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Lediga, Katlego

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Digital transformation and human capital in retail banking in South Africa

Katlego Lediga

319161

Wits Business School

A research article submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

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DECLARATION

I, Katlego Lediga declare that this research article is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.



(Katlego Lediga)

Signed at Johannesburg on the 31 March day of 2022

Name of Candidate	Katlego Lediga
Student number	319161
Telephone numbers	0722353337
Email address	319161@students.wits.ac.za
First year of registration	2021
Date of proposal Submission	31 October 2022
Date of report Submission	31 March 2022
Name of Supervisor	Dr Erasmus Kofi Appiah
Word Count	12100

ABSTRACT

Author: Katlego Lediga **Supervisor:** Dr. Erasmus Kofi Appiah

Thesis Title: Digital transformation and human capital in retail banking in South Africa

The digital transition is disruptive because it brings great change along with it. The banking business is being reshaped by powerful forces like but not limited to expectations from customers, technological abilities, legislative requirements, demographic trends, and economics. These are all combined to create a pressing need for change. Banks must anticipate these problems and retool in order to succeed in the future age. Banks must not only meet today's demands but also drastically innovate and restructure themselves in order to be competitive in the future. In the banking industry, digital transformation is a continual process involving both the micro and macro environment through revamping internal procedures and systems.

Digital transformation occurs for a variety of reasons, including serving rural areas without branch locations, differentiating from competitors, and lowering operational expenses. In any event, there are many reservations about digital technologies' acceptability. Most people's computers or mobile phones are now used to conduct a substantial proportion of banking transactions. The variety of options, as well as the time and cost savings, and the ease of use of these applications, ensure that they continue to outperform traditional banking channels like bank branches. (Kitsios & Giatsidis, 2021)

The purpose of the study is to ascertain how human capital in the form of business units and line managers within retail banks responded to the technological disruptions within the South African context. The objective of this research is to provide an overview of the shift from a workplace that does not rely on technology to one that is heavily reliant on technological integration to achieve operational needs. It will examine the repercussions of process automation migrations, as well as how this affects attrition rate and retention as human capital tries to adjust to such a radical change.

A qualitative approach was taken to meet the requirements of the format chosen to conduct the study. Semi structured interviews were conducted with personnel working within the human capital business units of retail banks and line managers within retail banks. Personnel from corporate and boutique banks were drawn into the interviews as sources of comparison. Themes and codes were extrapolated from data using thematic coding. The study found that human capitals response to digital transformation is up skilling and reskilling their staff to suit the digital strategy. Moreover, it was established that section 189 retrenchments were the last resort that banks took when considering staff during digital transitions.

Key words: Human Capital, Retail Banking, Up skilling, Digitization, Automation

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DEDICATION

This paper is dedicated to the Husband and Son.

DIGITAL TRANSFORMATION AND HUMAN CAPITALI N RETAIL BANKING IN SOUTH AFRICA

CHAPTER ONE INTRODUCTION

1.1 CONTEXT AND BACKGROUND

The research aims to give an outline of the transition from a non-digital workplace to a workplace that is highly dependent on digital incorporation to meet production needs. It will look at the ramifications of transitions into digital processes and how this impacts labour turnover and retention as human capital attempts to adjust to normalize such a disruptive change.

The world of work is constantly changing and has to adapt to external factors that influence how a business engages with its external environment as well as internal stakeholders like its human capital which is a key component of the production value chain. Human Capital is not only a source for achieving a part of the production value chain but also a strategic tool. (Ketsi, 2013). The Human Capital function is directly linked to business strategy and is necessary when forecasting where the business is headed. (Kesti, 2013)

Digitization has disrupted various industries across the globe today. Financial services, telecommunications, retail, and various other industries have transformed due to the fundamental shift digitization brings forth when it is implemented. One of the most affected areas in business is the Retail Banking sector, the evolution of the internet has allowed banking to migrate online using secure and user-friendly interfaces (Filotto et al., 2021). Furthermore, technologies such as Machine Learning have made it possible to automate basic tasks, especially those that are repetitive and underlying logic.

1.2 PROBLEM STATEMENT

Technology is disruptive, (Ziyadin et al., 2020) observed that society largely faces a fundamental change as a result of developments within digital technologies as well as their broad implementation within a plethora of markets. Clients within the retail banking sector have varied interests and companies face fierce competition in the delivery of these products or services– factors such as globalization widen the horizon for businesses to benefit but it also expands the level of competition (Ziyadin et al., 2020). As a response to their varied client needs banks have migrated many of their services online. Clients can now reach them through internet banking portals as well as mobile applications. This has prompted the walk-in retail banking experience to change to suit and reinforce the online banking experience.

Human capital management function houses but is not limited to the recruitment, selection, and retention process of new and current employees, human resources play a significant role in preserving a competitive advantage in skills and knowledge-based market (Brock & Ronald Buckley, 2013). The impact of constant change due to digital transition can cause employees to thrive in an innovative environment but this is not true for everyone. Retail Banks have seen many changes from ergonomic changes and most notably retention of less number of staff.

In a country such as South Africa where unemployment statistics are at an all-time high, Standard bank closed 91 retail banking branches to cater for the bank's new digitally progressive vision, this resulted in 1200 jobs being lost (Businessday, 2019). Highly agile businesses are prone to restructuring to address changes prompted by technological advancements and digital migration. Some jobs become obsolete as there are programs that can perform their tasks meaning that the people who were designated for those roles will likely face job losses. Robotics and automation are linked to losses in jobs in manufacturing and even in industries that endorse digital transitions and technological advancements there is no denying that the shifts are directly related to job losses(Vermeulen et al., 2018).

This paper will examine through qualitative research methods the preservation of staff within the retail banking space whilst allowing the industry to keep abreast of technological and digital transition through implementation. Special focus will be paid to prominent and progressive banks within the South African context.

1.3 RESEARCH OBJECTIVE(S)

General aim of the study:

The general aim of the study is to determine the relationship between digital transitions and their impact on labour turnover.

The research objectives of this study are as follows:

Research objective 1: To investigate the relationship between digital transition and labour turnover.

Research objective 2: To design a method of retaining staff through digital transition implementation.

Research objective 3: Recommend a method of retaining staff through digital transition implementation.

1.4 RESEARCH QUESTIONS

1.4.1 The research questions relating to the literature review

Research question 1: Is digital transition linked to labour turnover in the South African retail banking industry?

Research question 2: What are the human capital models that can be used to preserve jobs through digital transition?

