establishing and setting out its practices, both ethically and qualitatively.

This chapter presents this new path by briefly summarising a certain number of criticisms levelled against traditional human resource management and to which *Humane Management* seeks to provide a response. This proposal is then detailed and explained further, and I introduce the concrete implications that such an approach might have for the practical implementation of humane work management.

2. The limitations of traditional HRM

Traditional HRM is the approach that aligns itself with an exclusive perspective of contributing to the economic and financial performance of the company, that is, it helps to achieve the company’s objectives – efficaciously and efficiently – by planning, organising, directing and checking the use of organisational resources. This perspective translates into ‘management by measures’, in which so-called professionalised HRM is an approach made up of ‘objective’ indicators and measures. What are the results achieved by this?

2.1 Professionalization by measure

First and foremost, management by measures focused the attention of managers on what can easily be measured: quantifiable results. This obsession with measures – qualified as ‘scientism’ by Nobel Prize for Economics winner in 1974 Friedrich Hayek – evades the question of quality of work – a criticism formulated by another Nobel Prize for Economics winner in 1998, Amartya Sen – but also evades the issue of the work itself [12]. This governance by numbers, described by Alain Supiot [3], is being rejected on many fronts, with critics shedding light on its counter-productive and even negative effects on value creation and global well-being. In this way, economist Pierre-Yves Gomez [6] – in his essay entitled ‘invisible work’, retraces the ‘financialisation’ movement in management that led managers to overlook workers and work, preferring to them indicators that supposedly reflected the result of the activity. Sociologist Danièle Linhart [13] showed how individualised HRM dispersed labour collectives, thereby outlining a ‘century of the isolated’ in the words of Noreena Hertz [14], and in which solitude reigns, supported by an individualised management of professional needs, results and career paths. The research conducted into living conditions at work, well-being and quality of life in the workplace by various institutes in Europe allows a link to be established between this traditional HRM and the feeling of malaise experienced at work. In this way, 14.6% of Dutch workers have experienced feeling burned out, 96% of Portuguese workers risk experiencing depersonalisation [15]; 51% of French workers do not feel they receive sufficient recognition at work [16] and 64% of British employees feel that their colleagues and managers lack faith in them [17].

These observations are not only those of intellectuals, surveys and essayists. For several decades now, entrepreneurs have been taking the decision to manage human work differently in their organisations: by attempting self-management or democratic or participative forms of corporate governance. Whether we consider the ‘liberated company’ of Brian Carney and Isaac Getz [10], the ‘teal organization’ of Frédéric Laloux [18] or the holacracy of Brian J. Robertson [19], all these managerial innovations represent a break with the HRM of measures and the autocratic administration of resources. The cult of individual performance also seems to have gone out of fashion and today human resources are trying out systems of development and reward broadly based on work and collective results, as illustrated by the programme ‘At our best’ implemented at Ion Beam Application (IBA), the global leader in the proton therapy sector.

2.2 A contextualisation that is historically and culturally marked

HRM is anchored in a specific context that of the second half of the twentieth century. The theories and models mobilised in HRM – even today – are taken from the decades 1950–2000. These models were produced at a given moment in our history as a response to the social and organisational questions posed in that era, within specific terms. In the bureaucratic and (neo-)Taylorist organisation of the 1950s–2000s, in which work was divided horizontally (specialisation) and vertically (hierarchy), was the central question that of employee motivation? There has been a whole succession of universal laws and theories on organisational behaviour since then to respond to this question: fundamental needs, self-determination, etc. When it comes to work organisation, HRM adopts equally universal principles of resource management:

plan, execute, check, readjust. In the 1980s, skills reference systems were created. The formula was the same, but it was applied to skills (again, an object that already distances the human being): plan the need for skills, measure skills, observe any deviations and remedy them through recruitment, firing or training. The professionalisation of HRM takes place via the transposition – in the area of people management and work organisation – of administration techniques focused on optimum allocation of resources; firstly in full-time equivalent and in working hours, and then in terms of skills. Amazon is a contemporary witness of this traditional HRM: the administrator technique optimises the preparation and delivery of orders and employees are operators on their overboards, to-ing and fro-ing as the wind blows and as dictated by instructions from a ‘smart’ wristband. The optimisation technique affords little consideration to human beings and their needs... even psychological: the ‘peegate’ scandal revealed that Amazon operators did not have time to urinate and so filled up bottles in their vans [20]. The context of the decades of the 2010s and 2020s is different: demographically, economically and socially. Digitalisation, robotisation, acceleration, erosion of solidarity, individualisation and solitude characterise our era and the issues that must be faced by companies and their management [13, 14, 21]. Whilst ‘motivation’ is an issue that is addressed in bureaucracies and the Taylorist organisations of the twentieth century, contemporary issues are different and touch more upon questions of meaning and recognition at work [22].

