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# Transitioning HRM to HSM - Human Self-Management Goes beyond Traditional HR

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## Abstract

Traditional HRM consists of people and profit management. In the recent decades, HRM has transitioned into human capital management (HCM), focusing on people, planet and profit management. HCM views employees as assets who should be talent managed and supported to innovatively produce and perform through talent opportunities. HCM and talent management strategies promote multiple intelligences and enable multitalented potential to meet individual, organisational, economic and societal needs. Since 21st century humans seek meaningful employment that purposefully contribute to all sectors of society, businesses need to go beyond HR, innovatively exploring how all employees can be developed, thus transforming their high potential into entrepreneurship ventures. Can organisations transition HRM to HCM providing talent creation opportunities, while strategically aiming towards transforming employees into self-managing talent entrepreneurs? The proposed HRM-HSM Transitioning Model with five key steps and roles for HR, line managers and employees may hold the answer to this question, as explored in this conceptual chapter.

**Keywords:** human capital, talent creation, talent entrepreneurship, transitioning, 4IR, self-management

## 1. Introduction

Humans are awakening and becoming aware of their intrinsic potential, skills, talent, creativity and value to organisations, societies, humanity and the planet. As intelligent, conscious, creative human beings, we can and do employ multiple intelligences to engage in multi-dimensional, creative thinking. We are also capable of employing head-heart coherence when taking action, performing tasks and solving problems. Hence, empowering humans to make meaningful decisions for and via self-management processes are significant for the 21st century human, organisation, economy, society and planet to not only survive, but to thrive. Employees seek employment for survival, purpose, contribution, development and advancement both at work and in society. As such, employees are more than just resources or even assets and capital generators; they are an investment of great value, especially within the rapidly advancing forth industrial revolution (4IR) era we live in.

Human resource management (HRM) and human capital management (HCM) strategies may be poorly designed to engage with the 21st century, 4IR aware,

multigenerational workforce that desire flexibility and integration with technology. HRM, HCD and talent leaders, managers and professionals are called upon to redesign HR so that employees can self-evaluate and self-develop, and that performance improvement can be self-measured and self-managed. Upgraded HRIS (HR information management system) must allow for the organisation to strategically transition the traditional HR value chain and functions into the modern era. Upgrading or transitioning HRM means providing integrated 4IR solutions, systems and support to not just line managers, but to the entire workforce. Digitally competent employees are ready, willing and able to employ multiple intelligences, create on multidimensional levels, make decisions for themselves and navigate their career paths in the 4IR workplace independently of HR or line managers.

Traditional HR (human resource), is concerned with how employees and people are managed within organisations. Traditional HRM focuses on how line managers, departments, divisions and business units manage human labour, performance, time and costs. HRM is the custodian of the HR value chain, managing employees from selection and appointment, to performance and talent management, to training and development, to promotion and bonuses, to employee relations and wellness, and finally to retention and retirement, or dismissal, or resignation. HRM as we know it, is concerned with people management, recording employee time and cost to the organisation, and providing the skills development they require to increase the performance of both individual and business.

In gaining a new understanding of HRM in the 21st century, especially in this decade, we must move beyond traditional HR to seek new and innovative research paths for workforce management. Currently talent management is concerned with integrating, engaging and developing people, profit and planet strategies. Yet, the 21st century employee demands workplace nurturing that allow them to flourish and expose their talent, creativity and innovation. Furthermore, younger talented employees desire to work independently, meaningfully and purposefully in order to not just generate an income, but to contribute and serve society while protecting the environment.

This chapter focuses on the shift in paradigm from traditional HRM to beyond HCM or talent management into new, innovative HR practices. Moving beyond HR means valuing humans as assets and being willing, able and ready to transition existing employees into talent creators and talent entrepreneurs. Whereas traditional HRM manages people via policies, procedures, business partners and line managers, moving beyond traditional HR is a turn-around strategy towards people managing themselves. Human self-management (HSM) is a new concept introduced in this chapter that speaks to embracing a new way of thinking, where every employee is assumed to have the potential to become a self-managed talent entrepreneur, especially in the 4IR era.