CHAPTER 2: LITERATURE REVIEW

2.1 HUMAN CAPITAL

Business organisations recognise the importance of human capital as an asset (Jaggia and Thakor, 1994). Business organisations attribute improved productivity to the attainment of skills that speak to the vision of the company. Rapid technological changes have made firms compete for highly skilled talent to keep up with the highly competitive arena that is business. Business organisations are able to compete if they are able to quickly adjust their staff's skills through training or through recruitment drives aimed at attracting versatile staff. These employees must be ready to adjust their skill set to suit the changing business climate due to factors like digital transition. (Jaggia and Thakor,1994)

Human capital functions feed business organisation needs from transactional to strategic in order to assist the talent hired to produce the best results for an organisation. This can be done by using human capital tools such as job enrichment and job enlargement. Business organisations are consequently afforded a chance to drastically change the ways in which they do business by using the services of digital technologies like social networks, mobile and big data. (Ziyadin et al., 2020) This involves changes in the core business processes, rethinking products and restructuring organisations(Ziyadin et al., 2020).

The human capital arm of the business organisations plays an integral part in facilitating the success of changes in strategy. This is because human capital creates the structure needed to fulfil the new company mandate, recruits the necessary skills needed to adapt the organization or to reskill the current incumbent staff as well as set up business processes and procedures that aid in the lean running of a business organisation (GRUIA et al., 2020) .

Human capital is structured in a holistic manner. It caters for human capital development by looking at employee performance, career-pathing and training needed to elevate the skill set of employees (Patrick & Maazhar, 2019). It aims to achieve work-life balance through

employee benefits like leave, medical aid and housing allowance. It is responsible for identifying the staff needed in order to realize the strategic goals of a business organization (Patrick & Maazhar, 2019)**.**

Human Capital Models that assist in keeping retail banking staff trained are the bank competitive are: Having Education as a benefit, Top Talent within the industry will be attracted to such employment because they know that their academic aspirations would not come at a direct cost to them (Salisbury, 2019). Reskilling retraining staff on the relevant digital doctrine that is in line with the digital strategy of the bank is a way that banks can retain staff. Upskilling involves teaching staff new methods of conducting their work and would be the strongest model when considering how often digital trends change (Salisbury, 2019). Onramp programmes assist employers to benefit from short-term initiatives because they provide a direct conduit for unemployed or marginally employed employees to return to the workforce swiftly and in employment that provide a family-sustaining wage (Salisbury, 2019). Out skilling should be the last training option for employees who are unable to obtain new jobs with their current employers. Such career changes are anticipated to become more common as automation and other technology improvements continue apace (Salisbury, 2019)

2.2 HUMAN CAPITAL TRANSFORMATION THROUGH DIGITIZATION

Companies require two key features to achieve digital transformation: one is connected to the use of innovations in the production process, and the other is explained by variations affecting their people, culture, and expertise (Maeso-fernandez, 2021). As technology changes and is implemented, the role of specialists in human resource management is always changing. Human Resource Management activities and procedures are being modernized to suit new technology, and as a result of the digitalization of work processes, human resource management is undergoing a drastic transition(Fenech, 2021). The human capital function has evolved from a conservative to a more creative and inventive role in firms, introducing bold initiatives like competency-based recruitment, innovation remuneration, output-based performance management, and human capital development (Fenech, 2021). The

transition towards a more creative and innovative role is reflected in the digitalization of the human resource management function.

The key to understanding digital transformation methods is from a corporate perspective. The modification of commodities, operations, and all organizational components stemming from the implementation of new technology is the emphasis of these strategies (Fenech, 2021). Digital transformation techniques alter company models and have ramifications for them as a whole (Fenech, 2021). Human resource management is business centred and drives change by bringing value to enterprises as a strategically, administrative specialist, and employee champion(Fenech, 2021). Currently, artificial intelligence-based solutions can tackle practically all of the difficulties that Human Capital managers confront, from selecting candidates to assessing an employee's emotional state (Fedorova et al., 2019). Such systems can examine a specific employee's computer activity (email, viewed web content, files viewed) and identify activities that impede efficiency, as well as measure employees' emotional reactions based on their correspondence and chat room remarks (Fedorova et al., 2019). Digital tools are employed in a variety of Human Capital operations, most notably in areas such as working with enormous volumes of data (big data), computer-assisted training, artificial intelligence for staff selection and evaluation, and coordinating employee feedback online, among others (Fedorova et al., 2019). The SAP SE developer (SAP, NYSE program)'s SAP Resume Matcher may review job duties and skills for a specific post, review data from a multitude of resumes submitted by the Human Capital department, and evaluate candidates. Entelo Inc.'s solution can assess publicly accessible information about 300 million potential candidates and pick those who are most suited to the company's needs. (E.A. Mitrofanova (a)*, V.G. Konovalova (b), 2019)

Cultural transformation as a result of digital transformation is an unusual challenge for modern HRM practice, requiring the integration of human capital strategy with corporate strategies and objectives and the development of rules and processes to endorse staff working in changing employment conditions and customer demands (Barišić et al., 2021). Remote working has changed the way we work considerably, and some individuals may require additional training to maintain the same level of productivity. The fact that Human Capital management processes are complex, diversified, and different complicates the

introduction of digital technology in staff work. They include not only Human Capital personnel, but also line managers and regular workers. The activity of Human Capital requires consideration of various facets, which include but are not limited to labor law, the views of trade unions, the situation in the labour market. (E.A. Mitrofanova (a)*, V.G. Konovalova (b), 2019) There are already direct constraints on Human Capital actions, such as the law on personal data (POPIA) and the requirement to maintain the secrecy of salary details. Furthermore, these method involves people who have distinct knowledge and skills, making them challenging to formalize.(E.A. Mitrofanova (a)*, V.G. Konovalova (b), 2019)

2.3 DIGITAL TRANSFORMATION

Digitalization is a societal change process that involves the employment of pervasive digital technologies to integrate ever-larger social spaces (Trittin-Ulbrich et al., 2021). Global industries have encountered a variety of obstacles over the last few decades, including advancements in technology, increasing reactive responses by industry, and product customization (Reis et al., 2018) . In addition, customer preferences and legal obligations are evolving, adding to the complexity (Reis et al., 2018). Digital transformation is characterized as the disruption caused by digital technologies (Vial, 2021). Digital transformation elicits competitive strategies from firms that want to change how they create value while handling systemic changes and organizational constraints that have an impact on how the business is run (Vial, 2021). This procedure has both positive and negative results (Vial, 2021).

Digitalization and automation are projected to have a substantial impact on employment quality and quantity (International Labour Organization, 2018). By shifting skill requirements and substituting traditional patterns of work and sources of revenue, new types of work and employment are transforming the nature and conditions of work (International Labour Organization, 2018). They allow less developed countries to access emerging sectors that are showing growth in order to catch up with more advanced economies. Simultaneously, new technologies are influencing the operation of job markets and putting current job market institutions to the test, with far-reaching implications for the number of jobs available, their

quality, and the range of opportunities they provide (International Labour Organization, 2018).