2.3 Resources, not humans

What is rather surprising is that HRM does not define ‘what’ the human resources at the heart of its activities actually ‘are’. The majority of definitions proposed present HRM as an activity and a set of theories allowing the organisation of work and the orientation of behaviours (such as through training or assessment) to ensure that the human resources are as productive as possible in terms of the quantity and quality of work [23]. Humans are resources to be mobilised as efficiently as possible so that they contribute to the company’s economic performance. Sometimes, the analogy is intended as more financial than economic when it considers humans as ‘capital’ in which to invest [24]. In 2018, the results of a phenomenological analysis of the underlying notion of the human being in the nine best-selling HRM manuals (six Anglo-Saxon and three French) were published [7]. They revealed that these nine manuals widely used in HRM teaching only promoted one single vision of humans: ‘that of an economic variable, a resource that needs to be exploited as efficiently as possible to generate maximum economic value’. Now, however, whilst considering humans as a ‘resource’ helped to legitimise the field of HRM by establishing a link (theoretically at least) between HRM policies and company performance in the years 1980–1990, today it is this way of considering humans that dehumanises work and erodes the legitimacy of HRM.

Finally, it is therefore the reduction of the human being to the state of a resource that has been rejected. In a society of loneliness and isolation [14], in companies where employees work from home and lose themselves in anonymous *open spaces*, there re-emerges a need to belong to a community and be recognised as a human being. As evidence of this, I cite the numerous projects led by HR departments in the months which followed the end of the Covid-19 pandemic to ‘reconnect’ their employees to one another and above all to the company. Some believe that we are facing a profound crisis in the meaning of work, when we observe the mass resignation phenomena in North America [25], whilst noting more marked and frequent career

breaks [26]. One thing is certain, traditional HRM is no longer impressing workers who are seeking meaning and companies that are seeking sustainable performance.

2.4 Humane management: core principles

The Humane Management offering feeds on the criticisms of traditional HRM. It was formulated in universities and founded on a theoretical level before becoming popular with practitioners of HRM who adopted it (sometimes clumsily, substituting ‘Humane Management’ for ‘HRM’ but advocating the same practices). This sudden popularity came as a considerable shock. When I took the time, with Anne Dietrich, professor at the University of Lille (France), to publish a textbook bringing together the work that I had been doing for years to found Humane Management [27], our modest ambition had been to write a manual supporting the teachings of HRM in our universities. Very quickly, human resource managers – in France, Belgium, Switzerland and Quebec – snapped up this manual. As did a large number of organisation and management consultants. Today, Humane Management is taught in several French-speaking universities and is practised and recommended daily in an increasing number of companies. The key to this rapid adoption of the offering lies in the solid theoretical pillars the textbook provides, thereby making it possible to ‘apply words and indisputable arguments to the convictions we already had’, to paraphrase many HR managers who took the time to read the manual and give me their feedback.

As this involves a critical analysis of traditional human resource management, the process undertakes a systematic presentation of the traditional and mainstream approaches in HRM, to then demonstrate its limitations (in methodological, epistemological, theoretical and practical terms), before suggesting alternatives that support a renewed approach to HRM – that is Humane Management. It is therefore an approach that is intended to be complementary to those that already exist and have been institutionalised within the field of HRM and organisational behaviour (see **Table 1**). Humane Management feeds and shares some of the firm beliefs that are aligned with a humanist and sustainable perspective of the economy and society. It is

	HRM	Humane management
Organising principle	To contribute to the economic performance of the company	To (re)humanise work
End goals	To create (economic) value	To produce meaning and recognition at work
Principle of coherence – source of legitimacy	To justify the ROI of HR practices and policies implemented	To ensure that HR practices and policies are fair, show respect for individuals and make sense
Objects	Individuals, groups, performance (indicators), management practices and policies	Work and professions (professional expertise), workers
Key stakeholders	Strategic HR department, HR department, HRBP, people managers	Empathetic manager, HR manager who is a strategist (political actor)

Adapted from [22].