Currently, most organisations are ill prepared for transitioning HR into the future 4IR and multitiered workplace. While 21st century employees are evolving, gaining global competencies and characteristics that meet international criteria, organisations are lagging behind with traditional HR practices, procedures and policies. Furthermore, there is a gap in the literature, with limited research on how employees can be transformed to become self-organised and self-managed talent creators and talent entrepreneurs that boost not only business performance and individual creativity; but transforms communities via environmentally friendly, innovative products and services. This chapter is motivated by the inquiry of how HRM can strategically transition organisation and employees into future-ready talent entrepreneurs via human self-management processes and systems. The solution lies in answering this research question that guided this chapter: What businesses model can HR use to manage workforce transition from the traditional

HRM practices towards talent creation, talent entrepreneurship and human self-management?

Theoretically, the chapter contributes to the body of knowledge on HRM, HCM, talent management and human self-management. Practically, the chapter contributes by providing HR leaders, managers and professionals with an evolutionary HRM-HSM Transitioning Model to effectively and efficiently transition traditional HRM into 21st century human self-management (HSM) systems. The contents of this chapter are presented as follows: introduction, literature trends, findings, discussion, implications for application, and conclusion.

## **2. Literature trends: global HRM transition**

### **2.1 Human capital workforce management**

Globally, the traditional HR value chain and functions are implemented and governed by cooperative partnerships between HR business partners and line managers. 21st century HR views employees as human capital and as organisational assets. This view promotes employee and organisational agility, embracing emerging block chain management and employee value propositions (EVP) as innovative business operational tools. The management of a multigenerational workforce who form the key organisational assets in a 4IR landscape requires more than managing employee agility and intelligences. Evolving workforce management practices indicate that the development of mass customization capability within organisations, sector, country and continents promotes business growth. Benefits of enhancing workforce customization capability include: enhancing organisational customization capability at all levels; integration of internal and external business expertise; integrating operational performance with workforce management; effective, efficient and flexible operational strategies; promoting employee-centric behaviour, safe group dynamics and employee empowerment; and boosting organisational competitive advantage [1].

The call is for management to address important human capital changes in the 4IR environment, taking a more human-focused perspective. Besides 4IR, human capital is a significant emerging force. Hence, management must consider new and innovative conceptual and practical levels of human operation in industry. Recommendations include: new structural interactions among employees; measuring qualities of human capital; identify workforce talent competences; and integrating PESTEL (political, economic, social, technological, environmental and legislative) into HCM strategies [2]. Big data analytics has transformed multidisciplinary industrial and business practices and research. Yet, HRM big data analytics has primarily focused on job candidate screenings, appointments and vacancies. Significant strategic human capital questions should be addressed using big data analytics to enhance overall business performance. HR data analytics help assess workforce performance in real time, identifying and developing talent at all occupational levels and thus grows and reinforces individual and organisational capabilities. HRIS (or other information systems) is responsible for big data analytics; hence they are called upon to upgrade their reporting strategy to include talent statistics. HRIS must also address online, electronic and social media regulatory and ethical challenges; including privacy, piracy and intellectual rights and concerns [3].

21st century HRM/HCM should focus on measuring and monitoring the employee experience, performance and development. Performance managing the evolving employee means managing employee engagement in an evolving business,



social and electronic environment. Current workplaces are evolving rapidly, due to dynamic workforce demographics, flexible psycho-social contracts, growing competencies, and preconceived employee expectations. Managing employee experiences means that HR must electronically capture the employment journey of all employees in an organisation. The transformed, evolved HCM must value the employee engagement from hire to exit. This entails knowing their experiences, what they feel, do, and achieve from the job; as well as understanding their relationships in teams and attitude to the organisation. Current HCM practices aim to revamp HR practices and policies, creating employee experiences that provide the highest level of engagement, performance, innovation and development [4].

Many drivers and challenges exist in the field of HRM currently, including integrating the evolving human capital employee with 4IR, artificial intelligence, big data, robotics, and many others technological innovations. Recent local, national and global crises have ushered in radical transformations; affecting the way businesses, governments and countries are managed. Business analysts, managers and leaders are challenged by both human and digital workforce changes. Effective human capital management in the 4IR landscape involves effective development and deployment of human resources, artificial intelligence and robotics to achieve organisational strategy. New, innovative HR practices are required for managing our current digital workforce, succession planning, staffing, development, compensation, and human capital investments [5].

