**Gordon Institute
of Business Science**
University of Pretoria

Exploring the role of human resources management in the design of business models for sustainability: banking sector

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Philosophy (Mphil CS2020).

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Abstract

The banking sector has led the implementation of Corporate Social Responsibility (CSR) programmes thereby not only demonstrating good reputation and financial sustainability, but further offering a strong business case for adopting sustainability centred business strategies. The research is framed within the banking sector, seeking to contrast and compare HRM role and practices in enabling sustainability and exploring whether sustainability and sustainable business models (and related concepts) are uniformly understood and applied within industry.

Applying a stakeholder approach, the research positions the HRM function as potentially having a role to play in the business model design process in order to be able to effectively implement HRM practices aligned to organisational goals, seeking to yield broad sustainability. The research also explores the factors that impact HRM's ability to deliver sustainable value add and balance the needs of a broad stakeholder network, in within an organisational culture which views the employee as critical stakeholder.

A qualitative research design approach was applied, having interviewed participants from the South African banking industry comprising of HRM professionals and business leaders.

Key Words

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Philosophy in Corporate Strategy at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Signed Kholiwe Mtingane   Signature

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List of Abbreviations

CEO	Chief Operations Officer
CSI	Corporate Social Investment
CSR	Social Corporate Responsibility
BMI	Business Model Innovation
HC	Human Capital
HR	Human Resources
HRM	Human Resources Management
SBMI	Sustainable Business Model Innovation
SDG	Sustainable Development Goals
SHRM	Sustainable Human Resources Management
UN	United Nations

Chapter 1: Introduction and Background

1.1 Introduction

Modern society has become acutely aware of an increased need for corporate businesses to adopt models to support and enhance sustainability. There have been increased calls for organisations to be socially responsible and recognise their role in the global sustainability ecosystem in helping address significant social challenges such as poverty, food security, job security, aging populations, energy demand, and climate change through innovation and technology (Haffara & Searcy, 2019; Lubberink et al., 2017; Yang et al., 2017). The occurrence of so-called grand problems have illustrated the complex nature of the environment within which businesses operate and have amplified the need for organisations to continuously pivot in response (Schaltegger et al., 2016).

The globally accepted Sustainable Development Goals (SDGs) set by the United Nations (UN) General Assembly are underpinned by a necessity for private and public sector, government, and the society at large for positive contribution and impact on people's prosperity linked to economic, environmental and social factors (Chams & García-Blandón, 2019).

As a contributing and critical sector in the improvement of the domestic economies, the banking industry remains important towards progressing sustainability through its economic activities and potential increased social and environment contribution (Raut, et al., 2017; Siueia at al., 2019; Yip & Bocken, 2018). According to Rissy (2021) as a form of reputational risk management, the banking sector has led implementation of sustainability programmes focused in Corporate Social Responsibility (CSR) resulting in a strong business case for sustainability adoption through bank sustainability reports indicating good reputation and financial sustainability

Research conducted by Siueia et al., (2019) corroborated Platonova et al., (2016)'s findings establishing a positive correlation between good employee relationships and corporate governance and better financial performance, thereby attributing corporate sustainability as critical to profitability, growth, and competitiveness. Furthermore, corporate governance statutes such as King IV (2016) Report, position employees not only as material stakeholders

in organisation, but also the invaluable role of an integrated and inclusive stakeholder approach to business practices.

1.1 Background to the Research Problem

As the world of business continues becoming more complex and with societal expectations constantly changing, the need for organisations to transform through business model innovation arises in order to unlock greater sustainability and value (Schaltegger, et al., 2019).

The SDGs require corporate and associated stakeholder activity which contributes to sustained economic growth, efficient resource allocation and collective prosperity, not to mention, decent work conditions, which, when looking at the South African context can be linked to what other researchers term the triple bottom line comprised of people, planet and profit (Chams & García-Blandón, 2019; Yip & Bocken, 2018).

Changes to business models are central in realising innovation for sustainability, whether incremental, radical, or game-changing innovation. However, there remains insufficient knowledge within the literature relating to how this can be attained (Beckon et al., 2015; Foss & Saebi, 2016; Freudenreich et al., 2020; Teece 2018).

As they present a case for value creation through business models for sustainability across the stakeholder network, Freudenreich et al., (2020) emphasise the need for businesses to view and utilise business models as devices that organise and facilitate stakeholder relationships corresponding to value exchange for greater sustainability. A business model remains a conceptual tool in understanding how organisations conduct businesses, determine and implement competitive strategies to unlock value (Teece, 2018). Internal alignment and coherence of the business model is a critical factor within the strategic implementation process seeking to deliver value. Furthermore, strategic implementation is dependent on alignment of internal structures, management models, practice and capabilities (Teece, 2010).

Kurucz, et al., (2017), maintain that the key barrier for sustainability is the role of management in the strategic implementation process, and the inability to integrate stakeholders, effective process and performance measurements across the value chain.

Freudenreich et al., (2020) identify a gap in literature and emphasise the need for research into the relational facets between actors in the organisation in shaping stakeholder

relationships and, attending to the role Human Resources Management (HRM) plays in the design of business models for sustainability where employees are viewed as stakeholders.

Given the call to action in line with SDG's and the role organisations are required to play in relation to their internal and external environments, this research explores the role of HRM in the design of sustainable business models using a stakeholder theoretical explorative lens.

The aim is to better understand what role HRM plays, what challenges are experienced by individuals within this function and where potential opportunities to better enable these individuals are in order to attain and support suitability strategies through HRM practice.

1.2 Research Problem

The research problem originates from the inability of organisations in designing, integrating, and aligning their business activities with the needs of internal and external stakeholders through business model innovation for greater sustainability (Freudenreich et al., 2020; Teece, 2010; Kurucz, et al., 2017).

This gap has, in turn, impacted and delayed progress in other arears of research assessing the interrelatedness of sustainability with internal organisational functions as part of the design and alignment of internal structures, management models, practice and capabilities (Bocken, et al., 2014; Freudenreich et al., 2020).

This research, therefore, looks at HRM and the role which it plays in assisting organisations to become more socially responsible through leveraging and optimising workforce capabilities and human and social capital, and building a culture which fosters and transforms the required behaviours and mindsets for achieving greater sustainability (Ehnert et al., 2020; Järlström, et al., 2018; Podgorodnichenko et al., 2020; Stahl, Brewster, Colling & Hajro, 2020).

Through a stakeholder theory lens, the research explores how organisations and managers within the banking sector can leverage HRM capabilities in the development of business models for sustainability by better understanding what the HRM role is in this process; what the impacting factors are which either enable HRM or disenable the HRM role; and, lastly, which HRM practices enable and support sustainable business models (Hörisch, & Freeman, 2019; Freudenreich et al., 2020).

1.3 Research Questions

Freudenreich et al., (2020) explains that the HRM function can contribute to the development of business models for sustainability and indicate that there remains an opportunity for research. Stahl et al., (2020) emphasise the need for further studies in the role and contribution to value creation by HRM, as part of business model design process stage through to implementation inclusive of the understanding of human resources (HR) performance in meeting the needs of a broad stakeholder network.

In exploring the research gap and areas relating to the role of HRM, this research asks the following questions:

Question One: What role does HRM play in the design of business models for sustainability?

Question Two: What factors impact the HRM role in the design of sustainable business model process?
- **Sub-Question:** What barriers are experienced by HRM in the sustainable business model design process?
- **Sub-Question:** What are the potential enablers for the HR?

Question Three: Which HRM practices enable sustainable business models?
- **Sub-Question:** Are employee considered in the formulation of these processes pertaining to both the business model and supporting practices?
- **Sub-Question:** How is the employee considered in the formulation of these processes pertaining to both the business model and supporting practices?

1.4 Research Aims

The research is framed within the banking sector, seeking to contrast and compare the role of HRM and practices in enabling sustainability and exploring whether sustainability and sustainable business models, and related concepts, are uniformly understood and applied within banking industry.

The aim is to gain a deeper understanding of how HRM shapes stakeholder relationships; whether due consideration is given to HRM in the business model design process; and how focus can be given to the HRM role in enabling sustainability. Additionally, which HRM

practices, systems and processes impact sustainable business models and where are there opportunities for integration into the business model.

1.2.1 Theoretical Contribution

A dispersion of perspectives exists with a lack of general agreement on the boundaries and classification of sustainable business models, which present barriers in the progression of knowledge within this realm and hinders the realisation of greater sustainability through innovation and effective implementation of sustainability strategies (Bocken et al., 2014; Evans et al., 2017; Schaltegger et al., 2019). Similarly, this limitation has affected related fields such as HRM field of studies.

It is recognised by scholars that in the pursuit of corporate sustainability, HRM has a critical role to play in the internal and external mutually beneficial relationships across the organisations' value chain namely employees, their families, suppliers, shareholders, and the overall social and natural environment within which business operates (Aust et al., 2020; Järlström et al., 2018, Ehnert et al., 2020; Schaltegger et al., 2020). However there remains a gap in the literature on what that role is and how it can be leveraged.

There remains a lack of classification frameworks within HRM studies focusing on the role of HRM in relation to suitability and sustainable business models, therefore disenabling progress and creating definitional limitations in this area of studies (Ehnert et al., 2014; Stahl et al., 2020). This research therefore seeks to contribute to a body of work which will enhance definitional convergence and integrate concepts across the varying schools of thought thereby progressing towards a clearer understanding of the HRM role and practices which organisations can use in the design of sustainable business models and in their implementation.

1.2.2 Business Contribution

Organisations pursue different kinds of outcomes in satisfying their multiple and varied stakeholder needs. Amongst other actors in the organisation, reliance is also placed on the HR and HRM capabilities in enabling effective execution of organisational goals (Jamali et al., 2015; Teece, 2018; Schaltegger et al., 2020).

There is a school of thought which indicate correlation between good employee relationships, corporate governance and better financial performance, thereby attributing corporate sustainability as critical to profitability, growth, and competitiveness (King IV,2016; Platonova et al., 2016; Siueia et al., 2019)

What remains unclear for businesses specifically in banking is how to better leverage HR through HRM for broader sustainability goal attainment.

Banking sector CSR disclosures traditionally score and determine the level of contribution and impact towards sustainability. Such disclosures shows that drivers of CSR behaviour within this sector are HR behaviour, customer products, environmental initiatives and community involvement (Siueia et al., 2019). HRM and managerial practices play a role in institutionalising planned processes which impact some of these regulatory reporting drivers.

The research presents an opportunity where, through its results, organisations in the banking sector may be enabled to better recognise the value and role of the HRM function within strategies for sustainability. From a HR practitioner's perspective, the aim is to add to insights relating how HRM practices shape stakeholder relationships and to be able to better design relevant HR systems, practices and policies linking these directly to the overall organisational strategy. This will enable better application of an integrated stakeholder approach and perspective within HRM where HR practitioners are better enabled to position their functional expertise and value across stakeholder groups.

The literature review in chapter two presents a narrative structured in line with the figure 1 below research roadmap for ease of reference. Chapter two is a theoretical foundation structure, comprising of key concepts, and constructs presented in a comparative analysis format drawing from various literature sources which enabling definitional comparisons relating to business model innovation, sustainable business models, sustainability in banking, stakeholder theory and sustainable human resources.

Table 1: Road Map: Essay Structure

The below literature road map provides an overview of chapter two theoretical foundations and a summary of the conclusion based on the literature review comparative analysis.