Table 1.
HRM and humane management: complementarities and differences.

then a matter of considering that (i) the end goals of company management are multiple. The end goal of management is as much about recognition for and the meaning of work as about short-term financial performance, (ii) the purpose of Humane Management is the real, concrete and living work that workers do and from which they draw a part of their recognition and the meaning of their work, (iii) workers and other stakeholders in the process shape the management of persons and work organisation, which means that they are not passive resources but instead reflective beings, who learn from their experiences and take conscious decisions. To conclude, Humane Management contributes to the rehumanisation of work, organisations and management by means of a professionalisation in the quality of management of persons and work organisation. After all, managing men and women is a responsibility that calls for specific expertise and (more) humanist management models.

Based on the detailed study of the transformations of work, organisation and management that are in progress and the combination of varied disciplines (management, economics, philosophy, psychology and sociology), the proposal for a Humane Management has been robustly formulated, both in theory and in practice. This alternative is founded on a few major principles that are a response to the limitations of traditional HRM [22].

- a. **A special notion of the human**, that of reflexivity, i.e. the capacity and desire we have to understand and act according to our rules for common life, in the company (rather than a notion whereby human beings – reduced to the condition of resources – must put up with and respond to the methods and processes deployed by others). Being reflexive means being able to make judgements on your own work and that of others and to define – along with others – the standards governing good work. In concrete terms, it is about leaving experts to define the quality criteria that will be used to assess their work. This anthropological presupposition on which Humane Management is based is borrowed to the philosophy of Axel Honneth, who believes that what makes humanity is our ability to give recognition to others and in the expectation of recognition that we have [28]. As recognition involves judgement, it incarnates the identity dimension of the work and the profession. Considering people at work as reflective beings means it is imperative to organise spaces for discussion on work, to share the decisions that affect the work [29].
- b. **The consideration of real work** as performed and experienced by all workers (executives, workers, trade union representatives, shareholders, holders of public office etc.) as the central focus of Humane Management. Here it is important to consider that experience of work is at once objective (measurable: results, skills, time, spaces), collective (collaboration, identification with the collective, articulation of private and professional life) and subjective (meaning and nonsense, recognition and denial of recognition, emancipation and resistance, giving and the absence of reciprocation). In concrete terms, Humane Management practices make an effort to cover all three dimensions of experience of work. Traditional HRM tends to overinvest in objective work. From the Humane Management perspective, it is a question of taking all dimensions of work into consideration.
- c. **A first end goal is recognition at work** and not exclusively contribution to an economic or financial performance. First of all, it is a matter of recognising the multiple end purposes for the company and its management – a long-established fact thanks to the vast wealth of works carried out in corporate sustainability

management. This is then followed by a question of prioritising and promoting recognition to top priority via application of Humane Management policies. Again, this has resulted from the philosophy of German philosopher Axel Honneth (see above).

Drawing on these core principles and assumptions, Humane Management can be defined as a group of human and social activities (practical and discussion) and theories aimed at including both men and women in an organisation project. Human beings are considered as reflective beings, that is, beings who contribute to defining the standards for collective action according to which their actions and those of a work community will be assessed. This perspective translates a collective search for confidence in these standards, in others and in the self. The purpose of Humane Management is work, and its end goal is recognition.

This special consideration afforded to human beings (as opposed to the notion of people as resources), to work and to recognition justifies a Humane Management that designates both people who are managed (human beings) and also the way in which they must be managed: in alignment with human dignity. In so doing, Humane Management gives concrete form to a criticism of HRM, renewing and completing some of the traditional HRM founding principles and characteristics (see **Table 1**). Firstly, because it is a matter of denaturalising the dominant end purpose of the management of people in the company. Secondly because Humane Management questions and adds to a professional ethics in a norm-based context. By also considering the approach to managing – beyond mere processes and tools – Humane Management takes on an awareness of the effect that it can have on the lives of men and women, both at work and beyond. The responsibility of people who carry it out is therefore great and demands an ethics and excellence which this critical questioning has the merit of marking out in ethical terms.

3. Discussion

Humane Management is not the only ‘alternative’ proposal to HRM. Other perspectives have developed in recent years, including the sustainable human resource management, alongside other broader perspectives such as humanistic management, for example. So, what makes the specificity of this proposal and why does it seem to be mobilised more by HR professionals – where other alternatives seem to be confined to academic spheres?