People, businesses, and communities are all affected by digitalization some of these impacts can be positive (Trittin-Ulbrich et al., 2021). Digital transformation allows for new types of organizations that could have a good impact on democracy. Technology enables people to express themselves, spread information, and organize against existing powers in entirely new "arenas of citizenship." (Whelan, 2013). Digitalization further allows enterprises to create new market opportunities and models, as well as increase the scope of their operations. It can also help organizations become more effective internally (Trittin-Ulbrich et al., 2021). Online transactions and interactions can be observed and controlled in real-time thanks to digital technologies, which reduce transaction and production expenses.

The adverse side of digitalization is that it has the potential to enable complicated and networked (machine learning) algorithms that are beyond comprehension and regulation. These could become discriminatory, resulting in unfair or biased treatment of various groups of individuals (Gimpel & Schmied, 2019). Digitalization has aided the creation of superpower businesses, or highly powerful national and supranational organizations that have the potential to stifle competition, innovation, and regulation. (Gimpel & Schmied, 2019) Banks have been exposed to a variety of threats. The advancement of electronics has had a significant impact on the banking industry, but it has also increased the number of ways in which people might become victims of various types of attacks. The primary concern for financial institutions in the twenty-first century is the growth of cybercrimes .(Adharsh Manivannan, 2015)

2.4 RETAIL BANKING SECTOR

One of the most critical institutions of an economy is and countries banking system. The retail banking environment has evolved over the years. There have been a plethora of products regularly introduced which are primarily driven by information technology (IT).

There are various types of banks which include but are not limited to, Depository institutions, investment banks, credit unions etc. They all offer a variety of products from savings to providing loans. The most popular banks are commercial banks (Filotto et al., 2021). Commercial banks generally act as financial intermediaries; they use funds that are deposited and provide loans to the interested public, they make their profits by charging interest on those loans. These transactions are possible, through technological advancements that have allowed access to transactions such as the transfer of funds, accessing bookkeeping reports, data storage and cash withdrawals to take place from an ATM.

Individuals' financial interactions have been revolutionized as a result of recent technological breakthroughs and the digitization of most financial services. It has also influenced the investment priorities of financial institutions, as well as market dynamics in specific sectors (Feld et al., 2021). One of the first breakthroughs in retail banking was when the telegraph was introduced (Malik, Anurag Pillai, 2018), which allowed the processing of information faster. This drastically increased the number of transactions from the head office to the bank's remote branches. This later allowed branches to perform tasks that were traditionally reserved for the head office. It was then required that branches become more integrated and prompted the creation of regions. Tables 1 And 2 below display how the UK banking institutions evolved over the years between 1850 to 1920.

Table 1: Number of Banks and Officers in the UK 1980 -1920

Year	*Banks*	*Offices*
1850	459	1685
1875	381	3320
1900	184	6269
1913	88	8610
1920	38	10726

Table 2: Number of branches and ATMs in the UK between 1974 – 1999

Table two – Number of branches and ATMs UK 1974-1999

Year	*Branches*	*ATMs*
1974	14.908	N/A
1984	14.058	6.106
1989	13.131	12.253
1994	10.274	15.180
1999	11.044	17.892

Research has shown that the integration of banks impacted the decline of banks over time as mergers and acquisitions also took place and an aggressive strategy of creating more branches. (Collins, 1988). During this period, banks were used mainly for routine operations such as short-term loans. It also became clear that it was important for a more efficient and reliable Information Technological solution. The importance of clerks and typists also emerged, this saw the recruitment of senior workers with domain expertise as supervisors to the clerks (Petropoulosmp, 2003)**.** The sector continued to transform with the introduction of processors to databases in the mid-1990s, the connection of machines to a network and most recently artificial intelligence.

2.5 LABOUR RETENTION DUE TO DIGITAL TRANSITION

Employee retention has become a vital success factor for businesses(Elacio et al., 2020) . According to the Human Resource Management Society, employers would spend six to nine times an employee's monthly compensation to find and train a new employee(Elacio et al., 2020). An effective digital strategy should prioritise a small number of chances for businesses to develop digitally enabled business models that capitalize on competitive advantages incorporate revenues, such as improving retention through collaborative resources (Elacio et al., 2020).

Digitalization has enormous consequences for change management, requiring new competencies, opening up chances to simplify, expedite, or improve the quality of processes, and creating new forms of customer integration (Csedo et al., 2017). Digitalization affects the different elements of the organization e.g. strategy, structure, behaviour and performance As a result, these organizational parts must adapt to the new circumstances to achieve optimal organisation effectiveness. In the same vein, direction, infrastructure, and culture can all be altered, and if they are changed correctly, they can lead to the desired organizational performance in new conditions. (Csedo et al., 2017)

Many business organisations rush into implementing technological developments without adequate planning and pay inadequate attention to the employee issues that are involved in digitalization. (Eickemeyer et al., 2021). While younger employees are more likely to use digitized technology, older people have a hostile perception toward digital transition, effective countermeasures to help them become more tech-savvy are required. (Eickemeyer et al., 2021)

2.6 LABOUR TURNOVER DUE TO DIGITAL TRANSITION

If a business organisation embraces digitalization, the following positive ramifications can occur; it will be able to change its business model and structure, will aid in helping the organization to remain competitive, the elimination of human error will mean improved productivity, the reduction of production costs will be evident, and the organization will be able to reach their customers through different channels afforded to them by the digital transition. (GRUIA et al., 2020).

The adverse effects that digital transition has on the labour force are apparent. The use of machines and algorithms in the performance of jobs that humans used to do costs less. This is because machines and algorithms have lower costs and a lower mistake ratio in the long run. Business organisations are prone to using such technologies to advance their business in pursuit of reaching the bottom line at a cheaper cost. Digitalization centres itself on the customer experience, the customer is the most important part of the equation as desires are

what prompt business organisations towards their new ideas and vision. Their feedback informs business organisations' to know if they are on the right track with their innovations or if they are deterring (GRUIA et al., 2020). Their feedback is easily accessible through business organisations websites and social media feedback. This leaves little room for human error as companies compete at high levels and compete with the skills that they acquire to deliver on the promises made to their customer.

Digital transition often sees a company having to downsize through retrenchment or restructuring, it is a large driver of employee turnover(Vermeulen et al., 2018). This is because processes, as well as jobs, are taken over by systems and machines that can do the same job. Standard Bank and Absa two of South Africa's big 5 banks have retrenched close to 2027 people combined due to digitization within their retail banking sectors. (de Villier, 2019).

Digitization not only has a negative effect on the actual employees but their families, the community and the greater economy since there will be less money circulating within the economy. The loss of income has both a monetary and psychological impact on those that lose their jobs. It also has an adverse effect, additionally, it embarks on restructuring to accommodate the new skills needed in the organogram and within company processes.