Headings		
2. Introduction 2.1.Conceptualising Business Models & BMI 2.1.1 Defining BMI 2.1.2 Conceptualising Sustainability 2.1.3 Value Creation & Sustainability 2.1.4 Value Creation Practices 2.2 The Banking Sector 2.2.1 Banking Sector Sustainability 2.2.2 Defining Sustainable Banking 2.3 Sustainable Business Model Value Creation in Banking 2.4 Sustainable Business Model Barriers & Enablers 2.4.1 Sustainable Business Model Barriers 2.4.2 Sustainable Business Model Enablers 2.4.3 Sustainable Banking Summary	2.5 Organisational Design 2.6 Human Resources Management Function 2.7 Stakeholder Theory & Sustainability 2.7.1 Stakeholder Theory Approach 2.8 Sustainable Human Resources Management 2.9 Conceptualising Sustainable HRM 2.10 HR & Stakeholder Theory 2.10.1 Stakeholder Identity 2.10.2 Organisational Stakeholder Definition 2.11 SHRM Role 2.11.1 Strategic Partner Role 2.11.2 Employee Advocate Role 2.11.3 Social Support Role	2.12 Value Creation & Capture through HR Practices 2.13 Sustainable HR Practices 2.14 Factor Impact SHRM 2.14.1 Org. System Tension 2.14.2 Management Role 2.15 Conclusion • Multi directional value creation • Org value logic creates business tensions • HRM has a role the BM design process • Management role impacts HR performance – enabler & barriers • Org redesign is critical for sustainability capabilities • Employees are key stakeholders

(Left margin label: Chapter 2 Theoretical Foundation)

Source: Author own

Chapter 2 Theoretical Foundation

2. Introduction

Business model concepts are drawn and integrated from various academic and functional disciplines, similar to research within sustainability, therefore, rendering it an ideal tool of assessment and analysis in how organisations modify, adapt, and transform their commercial activities to drive greater sustainability (Schaltegger et al., 2016). In framing the direction of this research, the business model is understood as a key initiating component in how organisations and managers can innovate for greater sustainability (Foss & Saebi, 2016; Teece's 2018; Schaltegger et al., 2016; Schaltegger et al., 2020).

This research seeks to explore and understand the role played by HRM in the development of business models for sustainability within the banking industry through the lens of the stakeholder theory where employees are viewed as stakeholders (Schaltegger et al., 2020; Stahl et al., 2020).

Stakeholder theory provides a broad approach for assessing and understanding value creation through mutual stakeholder relationships which result in a multi-directional value flow, a key characteristic of sustainable business models where society and nature are viewed and treated as stakeholders of the organisation (Barney & Harrison, 2020; Bridoux, & Stoelhorst, 2016; Bridoux & Vishwanathan, 2020; Schaltegger et al., 2020; Schaltegger et al., 2019).

2.1 Conceptualising Business Models and Business Model Innovation

2.1.1 Defining Business Models

Foss and Saebi (2016) understand business models to be value creation design tools resulting in value delivery and value capture mechanisms for organisations. Schaltegger, (2020) agrees with this definition and emphasises that the dominant logic of a significant number of business models remains the delivery of unidirectional value to the customer thereby negating value creation and delivery across the full value chain. This one directional perspective hinders the progress of broader sustainability being delivered for all stakeholders (Schaltegger et al., 2016).

In the banking industry as an example, the dominant value logic has been one of profit maximisation for shareholder value, where resources and capabilities including management practices remain heavily aligned to financial models for profit maximisation (Carè, 2018; Siueia et al., 2019; Paredes-Gazquez et al., 2017).

For the purpose of this research, the business model is defined as an instrument used by an organisation to establish a competitive advantage where organisational capabilities become an integral factor in resources structuring, critical for fulfilling market demand, maintaining market relevance and dominance, and attaining long-term sustainability. Additionally, from a stakeholder theory point of view, stakeholder relationships, corresponding value exchanges and value creation are understood to be organised and facilitated through business models in the delivery and the execution of the organisational strategy (Baumgartner & Rauter, 2017; Schaltegger et al., 2020).

It can be understood that a business's success depends on business model design and implementation through innovation and supporting internal and external alignment of practices and networks that require specific capabilities (Roome & Louche, 2016; Teece's 2018). A successful business model depends on all factors informing the flow of costs, revenues, profit and long-term corporate and social gains (Roome and Louche,2016; Reuter et al., 2017).

In their definition, Roome and Louche (2016) identify five main business model characteristics that have emerged within the business model domain and list these as the value proposition, value network, value capture, value creation, and delivery. Whilst from a stakeholder theory perspective Bocken et al. (2014) view the business model as a unit of analysis that considers collaboration between organisations and other key stakeholders, where, through business model innovation, organisations can change the way they do business by leveraging and including a wider set of stakeholders. The process of unlocking value and creating sustainable value propositions for organisations, therefore, requires innovation at the core of the business model (Yang et al., 2017).

Dembek, York and Singh (2018) explain that, within the Bottom of the Pyramid literature, organisations tend to presume that minor adaptations to existing business models will address poverty, where the marginalised distributors, underprivileged consumers , and employees are incorporated into traditional business models thereby failing to incorporate complex systemic poverty factors implicating a range of diverse stakeholders.

From a banking institution context, internal operational performance is a key factor within banks in how sustainability is designed, implemented and measured within the business model. This is to ensure an integrated organisational performance approach, linking it to the overall holistic corporate goals and evaluation thereof (Raut & Kharat, 2017).

2.1.2 Conceptualising Sustainability

Chams & García-Blandón (2019) explain that a key objective of the sustainable development goals set in 2015 by the UN General Assembly is the establishments of innovative economies which create and increase employment opportunities, providing access to venerable society groups such as women and youth. Through collaboration with internal and external stakeholders, corporate organisations are being called to ensure that their employees are healthy, workforce educated and productive and playing a good citizenship role within their communities (Chams & García-Blandón, 2019; Ehnert et al., 2014; Stahl, Brewster, Colliings & Hajro, 2020).

Three main definitional areas for sustainability as a construct exist, namely, corporate social responsibility, corporate sustainability and sustainable business management (Macke & Genari, 2019). Podgorodnichenko et al., (2020) position corporate social responsibility and sustainability or sustainable development as converging terms. Sustainability remains a wide and vast area of research which, as stated, has not yet seen a definitional convergence, as a result, this research understands social corporate responsibility and sustainable business management as sub-fields of corporate sustainability in the pursuit of an integrated stakeholder approach to sustainable business models through business model innovation (Macke & Genari, 2019; Stahl et al., 2020).

2.1.3 Value Creation and Sustainability

Value creation is a central concept within business model research and has been assessed, analysed and debated from various perspectives (Freudenreich et al., 2020). The broad nature of stakeholder theory and its theoretical propositions creates opportunities for applicability to value creation in a sustainable business model (Freudenreich et al., 2020). This definition of value has progressed from Adam Smith's view of economic value to a broader range of value forms where recognition of value and value creation is understood as being multi-directional and multifaceted. This multidirectional and multifaceted characteristic results from the

complexity of different stakeholders and stakeholder needs across the organisations value chain (Bocken et al., 2015; Roome & Loche, 2016).

In other words, for a traditional business model one would ask 'what is being created and for whom', in stakeholder and sustainability theory, that question has expanded and become 'how is value created and for whom' (Schaltegger et al., 2020).

With this understanding of value and value creation through business models, it would therefore be critical for any successful design and implementation of a sustainable business model to generate or yield measurable value for a broad stakeholder network (Bocken et al., 2015; Schaltegger et al., 2016).

2.1.3.1 Value Creation Practices

Strategy process, context and content are distinct but interrelated components of an organisation's strategy which, according to Baumgartner and Rauter (2017), can be used to frame strategic thinking. In other words, these are the components that inform an organisation's value logic, and, in turn, play a critical part in how the organisation defines value, prioritises goals and defines and identifies stakeholders (Laasch, 2018). Similarly, these same components therefore inform the organisations approach to corporate sustainability strategy and practices and how the organisation approaches business model innovation for sustainability (Baumgartner & Rauter 2017; Laasch, 2018; Tantalo & Priem, 2016).

2.1.4 Sustainability Business Model Definition

In sustainable business models, a business must capture all the additional complexities that characterise the extended value network and its needs. Furthermore, as a result, bringing about increased ambiguity where it is also seldom evident for organisations how profit and competitive advantage will be attained through the delivery of social and environmental value (Bocken et al., 2014; Schaltegger et al., 2016).

Baumgartner and Rauter, (2017) explain the key components or process flow from which the business model design and implementation process takes place from a strategic management perspective as being the strategy design process; strategy context which is the internal and external strategic factors and their impacts; and the strategy content which is the strategic output or strategic organisational goals. They further explain that there is a relationship between company performance and its impact within its operating environment which they

term the sustainability impact as represented in figure 1 below. This impact results from the application of the business model and resultant organisational activity within the ecosystem inclusive of multidirectional value flow from a stakeholder perspective.

Figure 1: Summary of Sustainable Business Model Value Flow

Figure one presents a view of the value flow generated from internal organisational activity starting from the business model design, processing to associated strategic implementation process and enabling factors such as culture. The value flow is interactive in nature moving back and forth between the organisation and external environment and ecosystem.
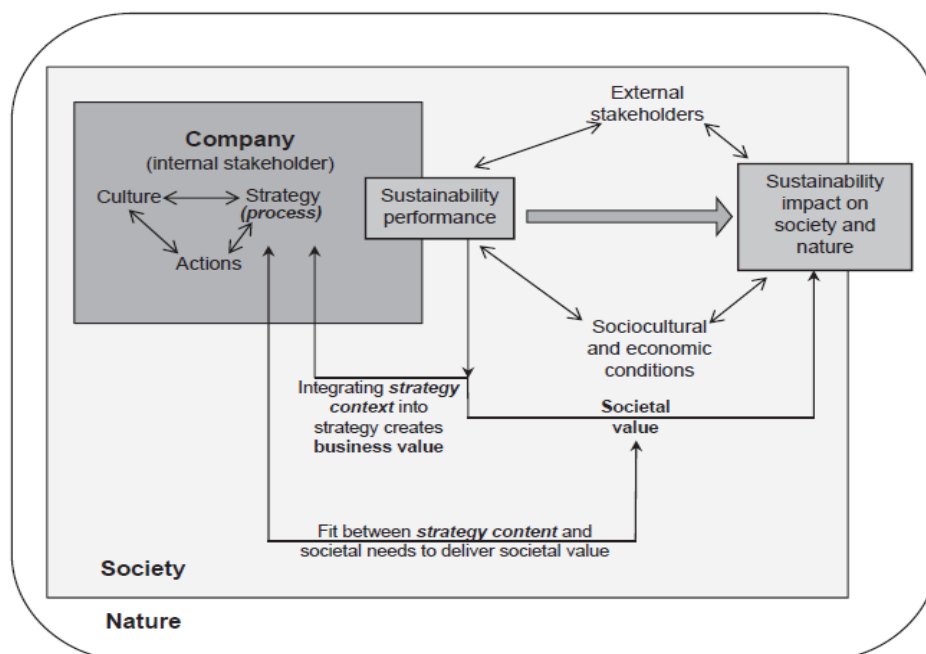
Sources: Baumgartner & Rauter, (

2.2 The Banking Sector

Financial systems including banks operate in a market-based economy where banks play an intermediation role by connecting borrowers and lenders thereby facilitating and influencing economic growth both quantitatively and qualitatively (Carè, 2018; Siueia et al., 2019; Paredes-Gazquez et al., 2017). Scholars such as Alexander (2014); Jeucken (2010); Weber & Remer (2011); Liu (2012); and Scholtens (2009) have for some time postulated about the

relationship between sustainable development and financial institutions and the banking industry (Carè, 2018; Rissy, 2021).

2.2.1 Banking Sector Sustainability

Viewed as an import contributing sector to a domestic economy, the banking sector therefore has a significant role to play in improving and progressing sustainability (Raut et al., 2017; Siueia et al., 2019). Leveraging Social Responsibility (CSR) programmes, this sector has through illustrate that good reputation and financial sustainability present a strong business case for adopting sustainability-centred business strategies through implementation of Rissy (2021).

Although not sector specific, *The Principles for Positive Impact Finance* was released in 2017 by the Positive Impact Working Group as part of United Nations Environment Programme Finance Initiative which comprised of specific principles guiding signatories towards an increased positive impact on the economy, society and the environment where South African banks Nedbank, Standard Bank and First Rand become signatories (Carè, 2018).

Table 2: Link Between Business Model, Business Model Innovation & Sustainability

There remains an intricate connection between the business model and its function as a multi directional value creation tool for sustainability. Table two illustrates the connectivity through a summary view of authors in their view of their connection between business model, their business model innovation and sustainability.