The so-called sustainable HRM brings together a varied number of contributions that aimed all, in one way or another, at integrating the sustainable development goals into the management of human resources and at raising HRM awareness and then measuring HR-related activities in terms of economic, social and environmental impact [30]. Perceived as a ‘green’ version of traditional HRM, Kramar [31] identifies six constitutive elements of sustainable HRM: (1) identifying tensions between different organisational outcomes, (2) building the workforce in terms of capabilities and performance, (3) admitting to the negative and positive impacts that some HRM activities might hold, (4) dedicating attention to developing and adopting HRM activities, (5) having a straightforward statement containing ethics and values about Sustainable HRM and (6) developing metrics destined to promote effective change in society, mainly at the organisational, ecological and economic levels.

This perspective places sustainable HRM at a strategic but operational level. One could argue that HRM’s instrumentation and foundations do not change, while

reporting activities expand. This is what emerges from the study by Cooke and her colleagues [32]. Proposing to extend the perspective of sustainable HRM, they promote sustainable management that is human-centred and thus constitutes a sustainable competitive advantage. In order to 'centre' management on people, the authors propose investing in human capital through training, particularly in terms of soft skills and a strong focus on well-being at work.

Most of these works actually extend the perspective of the resource. Investing in 'capital' means planning resources while being attentive to the return on investment. Resources must be administered by innovating in terms of content (well-being, soft skills and environmental and social performance indicators) without changing perspective (see e.g. [33]). The potential for renewal of HRM remains low [34].

From an even more societal perspective, Dominic Melé is the pioneer, with others, of an ethical perspective of management, including human resources, which is more oriented towards the common good [35]. Economists, sociologists, managers, ethicists contribute to a rich research perspective which conceives in particular the employment relationship as a dynamic of gift [36–38]. Where the company and its management work for the common good. If we are very far here from instrumental perspectives (such as the psychological contract or human capital), this perspective also seems to live in the academic sphere more than in the business world and suffers, this time, from a lack of anchoring in concrete practices. How can HR directors appropriate this vision and convince their board to transform organisations and their management, beyond aspects of communication?

Humane Management shares the anthropological foundations of humanistic approaches to management and the sincerity of a renewal project. It also gives itself the means through a pragmatic perspective, rooted in management research and its practice, without sinking into the simple rebranding of old practices. And without giving in to the 'overhumanisation' depicted by Linhart [13] by placing the sole responsibility for the transformation of organisations and their management on the shoulders of leaders.

3.1 Managing humanely in practice

Making a commitment to the path of Humane Management requires diagnostics work – which is quite coherent with the principle of contextualisation that characterises this approach. Three main questions can be asked:

- How are human beings considered in my organisation? As regards the way of managing people, are human beings considered as reflective beings? Do they play a part in defining the 'rules of the game'? Are they involved in defining standards for action, for example work assessment criteria and what constitutes 'good' work?
- Do the HRM policies contribute to providing recognition? If not, or not sufficiently, how can they be redefined (content, systems, stakeholders involved, criteria used, etc.) so that they integrate more of this end goal?
- Do the HRM policies and practices cover all dimensions of work (objective, collective, subjective)? If some dimensions are absent or over-emphasised, how can this imbalance be rectified and how can we ensure that each policy and the set of practices cover all dimensions of work?

Once the diagnostics have been performed, we need to identify the dimensions on which action is needed. Promoting Humane Management therefore means developing a positive vision of the company and work, by replacing work and the worker at the heart of the company and its value creation. It is about having the courage to make empathy a management principle and reflectiveness (on its practices, the policy of your company) a daily practice. An attitude that is expected by workers from whom more is demanded now than ever before, in terms of skills, commitment and adaptability.

Lastly, Humane Management translates into a certain number of principles for action on an organisational and collective action level as well as the level of the individual and the commitment of each to man management or company management practices (human resources, accounting, finance, strategy, production and marketing). With a goal of improving the work of each individual, promoting general well-being within a collective and preserving health at work, these principles require certain attitudes and aptitudes:

- strong ethics, bringing the manager to follow the rules and conventions in force, so as to be exemplary and integral, but also a demonstrable conviction in care for others as human beings. This attitude, which involves an approach and a choice, inspires trust but also calls for other steps of vigilance;
- a comprehensive attitude of being prepared to vigilantly listen to and observe men and women at work, so as to favour an in-depth knowledge of real work, its complexity and its difficulties;
- critical distancing, that is, the practice of reflectiveness towards management systems and instructions from higher management to allow them to be better adapted to the contingencies of real work and to meet the targets set.