## **2.2 Talent culture and creation**

Talent creation begins with establishing innovative and strategic talent management policies, procedures and practices that include the perspectives of all organisational stakeholders. Employees, managers, business heads, CEOs and HR professionals must collaborate to create organisational value added talent innovation, interventions and culture. Many strategies are advocated to enable talent culture creation as follows: resource based view; managing expert talent; supply and block chain talent management; employer branding; career management; innovating management strategies; and globalising the HR architecture. Current challenges including the gaps between workforce planning and talent management. The call is for creating effective bridges between talent practice and theory [6]. Sustainable talent creation depends on the effectiveness of the organisational learning and development culture. Line managers who are trained mentors and coaches are more likely to enhance talent development and creation. Such managers develop not only their own talent, self-reflexivity and critical problem-solving capabilities, but empower employees to improve their innate potential and talent. A five-phase talent creation intervention is advocated by the literature as follows: Phase 1 explores and reflects on previous experiences and understanding needs; Phase 2 understands past, present, and future values and strategies; Phase 3 co-creates a talent cultural analysis, establishing individual and organisational identity and developing self-reflexivity; Phase 4 designs value-based compass posters for talent culture enhancement; and Phase 5 shares, evaluates and plans within the local sociocultural context [7].

The World of Work (WoW) forum created in 2019, offers a comprehensive framework of key performance statistics, reflections and qualitative feedback from staff, students, industry partners and other participants from India, China ASEAN and Europe on the future of jobs, global talent shortages and graduate skills gaps. The call is for the WoW and other global forums to collaborate to offer platforms for critical participatory action research on talent culture, creation and enrichment. Furthermore, the call is for global multi-dimensional events and decisions to

demonstrate the value of talent internationalisation [8]. The effect of talent management on organisational learning capability and intellectual capital is significant. The emphasis is on the role of these talent enablers: HR and talent managers; line managers; and employees. Employees are considered the most valuable recourses in an organisation that can enhance the learning capability of the organisation. Human Resource Development (HRD) professionals are called to design effective and efficient talent management systems so that talent creation and culture promotes an agile learning environment [9].

Currently, remote and virtual working allows employees the flexibility for working and developing their talents and interests. With remote working, managers experience talent management challenges as follows: difficult to harness global talent; global markets are not accessible easily; business growth is stifled by limited talent identification; limited physical interactions between employees; challenging talent innovations; cannot observe talent operations in highly virtual work environments; and limited opportunities for growing talent socialisation and talent culture. A digital organisational culture handbook is advocated to support highly virtual organisations, employee experiences and measure rapid talent growth. The symbolic aspects of organisational culture (values) and pragmatic aspects (policies and toolkits) should be integrated using theory-generating descriptive analytics. Organisational talent culture creation can be established via an information artefact consisting of a series of HRIS reports on talent engagement, performance and innovation [10].

### **2.3 Managing talented employees via talent innovation**

Although talent management is well theorised, researched and practiced, there are limited studies on the relationship between innovation and talent management. Human capital theories, such as the McGregor's X and Y, social exchange and employee attraction theories, established the link between talent management, product innovation, process innovation and marketing innovation. Empirical research also verifies that talent management has a significant and positive impact on product, process and marketing innovations, providing that organisations are invested in talent development and talent innovations [11]. A socially responsible talent management strategy consists of the following values: inclusivity; corporate responsibility; transformation; transparency; autonomy; equity; and equal employment opportunities. Benefits of responsible talent management practices include promoting and achieving multidimensional sustainable outcomes; providing meaningful, purposeful and decent working conditions; enhancing employee and organisational well-being; promoting responsible, ethical management practices; and growing innovative, sustainable work practices with employee wellness as the focus [12].