Author(s)	Business Model View	Business Model Innovation (BMI) View	Link to Sustainability
• Foss and Saebi (2016)	• Business model is a value unlocking tool for origination	• Through BMI multidirectional value can be created, captured and exchanged	• Increased sustainability can be attained through BMI with greater understanding and convergence of sustainability concepts and how to integrate them into the business model
• Schaltegger Hansen, and Lüdeke-Freund (2016)	• Tool for assessment and analysis (how) organisations modify, adapt and transform their commercial activities to drive greater sustainability		
• Teece (2018)	• Informs, enables and supports internal and external practices and networks that require specific capabilities	• Dynamic capabilities required to innovate and in the organisational design	• Organisational design capabilities required for attainment of sustainability are enabled and supported through culture and leadership practices
• Bocken, Short, Rana & Evans (2014)	• Business Model is a unit of analysis that considers collaboration between organisations and other key stakeholders	• Through BMI organisations can change the way, they do business by leveraging and including a wider set of stakeholders • Innovate for value creation, capture and value delivery across value network	• Minimal consumption system • Societal and environmental benefit maximisation system • Reuses, regenerates and repairs closed loop system • Functionality and experience, rather than product ownership. • Rewarding work experiences and systems enhancing human creativity and or skills
• Yang, Evans, Vladimirova, & Rana (2017) • Dembek, York & Singh, (2018)		• BMI is the process of unlocking value and creating sustainable value propositions for organisations	• Address significant social challenges such as poverty, food security and job security, aging populations, energy demand and climate change through innovation and technology • Triple Bottom Line (People, Planet and Profit
• Roome and Louche, (2016) • Freudenreich, Lüdeke-Freund & Schaltegger (2020)	• Five main business model characteristics – value proposition, value network, value capture, value creation and delivery		• Broad stakeholder network with multi-dimensional value creation across stakeholder network
• Siueia, Wang & Deladem (2019)	• Shareholder interest driven business model, focus on profit-making mechanisms	• BMI innovation focus on product and services and technology	• Sustainability banking narrowly defined around compliance. • Incorporate broader sustainability along broad stakeholder network

Source: Authors Own

The domestic and global banking industry has voluntary and mandatory laws, regulations and frameworks for the systematic management of sustainability, where the aim is to influence and positively affect behaviour towards investment, credit lending, the environment and greater society through transparent reporting yet, at times, the quality and type of disclosures significantly vary (Carè, 2018; Deladem et al., 2019). The point of variation in disclosure quality brings into question not only the effectiveness of these processes and practices, but also the level of commitment of the industry in issues of sustainability and whether profit maximisation, shareholder focused dominant logic are not barriers and, if so, how do they move beyond these barriers?

Notably, the increased pressure by stakeholders for sustainability in banking is due to banks using CSR strategy as a risk mitigation mechanism to reduce what is, at times, termed managers opportunism behaviour, in their attempts at increasing their financial profitability (Deladem et al., 2019). Whilst the drive for focus on sustainability in the banking industry is noble, it has the potential of being a narrow view and practice of sustainability and more in line with CSR, symbolic causes and activities, where the more fitting would be for broader sustainability going beyond compliance and moral minimalism (Carè, 2018; Stefano, 2018; Freudenreich et al., 2020; Stahl et al., 2020; Yip & Bocken, 2018).

Corporate organisations including the banking industry through pursuit of sustainability and attainment of sustainable goals have the ability to, in turn, influence and shape related external public policy, hence the need for a stakeholder approach and realisation of the interconnectedness in the pursuit of non-financial and financial organisational goals for achievement of social objectives and reduce long term environmental risk (Rautet al., 2017; Yip & Bocken, 2018).

This is in line with the multidirectional value flow from within the organisation, inclusive of the external environment and stakeholders. The internal components which impact this flow are stakeholders' interest incorporated into the business model and organisational goals, delivered, supported by the internal culture and leadership action towards strategy implementation and strategy process through this value cycle. In other words, the value is created, captured and exchanged between the internal organisational stakeholders and external stakeholders along the value network which, in turn, means that, from a sustainability and value flow perspective, client information and insights, government regulation, economic and industry changes and activities, society feedback and employees' interaction are value drivers which the organisation needs to take into consideration in their SBMI processes (Carè, 2018; Baumgartner & Rauter, 2017)

2.2.2 Defining Sustainable Banking

As explained by Raut et al. (2017), sustainable banking is a trustworthy banking system which encompasses both internal and external stakeholders, financial and non-financial factors. It's financial and banking activities include consideration of social and environmental aspects with varied time horizons leading towards long-term prospects which are supported by ethical values and contribute towards a stable financial ecosystem by managing various risks, while balancing tensions and trade-offs among its stakeholders' interests. The ability to successfully implement sustainable banking solutions requires internal operational performance directly linked to corporate goals, hence the relevance in exploring the role of the organisational functions such as HRM in those alignment processes (Raut et al., 2017).

Yip and Bocken's (2018) definition of sustainable banking is one that factors in and integrates the triple bottom line into the business model meaning the delivery of financial services seek to meet the needs of people whilst preserving or positively impacting the environment and society and generating revenue. In other words, eliminating negative impact on the planet and people, and fostering prosperity (Yip & Bocken ,2018).

2.3 Sustainable Business Model Value Drivers in Banking

Referencing Weber and Feltmate (2016), Carè (2018) indicates the existence of 12 sustainability value drivers within banking which can create business value where the internal drivers are employee attraction and retention including employee productivity and operational efficiency. External drivers are categorised as the regulatory framework, both international and domestic, risk management and reputation, customer attraction, brand management, new opportunities and portfolio diversification and corporate governance.

From a sustainable banking business model perspective, central to effective performance and value creation is the banking relationship were the offering, including the delivery process, is required to match client needs and the value drivers according to Raut et al. (2017) are customers, financers, internal processes and a learning and growth organisation. Contributing to this view Malik et al., (2017) add that technology and innovation as part of the key drivers.

Corporate governance is identified as one of the key external sustainability value drivers in banking, together with regularly framework introduces as substantial risk management

component which results in various type of reporting (Weber & Feltmate, 2016; Carè 2018). Whilst this research does not focus on the risk and corporate governance aspect of SBMs, their relevance is in relation to the fact that HRM has a role to play pertaining to these particular drivers through reporting, facilitating and supporting statute principles such as those encompassed in King IV which make provision for stakeholder inclusivity, triple context or the triple bottom line, and governance of the organisation's core purpose through the business model (King IV, 2016).

A closer examination of principles four, thirteen and sixteen of King IV, shows the inter-connectedness of organisational strategy, business model and organisational goals. Whilst emphasising the importance of maintaining strategic objectives for the short, medium and long-term horizon and connecting that to the need for the balance and inclusivity of the interests and expectations of material stakeholders in the interest of long-term company performance.

Researching the role of HRM practices contributes towards sustainability value creation through the business model, and would enable organisations to better design financial strategies relevant to their material stakeholders and better embed these in stakeholder needs in the business models, strategy implementation and organisational practices though innovation and learning needs to achieve a holistic and integrated approach to value (Raut et al., 2017)

2.4 Sustainable Business Model Barriers and Enablers

Embedding sustainability into the business model and strategy requires organisational, cultural and behavioural change where management and leadership action is all geared towards sustainable value creation practices which, according to Teece (2010), requires dynamic capabilities. Dynamic capabilities are new ways of knowledge creation, resources configuration and solution orientation (Amui et al., 2017; Teece, 2010).

Whilst this research explores the role of HRM in the design or formulation phase of the SBMI, it's imperative to highlight that the strategic implementation or operationalisation of SBMI is part of this process given the iterative and interconnected nature of the value delivery. Amui, et al., (2017) emphasise the criticality of the strategy and strategic implementation as this directly impacts sustainability integration into the rest of the organisational touchpoints therefore becoming a driver for organisational capabilities development.

2.4.1 Sustainable Business Model Barriers

The key barrier for sustainability as identified by Kurucz et al., (2017) is the role of management in the strategic implementation process and their inability to integrate stakeholders, through effective processes and performance measurements across the value chain. In other words, the challenge is the inability to reconfigure and integrate stakeholder relationships and needs through knowledge management and capabilities and leveraging culture and way of work. In essence, therefore, sustainability should be embedded in the organisational culture and, as a result, this responsibility becomes one for not only all management levels but also interdepartmental and functional responsibilities. This surfaces Freudenreich et al., (2020) point for the need to differentiate between different business functions and clearly define roles within the organisation in pursuit of business models for sustainability (Baumgartner & Rauter, 2017; Bocken & Geradts, 2020).

Bocken and Geradts (2020) distinguish between institutional, strategic and operational barriers towards SBM where, at institutional level, organisational culture influences functional strategy implementation, exploitation of current and short-term profitability. The challenge for organisations is, therefore, building cultures which support and enable business transformation through behaviours and mindsets change required to achieve greater sustainability across the value network and its integration in the business model, strategy and across organisational processes (Carè, 2018; Stahl et al., 2020).

Operational barriers internally influence strategic barriers, namely, functional excellence, fixed resources planning and allocation, and financial matrix, amongst others (Bocken & Geradts 2020). The literature identifies organisational leadership, organisational structure, resources and change process, as incentives that are amongst some of the enabling factors for business model innovation for sustainability (Bocken & Geradts, 2020; Foss & Saebi 2016; Teece, 2018; Kurucz et al., 2017).

These challenges may present opportunities for organisations to apply strategic practices and processes as guided by Kurucz et al., (2017) where through a framework for strategic sustainable development they identify the critical role played by relational leadership, which is a joint meaning making process where leaders enable groups of people to work together collaboratively across functional expertise and organisational levels. This process seeks to enable horizontal and lateral integration of sustainability in the business design process where through relational leadership, cross functional and inter disciplinary knowledge sharing occurs (Kurucz, et al., 2017).

Particular capabilities are required in order for leadership to be able to play this role in the design process and this may, therefore, present an opportunity for the role of HRM in enabling these capabilities but also being a functional role player and partaking in the knowledge sharing process as well.

Bocken & Geradts (2020) refer to an additional three deterrents which organisations seem to grapple with in pursuing increased sustainability, those being the associated long-term financial costs of business transformation linked to its complex nature and the connected business trade-offs due to conflicting stakeholder and shareholder needs and the vague nature of how organisations can become more profitable as a result of sustainable business model mechanisms.

2.4.2 Sustainable Business Model Enablers

Enabling characteristics in the successful design and execution of SBM are the internal and external consistent alignment across all dimensions of the business model, where business intelligence is optimised for foresight and institutionalisation of operational flexibility through innovative leadership in order to enhance the ability for effective transformation (Geisen et al., 2010).

Embedding culture, leadership capabilities, knowledge management, resource allocation and planning are all key functions which fall within the broader HRM function and, as such, the literature already points to there being a critical role that HR and HRM play in the design and implementation of sustainable business models (Bocken & Geradts 2020; Macke & Genari, 2019; Willard et al., 2017).

Additionally, Amui et al. (2017), present these as internal sustainability drivers which, again, point to the involvement of the HRM function in their role as realignment of organisational structures and resources inclusive of employees, revised processes, incentives and realignment of strategy. All these elements are significant components of organisational design which predominantly falls within the realm and core function of the HRM discipline (Bocken, & Geradts 2020; Chams & García-Blandón, 2019; Ehnert et al., 2014; Podgorodnichenko et al., 2020).

Through their studies, Bocken and Geradts (2020) highlight that the barriers and enablers for SBMI co-exist rather than replace each other which, therefore, presents further opportunity for research relating to how organisational design can result in broad-based value creation

through dynamic capabilities. Whilst this research does not provide a direct answer to that question, looking into the HRM role relating to organisational design and HRM practice in SMBI could assist in progressing the discussion.