2.7 DIGITIZATION IN THE RETAIL BANKING SECTOR

Digitization has changed the way we work and conduct business. It has been propelled forward by advancements in technologies and the internet to name a few. This disruption has also been evident in the banking sector which has also had an impact on employment. The rise of digital banking has allowed transactions and processes to be automated requiring less and less human involvement in the process (Filotto et al., 2021)**.** Banks are now providing paperless services that do not require but are not limited to, physical signatures, and physical branches. Due to automation, the systems can operate for 24 hours, run accounting processes and consolidate the general ledger. Furthermore, digitalization has also increased productively by 30% - 40% (Carbó-valverde, 2017)**.** This has caused Human Resources

teams to review their strategy from talent acquisition and retention point of view in the banking sector.

Banks all over the world have decided to make human capital completely digital and allow many staff to work from anywhere as they are connected to a device. Studies conducted in countries such as France, Spain, Italy and Germany have shown that the high education jobs such as engineers and health professionals have a higher demand than transactional jobs such as data capturing and machine operator (Darvas & Wolff, 2016).

In world retail banking, 31.5% of bank leaders view their front and customer interfacing facilities as advanced while 14.8 % view their back end as advanced and up to par (Filotto et al., 2021). Figure 1 displays the statistics below:

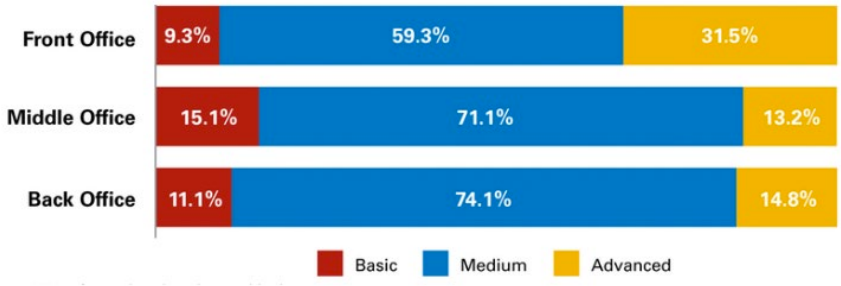


Figure 1: Current condition of Digitization

Data has shown that the primary focus for the bank has been front end while relatively ignoring the back-end support. Sixty percent (60%) of dissatisfied customer experience is from back-end matters and performance. Studies conducted have shown that about 70% of front office jobs are substituted by the rise of Artificial Intelligence (Penny Crosman, 2018). Primarily bank tellers, loan officers, customer representatives, loan interviewers and financial managers as shown in Figure 2.

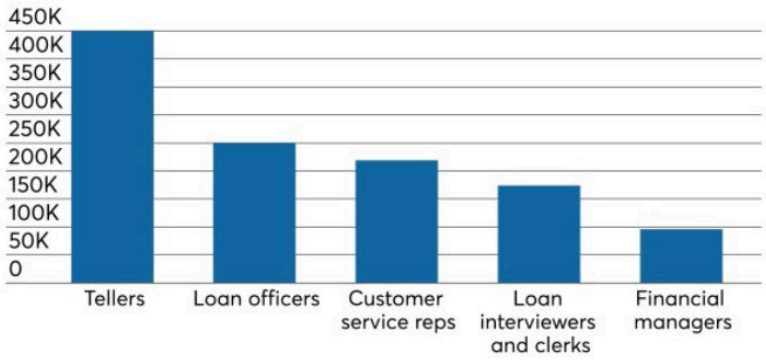


Figure 2: Jobs Affected by digitization in the banking sector

Figure 3 is a good depiction of the transformation of the sector from skills and job description point of view.



Figure 3: Changing jobs scenarios in the banking sector

According to a study conducted by PwC, 32% of current jobs in the banking sector will be deemed obsolete as a result of artificial intelligence (PwC., 2014). The emphasis of the skills required are skills that require cognitive abilities, processing skills and good problem-solving skills. The skills outlined are important when data is captured for the organisation to make data-based and analytical decisions around employment. The upskilling of the workplace remains important in the banking retail sector. Furthermore, a review of the content driven by institutions of higher learning must be reviewed to be relevant to the skills required for the digital age (BASA, 2020). Careers such as Cyber security, credit analysts, programmer, block chain architect and processor modeler seem to be the most sort after skills as a result of digitization in the banking sector.

2.8 COVID-19 PANDEMIC AFFECT ON RETAIL BANKING IN THE DIGITAL ERA

While digital banking has traditionally been linked with ease, it has lacked the personal touch and sense of connection. As a consequence, many people are of the view that building trust in a digital environment is more difficult. The pandemic, on the other extreme, has given banks an opportunity to integrate the human touch into their computerized contacts with consumers. The rise in popularity of online and mobile apps, as well as higher contact volumes and branch closures, provided the ideal opportunity for chatbots to flourish. However, when consumer wants and enquiries became more complicated, and they faced some unusual obstacles, it became increasingly difficult for chatbots to deliver suitable responses. While a few banks have seen increased engagement with chatbots there is still a long way to go. (Valenties Jonathan, 2021)

Consumers are expected to use online technologies for simple transactional activities, but many want high-touch interactions for more complicated products and services like mortgages and financial advice. Meeting customers' hidden desire for human interaction through digital channels is a real potential for banks. Banks should take advantage of the growing popularity of digital and self-service channels by combining human and digital aspects to improve customer experience(Valenties Jonathan, 2021). COVID-19 has also accelerated the digitalization of retail banks and the evolution of business models. Currently, a substantial amount of bank workers work remotely, and many banking branch activities are handled electronically.(Kitsios & Giatsidis, 2021) Furthermore, owing to COVID-19, it is now acceptable for a customer to complete an order by sending an email. Previously, customers had to visit a retail branch in addition to using e-banking and phone banking. The post-COVID era will bring new problems and opportunities, as well as a fast-paced digitization trend.(Kitsios & Giatsidis, 2021)

CHAPTER 3: RESEARCH METHODOLOGY

3.1 BACKGROUND AND SUITABILITY

The paper sought to examine human capital's response to digital transition in the South African retail banking industry. The retail banking sector in South Africa is progressive and endeavoured to serve its clientele in the most efficient and effective way. Retail banks are competitive amongst South Africa's Big 5 banks which include: First Rand Merchant, Standard Bank, Capitec, Nedbank, Absa, and Nedbank.

A qualitative research approach (case study) was used to complete this study. The digital transition of retail banks within South Africa presents a good case for the case study approach because digital transition looks different in all banks although they are competing for a similar level of customer satisfaction. "Case study evaluations are valuable where broad, complex questions have to be addressed in complex circumstances. No one method is sufficient to capture all salient aspects of an intervention, and case studies typically use multiple methods." (Keen & Packwood, 1995). In this regard, the narration above made it suitable to employ a case study approach.

3.2 DATA COLLECTION INSTRUMENT

Semi structured interviews was employed as a data collection instruments. When the researcher intends to: collect qualitative, open-ended data; investigate respondent ideas, opinions, and ideas about a certain topic; and delve deeply into sensitive matters, semi structured interviews are an excellent data collection strategy.(DeJonckheere & Vaughn, 2019) These interviews were conducted digitally on teams, zoom, google meets and whatsapp so as to prevent personal contact during the eminent Covid-19 fourth wave within South Africa.