Until recently, the war for talent was defined by competitiveness, aggressive poaching and elitism. Current talent recruitment involves a more collaborative and inclusive approach, proving opportunities for new and innovative talent management solutions. Reverse mentoring is emerging as an innovative talent management practice, allowing for the bridging of skills, generational, digital and other workforce gaps. Romanian and Swiss hospitality industries experienced the challenge of a lack of trust by employees on whether managers can effectively implement reverse mentoring as a talent innovation strategy, where the younger generations teach and develop older employees on 4IR integration [13]. Today's dynamic business and 4IR environments require managers and employees to gain business agility and flexibility. Innovative and engaging talent management strategies can shape organisational agility, thus contributing to increased organisational dynamic capabilities and

competitive advantage. Germany identified different types of innovative dynamic talent capabilities that promote organisational agility, talent engagement and the creation of talent pools [14].

Undoubtedly, HR, human capital and talent management are all about people experiences within and outside the organisation. The 21st century is riddled with 4IR advancement, global crises and multitiered opportunities. HRM must adapt to view all employees, planet and productivity as valuable resources to invest in daily. HRM must become agile integrators of artificial intelligence, robotic process automation and promote a healthy blend of human and machine learning, thus innovating talent acquisition, engagement, development and management. Whereas traditionally HRIS utilised machine learning tools primarily for acquiring, hiring and firing talent; current HRIS is invited to expand its services to detect and promote organisational agility. HRIS measuring instruments must innovatively engage employees in online self-uploading of required data for evaluating performance, promotion and reward management. Challenges facing HR and line and top management with regard to talent innovation include the following: digitalization and data management mismatch; mapping talent traits to development interventions; and enlisting board-level talent management collaboration and support [15].

## **2.4 Talent entrepreneurial workforce management**

Talent innovation as a workforce management tool allows for the emergence of entrepreneurship skills within individuals, teams, organisations and communities. Similar to block chain technology used to transform public and private organisations worldwide; innovative HRM employs organisational and surrounding infrastructure, developer and managerial talent, and local demand for human talent to drive its strategy. Workforce development entails identifying employment opportunities and training needs around block chain systems, thus enabling rapid growth of regional block chain clusters via organisational talent entrepreneurs. In the USA, talent entrepreneurs who tap into block chain investment increased their operational efficiency and reduced their transaction costs. Innovative talent strategies include investments in block chain software development, finance and accounting systems, and employee entrepreneurial skills development that drive enterprise solutions [16].

Taiwan's ageing working population promotes talent entrepreneurship to drive economic growth and social development. This aggravates the structural population and talent market imbalances. The call is for new generational employees to maximise their digital talent as a means to attract global employment. Furthermore, talent entrepreneurship eradicates workforce differences in values, cultures and practices. An entrepreneurial approach to talent and workforce management minimises risks in selecting, nurturing, engaging and retaining talent. Strategic internal entrepreneurial mechanisms and systems are required to create new talent opportunities. The 4IR transformational era allows Taiwanese business leaders to adjust leadership styles, strengthen multigenerational workforces and implement strategic internal entrepreneurial mechanisms to measure and manage valuable talent knowledge, experiences and innovation [17].

Talent innovation increases individual and organisational growth, sustainability and enhancement. Employees and businesses can survive and succeed in the local and global dynamic, volatile and uncertain business environments if they remain agile, creative and innovative. Entrepreneurial talent management strategies in Nigeria was found to promote organisational agility, adaptability and alertness of construction firms. Dimensions of entrepreneurial talent management, such as entrepreneurial skill and entrepreneurial knowledge, seem to



significantly influence individual, team and business adaptability, agility and problem-solving alertness [18].

There is limited literature on the relationship between HRM practices, entrepreneurial orientation and business performance, especially in small and medium enterprises (SMEs). Yet, we agree that talent and general employee knowledge and competencies do translate into business value-add when individual and organisational entrepreneurial capabilities and culture are fostered. HRM, line and top management have strategic roles to play in initiating entrepreneurial orientation and developing entrepreneurial capabilities while nurturing, enriching and monitoring employee knowledge, skills and distinctive competencies. The strategic alignment of HRM, talent management and business strategy was found to shape employee attitude, behaviour and working culture. Integrated talent management was found to promote innovativeness, entrepreneurship, risk propensity and initiative-taking. Furthermore, business entrepreneurialism seems to translate into individual and group productivity and overall organisational performance [19]. Knowledge management research detects a link between entrepreneurial and organisational performance, revealing that when dynamic capabilities are recognised, opportunity recognition is aroused. Effective knowledge management practices have been found to have a positive and significant influence on improved dynamic capabilities and on enhanced entrepreneurial and organisational performance [20].