2.4.3 Sustainable Banking Summary

In summary, the banking industry is a key player in the ecosystem and their activities present an opportunity to foster corporate sustainability through suitable business models and business model innovation. Current models exhibit elements of corporate sustainability practice through their reporting, however, there remains opportunities for greater and more integrated and embedded sustainability behaviour through business model design which is a multi-functional process given the need for integration of multi -stakeholder needs both internal and external which are part of the general banking system (Yip & Bocken, 2018).

2.5 Organisational Redesign and Dynamic Capabilities for Sustainability

Organisational design, at times, referred to as business transformation, is a reconfiguration process of an organisation's structures, processes, strategy and people in an effort to build effective organisations enabling the leveraging of SBMI which according to Teece (2010), remains a dynamic capability. The nature and characteristics of this transformative process is one which requires a multi-functional and interdisciplinary approach within organisations given its complexity. As a result, the HR function has a role to play, taking into consideration elements such as the knowledge and skills required in order to build dynamic capabilities, the culture and organisational values which foster the appropriate sustainability-oriented behaviours and mindset, leadership and associated management practices (Bocken & Geradts 2020; Teece, 2018).

2.6 Human Resources Management Function

Applying Ehnert et al.'s (2016) definition of HRM extrapolated from the ergonomics discipline, this research understands HRM as a multi-disciplinary profession which applies theory, principles, data and methods in understanding interactions amongst humans and elements of a system to design for optimisation of human wellbeing and overall system performance.

HRM as a discourse has developed from two main schools of thought namely hard HRM and soft HRM where the distinguishing factors have been the purpose for which the function has

been used in organisations driving and supporting organisational goals, the nature of policies and HRM practices applied and who the beneficiaries have been (Ehnert et al., 2016; Amui, et al., 2017).

The HRM role has predominantly been positioned for contribution towards business strategy and organisational performance from a profit-making and shareholder perspective. In other words, functionally, their value has been narrowly linked and positioned for the achievement of organisational goals which favour or prioritise shareholder profit maximisation and therefore being one directional in nature (Ehnert et al., 2014; Macke & Genari, 2019; Stahl, et al., 2020). HRM has since progressed from this single economic purpose, moving from the hard HRM to soft HRM which includes a stakeholder approach and viewing HRM as playing multiple roles in balancing organisational goals, employee needs and those of external stakeholders (Amui, et al., 2017).

The HRM function is for the enablement of organisations in making strategic people management decisions through relevant and progressive policies and systems in support of reaching internal and external organisational goals, hence the link to sustainability and stakeholder theory (Ehnert et al., 2016; Macke & Genari, 2019).

Compatibility between HRM and sustainability is in the human factor which is a common component between peoples' behaviours and their direct impact on social, economic and environmental faculties (Chams & García-Blandón, 2019; Macke & Genari, 2019). This compatibility highlights the view that the HR function is strategically and appropriately placed to take part in the development and implementation of sustainable practices within organisations and in particular the business model strategic design process for broad value creation (Stahl, et al., 2020; Podgorodnichenko et al, 2020).

The conceptual terms of human resources, human resources management and human capital are used interchangeably throughout the HRM discipline where at time they are used in reference to achievement of goals through employee efforts whilst at other time when referencing the a functional role (Ehnerts et al.,2014). This may further point to the limited research and conceptual development within the HRM research and practitioner field.

2.7 Stakeholder Theory and Sustainability

Stakeholder theory and sustainability bare numerous similarities although cannot necessarily be positioned as interchangeable. However, fundamental characteristics of both stakeholder theory and sustainability are their descriptive, prescriptive and instrumental nature in suggesting options for organisations in solving business problems and creating value thereby illustrating the compatibility of the two domains (Hörisch et al., 2014; Freeman et al., 2010).

Different sectors experience different types of stakeholder salience in relation to the degree of sustainability and resultant value creation and exchange from their business model (Bocken, & Geradts, 2020; Laasch, 2018).

2.7.1 Stakeholder Theory Approach

Pioneered by Freeman in 1984, stakeholder theory is one of the predominantly used theories or management frameworks by researchers and managers seeking to understand stakeholder dynamics and how these impacts organisational performance resulting in value creation particularly within the social responsibility and sustainability realm (Jones et al., 2018; Tantalo & Priem, 2016; Tapaninaho & Kujala, 2019). Additionally, Freeman's (1984) stakeholder theory has been expanded and adapted in the analysis of various strategic management fields such as corporate responsibility, corporate sustainability and business ethics where the unit of analysis is the relationships between the organisation and its stakeholders rather than the organisation itself (Tapaninaho & Kujala, 2019).

Various versions of Freeman's (1984) definition of stakeholders exist where stakeholders are defined as any group or individuals affected or who can affect an organisation's objectives and, as such, that is the definition which this research will apply (Mitchell et al., 1997; Jones, Harrison & Felps, 2018; Tapaninaho & Kujala, 2019; Schaltegger et al., 2014; Schneider & Sachs, 2017; Sulkowski et al., 2018).

Other scholars such as Hörisch et al., (2014), however, highlight the narrow definition by (Rhenma, 1991). Whilst derived from Freeman's (1984) definition of stakeholders, Rhenma (1995) specifies that these groups' or individuals' dependency is for attainment of personal goals whilst the organisation dependency is for existence. In defining stakeholder theory, however, Schaltegger et al., (2014) emphasise the need to focus on the use rather than

definition thereof, explaining the unit of analysis as being the relationships between the organisation and its stakeholders.

Four core stakeholder theory types exist namely descriptive, instrumental, normative and integrative stakeholder theory. Descriptive focuses on the identification of relevant stakeholders; instrumental organisational goal achievements; and stakeholder management effects; and normative lies within the moral justification of stakeholder theory and business purpose realm. Integrative is concerned with the interrelatedness factors of the first three schools of thought mentioned (Harrison et al., 2018; Sulkowski et al, 2017).

Whilst this may be an institutional theory-based view, the combination of HRM and stakeholder theory creates HRM legitimacy and integration of mindset and behaviour into organisational culture and practices, thereby fostering stakeholder involvement. Macke & Genari (2019) explains that stakeholder orientation creates an ease for adoption of ethical HRM process which, in turn, is also able to dilute the tensions between the employees and the organisations through its broad nature. Lastly, the application of a stakeholder involvement by HRM creates greater buy in for their function, practices and value creation (Ehnert et al., 2014; Macke & Genari 2019).

2.8 Sustainable Human Resources Management

Sustainable human resources management (SHRM) has mainly covered topics such as green HRM; strategic environmental HRM and socially responsible HRM where predominantly CSR has been a focus (Ehnert et al., 2016; Järlström et al., 2018; Macke & Genari, 2019). Scholars have as early as 1984 advocated for a multiple stakeholder model of HRM with multidimensional performance outcomes including employee centricity, followed by Rogers and Wright's 1998 multiple-stakeholder approach and more recent work by Beer et al. (2015); Collings (2014); Ehnert et al. (2016); Kramar (2014); Macke and Genari (2019); and Stahl et al. (2020).

There remains limited integration between HRM research and sustainability research therefore significantly limiting the understanding and measurable value and contribution by HRM towards broad sustainability (De Stefano et al., 2018). The absence of integrated frameworks for articulating and classifying the role of the HRM in sustainability and the lack of connection between HRM and corporate sustainability management skills are fundamental

barriers to the development and progression of HRM practices which organisations can use both in the design of the SBM and in their implementation (Ehnert et al., 2014; Stahl et al., 2020).

2.9 Conceptualising Sustainable Human Resources Management

SHRM is multi layered in its analysis approach covering process management, individual people effects, both short and longer-term horizons and social, economic and environmental factors (Macke & Genari, 2019).

Whilst HRM or strategic HRM has previously focused on organisational financial and economic outcomes with HRM practices tailored on driving workforce productivity, SHRM is focused on internal and external social involvement of the organisation where HRM goals and practices are tailored to ensure optimal workspaces for the betterment of a wide stakeholder network (Chams & García-Blandón, 2019). SHRM is therefore an extension of strategic HRM and activities are intended to enable the organisation to achieve its goals both internally and externally (Macke & Genari, 2019; Chams & García-Blandón, 2019; Stahl et al., 2020).

Amui et al. (2017) distinguishes between four SHRM categories which they extrapolate from Dyllick and Muff's (2016) research, these are Socially Responsible HRM; Green HRM; Triple Bottom line HRM; and Common Good HRM. They explain the distinguishing factors as being organisational orientation, key concerns to be addressed by SHRM, the SHRM processes required to address those concerns and resulting SHRM value creation or results. The classification is progress towards a systemic approach to SHRM and associated practices, however the organisational context informed by the business model largely directs the nature of applied SHRM inputs (Amui, et al., 2017). Due to this reason relating to classification, this research will not distinguish between these four types of SHRM but rather use a broad view taking into consideration varied organisational contexts within the sustainability spectrum.

Macke & Genari (2019) identifies three main SHRM roles, namely, capability reproduction, social and environmental health promotion and connections. Capability reproduction focuses on the creation of competitive sustainable advantages and is internally oriented at organisational level, whereas the social and environmental health category is externally focused with broad SHRM practices addressing social and environmental outcomes. Lastly, connections focus on interrelated management and HRM practices (Macke & Genari, 2019).

Notably, Chams and García-Blandón (2019) explain the role and functional significance of SHRM as that of enabling innovation, cultural diversity through influencing the employee mindset and leadership behaviour using HRM systems and alignment to the already mentioned internal drivers for the business model's sustainability.

In other words, product improvement through innovation, collaboration and advanced technology adoption are capabilities enabling business model redesign or design to capture greater sustainability and the SHRM role would be to ensure the fostering of these capabilities and creation of a sustained levels through cost effective means (Amui et al, 2017; Malik, et al., 2018; Teece, 2018).

2.10 Human Resources and Stakeholder Theory

There remains a need to change institutional conditions such as shifting power dynamics between business and stakeholders such as labour unions, employees and regulatory institutions resulting in new employment relationships which, in turn, translate into increased uncertainty and possible tensions between managers and employees where HR as a function have a role to play (Podgorodnichenko et al., 2020; Voegtlin & Greenwood, 2016).
HRM has to be able to establish HRM systems, practices and policies that respond to the business' social and environmental climate impacting organisational and stakeholder needs. Additionally, through stakeholder theory, the role of employees as promoters and recipients of human and organisational sustainability is increasingly receiving scholarly attention thereby highlighting the urgency and need for research into how HRM can enable organisational sustainability in the design and implementation of sustainable business models through practices which view the employees as a key stakeholder (De Stefano et al., 2018; Freudenreich et al., 2020).

2.10.1 Stakeholder Identity

Citing Freeman (1984), Järlström et al., (2018) explain that long-term value, the organisation and its capacity to generate wealth is determined by relationships with critical stakeholders. This view was also supported and expanded upon by Mitchell et al., (1997) through a theory of stakeholder salience, proposing that stakeholder or stakeholder groups' needs receive attention from management based on management perception of their power, legitimacy ad urgency. The more attributes a stakeholder has, the greater the salience there is. In other words, managers are faced with having to make a strategic decision about allocation of

resources, product and service design based on their perception of a certain stakeholders justified right to claim legitimacy and their ability to impose their willpower (Järlström et al., 2018).

In line with Freeman's (1984) definition of stakeholders, Tantalo & Priem (2016) elaborate that essential organisational stakeholders are customers, employees, suppliers, shareholders and the community who have different and divergent stakeholder needs. While, at other times, stakeholders may have what Schaltegger et al., (2014) refer to as a dual role or dual classification in the manner in which they are connected to the organisation. For example, in case of a bank employee, who can be classified as an internal essential stakeholder, whilst at the same time, have a bank account and can therefore be classified as a customer and as an indirect shareholder due to a long-term investment in a bank product they may have. This perspective further highlights the continuous flow of value amounts within the value network, emphasising the various types of value and the reciprocal nature of stakeholder interaction which, in turn, creates various opportunities for sustainable action.