Finally, and despite the fact that Humane Management is developed at the organisational and management level (for organising human work), it encourages a particular style of managing: with goodness (in French, 'bienveillance' what is better translated in the management literature by empathy). Goodness, or empathy, does not typify human nature as generosity or altruism; rather it is an attitude, a conscious choice made. It therefore is the product of the ordinary reflexivity of 'leaders' and translates a project for the emancipation of certain (dehumanising) working conditions, of a certain form of corporate governance (disembodied) and a certain method of company management (financialised). Goodness is a demanding attitude, it is a choice that requires a certain amount of courage, the courage to make moral choices about what seems beneficial for the common good or good as regards the upholding of human dignity.

4. Conclusion

While criticisms of HRM are on the rise, Humane Management constitutes an avenue that both HR researchers and professionals seem to adopt where it has been developed, i.e. in French-speaking countries such as France, Belgium, Canada or Switzerland. Humane Management consists of a way of conceiving and operating the management of persons and work in organisations. It provides a certain number of

markers that allow these practices to generate recognition, because they are anchored in and promote real work. But this is also a story of men and women who are taking up a courageous, positive and emancipating attitude – which through their daily actions and the end goal with which they mobilise existing management practices will give meaning to the work of their peers as well as to their own, and will produce recognition that in turn generates trust, commitment and respect.

Author details

Laurent Taskin
Université catholique de Louvain, Belgium

*Address all correspondence to: laurent.taskin@uclouvain.be

IntechOpen

© 2022 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 

References

- [1] Bolton S, Houlihan M, editors. Searching for the Human in Human Resource Management: Theory, Practice and Workplace Contexts. London: Palgrave Macmillan; 2007
- [2] Malo F-B, Thwaites J, Hallée Y, editors. L'humain, plus qu'une ressource au cœur de la gestion. Québec, CA: Presses Universitaires de Laval; 2019
- [3] Supiot A. La gouvernance par les nombres. Paris: Hachette; 2020
- [4] Alter N. Donner et prendre: La coopération dans l'entreprise. Paris: La Découverte; 2009
- [5] Gomez P-Y, Grevin A, Masclef O, editors. L'entreprise, une affaire de don. Nouvelle Cité: Ce que révèlent les sciences de gestion. Bruyères-le-Châtel; 2015
- [6] Gomez P-Y. Le travail invisible. Enquête sur une disparition. Paris: François Bourin; 2013
- [7] Taskin L, Ndayambaje J. Revealing the dominant anthropological consideration of humankind in the teaching of human resource management : A critique of individual performance evaluation. *Ephemera*. 2018;**18**:277-301
- [8] Aktouf O. Management and Theories of Organizations in the 1990s: Toward a Critical Radical Humanism ? *Academy of Management Review*. 1992;**17**:407-431
- [9] Ghoshal S. Bad management theories are destroying good management practices. *Academy of Management Learning and Education*. 2005;**4**:75-91
- [10] Budd JW. The psychologisation of employment relations, alternative models of the employment relationship and the OB turn. *Human Resource Management Journal*. 2020;**30**(1):73-83
- [11] Carney B, Getz I. Free Your Employees and Let Them Lead Your Business to Higher Productivity, Profits, and Growth. New York: Crown Business; 2012
- [12] Sen A. Markets and freedoms: Achievements and limitations of the market mechanism in promoting individual freedoms. *Oxford Economic Papers*. 1991;**45**(4):519-541
- [13] Linhart D. La comédie humaine du travail. Toulouse: Editions Erès; 2015
- [14] Hertz N. The Lonely Century. London: Currency; 2021
- [15] Eurofound. Burnout in the Workplace: A Review of Data and Policy Responses in the EU. Luxembourg: Publications Office of the European Union; 2018
- [16] Anact. La démarche du réseau Anact-Aract pour évaluer la satisfaction au travail. Anact: Rapport détaillé. Paris; 2018
- [17] Hertz N. The Lonely Century: A Call to Reconnect. London: Sceptre; 2021
- [18] Laloux F. Reinventing organizations. A Guide to Creating Organizations Inspired by the Next Stage of Human Consciousness. Brussels: Nelson Parker; 2014
- [19] Robertson BJ. Holacracy: The Revolutionary Management System that Abolishes Hierarchy. London: Penguin; 2015
- [20] The "Amazon pipi gate" was one more denunciation of hard and inhumane working conditions in that organization, see e.g. <https://www.theguardian.com/lifeandstyle/2021/>

mar/25/amazon-bottles-pee-tweet-warehouse-workers

[21] Rosa H. *Social Acceleration: A New Theory of Modernity*. New York: Columbia University Press; 2013