### **3. Findings: from HRM to human self-management (HSM)**

#### **3.1 Drivers of HR and human capital transitioning**

Human beings are not just another resource and employees are more than resources; they are human capital, who when invested in, engaged and developed, reveal hidden intelligences and talents untapped by traditional HR practices, procedures and policies. Employers, HR and line managers must transform to nurture, mentor and grow employees as human capital that is highly valued in the workplace. Literature trends indicate that the following are drivers of transitioning HRM into HCM: block chain management; multitiered EVP; multigenerational workforce; 4IR integration; and PESTEL (political, economic, social, technological, environmental and legislative) integration.

Block chain management, technology and system are considered key drivers to cluster business processes, allowing individuals, teams, supply chains and customers to integrate in functionality, purpose and success [1, 16]. Employees seek and negotiate for purposeful work on multiple dimensions and levels, employing multiple intelligences simultaneously when performing workplace tasks. Innovative, talented employees seek employment for economic, social and psychological security; hence they know their worth, presenting strong EVPs to employers [1, 5]. Talent creation, talent management and talent culture emerge as the 21st century toolkit for driving investment in multitiered workforce development; thus allowing for learning organisations to flourish with mentored critical thinkers and self-reflective problem solvers at all occupational and generational levels [6, 7, 9].

In order to limit and eradicate the risks, threats and challenges associated with managing a multigenerational workforce, HRM has to transform its practices towards HCM. Integrating many generations, cultures, backgrounds and languages of employees to work together harmoniously as effective teams, units or divisions requires innovative and entrepreneurial management strategies. HR and line managers must negotiate, engage, nurture, mentor and coach employees at all levels. Reverse mentoring and coaching allows for younger generations to train,



develop and transfer skills and competencies into older employees and vice versa [1, 13, 17]. HR has transformed to integrate technological systems and analytics in the 4IR landscape; thus becoming a key driver towards further transitioning. HRM transformation into HCM means that systems (HRIS) must recognise that younger employees are adept with digital and artificial intelligence. HCM means that HR and line managers must provide adequate technological and development resources to function effectively in a digital world inside and outside the workplace [1, 2, 5, 15, 17].

The transformation of HRM into HCM, including policies and practices, means that the PESTEL factors must be considered: political, economic, social, technological, environmental and legislative. Relevant aspects of PESTEL must be integrated into HCM strategies as explored here. The political environment dictates the changes that manifest internally within organisation and individuals as a result of external, local, national or global political changes. The economic climate both locally and globally drives how, where and when people and organisations invest their time, energy and finances. Valuing humans as capital allows organisations to tap into, contribute and benefit from the social growth of employees, customers and societies. Technological integration allows for effective and efficient HCM, promoting human and 4IR intelligences to grow simultaneously in a healthy, equitable and balanced workplace and economy. Ensuring that the environment is protected while generating profits allows businesses to reveal their reduced carbon footprint, promotion of conservation and protection of the planet and space. Legislative or regulatory elements are key drivers of HRM and HCM compliance, conformity and standards that ensures high quality products and services globally [2, 3, 4, 5, 9, 15].

### **3.2 Challenges and risks in talent creation**

Viewing human resources as human capital and talent requires a renewed management strategy where the attention, awareness, analysis and collaboration is on HRM transformation. Viewing employees as human capital means that HRM must transform into HCM, and invest in employee development. Talent management strategies must now view all employees as potential talent, thus creating talent pools that form a talented workforce that benefits the growth and sustainability of businesses and the economy. There are challenges associated with the HR transformation process. Transforming HRM into HCM via the talent creation approach presents challenges such as: workforce plan and talent mismatch; skills gaps; and generational, digital and other workforce gaps.

Gaps between workforce planning and talent management strategies may hinder the talent creation and HRM to HCM transformation process. If workforce planning is not integrated into talent management practices, then a divide and mismatch appears between what is intended, planned, expected and delivered [6]. Skills gaps in employees, teams, units and organisation severely challenges the talent creation strategy if employee development is neglected. HCM and talent creation approaches must bridge internal skills gaps via skills development and personal development plans [8]. Talent creation risks are avoided when talent strategies support the bridging of skills, generational, digital and other workforce gaps using reverse mentoring and coaching approaches [6, 8, 13].