Research results by Esteban-Sanchez (2017) share that the most critical banking stakeholders are employees and shareholders, whilst Vanhala et al., (2018) maintain that employees in all work contexts and environments have high legitimacy. The critical question then for organisations to answer is, if indeed employees are the main stakeholders: What processes, practices and systems can be utilised to meet their needs? What are their needs and how does business support these sustainably whilst driving organisational goals? How are these needs aligned and leveraged within the greater stakeholder network and value chain? Whose role and function is it to do this in the design and implementation of a sustainable business model?

2.10.2 Organisational Stakeholder Definition

The literature attributes a positive correlation between good employee policies and competitive advantage. It shows that increased efficiency, productivity and turnover result from reducing staff rotation, absenteeism and stress when employees' commitment is improved (Ehnert, et al., 2016; Podgorodnichenko et al., 2020; Voegtlin & Greenwood, 2016).

Paredes-Gazquez et al. (2017) align with Esteban-Sanchez's (2017) sentiments pointing to a positive link between responsible HRM practices and company financial performance given good employee-organisation relationships and perceived commitment of the organisation to

employees. Negative or neutral results were reported when employee perception relating to the organisation's commitment to them is negative.

Whilst research by Paredes-Gazquez et al., (2017) provides positive data supporting a stakeholder theory as it relates to employees being key stakeholders, interestingly, one criticism for HRM researchers and practitioners has been their focus on financial performance at employees' expense where, although organisations leverage on employee and human resource capabilities in meeting organisational and shareholder goals, it has been found at the expense of employee interest (Stahl et al., 2020). Furthermore, Vanhala et al. (2018) point to there being a knowledge gap relating to stakeholder salience within the HRM realm.

Paredes-Gazquez et at., (2017) findings correlate with a fundamental underpinning of stakeholder theory research from Freeman's founding perspectives where employees play a dual role as both promoters and recipients of organisational sustainability. In other words, they are major stakeholders and, as such, it is critical to organisational sustainability to ensure that there exists relevant tools to meet and align with their needs (De Stefano et al., 2018).

2.11 Sustainable Human Resources Role

HRM has to be able to establish HRM systems or practices and policies that respond to the business, social and environmental climate impacting organisational and stakeholder needs.

There remains a need to change institutional conditions such as shifting power dynamics between business and stakeholders, for example, labour unions, employees and regulatory institutions resulting in new employment relationships which, in turn, translate into increased uncertainty and possible tensions between managers and employees where HRM as a function have a role to play (Podgorodnichenko, et al., 2020; Voegtlin & Greenwood, 2016).

Chams & García-Blandón (2019) posit that the practices and systems established by SHRM should encapsulate the UN's SDGs specifically along decent work and economic growth, reduction in inequality, gender equality, health and wellbeing and responsible consumption and production.

2.11.1 The Strategic Partner

The literature positions SHRM as a strategic business partner where its function plays a facilitation role between business leaders, employees and external stakeholder groups in the delivery of organisational goals. Practices which enable the organisation to reach its goals are focused on attracting and retaining critical skills and talent. Which therefore requires internal developmental and training programmes and processes that position the organisation as the best place to work for and develop and aligning rewards and incentives which drive and support the requisite organisational behaviours towards sustainability (Mack & Genari, 2019).

2.11.2 Employee Advocate

As an employee advocate the SHRM function plays an instrumental role in the formulation and implementation of practices and policies which are in the interests of employees. Podgorodnichenko et al., (2020) link SHRM to a focus on employee wellbeing and associated practices inclusive of diversity and inclusivity, fairness and application of appropriate and employee-centric labour legislation and the protection of jobs or creation of employment opportunities. Additionally, diversity and inclusion which may at times form part of the regulatory and compliance realm within a South African context. However, in this case it also falls within the scope of an optimal work environment and the fostering of a diverse, innovative and collaborative organisational culture which has already been mentioned as a driver for sustainability (Mack & Genari, 2019; Ehnert, et al., 2016 Podgorodnichenko et al., 2020).

2.11.3 The Social Support Role

Focusing on the needs of the community and how SRHM practices impact the external environment, an example would be the negative effect exploitative labour practices or retrenchment may have on employees, their families and the greater community (Podgorodnichenko et al., 2020). This element also covers matters relating directly to Corporate Social Investment (CSI) and accounting for managing and mitigating the effect the organisations may have on the environment, community and society.

2.12 Value Creation and Value Capture Through Human Resources Practices

Having previously explained the value creation concept and how it relates to sustainable business models from a stakeholder perspective, there are HRM practices necessary in supporting these value creation activities and enabling sustainable business model drivers. The related questions would be who the value is created for by the HRM function (Macke & Genari, 2019).

Interestingly, Ehnert et al., (2016); Macke & Genari (2019) highlight that similar to how organisations need to create dynamic capabilities for business model innovation with the assistance of the HRM function, this principle and approach applies to HRM professionals as well where organisations need functional sustainable HRM. This view leans more towards a resources-based theory approach as opposed to stakeholder theory, however, is relevant to this discussion in order to provide a holistic view of the HRM role as organisations reconfigure their business models (Ehnert et al., 2016; Macke & Genari, 2019).

2.13 Sustainable Human Resources Practices

In their research of SHRM, Macke & Genari (2019) emphasise the fact that sustainable strategies, even those which are employee related, require more than the HR function as actors, highlighting the role of internal and external stakeholders where management is required to improve working relations through the promotion of organisational learning and career development, recognition programmes, enabling work-life balance, creating career progression and promotional opportunities jointly with HRM.

Whilst SHRM practices vary in line with organisational context and the elements which the business model seeks to impact from a sustainability perspective, scholars agree that the HR role is central to SHRM practices in terms of recruiting, developing and retaining organisational-critical employees and their critical skills, and organisational leadership has a key role in the process through enablement of HR to effectively play their part (Macke & Genari, 2019).

Given the underdeveloped realm of SHRM where there is still a dominance of strategic HRM focusing on organisational profit-making focus, Ehnert et al., (2016) recommend that HRM and organisational leaders need to first assess and understand the organisational context,

value and sustainability as these elements are what then informs the actual sustainability philosophies and underlying principles which will inform processes and HRM sustainability direction.

Figure 3: SHRM Practice Based Model

Figure 3 represents a SHRM practices-based model which takes into account external factors impacting the organisation and informing nature of suitability the business model caters for and recognises from which SHRM practices can be derived and HRM performance measured against.
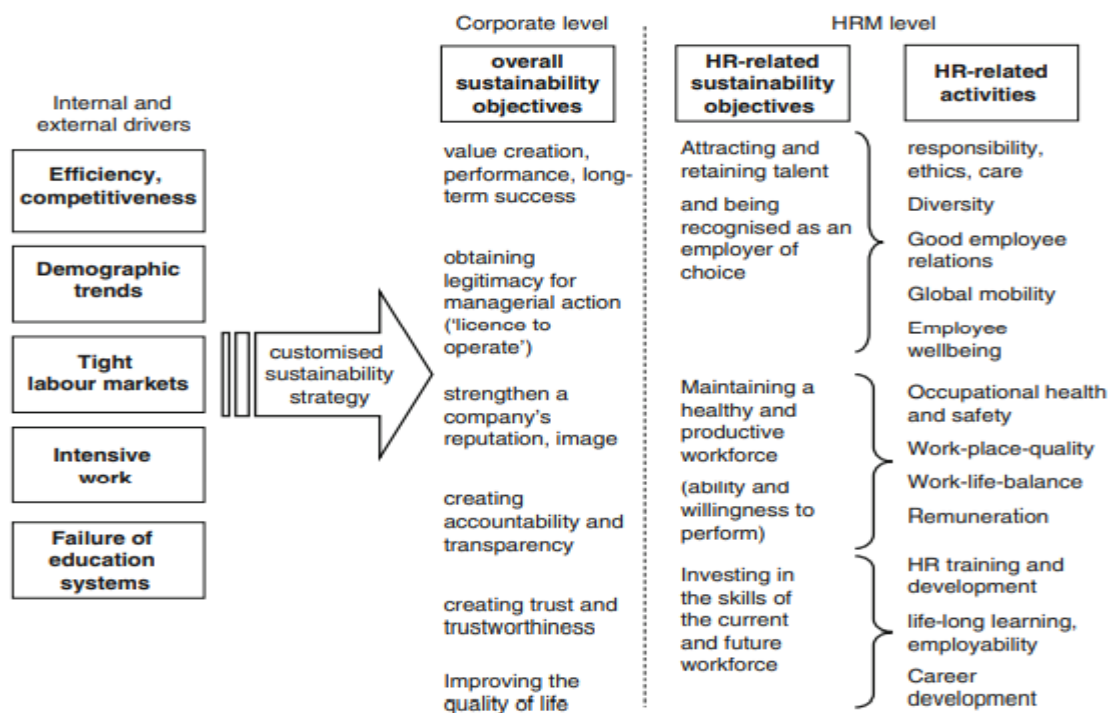
Source: Enhert, et al., (2014) p256

In order for HRM to add value, they are required to take into account organisational strategy, business model principles which already factors sustainability objectives and craft relevant, fit for purpose and aligned HRM strategies using generic HRM mechanisms. Enhert et al., (2014) explain that there are varied HRM interpretations of the required practices aligning to business objectives, however what is most important is that these practices are efficient, effective and self-sustaining.

2.14 Factors Impacting Sustainable Human Resources

The challenges faced in SHRM can be categorised into three themes, namely, organisational, systematic and attitudinal. According to Chams & García-Blandón (2019), the systematic theme relates to external stakeholder processes such as poor compliance reporting, support and tools. The attitudinal theme refers to the lack of support from internal organisational stakeholders. Organisational refers to the existence of contrasting organisational processes and systems which do not support SHRM nor drive sustainability.

A critical barrier in progressing the role of HRM practitioners is a misalignment of existing processes which were designed during the industrial era where the underlying assumptions and organisational logic of the time that informed these practices, processes and systems are likely not to be relevant in the current complex and dynamic era affected by phenomenon such as globalisation (Podgorodnichenko et. al., 2020; Voegtlin & Greenwood, 2016).

Research by Stahl et al. (2020) also found that organisations sometimes view sustainably as compliance and a risk-management function separate from core business processes which has also been the case in the banking literature. This has therefore deprioritised the broad sustainability agenda from supporting key functions such as HRM and the broad stakeholder value and role they play, not being understood as priority.

Chams & García-Blandón (2019) list SHRM barriers as being lack of definitional alignment relating to sustainability within organisations and amongst leaders leading strategy design and implementation, therefore, no clear process on attainment of sustainability goals and measurement thereof. Furthermore, they highlight the importance of employee behaviour, support and volunteerism which cannot be fostered when there is lack of alignment as initially highlighted.

Alignment of systems and processes for sustainability is not only a challenge for business leads but also one which affects the level of impact HRM has in enabling sustainability particularly starting from the business model design stage. Ehnert et al., (2016) share results from a survey where out of 250,000 HRM professionals from 140 countries only six percent gave an indication of being involved in the business model for sustainability design process and sighted involvement as an enabler in effectively implementing correlating sustainability practices. The rest indicated that their performance was negatively impacted as result of non-inclusion in the business model design process.

Given the role employees play in the organisations as key stakeholders, their support is required when CSI volunteerism in particular are part of the organisational sustainability strategy. Furthermore, employee engagement remains critical in effective execution of task and business objectives. As a result, change management, which is part of organisational design, becomes critical so as to ensure it does not negatively impact employees' moral wellbeing and engagement as this may have a negative impact on the overall sustainability practices (Stahl et al., 2020).

Organisational capabilities and dynamic capabilities have been indicated as necessary in the business design for suitability. The literature points to there being a need for sustainability capabilities or competencies within the HRM realm where, given the broad, complex nature of sustainability and other factors which impact the HRM role, this has not received much attention yet could potentially be a contributing factor to the lack of progress within the HRM practitioner and researcher realm (Ehnert et al., 2016; Stahl et al., 2020).

2.14.1 Organisational System Tensions

HRM plays a role in having to balance stakeholder needs both internally and externally. In relation to employees, this would be in the form of maintaining sustainable work environments which may come at a financial business cost, placing this function in a position of being viewed by business leaders as impacting profitability through expenditure (Macke & Genari, 2019). This tension would arise not necessary as a result of SHRM spend, but rather from the underlying tension of misaligned business priorities or possibly an inherent profit maximisation and shareholder logic.