3.3 SAMPLING APPROACH

Purposive sampling was be used to assist the progression of this research. When using purposive sampling it is not the intention of the research to sample randomly(Bryman, 2012). "The goal of purposive sampling is to sample cases/participants strategically so that those sampled are relevant to the research questions that are being posed." (Bryman, 2012)For this case study research both the sampling of context and the sampling of participants was used. A selection of Human Capital Professional that work within Retail banks in South African will be pursued for context within the Gauteng province in South Africa. Banks within the Gauteng metropolitan areas of Gauteng were examined for participants.

3.4 DATA COLLECTION AND ANALYSIS

Qualitative research relies on the participants to come forward with thorough responses to questions about how they have created or understood their experience in the case of this research how digital transitions have affected their branches.(Jackson et al., 2007).The data acquisition strategy that was used entails conducting open ended interviews. The sampling strategy involved interviews with personnel working within the human capital business units of retail banks and line managers within retail banks. Personnel from corporate and boutique banks were drawn into the interviews as sources of comparison. The questions that were asked within the interview were semi structured so as to allow for further engagement as respondent's experience were varied becausing of working for different banks and in different corporate cultures.

The questions asked were aimed at measuring whether the digital transition has affected the respondent with aspects of ascertaining whether employee turnover has been rife because of the implementation of digital strategies within Retail Banks. Further, the study sought to find out who was most affected by the changes within the retail banking sector. The target group was tellers, loan officers, customer service representatives and financial managers within Retail Bank branches. The questions attempted to gauge the bank's response to the labour turnover. Additionally, the study will measured the effectiveness of the various company's recruitment and acquisition strategy regarding digital.

3.5 TRUSTWORTHINESS

The trustworthiness of a study relates to the extent of confidence in data, interpretation, and methods used to make sure the research is of great quality(Connelly, 2016). Trustworthiness sets out a few criteria to make sure that different aspects of ensuring trustworthiness were met by looking at: credibility, dependability, conformability, and transferability(Connelly, 2016).

Credibility was establish through the following techniques: prolonged engagement with participants, persistent observation if appropriate to the study, peer-debriefing, member-checking, and reflective journaling (Connelly, 2016). The interviews set out in conducting this research gave an opportunity to engage with human capital within the retail banking space thus prolonged engagement and persistent observation of the bank's activities through the media.

3.6 ETHICAL ISSUES

Pertinent ethical concerns that should be taken into consideration when conducting qualitative research are: anonymity, confidentiality and informed consent.(Sanjari et al., 2014)The respondents participating in the study were assured anonymity so as not to compromise them in anyways. Anonymity is an important part of ethical research.(Grinyer, 2002). In digital world where information is currency it is important to reassure the participants that their information and responses were solely used in the context of the study and were not used for other purposes or sold. The South African POPI Act protects the public from misuse of their information, thus this was the assurance given to the respondents of this study.(Republic of South Africa, 2013)

CHAPTER 4 PRESENTATION OF QUALITATIVE RESEARCH FINDINGS

4.1 QUALITATIVE RESEARCH FINDINGS THEMES AND CODES

To explore the impact that digital transformation has had on human capital within the South African retail banking industry, semi structured open ended interviews were held with respondents that where working in retail banks within human capital business units and line managers responsible for human capital. Thematic coding was used in this study as it is a method of qualitative data analysis that reveals themes in transcripts by examining the meanings of words and the structure of sentences. From those themes codes are extrapolated from the transcripts and match with the theme. A statistical tool called delve.tool was used to assist in the manual coding of the transcripts from the 6 respondents once uploaded.

The themes that emerged from the analysing of the transcripts where: Digitization, Good for business, Good customer experience, Upskilling staff, and Human Capital and Future jobs. These themes capture the overall trends found in the data, however the subset themes discovered whilst forming the themes give a more in depth representation of what of the data that was being categorised looks like when paired under the guise of homogenous grouping. The themes and there Subset themes are depicted in the table below.

Table 3 : Themes and Codes

THEMES			
Digitization	Good for Business	Human Capital	
CODES			
Paperless Technology	Positive Impact	Work life balance	Staff Retention

	Good for customer experience	Individual Benefits	Interventions
	Issues	Change Behaviour	
		Resisting Change/ Legacy systems	
		Up skilling staff	

4.2 THEME: DIGITIZATION

When defining Digitization in general the Respondents understood it to represent, doing things online- for instance instead of printed receipts – receipts can be emailed to a person even when you buy a car, paperless applications for financial products like loans and setting bank daily limits for an app instead of going into a retail bank branch for the service. They related that digitization was the use of technology moving things away from print/ paper in order to make them electronic and easily accessible. Respondent four mentioned that Digitization was evident in the reduction of paper work noting that transactions such a home loans could now be done with much thinner paperwork. Respondent 6 noted that digitization enables the cost saving, the saving of time, it makes processes more efficient and it takes the stress away from your employees so they can focus to the human parts of work like- interactions with customers.

When defining what digitization meant in within retail banks the respondents had varied yet similar responses. The respondents mentioned noticing the move from depending on paper as a means of keeping track of transactions or people files to storing different forms of transactions and information online. They mentioned that Digitization was good for staying relevant because banking is very competitive when it comes to securing and retaining clients. Referring to digitization respondent four mention that, “It reduces costs and increases business output and in most cases it results in business running efficiently and good profit margins.” Respondent 6 noted that all traditional banking services are being moved or are

already being done on an App or ATM and that branches sizes have decreased significantly due to less traffic.

The respondents noted some changes that they had observed whilst their retail banks integrated digitization: there is less manual capturing, employees do not do mundane repetitive tasks, they can focus on tasks that are more complicated tasks, personal loans can be applied for online on the app, should a client want to open a bank account the can do so by downloading an app and going through the process online. They notice that because some of the services had been shifted online or onto apps a there was an evident decrease in foot traffic in the bank and that processes are more seamless and they work quicker. Owing to there being less foot traffic some of the branches have gotten small because there are centred around business enquiries instead of teller services like but not limited to deposits, pin resets, card orders, printing of bank statements. These transactions can now be performed at an ATM or on a banking app. Prompt pop up messages can now be sent to customers as soon as they enter a mall because of indicators built into the app that are triggered as soon as a client gets into a mall. ATM interfaces have changed and accommodate deposits and the printing of bank statements. Automatic loan offers are generated by the banks systems that analyses customer spending habits and already has their banking retails. Risk analysis is run by the customer spending and payment data and then an offer is generated.

Respondent six explained that with, “Repetitive tasks you would come every day, you would capture an ID number on three different systems, remember banks largely have legacy systems and sometimes you need to use multiple systems to do certain things. Now with the use of robotics, a bot can probably do 10 peoples work, faster, with less errors, you can save on head count.” In light of some of the more transactional repetitive jobs being replaced by systems some jobs have needed to be redefined. Respondent one noted that Human Capital within their bank is now on the go, they created an app for HR purposes for instance one can log their leave on the app because everything now sits in an online system. Respondent three observed that the roles on the organisational structure are interlinked on the system and they mirror the value chain.