### **3.3 Creating a workforce of talent entrepreneurs**

Literature trends reveal that the task of transforming HRM into HCM and then advancing to the creation of a workforce of talent entrepreneurs is the way of the future world of work. Radical digital and human creativity and innovation

demands a new approach to individual, organisational and societal evolution. Without entrepreneurial attitudes and values, both employees and organisations will fail to survive or thrive in the 21st century global economy. Entrepreneurship involves personal creativity, integrated with natural and technological resources to produce products and/or services that benefit societal needs. It is when businesses allow for personal talent to emerge in the workplace that innovation emerges to transform and grow business, societal and economic intelligences and capabilities [16, 17, 19].

The dynamic capabilities theory indicates that by increasing the capabilities, creativity and innovation of talented employees, organisations automatically increase and grow their intelligences, entrepreneurship and capabilities [14, 20]. Talented employees seek development opportunities so that they can enhance their entrepreneurial capabilities, career prospects and EVPs. They aim to become multi-talented and offer a range of skills and competencies to local and global customers. It is imperative that HCM, line and talent managers collaborate to co-create talent pools that promote innovation and entrepreneurship. Technology plays an integral role as an effective driver to promote entrepreneurial employees and a talented workforce [18, 20].

### **3.4 Transitioning to sustainable human self-management (HSM) systems**

21st century employees and citizens have awakened to purposeful productivity that contributes to personal, societal and humanitarian growth. Today in the 4IR era, humans of all ages, social structures and competencies are digitally connected via social, media and workplace electronic platforms. Globally, people, societies, countries, leaders, managers and employees are aligning, collaborating and co-creating to share knowledge, skills, values and attitudes. In simple terms, the people are doing it for themselves by themselves; yet ensuring a contribution towards the positive development and evolution of humankind. This is visible in the dynamic creativity, innovation and entrepreneurship capabilities emerging in the younger generational workforce within both developed and emerging markets [1, 5, 10, 11].

Today's talent, especially in the younger generations, feel responsible and express the need for autonomy from direct management. Whereas traditional management tactics were designed to oversee, dictate and control workplace performance and may have worked effectively and efficiently; today, managers must embrace a new co-creative, collaboration HRM philosophy and practice. Employees must be viewed as workplace partners, working with managers to achieve organisational strategic goals and outcomes. Talented employees prefer to work independently mostly and interdependently when necessary. Digitally empowered employees are capable of self-management and self-development; hence their need for independent creativity, critical and constructive self-reflection, and self-assessment of their performance. Paramount to self-development is self-expression and individual gratification. Work satisfaction, wellness and engagement is expressed by talent in independent and co-creative entrepreneurial projects that appeal to customers worldwide [5, 7, 9, 12].

Entrepreneurial employees require effective resources to transition into self-managed talent who are capable of measuring their performance, their challenges and their development plans. Traditional HRM and current human capital and talent strategies, policies, procedures and practices aim for line managers or HR business partners to regulate what, how, when and why employees perform their tasks. Moving beyond HR, means that even current human capital and talent strategies must make radical shifts towards promoting human self-management (HSM). This chapter proposes a transitioning model to empower traditional and current

HR, human capital, talent and line managers to embrace an HSM strategy going forward into the future and beyond traditional HR practices [16, 18, 20].

4. Discussion: transitioning HR into human self-management (HSM)

This section discusses the practical application and implications of the theoretical research question guiding this chapter: How do we manage workforce transition from HRM to HSM? Significant findings reveal that a new awakening and understanding is required to perceive employees as more than human resource or even human capital. Organisations must view 21st century employees as more than brains and limbs; they must be viewed as intelligent, creative and innovative talented partners who desire to control their entrepreneurship via self-management skills. Current literature trends point to an evolutionary movement towards transitioning HRM from the traditional processes and procedures to focus on employee self-management or HSM. The proposed model, HRM-HSM Transitioning Model, as presented in **Table 1**, is a practical, step-by-step procedure to guide HR and talent leaders, managers, professionals, practitioners and line managers in this strategic evolution of transitioning employees into self-managers.