2.14.2 Management Role

The collaboration between HRM and business leaders is a critical one and can either be an enabler or barrier. It is through their relational interactions that organisational culture is created and influenced, where according to Chams & García-Blandón (2019) can result in positive employees experience and positively affect their work environment. This therefore requires leaders to lead the creation of efficient business process and remove bureaucratic structures, support cross functional ways of work and sign off appropriate remunerations' incentives Chams & García-Blandón (2019). The interconnectedness of the HRM role and that of business leaders is in their creation of an enabling environment and systems for HRM to operationalise and implement the necessary practices and systems which will yield corporate sustainability and foster innovation (Stahl et al., 2020). This aspect is connected to the operational, functional role identified by Chams & García-Blandón (2019). Furthermore, it

highlights the functional independencies mentioned by (Bocken & Geradts, 2020) in positioning the need for further researching looking into the role of HRM in the business model design process

Stahl et al., (2020) explains that, given the need for business leader support for HRM and inclusion in the design process and other strategic involvement, HRM, at times, leans too much towards one stakeholder and negates the rest of the stakeholder needs which they are required to balance. From this observation, it can therefore be inferred that this may negatively impact their relations with the non-represented stakeholder which may hinder their ability to effectively deliver or create significant HRM value.

2.15 Conclusion

The business model is a value creation tool which, through business model innovation and redesign, can be used by organisations to generate value for a broad stakeholder network, positively impacting and contributing towards seeking to positively impact its internal and external ecosystem (Kurucz et. al.,2017).

HRM and SHRM have a role to play in the business model design process whilst their functional responsibility remains as implementation partner. The implementation begins at the design stage and requires business leader support (Ehnert et al., 2016). Organisational culture and relational leadership are key components in the HRM role's success factors whilst these factors are significantly driven and dependent on business leadership actions (Bocken & Geradts, 2020; Kurucz et. al., 2017).

There seems to be a gap in literature presenting integrated SHRM practices. Rather, there is a leaning towards HRM understanding of stakeholder needs, the business internal and external context, and the designing and implementing processes which not only factor all these elements, but also embed aligned sustainability and organisational goals.

Ehnert et al., (2016) emphasise that the main SHRM functional challenge is the adoption and positioning of value of sustainable practices and structures, and the adoption and incorporation of integrated process and systems throughout the full value change through the business model using joint stakeholder effort and non-inclusion in the business model design process exacerbates these challenges.

Figure 3 : Integrated Organisational Value Creation Ecosystem

Figure 3 is a conceptual framework depicting a consolidated organisational systematic view of the networks and interplay between organisational goals, both financial and non-financial; SHRM activities; and internal and external environment value drivers of sustainable business models discussed in chapter 2 literature review.

Informing the value flow are the are various types and categories of SBMI barriers and enablers namely institutional barriers and enablers; organisational barriers and enablers and operational barriers and enablers (Bocken & Geradts, 2020). This intergrated view is inclusive of the HRM function based on the discussion in the litrature review where through various roles played by HRM , inline with the rognsational context HRM pratices are systems are designed and impementenent for sustained orgnsational performances and employee enabled and wellfair.
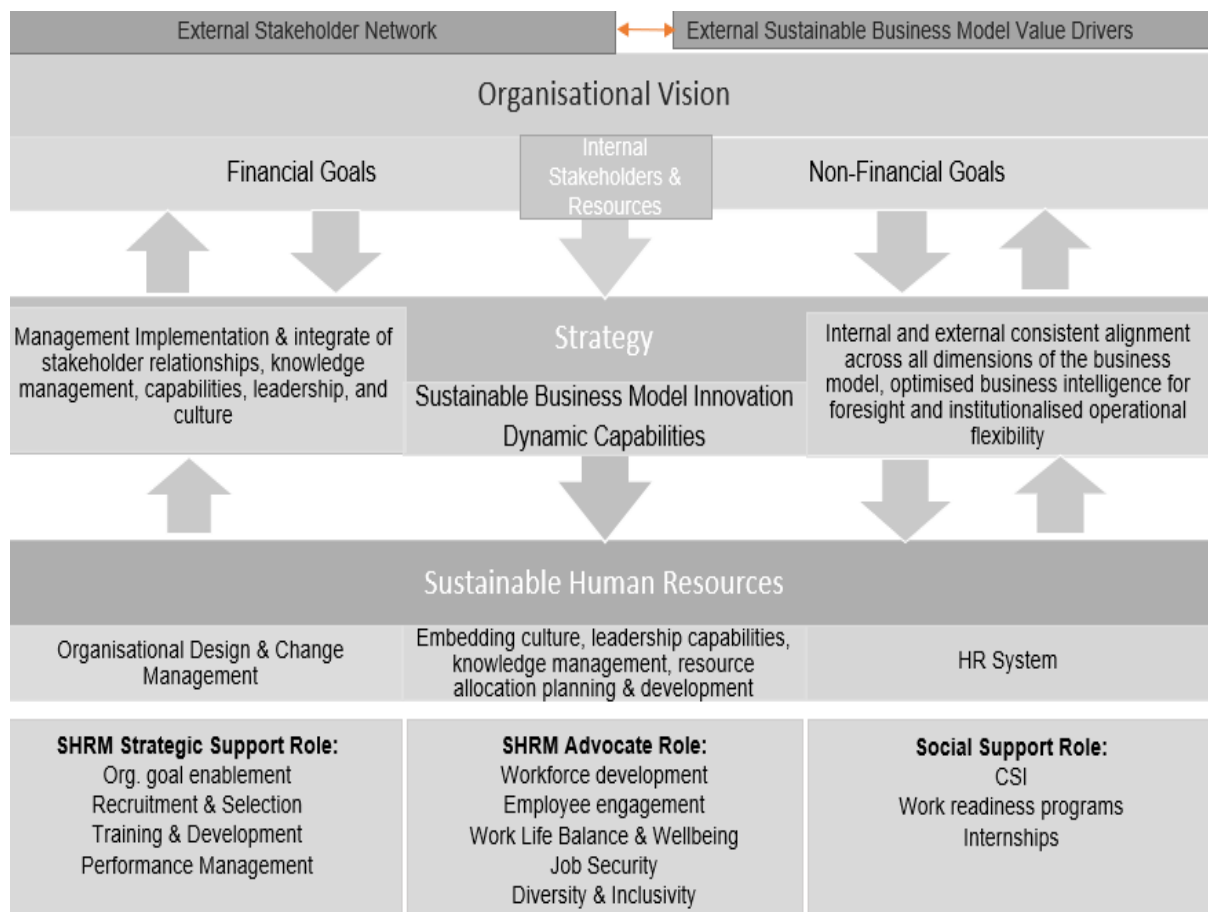
Source: Authors Own

Chapter 3: Research Questions

Theory suggests that sustainability demands reconceptualisation of the business purpose together with a broader, new understandings of value (Bocken et al., 2014; Lüdeke-Freund et. al., 2016). Design and application of wide-ranging business model approaches call for the configuration of innovative and divergent capabilities due to the juxtaposition of social and sustainability concerns. The challenge is the inability to reconfigure and integrate stakeholder relationships, leadership, culture and knowledge management capabilities in hybrid business model innovation (Freudenreich et al., 2020; Teece, 2010; Teece, 2018).

Organisation may recognise the value across the stakeholder value chain and understand the role played by business functions within that process, however inclusion   remains   a challenge which presenting an opportunity for further research focusing on the role players and supporting processes (Evans et al., 2017; Lashitew et al., 2020; Freudenreich et al., 2020; Teece, 2010; Teece, 2018).

Derived from the previous literature discussion, the central question for this research is: How does HR play a role in the design of sustainable business models, focusing on the banking sector. In exploring this question further, the following sub questions are posed:

Question One: What role does HRM play in the design of business models for sustainability?

The question exposes whether HRM is considered in the business strategy formulation and the extent to which HRM features in the sustainable business model process and how this role is considered in that process.

Question Two: What factors impact the HRM functions in the of sustainable business model design process?

- o **Sub-Question:** What barriers are experienced by HR practitioners in the sustainable business model design process?
- o **Sub-Question:** What are the potential enablers for the HR practitioners in this process?

These questions seek to better understand what challenges HR practitioners encounter in their roles, and where the opportunities are to better enable the design and implementation of sustainability business models by identifying these barriers and potential enablers.

Question Three: Which HRM practices enable sustainable business models?

- o **Sub-Question:** Are employee considered in the formulation of these processes pertaining to both the business model and supporting practices?
- o **Sub-Question:** How is the employee considered in the formulation of these processes pertaining to both the business model and supporting practices?

Question three aims to identify and understand what people management practices and processes enable sustainable business. The question explores these in order to solidify and produce practical applications by HR practitioners.

Chapter 4 Research Methodology

4.1 Introduction

The purpose of this research has been to explore the relational roles of different actors in an organisation for the enablement of the business model for sustainability. The reach focuses in particular on the role of HRM through a stakeholder theory lens where the employee is viewed the key stakeholder. The aim is to contribute to the knowledge base which is still in the formative stage within the realm of business models, sustainability and HRM. This contribution is made through the results of an explorative, qualitative research approach as a suited tool to achieve this aim.

The complex nature of the research domain and lack of convergence in theory and corresponding concepts necessitated in-depth understanding, which resulted in the researcher having optimised the qualitative methodology's ability to enable research within relatively new areas of research (Basias, & Pollalis, 2018; Foss & Saebi, 2018).

An inductive research process was followed where insights from research participants were drawn and analysed to present a framework explaining the patterns observed from the data collected (Cresswell & Creswell, 2018). An in-depth, semi-structured interview format was used as the data collection process, seeking to describe, decode and translate concepts related to sustainable business models through a stakeholder theory lens (Basias & Pollalis, 2018).

4.2 Philosophical Assumptions and Interpretative Framework

The philosophical assumptions underpinning this research are of an inductive logic of reasoning, with an interest in the representation of social phenomena seeking a greater understanding of the interaction and role played by business actors and business functions in the formulation process of sustainable business models within the banking industry (Creswell & Creswell, 2018; Bell et al., 2019). This, in turn, translates to an interpretive epistemological perspective (Bell et. al., 2019; Lewis, 2015).

The researcher's objective was to explore the 'how' and the 'why' HRM function and employees are considered in the business model design process, in an attempt to understand

the relationships between organisations and people in relation to sustainability, sustainable business models and associated concepts (Bell et. al., 2019).

4.2.1 Ontology and Epistemological Position

The research questions have underlying assumptions where a broad definitional understanding of sustainability, sustainable business models and stakeholders was applied. Organisations and people within their functional roles are viewed as social actors within a social context that is in a constant state of revision and change, hence the pursuit of sustainability. This view is in line with a social constructivism interpretive paradigm (Basias & Pollalis, 2018; Bell et. al., 2019; Lewis, 2015). As a result, therefore, the researcher looked for complexity from participants' views, relying on what they conveyed as their situational and specific context which is informed by their interpretation of their organisational reality, industry reality and related social perceptions.

Ontology refers to an individual's – in this case, the researchers' – thinking of the world or the world view held; their perception of reality; the relationship between different components within that reality; and the understanding that these, in turn, informs the researcher's selection of a compatible research methodology, which, in this case, is explorative research questions from a constructivist paradigm (Bell et al., 2019; Creswell & Creswell, 2018; Saunderset et al., 2007).

In other words, concepts such as employees as stakeholders; value creation; sustainable business model innovation are interpreted from an underlying belief that an organisation is part of the society within which it operates, and actively shapes, whilst being shaped by, its context (Bell et al., 2019; Creswell & Creswell, 2018, Schaltegger et al., 2020). Stakeholder and sustainability literature attributes part of the complexity within these research fields to the involvement of multiple social actors, social dynamics and systems (Schaltegger et al., 2020)

4.3 Research Method and Design

Bell et al., (2019) highlight ethnography as a research method that supports research seeking to understand social relations connected to certain goal-directional activities within organisations such as the implementation of strategies. Day-to-day organisational involvement by the researcher using this method would be required allowing for observations within the organisation to yield rich insights. Time constraints dictated that this approach would

not be suitable. Furthermore, such an approach runs the risk of providing a one-directional account or perspective relating to the research topic and would limit insights from a broad stakeholder view.