Respondent 5 mentioned that, “Our bank has started changing all our processes from an on boarding perspective wherein we no longer do on boarding physically. We conduct business online no longer the traditional face to face boardroom. We deliver laptops to residents already being set up. Internet infrastructure like rain doesn’t work everywhere so we allow people to tell us what network is an alternative.”

4.3 THEME: GOOD FOR BUSNISESS OPERATIONS

The respondents noted that the Covid-19 pandemic has forced many banks and their staff to be more inclined to coming up with and using digital solutions. They have found that digital solutions assist the banks in running more efficiently. Respondent four recognised that digitization is, “the way forward it allows business to accelerate in every aspect, productivity, operations it ultimately results in good turnover for the business.” Respondent four added that Digitization, “Speeds up the process of acquiring business, a client and servicing a client,” which is ultimately good for business operations.

Respondent six noted that staff members responsible for client interaction and consultation at their retail bank branches were reluctant to change Pre- Covid. However, with Post Covid, the same staff members were facilitating these services from home which has resulted in the closing all those offices. It was further noted that this was good for business operations because, “the reason we needed to give up the space was because the rental price was too high” Respondent 6. In order to keep rental costs low and comply to Covid Regulations the banks work on 3 models for office residence namely: hybrid, resident and remote. The hybrid model is used where some staff work at home and staff work at home, there is often a rotation schedule allowing for staff to work from home and at the office.

When asked about the overall impact of digital transformation within retail banks most respondents noted that it was positive, however it was also noted that there are negative impacts as well. On boarding new employees, online has presented a few challenges, according to Respondent 5 the, “Call centre environment is monitored on performance indicators like KRA’s, non-performance means people must go work from the office.” This is because the bank was not impressed with how the call centre was being run remotely. When

it comes to solving small issues, new take longer because they don't know who to contact versus when they are on site they can just walk into that department and request their assistance.

The respondents presented an array of issues that span across different business units. Some of the issues are: Staff experiencing anxiety overall about their roles potentially being the next to be replaced by digitization, network coverage and Eskom's load shedding halter production and output, staff not delivering as they cannot be monitored physically. Productivity has experienced a negative blow because staff tend to spend majority of their time spend in virtual meetings thus rendering them less productive. Respondent five echoed, "Something that you could easily fix a lone now must be done on teams." Staff members generally seem more burnt out because they work longer hours at home due to poor work life balance.

In order to keep being competitive and serving their customer at a quicker and more effective rate it was noted that on a regular basis the bank looks at what has been traditionally performed at a branch and what can be migrated. The banks analyse what problems bring customers into a branch should the problem be simple enough it is migrated to the app services such as but not limited to PIN resets, limit changes, debit order reversals. Respondent six spoke of the banks vision to have all traditional banking services moved so that they are done on app or ATM. This will result in branches getting smaller more aligned with giving business advice.

Respondent two observed, "At first sales teams needed to run around hoping that the documents have been signed correctly when handed to the admin staff for capturing." Through digital transformation, less people are involved and the system is able to detect errors in forms which speeds up the processing time. High touch clients tend to need a lot of support with digital transformation banks are available to customers 24/7 through digital mediums like the WhatsApp bot that answers questions on behalf of the bank, it has been observed that this helps increase bank availability after hours.

4.4 THEME: HUMAN CAPITAL

Respondent one referred to a digital goal of creating 360 management where Human Capital is able to manage staff performance through a system instead of the more prehistoric methods of sending emails to managers. Performance management tools would be generated on the system and all the employee would have to do is print and sign their document, Human capital would simply facilitate the process. Respondent one added that the, “Intention is to prioritise performance management so that deviations are noted earlier and the appropriate development intervention can be identified.” Systems like these would be embedded within an APP where staff could apply for leave amongst other function, the system would not be reliant on staff being behind their work PC’s or laptops as it would also be available on their phones.

Respondent 5 noted that Human Capital were forced to go online like many others because of the Covid-19 pandemic. Functions within the business unit like the Recruitment process was moved completely online. Respondent 5’s bank moved they’re on boarding function completely online, however it was discovered during one of their feedback surveys people still preferred the personal touch. “Sometimes you don’t know what to do away with because there is still a component of human touch that they still require and appreciate especially when they are new employees” (Respondent 5). Consequently, a hybrid model was then implemented where interviews were done online however one the first day of employment a new employee is met by their line manager and team in the office to be welcomed. Office occupancy has been digitized in that systems have been implemented that require staff to book online so as to allow high volumes of people being in the office and to adhere to Covid – 19 regulations. The bookings function allows for people to choose where they want to sit and accommodates for social distancing.

When analysing whether or not staff member referred working from home a few individual benefits were noted but they are not limited to, savings on petrol costs, some employees sold their cars, some employees got rid of their nannies because they were now around so they could manage their children because they worked more flexible times. Respondent 5 reported

that staff members were reflecting high scores when asked if they feel tired before starting. This is because staff are not managing their time effectively, they were either taking too long to complete tasks or working until the night or they were tending to personal matters during the day and working whilst fatigued.

“We have been closing down branches for a long time. We peaked over the Covid period because Covid forced a lot of change behaviour” Respondent 6. It was noted that people need patience when going through change, which is why change interventions go hand in side with digitization. Change management helps staff comprehend what's going on, where the organization wants to go, and how their function can assist them in getting there. Not all staff will buy in to changes Respondent relayed that there was a combination of the staff members that had worked at the bank for a long period and staff members that are from the older generation that were resistant towards changes that the bank was proposing. Respondent four commented that the older generation is feels more at ease if they know that change is brought forth by and endorsed by Top management, this presents a problem because most of the digital transformation ideas seem to come from the younger generations working at banks who are more tech savvy and keep abreast of trends that could keep their particular banks a head of other retails banks. Thus, the generation gaps of the staff and the inherent tension that it brings about often slows down the implementation of change programmes.