[22] Taskin L, Dietrich A. *Management Humain. Une approche renouvelée de la GRH et du comportement organisationnel*. Bruxelles: De Boeck supérieur; 2020

[23] Dessler G. *Human Resource Management*. London: Pearson Education; 2021

[24] Gomez-Mejia L, Balkin D, Cardy R. *Managing Human Resources*. 7th ed. Boston: Pearson; 2012

[25] The great resignation or reshuffle led millions of Americans to quit their jobs during and after the pandemic, see e.g. <https://www.cnbc.com/2022/03/22/great-resignation-continues-as-44percent-of-workers-seek-a-new-job.html>

[26] Laurent M-E, Taskin L, Ughetto P. Une rupture dans le rapport au travail ? La pandémie de Covid-19 et les temporalités de gestion de leur parcours par les salariés. *Revue Internationale de Psychosociologie et de Gestion des Comportements Organisationnels*. 2022;72 [In press]

[27] Taskin L, Dietrich A. *Management Humain, pour une approche renouvelée de la GRH et du comportement organisationnel*. De Boeck Supérieur: Bruxelles; 2016

[28] Honneth A. *The Struggle for Recognition*. Cambridge: The MIT Press; 1995

[29] Clot Y. *Le travail à cœur, pour en finir avec les risques psycho-sociaux*. Paris: La Découverte; 2010

[30] Aust I, Matthews B, Muller-Camen M. Common Good HRM: A paradigm shift in Sustainable HRM? *Human Resource Management Review*. 2020;**30**(3):100705

[31] Kramar R. Sustainable human resource management: Six defining characteristics. *Asia Pacific Journal of Human Resources*. 2022;**60**(1):146-170

[32] Cooke LF, Dickmann M, Parry E. Building sustainable societies through human-centred human resource management: Emerging issues and research opportunities. *The International Journal of Human Resource Management*. 2022;**33**(1):1-15

[33] Bhattacharya CB, Sen S, Korschun D. Using corporate social responsibility to win the war for talent. *MIT Sloan Management Review*. 2008;**49**(2):37-44

[34] Hallée Y, Taskin L, Vincent S. A renewed approach to human resource management (HRM). *Relations Industrielles-industrial Relations*. 2018;**73**:3-10

[35] Schlag M, Melé D. Building institutions for the common good. The practice and purpose of business in an inclusive economy. *Humanistic Management Journal*. 2020;**5**:1-6

[36] Baviera T, English W, Guillén M. The 'Logic of Gift': Inspiring behavior in organizations beyond the limits of duty and exchange. *Business Ethics Quarterly*. 2016;**26**(2):159-180

[37] Steayert C, Beyes T, Parker M, editors. *The Routledge Companion to Reinventing Management Education*. London: Routledge; 2016

[38] Mintzberg H. *Managers Not MBAs: A Hard Look at the Soft Practice of Managing and Management Development*. London: Berett-Koehler Publishers; 2004

Edited by Diana Dias and Carla Magalhães

Managing people is the chief task of human resources officers in businesses and industries worldwide. It is a difficult and demanding task, especially in this era of highly dynamic and constantly changing business environments. In addition, the COVID-19 pandemic led to major and perhaps irreversible changes in how people work and how businesses operate. This book provides a comprehensive overview of what it means to manage people in the modern world. It includes sixteen chapters organized into three sections: “People Management in a VUCA World”, “A Bright Future for People Management”, and “People Management for People Happiness”. Chapters address such topics as dealing with staff turnover, human resource development strategies during and post-crisis, diversity management, the relationship between career development and value proposition, the happy-productive worker thesis (HPWT), and much more.

*Taufiq Choudhry,
Business, Management and Economics Series Editor*

Published in London, UK

© 2023 IntechOpen
© monsitj / iStock

IntechOpen

ISSN 2753-894X

ISBN 978-1-80355-044-2



9 781803 550442