Semi-structured interviews were used as a method of collecting data, enabling data collection relating to key themes, therefore, creating opportunity and flexibility for refinement based on provided responses. The intent is to gain and enabling emergence of think, rich data sets.

4.4 Population and Research Setting

Aligned to Bell et al., (2019), a group of individuals or entities best positioned to provide the most relevant and comprehensive information related to the research domain and questions were identified through purposive sampling, where the research setting was South African banking industry. A range of knowledgeable, highly experienced HRM professionals and C-Suite executives were identified given their involvement as business actors in the design process of business models and strategy development.

The population criteria was HRM professionals as functional HRM experts and business executives as business model and strategy design and implementation experts in the banking industry with knowledge relating to sustainable business models, design and implementation.

The HRM professionals ranged from junior management to executive management level, whilst the entire population held a tenure longer than one year in their role and organisation, a minimum five years in the industry and a minimum of seven years as HRM professionals. Participants' tenure in the organisation, their tenure in the industry, as well as their position and functional arears allowed for rich data and insights relating to HRM practice, the business model design process and organisational culture aimed at sustainability, related practices, systems and processes, and provided an overview of sustainability and sustainable business models at a South African banking industry level.

4.5 Unit of Analysis

The units of observation were insights, perceptions, experiences and knowledge of individuals and subject matter experts within HRM and strategy design and implementation within participating organisations. The level of analysis included a range of organisations within the South African banking industry.

4.6 Sampling Method

A homogeneous, generic, purposive sampling technique was undertaken to leverage its non-probability characteristics, allowing the researcher to select population members by making a judgment call (Bell et al., 2019; Merriam & Tisdell, 2015). The factors informing sample relevance to the research questions lie in the applied criteria of:

- HRM professionals working in or having worked in the banking industry at varied management levels and HRM specialisation.
- The banking industry defined as direct banking or affiliated banking organisations falling within the banking industry.
- C-Suite executives within the South African banking industry who are instrumental in the business model design, strategy formulation and implementation process
- The sample had been intended to comprise of 15 participants. Due to the limited time allotted for the research, 16 participants were interviewed to mitigate saturation failure and to ensure validity (Bell et al., 2019; Merriam & Tisdell, 2015).

The researcher used opportunities for an evolving sample process through a network sampling approach, thus allowing for the gradual addition to the sample. Referrals from initial interviews and professional networks were requested by the researcher including profile searches conducted on the LinkedIn professional platform (Merriam & Tisdell, 2015).

This selection approach was also necessary due to limited accessibility to a broad range of professionals given increased remote and flexible working arrangements as a result of COVID-19 and its operational business impact. Research was required to engage with the identified sample whilst allowing opportunity for data gathered from those engagements to further inform sample composition (Merriam & Tisdell, 2015). The researcher therefore used their own judgement in the population selection where members of the population were varied in level of professional experience, organisational experience and functional arear resulting in a heterogenous and non-probable sample (Merriam & Tisdell, 2015).

4.7 Research Measurement Instrument

A semi-structured interviews schedule was utilised enabling data collection relating to key themes, therefore, creating opportunity and flexibility for refinement from provided responses in efforts of attaining a level of rich data (Merriam and Tisdell, 2015).

The interview schedule framed the interview questions which were constructed based on key themes identified from the Literature Review and research questions. Descriptive, open-ended questions were posed in an effort to create opportunities for detailed insights into participants' experience and perspective in contrast to structured questions which limit insights into participants' worldview (Bell et al., 2019; Merriam & Tisdell, 2015).

A flexible interview protocol aligned to the research questions was designed and followed (annexure 1) which enabled the expropriative nature of the research methodology and, therefore, enabled themes to emerge from participant narratives as guided by the interview protocol and informed by participants' own perception and experiences (Creswell & Creswell, 2018).

Given the flexibility of the interview protocol, it was amended after the second interview where it was noted that, as part of an initial macro level context setting both for the participants and researcher, there needed to be a question relating to sustainability as a concept.

4.8 Data Gathering Process

Given the impact of the current global COVID-19 pandemic and the associated risks of infection coupled with restricted social movement and interaction, respondents were given the option to select either face-to-face interviews or virtual, real-time interviews through an electronic platform of choice such as Zoom or Microsoft Teams, or whatever electronic platform which enabled a form of stable, visual connection. Out of the 16 interviews, three were held face-to-face whilst the rest were held virtually mainly over Microsoft Teams.

The interview duration was between 30 minutes and one hour with an average of 45 minutes across all participants. Pre-test interviews comprising of two participants, following the same technique as those that would be conducted with the identified sample group, were held. This allowed adaptation of the interview schedule based on received feedback to further reduce ambiguity within questions thereby increasing data and research validity (Merriam & Tisdell, 2015). A recommendation received from this process was for the addition of a question relating to what measures of success within the HRM function would be in relation to their role in the design and implementation of sustainable business models. Inclusion of this question would aid in getting rich data pertaining to the factors that impact HRM, whether barriers or enablers. Additionally, an opening question was added to position the sustainability concept and enable

alignment in understanding the context, thereby framing the concept for participants given its broad nature.

Respondents consent to permit recording of the interview was included in the interview invitation email. Records which form part of the interview in the form of written notes, voice recordings and MS Teams or Zoom records and transcriptions incorporated in the data analysis have been safely kept on record for future validation with respondent identifiers edited and removed from transcripts to maintain confidentiality (Bell et al., 2019).

4.9 Data Analysis Process

Braun and Clarke (2016) present researchers with a six-phase thematic analysis tool whilst defining thematic analysis as a method used to identify, analyse and report patterns or themes within data. They explain that the approach enables the analysis of a wide variety of qualitative data producing clearer or systematic emergence of themes and generation of unanticipated insights.

The analysis of themes was approached through identification of patterns by assigning meaning to emerging themes which were extracted through interview analysis which revealed emerging patterns therefore enabling further distillation of the patterns into themes.

Themes were then analysed and used in the identification of patterns to assist in assigning meaning to the identified themes. Theory conceptualisation was approached in an iterative manner using qualitative research technology tool which aids coding and transcript analysis Atlas TI (www.Atlastti.com), supported by Microsoft Excel which enabled the coding process (Bell et. al., 2019). First order concepts and associated quotations were generated from Atlas TI followed by an interactive process which lead to second order themes and categories with associated data were generated, categorised and consolidated through means of Microsoft Excel.

The use of thematic analysis is complementary to a constructivist epistemology which has already been indicated in the conceptual framework of this research. The flexibility of thematic analysis allows for social interpretation and the emergence of themes from rich data to enable qualitative rigour (Braun and Clarke, 2016).

Table 3: Phases of Thematic Analysis

This table illustrates phases of Braun and Clarks (2019) six-phase thematic analysis utilised in the analysis of qualitative data collected through in-depth, semi-structured and open-ended, interviews where a deductive or theoretical 'top down' approach was applied.

Phases	Process Description
Familiarising with the data	• Transcribe data, note ideas, read, and reread data. • Reading analytically & critically
Generating Initial Codes	• Systematically analysing data through coding interesting features across the entire data set • Collecting relevant data for each code
Searching for Themes	• Translating data from code into themes • Identify meaning or patterns within a data set • Reviewing code data for similarities and overlaps
Reviewing Themes	• Generating thematic map analysis • Quality check, refinement, and ongoing analysis
Defining and naming themes	• Generating clear definitions and names for each theme
Producing the report	• Final opportunity for analysis • Selection of vivid, compelling extracts • Relate analysis to question and literature

Source: adapted from Brauna and Clarke, (2006, p.87) Thematic Analysis phase

4.10 Data Quality, Validity, and Reliability

Qualitative research is focused on context-bound research with the use of rich data and, as such, validity and reliability are more aligned to a quantitative approach rather than qualitative. Instead, quality, trustworthiness, credibility, authenticity, transferability, dependability and confirmability are corresponding measures (Bell et al., 2019; Saunders et al., 2007; Merriam and Tisdell, 2015).

A non-bias criterion in purposive sampling was used in creating allowance for participants to provide in-depth insights into the research topic and addressing matters of credibility (Bell et al., 2019). Alignment in the analysis tool being utilised, the research question and underlying philosophical underpinnings inclusive of detailed articulation of the research process through

the interview schedule, addressed matters pertaining to trustworthiness and dependability (Saunders et al., 2007).

Furthermore, in order to strengthen validity, reliability and quality, the following strategies were applied:

- **Interview Pilot:** two interview pilots were held which entailed the testing of the interview schedule, creating an opportunity for the researcher to get feedback regarding clarity and nature of the questions posed as well as a general overview of the interview. This exercise enabled the research to modify the interview schedule to conclude opening questions which established clarity and alignment in understanding the complex concept of sustainability where participants then placed it within their organisational and banking industry context (Merriam and Tisdell, 2015)

- **Triangulation:** for increased reliability and validity through using different data sources in the approach taken to group participants and contrast and correlate their insights and subsequent research findings (Cresswell & Cresswell, 2018; Gioia et al., 2013).

- **Researcher Bias:** ensuring detailed note taking in maintaining and reflecting participants' insights accurately. The researcher acknowledged and reflected on their bias throughout the research process considering the researcher being an HRM professional in the banking sector therefore having to maintain subjectivity (Cresswell & Cresswell, 2018).

4.11 Research Bias

A present bias risk was the potential of the researcher interacting with the research data, participants insights as a knowledge agent and expert bases of their role as an HRM professional within the banking industry (Gioiaet et al., 2013). To mitigate this, risk triangulation was applied which enabled comparative data points. The researcher also ensured not to select participants from direct professional circles so as to ensure balanced, unbiased insights were received. Lastly, researcher reflections and field note references aided in accurate representation and capture of interview data in mitigating the identified potential bias (Merriam and Tisdell, 2015).

4.12 Research Limitations

The proposed sampling method relies on the researchers' judgment and may be prone to researcher bias. Although rich data derived from purposive sampling in qualitative research, this may limit the ability to generalise research findings stemming from the sampled population (Cresswell & Cresswell, 2018; Bell et. al., 2019)

According to Bell et al., (2019) "…generalisation will be strengthened by making full use of the original data that support the phenomena under study" and this will be in the form of referencing from the literature to support interpretation, finding and recommendation.

In addition, an iterative process is utilised in the data analysis where emerging themes are strongly aligned to provided participant data. Furthermore, the triangulation process which has already been mentioned will also assist in this regard (Bell et. al. 2019; Braun and Clarks 2019).

As expressed through the literature in the realm of sustainability, a business model for sustainability remains in the developmental stage from a theory and practice perspective including an accepted definition and convergence in concepts therefore sometimes lending itself to ambiguity. This limitation required the researcher to place reliance on thick description from an intensive literature review point of view which is a form of data validity (Bell et al., 2019).

4.2 Conclusion

This chapter explored the research methodology used as the defining approach to the research process. Philosophical assumptions and the interpretative framework, ontology and the epistemological position were discussed given their baring on the research. The research method and design, the population in question and the research setting served to illustrate the approach employed. The understanding of the unit of analysis, sampling method, research measurement instrument, data gathering process as well as considerations to the data analysis were considered. Reflectively, data quality, validity, and reliability including research bias and research limitations were further deliberated. The following chapter delves further into the findings that stemmed from the approach outlined.

Chapter 5 Research Findings

5.1 Introduction

Detailing the data and insights collected through the methodology approach and process explained in Chapter four, Chapter five presents research findings based on participant responses to semi-structured interview questions.

The chapter begins by providing the interview context setting in which the data collection process unfolded. Thereafter the emerging themes and research findings are discussed and presented in correlation and connecting to the research questions presented in Chapter three.

5.2 Interview Setting and Participant Context

Sixteen participants from nine different organisations, ranging from junior management to senior executive level across the banking industry were interviewed as presented in table 4 below.