The HRM-HSM Transitioning Model consists of these five steps: Step 1: Humans are capital; Step 2: Talent creation; Step 3: HSM systems; Step 4: Implement HSM; and Step 5: Improve HSM. Each of the five steps specifies the role of HR, line managers and employees in the transitioning process. The model is transparent in that all roles entail ultimate responsibilities and accountability rests with the stakeholder involved. Benefits of implementing this model include the following: employees become the custodians of their own performance, progress and advancement; HR and line managers become nurturers, motivators, mentors and coaches; 4IR becomes the instrument that HR employs to oversee employee self-management; and all HR processes and value chain functions become automated. Anticipated challenges for model implementation may include the following: organisation may not be resourced for 4IR integration; HRM-HSM transitioning may be costly and time consuming; HR reluctance to change and automate; line managers and

HRM-HSM Transitioning Model			
Steps	HR Role	Line Manager Role	Employee Role
Step 1: Humans are Capital	Advocate for HCM and talent values	Attitude change; employees are talent	Behaviour change; competencies are currency
Step 2: Talent Creation	Talent policy and procedures	Support creativity and innovation	Be creative; display talent and potential; be entrepreneurs
Step 3: HSM Systems	Collaboratively design HSM systems and policies	Encourage talent to embrace HSM systems	Learn how HSM systems can plan your productivity
Step 4: Implement HSM	Collaboratively promote HSM systems and policies	Empower talent to utilise HSM systems daily	Engage and interact with HSM systems to promote performance
Step 5: Improve HSM	Collaboratively improve HSM systems and policies	Support talent to challenge and benefit from HSM systems	Talent manage yourself with HSM systems to improve productivity

Table 1.  
Transitioning HRM to HSM model.

employees may complain of increased workload; and some employees and managers may resist the transitioning process midway. Transitioning managers and employees from direct control to autonomous decision making takes self-discipline and supportive empowerment of employees and managers over a period of time. It is recommended that the implementation of this model be planned as an annual business strategic objective, with implementation phased in and completed over a three to five-year period.

In Step 1 of the model, Humans as Capital, the HR role is to advocate and make a business case for promoting organisational human capital and talent values, ensuring that all employees at all occupational levels are treated as highly valued investments. Line managers must modify their attitude towards the fact that employees are talent with unlimited potential that can be unleashed with the right resources and nurturing. Employees must learn new behaviours and practices to ensure that their competencies are updated to meet performance requirements.

In Step 2, Talent Creation, the HR role is to embrace all employees as human capital with potential talent; hence HR must initiate talent creation interventions that result in talent pools. Line managers must support HR initiatives and encourage employees to display, record and market their creative talents and innovative ideas. The role of the employee is to be creative, master their talent and potential, and become the entrepreneurs that businesses desire to engage with as business partners.

In Step 3, HSM Systems, the HR role is to gather key stakeholders together to collaboratively design and develop suitable self-management systems, with appropriate policies and procedures for total quality management. Line managers are expected to encourage employees to embrace the transformative HSM software, systems and procedures. Employees are expected to learn how to operate, plan and self-manage their performance contract, productivity, appraisal and career advancement.

In Step 4, Implement HSM, the HR role is to oversee how divisional and business unit managers implement the HSM systems and policies effectively, efficiently and successfully. Line managers must be empowered and encouraged to train and develop employees to utilise the HSM systems, tools and instruments regularly, daily if possible. The role of the employee is to engage and interact with the HSM systems so that daily performance is monitored, measured, increased and improved.

In Step 5, Improve HSM, the HR role is to collaborate with key stakeholders to detect challenges, gaps and risks in the HSM system and processes. HR must also find solutions that improve the HSM systems, policies and procedures. Line managers are required to create and support individuals and talent pools of entrepreneurial employees during challenges with HSM. Managers should encourage employees to regularly capture required information on the HSM system, and benefit from their self-management activities. The role of the employee in this final step is to improve their own creative talents via innovative performance, productivity and feeling a renewed sense of purpose for self-management, autonomy and freedom of expression in the workplace.