“All traditional banking services must be done on app or ATM,” Respondent six. This has meant that clients have also had to change their reliance on people within banks and trust ATM’s and APP to fulfil their transactional banking needs. Respondent six mentioned that their Retail Banks response to staff resisting change within branches was that the bank does not expect for customers to come to the staff the staff must be willing to engage staff outside of their traditional consulting platform in the form of a cubical enquiry at the bank. Customers can be met for coffee to engage on some of their concerns outside of the traditional transactional needs that can be handled on the website ATM or App. In order to get customers to buy into services like cell phone banking, app services and ATM services customers were forced to migrate by charging higher bank fees for instance – should a customer want to make a deposit they can deposit money at an ATM’s which can take up to fifty thousand (R50 000.00) at a time, however people were uncomfortable with depositing

money outside. The Retail Banks in response to this offered help to the elderly in the form of bank staff assistance should anyone need it

Digitization has not affected teams that are aligned or are enablers to business, this is because they put things in place to enable the bank to service the customers better. In addressing some of the issues brought on by skills redundancy the respondents spoke about future jobs and skills that will remain relevant in the coming future. Data science and finance roles were identified by Respondent 5 as being roles that did not seem to be affected by digitization because they have the least interaction with people thus these roles have been impacted positively. Digital transition is often marred with the negative impact it has to potentially rid people of their jobs, Respondent four noted the overall anxiety that staff within retail banks face in thinking that theirs is the next role that could be replaced by digital transformation. This is because the retail banks are moving towards moving employees away from mundane repetitive tasks so they can focus on more complicated and strategic tasks in the hopes that of increasing staff engagement with their clients.

“Retail Banks usually try to upskill and keep their staff,” an assertion from Respondent two. Through E-learning platforms trainings are facilitated on teams instead of using traditional methods of training in a classroom set up. “There was upskilling, natural attrition, there were people who didn’t like the model not just retrenchments,” Respondent 6. Retail banks did not just opt to go through the process of retrenchment as a response to some jobs becoming redundant, in fact it seems as though some of the respondents agreed that retrenchments where the banks last option when dealing with the staffing repercussions of digital transformation. At times staff members, would resign because they did not like the model or direction that the retail banks were taking which is a form of natural attrition. According to Respondent’s sixes retail banks branches would also try to upskill the staff using lateral methods so that the staff would be well equipped to handle everything that happens within branches. Retail banks would also advertise jobs but restrict the shortlisting to internal staff so that they would take preference over external candidates that were applying for the posts. Respondent six mentioned that Business Intelligence Dashboards have now replaced the traditional excel spreadsheet and that everyone’s work can be monitored and tracked, and added that digitization, has made things a lot easier in terms of stream lining processes on

their end this is because the bank was active in training staff with the necessary tools needed for

"No retrenchments or section 189 that have impacted the business." Respondent three referring to the Labour relations act that is centred on retrenchments. Respondent five mentioned that their retail bank is expanding there they are currently going through a recruitment drive therefore digital transition has not had an impact with regards to reducing staff capacity. An important stakeholder to keep in mind when dealing with staff retention is the unions which according to Respondent six are engaged first where the Retail Bank would then sell its business bearing in mind that the bank is in the business of looking after the interests of their investors. Thus, there is more focus on efficiency and how to assist the client, thus there is more upskilling within Retail Banks.

CHAPTER 5 DISSCUSSION ON QUALITATIVE RESEARCH FINDINGS

The following chapter provides an analysis of the qualitative research findings reported in Chapter 4 and examines them. The report compares the conclusions of the literature review on the topic Human Capital's response to digital transformation in Retail banking within the South African context. Parallels or contrasts in the topic are discussed. A look at the research questions problem description.

5.1 ANALYSIS OF RESEARCH QUESTION ONE

Research question 1: Is digital transition linked to labour turnover in the South African retail banking industry?

There is an inherent societal conundrum that associates the adoption of digitally transforming techniques within the work place to the labour turnover. When reviewing the literature, a stern yes would be the answer to this question because of the likes of Standard bank and Absa

banks letting go of their staff member at their Branches in large quantities. The future of work is predicted to be radically altered by a revolutionary wave of digital innovation (Nübler, 2016).The impact on jobs, on the other hand, is a contentious issue. Some predict a jobless future, while others contend that history will repeat itself and that technological developments will inevitably lead to the creation of new, better jobs (Nübler, 2016).Technological change and the future of occupations are not predetermined, but must be influenced. The dynamics of employment creation are driven autonomously by both market response and societal educational experiences. Fostering the processes of community learning and economic progress is a problem of public policies (Nübler, 2016).

It would seem as though section 189's or retrenchments as referred to by the respondents in the study are the very last resort that the Retail Banks consider when going through the process of implementing technological advances within the processes of the bank. Retail banks implore lateral training so as to up skill their staff to make them more well-rounded and suited to the direction that the banks are headed. Retail banks also try to find at risk employees other jobs within the bank by running recruitment drives but not opening them up to the public. In this way at risk employees will receive first preference when competing for a post. Employees have been found to want to take severance packages not because they were forced by the bank but because it is what they prefer to do. Banks have committed to minimizing the impact of the changing nature of their business on their employees and providing training to guarantee that their skills remain relevant. This is demonstrated by the low numbers of retrenched staff in recent years as Human Capital works hard to ensure that as many of the impacted employees as possible are trained and redeployed within the Banks as they have a natural staff .(Feld et al., 2021)

5.2 ANALYSIS OF RESEARCH QUESTION TWO

Research question 2: What are the human capital models that can be used to preserve jobs through digital transition?

It is noted here that digital transformation has the potential to both generate and displace jobs, and that the overall impact of implementing digital advancements on employment will be determined by the relative degree of any job displacement effect (Spencer et al., 2021). As seen in the past, technological advancement will occur without a significant loss of paid employment, rather, it is suggested that digital technology will have a greater impact on the content of labour than on its quantity (Spencer et al., 2021). It would seem that from literature that there is less anxiety in human capitals response to digital transformation implementation about the loss of jobs.

Setting expectations for returns and defining their value in a specific corporate context are the first steps in quantifying the value of a new age of educational investments. As the market develops, five separate categories emerge: on-ramps, upskilling, reskilling, outskilling, and education as a benefit. According to the responses from those interviewees who are working within Human Capital in the Retail banking industry in South African, Human Capital is actively upskilling and reskilling employees as a response to digital transition implementation.

The Fourth Industrial Revolution has had a significant impact on economies, jobs, and skills, which has been accelerated by the exponential rate of change (Fung, 2020) . There has been a substantial shift in work responsibilities and the skills necessary as a result of digitization. A considerable portion of current work will most likely be automated, resulting in employment losses in some areas, job gains in others, and significant changes to many job responsibilities (Fung, 2020). In response to the impact of technical advancement on the Retail Banking industry which has been considerable, Human Capital is using Reskilling and Upskilling as models that can be used to preserve jobs through digital transition. Transactional repetitive jobs like Data capturing have become redundant and have been taken over by systems and bots that are able to do the same amount of work at a faster pace than humans. Bots and systems are able to detect anomalies within the capturing process and faster. Retail Banks have overtime been able to automate or digitize many of their process causing solutions to customer inquiries to available to them at the touch of a button whether that is on a mobile phone or on a personal computer. The investigation within the study revealed that Human Capital's response was to equip employees with lateral skills so that they will be able to

handle any type of query within the bank. This would mean that there are no specialists within branches as the Bank would prefer their staff to be more agile, when it comes to customer service.