## **5. Implications for HRM-HSM transitioning model application**

Moving beyond HR and HRM into employee self-management will take time, cost money and requires significant effort and commitment from all levels of management within the organisation. Implementing the HRM-HSM Transitioning Model will bring tremendous benefits to organisation, managers and employees;



however, there may be challenges also. While employees, managers and businesses must enjoy the benefits of automating the employment, promotion and career advancement process; they must also be aware of and self-manage the potential pitfalls and risks of transitioning HR into a human self-management system.

The implications for successful application of the model are highlighted for key stakeholders as follows:

- **Business:** Businesses get to automate the HR value chain, thereby encouraging employees to accept full responsibility for self-managing their employment needs, performance, promotion and career advancement.
- **Managers:** Managers receive automated reporting of talent engagement activities, employee performance and talent innovation. Managers use 4IR and technology as tools for remote management of employee progress, entrepreneurship and achievement of individual and business strategic goals.
- **Employees:** Talented employees become autonomous workers, employing automated systems for managing and accepting responsibility for their own employment contract, performance improvement, productivity, learning and development, achievement of goals and for maintaining flexible work-life balance.
- **Country:** The economy of the country benefits from implementing the model as it will grow talent pools, intelligences, capabilities and productivity at local and national levels. This promotes skills development, national competencies, reinforces citizenship, increases global competitiveness and advances entrepreneurial development; thus increasing the potential for increased national income and revenues.
- **Society:** The HRM-HSM Transitioning Model implementation in businesses and workplaces allows societies to evolve into self-sustaining, successful systems. When talented employees develop and grow into talented entrepreneurs, then they are motivated to contribute to community development via workplace innovation projects and entrepreneurial opportunities.
- **Planet:** Planet Earth benefits when businesses implement the HRM-HSM Transitioning Model as they co-create autonomous yet interdependent global humans that can offer entrepreneurial competencies to solve human, socio-economic and 4IR future challenges.

## **6. Conclusion**

Traditional HR had its time and place, but its practices and policies are now outdated and must be replaced by more modern and relevant systems and practices. While some organisations continue to employ traditional HRM, most business practices have evolved to incorporate and integrate human capital and talent management interventions in the current 4IR workplace. Current literature trends reveal that even traditional HR has transitioned into human capital workforce management by promoting a talent culture with talent creation and managing talented employees via talent innovation; thus co-creating an entrepreneurial workforce management strategy and practice. The literature synthesis revealed these findings: HR leaders and managers must become aware of and leverage the drivers of HR

and human capital transitioning; they must identify and manage the challenges and risks in talent creation; they should co-create a workforce of talented entrepreneurs; and HR should transition towards sustainable human self-management (HSM) systems.

On a theoretical level, this chapter adds to the body of knowledge and assists HR and line managers to integrate employees, business processes and production lines effectively and efficiently into self-management systems using 4IR technology and automation. The epistemological contribution of the chapter is the awareness created that the current 4IR workplace employs an intelligent, creative, innovative, multigenerational, multitiered workforce that prefers to work independently and self-manage their activities, performance, development and career advancement. The practical contribution of this chapter is the proposed HRM-HSM Transitioning Model, consisting of five steps that HR leaders and managers can utilise in their HR upgrading, as follows: firstly, treat humans as capital; secondly, co-create talent pools; thirdly, collaboratively design human self-management systems; fourthly, implement designed HSM systems; and finally, sustain and improve the HSM systems. HR, line managers and employees have specific roles and responsibilities that must be adhered to at each step in the model.

The practical implications for application of the model for business, managers, employees, economy, society and planet are tremendous. There is a cascade of benefits and opportunities for all stakeholders when employees are nurtured into becoming creative, entrepreneurial innovators who can function competently, independently and confidently in a globalised 4IR landscape. It is predicted that future graduates and new recruits will selectively seek employment in businesses where human self-management systems are promoted and supported; highlighting the fact that self-managed entrepreneurial talent development will become the most significant function for HR and line managers looking into the future.

The limitations of the chapter are that it is theoretical in structure and conceptual in nature; as such, it presents drawbacks. A further limitation is that the HRM-HSM Transitioning Model has not been empirically implemented, measured or validated. Further research is recommended to empirically test whether the proposed model is effective; as well to investigate and explore how intelligent, independent, innovative employees can self-manage their employment and career advancement via human self-management or HSM systems.


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