The Retail Banking industry is robust and embraces technological advances as they aid in keeping them competitive and keeps their customers happy. Human Capital aims to preserve jobs in the sense that they would like to keep people employed but the people must be upskilled and reskilled in order to meet strategic objectives and to keep investors happy with profit margins. Human Capital experiences setbacks when trying to incorporate or maintain corporate culture when employees work remotely and have had to implement systems that are able to monitor level of production in contrast to emotional state by observing the sites that the employees visit systemically. Digitization has made this possible because it has tools like SAP that are able to store and interpret employee data. Any change in strategic direction need for buy in to be gained from top management, this is also true for digital interventions within the human capital sphere. It is important for Retail bank line managers to endorse digital transformation efforts in order to lead employee comfortably towards a digital vision. This process is assist by Human Capital change interventions that support business organisations when there fundamental changes with the way in which people are supposed to conduct their work.

CHAPTER 6 SUMMARY, RECOMMENDATIONS TO POSSIBLE INTERVENTIONS, CONCLUSION

The purpose of this chapter is to consider what the study aimed to achieve. The summary, conclusions, limits, and recommendations are all discussed in this section.

6.1 SUMMARY

The study investigated whether there was a link between the adoption of digital advancements in retail banks and the high rate of employee turnover. The study also sought

to analyze the response that Human Capital inside Retail Banks has proposed in an attempt to save jobs as a result of the industry's digital transformation.

Evidence from the literature reveals that although certain retail banks experienced widespread branch closures as a result of the digital transformations entrenched in the strategic direction the banks were taking, retrenchments remain the last resort when it comes to replacing obsolete positions. Retail banks have been reported to want to acquire new skills or training and develop their workers in order to meet their digital transformation goals.

Human capital managers and line managers from South African retail banks were interviewed. Human Capital tries to keep employees employed, according to the interview responses, and retrenchments are only used as a last resort if all other efforts to keep employees employed fail. Human Capital is also considering lateral skills training as a way to keep bank staff on board during the digital transformation so that they can learn more about the procedures and systems.

Human Capital like SAP that can store and evaluate employee data, digitization has made this possible. Top management buy-in is required for any shift in strategic direction, and the same is true for digital interventions in the human capital area. Retail bank line managers must support digital transformation efforts in order to comfortably guide employees toward a digital vision. Human Capital transformation interventions, which support business organizations when fundamental changes in the way individuals are expected to conduct their work, aid this process.

6.2 CONCLUSION

The aim of the study was to analyze whether there was a link between the implementation digital advancements within Retail Banks and the high turner over rate. The study also sought to investigate the response that Human Capital within Retail Banks have proposed in the attempt to save jobs in response to digital transition within the Retail Banking industry.

It can be concluded that although some retail banks encountered mass closing of Retail bank branches as a response to the digital transitions embedded in the strategic director the banks were heading in, retrenchments are the last option when it comes to replacing redundant jobs. It has been found that Retail Banks seek to upskill or reskill their employees to fit their digital transformation mandates. New jobs are created to fit the requirements of meeting production and output demands.

Human Capital aims to keep their staff by limiting the span of recruitment processes. In order to cater for internal staff and provide greater opportunity for the staff already employed by the bank to compete for jobs. Lateral skills training is also one of the strategies that Human Capital explores to keep bank staff employed through digital transition thus allowing staff to know more about the process and systems.

A single tap of ones MasterCard or Visa can trigger a transaction whereas in the past one would have to withdraw money first and then pay for an item. The effects of Digitization have been significant in the Retail Banking Industry in general. A bank branch used to have 10 tell and consultants in cubicles to attend to customer enquiries, at present there are less tellers because transactional services have been moved to an Apps that can be accessed on a mobile phone. The technology has the potential to have a socio-economic impact in that traditional brick and layer jobs might be replaced but that is not to say that there won't be jobs at all. Human Capital response to digital transition in the banking industry within South Africa must be to create the jobs that mirror the digital trajectory being implemented at banks. Retail Banks must take advantage of digitization by taking a proactive role in ensuring that technological advancements support their production and output vision.

6.3 RECOMMENDATIONS TO FUTURE RESEARCH INTERVENTIONS

There are opportunities that are available to create and or recreate jobs that fit in and are aligned with digital transformation within Retail Banks. It is recommended that Human Capital Management can stay ahead of the skills gap by: Creating a culture of learning within the bank. Where staff member can't plot their development as well as areas related to the strategy of the bank that they are interested in getting training for.(Bradley et al., 2020)

Employee agility can be tested using the Technology Acceptance Model.(Kitsios & Giatsidis, 2021)

Human Capital can align the training within the Retail Banks to mirror the trends in banking so as to stay ahead or remain competitive within their industry. Human Capita should be more proactive instead of being reactive in identifying skills gaps in accordance to industry projections.

Within the South African context schools should consider changing their curriculum to suit the climate of advancing technologies there for creating a succession network and skilling young people in South Africa from a young age (Bradley et al., 2020). Partnerships with Specialists to create sector awareness should be cultivated.

Standards of advancing technology will constantly be evolving. It is important that stakeholders get involved in providing inputs for Policies mandating upskilling or the protection of staff against retrenchments and endorsing technology should be promoted by Government.

Employees working in Retail Banks should quickly embrace the digital transformation age since it will allow for more dependable and secure information flow, as well as real-time data transfer, between diverse processes and equipment. This holds true for a variety of stakeholders.

As a result of the effects of digital transformation, the Human Capital function can implement a continuous improvement process based on results, in which staff performance is evaluated only on their performance and not on the number of hours spent at work. In this way, information technology enables businesses to implement performance monitoring technologies to track staff productivity and outcomes.

The Human Capital sector will be able to advance toward thought leadership in the future if there is a heavy influence of technology and people analytics in the running of the day-to-day business. Best practices will be shaped and established by a concentration on ongoing performance reviews and the purposeful recruitment of a diverse staff, which is an area of study that can be investigated for future studies.

Although Human Capital deals with a wide range of issues, the most significant difficulties Human Capital departments face today relate to leadership development, corporate culture, retention, motivation, and recruitment. It has become a continuous and time-consuming effort to resolve these difficulties as Human Capital attempts to transition to a more strategic role. The transition from transactional Human Capital to Strategic Human Capital is an area of study that can also be investigated for future studies.

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ANNEXURE 1

QUESTIONS FOR SEMI STRUCTURED INTERVIEWS:

1. In your view, how will you describe digitization in general?
2. How will you describe it concerning retail banking in general?
3. How will you describe it concerning your retail bank?
4. How has digitization impacted the operations of your retail bank?
5. How has digitalization transformed the management of human capital in your retail bank? Is the transformation negative or positive?
6. What are some of the resistances encountered by management during digital transformation?
7. How has digitalization impacted the size of the labour in the retail bank?
8. What are some of the resistances encountered by management from unions regarding the impact of digitalization on the size of labour, eg retrenchment?
9. What are some of the interventions proposed to try and retain staff and what is their level of success?
10. Do you have any questions for the interviewer?