Table 4: Participant Summary

Participants fell within three sectoral subcategories, namely, home loans & insurance; banking and insurance; and banking. Of the 16 participants, 14 participants' role profiles were within the HRM profession, whilst two held business leadership roles and two had previously held HRM roles but alter transition into functional business leadership roles.

Participant Index	Participant Role	Organisation type	Organisational Reference	Analysis Group
1	HR Business Partner	Banking	Org 1	Group 1 Junior HR Management
2	HR Business Partner	Banking	Org 2	Group 1 Junior HR Management
3	HR Specialist	Banking	Org 4	Group 1 Junior HR Management
4	Learning & Development Specialist	Banking	Org 4	Group 1 Junior HR Management

5	Senior HR Business Partner	Corporate Banking	Org 3	Group 2 Middle HR Management
6	HR & Operations Manager	Home loan & Insurance	Org 6	Group 2 Middle HR & Business Management
7	Head of Transformation	Banking	Org 8	Group 3 Senior HR Management
8	Head of L&D & HR Business Partner	Banking	Org 7	Group 3 Middle HR Management
9	Head of People & Culture	Banking	Org 5	Group 3 Senior HR Management
10	Head of People & Culture	Banking	Org 5	Group 3 Senior HR Management
11	Head of HR Projects	Banking	Org 7	Group 3 Senior HR Management
12	HR Executive	Home loan & Insurance	Org 6	Group 4 Executive Management
13	HR Executive	Banking & Insurance	Org 8	Group 4 Executive Management
14	Retail Banking Senior Executive	Banking	Org 7	Group 5 Executive Business Management
15	CEO	Banking	Org 9	Group 5 Executive Business Management
16	HR & Business Executive	Banking	Org 7	Group 5 Executive HR & Business Management

Source: Authors Own

Participants have been categories within seven analysis groups where groups 1 to 5 comprised of HRM professionals grouped according to HRM management levels from junior management to senior management based on functional seniority. Group 5 comprises of HRM executives and business executives.

For further categorisation, group six and group seven were formed as illustrated in table 6 & table 7 below. Analysis group 6 comprised of business executives and analysis group 7 comprised of HRM professionals who had transitioned into business leadership roles at varied managerial levels.

Table 5: Additional Triangulation Participant Group 6

Analysis group 6 comprised of business executives and analysis group seven comprised of HRM professionals who had transitioned into business leadership roles at varied managerial levels.

Participant Index	Participant Role	Organisation type	Organisational Reference	Analysis Group
13	Retail Banking Senior Executive	Banking	Org 7	Group 6 Executive Business Management
15	CEO	Banking	Org 9	Group 6 Executive Business Management
16	HR & Business Executive	Banking	Org 7	Group 6 Executive Business Management

Source: Author's own

The combination of participants' levels of management experience within HRM combined with that of business management participants served to provide an opportunity for triangulation within the research based on varied functional business experience within the business model design process. This further enabled rich, comparable, and contrasting insights, thereby creating an opportunity for in-depth analysis.

Table 6: Additional Triangulation Participant Group 7

Analysis group 7 comprised of HR manager who transition into a business management role and an HR executive who transitioned into a business executive.

Participant Index	Participant Role	Organisation type	Organisational Reference	Analysis Group
6	HR & Operations Manager	Banking & Insurance	Org 6	Group 7 HR Leadership Transitioned into Business
16	HR & Business Executive	Banking	Org 7	Group 7 HR Leadership Transitioned into Business

Source: Author's own

5.3 Interview Data Analysis

This research sought to understand the role of HRM in the design of sustainable business models through exploring and considering the factors which impact this function, inclusive of the barriers and enablers; HRM practices, processes and systems which facilitate, support and enable sustainable business models to better understand the value which can be derived from HRM by business leaders, employees and HRM practitioners.

5.4 Findings Presentation Format

The data analysis process commenced with the researcher identifying first level codes from data collected through semi structured interviews. Inductively, the first level codes were further analysed and synthesised into themes and theoretical categories, this process being informed by the main question and subsequent sub-questions guided by the corresponding concepts and constructs.

The chapter is presented in the sequence of the research questions discussed in Chapter 3, incorporating key concepts and emerging themes relating to the overarching question of the role of HRM in the design of sustainable business models, and, therefore, connects to the Literature Review presented in Chapter 2 and associated concepts and constructs. Each section focuses on key findings discussion referencing emerging theme and supported by a cross data analysis and triangulation.

5.5 Research Findings Discussion

5.5.1 Sustainable Business Models

Before discussing the responses and findings under each question, it must be highlighted that almost all participants throughout the discussion made reference to the broad nature of the concept of sustainability and its complexity. Therefore, connecting that to their challenge by definitively providing a concise definition allowed them alignment to their organisational business model and related process.

In referencing business models, some participants used the words 'business models' and 'strategy' interchangeably, while others used 'strategy' throughout the discussion in refence to business models and business model design and implementation tasks, practices and

processes. The researcher used discretion and understanding of the nature of business and organisational culture, business processes and strategic management literature to make meaning and promote understanding of this observation, specifically understanding that the business model design process and strategy formulation and implementation are interrelated and, within some business contexts, these either occur simultaneously or in functional silos, and factors such as organisational terminology also play a role.

5.5.1.1 Sustainable Business Model Findings and Discussion

As part of the research quality measures, the researcher identified the need to amend the interview schedule and include questions relating specifically to sustainability and sustainable business models and their role or incorporation into the banking industry, and the participants' contextual organisation. Even with the addition of these opening questions, participants still requested the researcher to, firstly, clarify the concepts or requested alignment in understanding of the concepts to better enable them to contextualise sustainability and sustainable business models.

The three questions sought to frame the concept from a macro perspective considering the industry at large, and a micro perspective as in the case of the organisational level. These additional questions referencing and contextualising sustainability in the interview schedule are as follows:

- In your view, what role has sustainability played in the South African banking industry?
- What is your company's stance on sustainability?
- How is sustainability made a part of the business strategy or model?

This experience relating to the need for clarification, alignment and definition of sustainability and sustainable business models supports the identified definitional challenge discussed in Chapter two (Bocken et al.,2014).

5.5.1.2 Theme Summary Sustainability and Sustainable Business Models (in banking)

Figure 4: Sustainable Business Models Theme Summary (in banking)

A summary representation of the generated groups' codes and themes which emerged linked to the concept of sustainability within the South African banking industry as derived from the interview data.
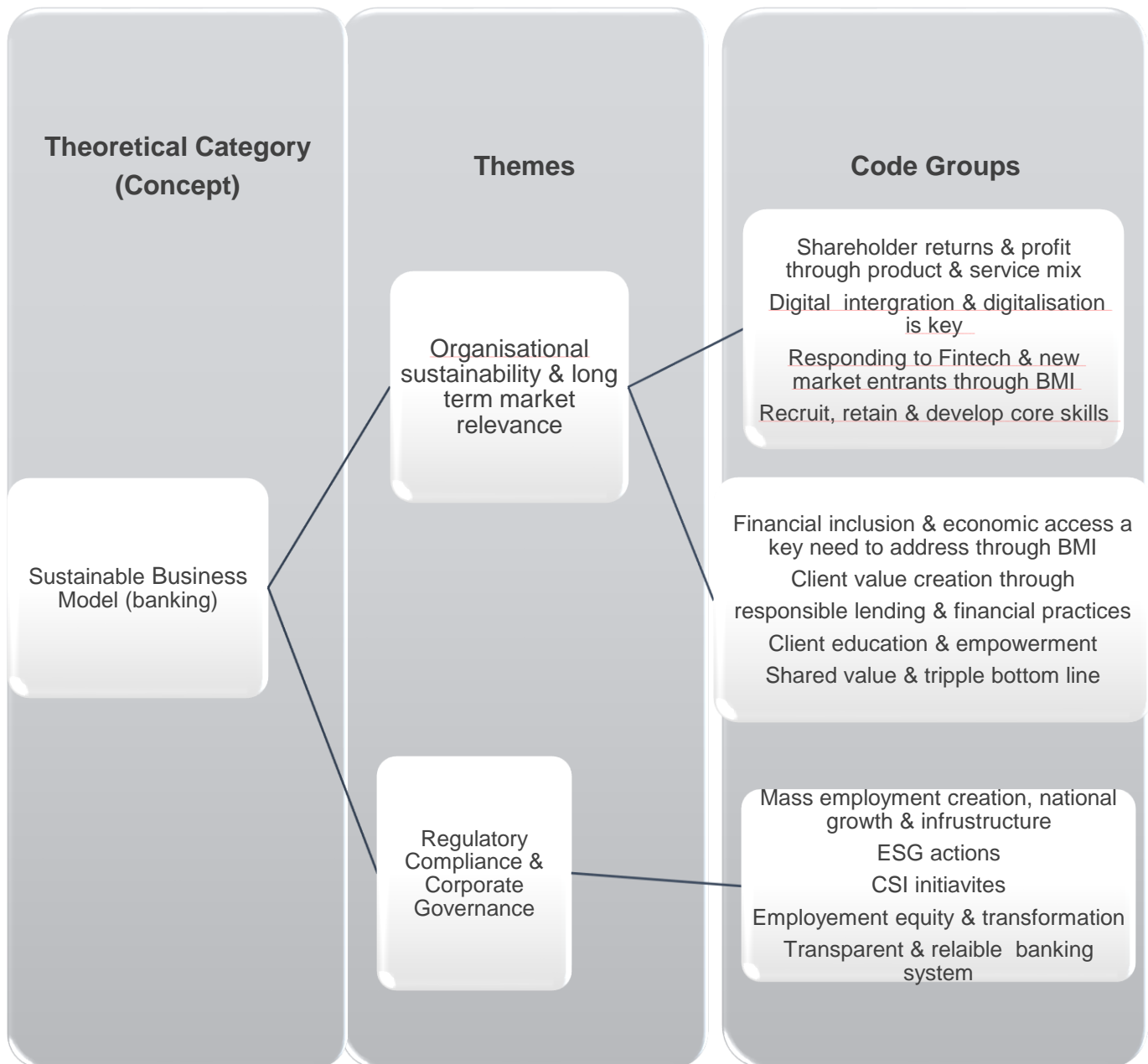
Source Author's own

A sustainable banking business model was understood as one which is able to respond to new market entrants' threats where digitalisation was identified as progressing long term sustainability threat. Various types of organisational digital response strategies are therefore required such as digital transformation, integration and corresponding IT and digital skills and capabilities.

Value creation through broad stakeholder network characterised by financial inclusion, client centricity and triple bottom line strategies which meet and seek to positively contribute and impact a broader stakeholder network whilst minimising negative operational impact is a key sustainable banking business model characteristic.

Organisational banking behaviour that contributes towards a trustworthy, reliable, and transparent banking system which enables national infrastructure development, national economic growth and proactively partakes in CSI and ESG initiatives and complies with industry regulation and national legislations.

5.5.1.3 Organisational Sustainability and Long-Term Market Relevance

Throughout all the interviews, reference was made to the criticality in the client's role and client experiences in the business model design and strategic implementation process. Participants made mention of the increased pressure of having a client-orientated mindset when innovating, ensuring that the business model encapsulates, addresses, and anticipates client needs and client behaviour in relation to financial products and services. Furthermore, this client-orientated mindset needed to be carried through, throughout the client lifecycle and organisational touchpoints. This, therefore, surfaced and emphasised the connection between the business model design process and organisational culture as a form of embedding design principles and aligning behaviour and mindset.

Four participants from organisation 7 shared and were aligned in the details about the specific elements within their business model which sought to create and embed sustainability through value creation across a broad value chain. They explained how, upon inception, the business model design process was based on emersion in the "unbanked South African market" where client needs had been neglected by existing banks and broader financial industry. This immersion resulted in an introduction of "organisational fundamentals" encapsulated at every touchpoint of the design process, implementation process and governing policies and practices across the organisation. These organisational fundamentals are inherent beliefs and design principles which inform and govern how value is created or unlocking value for a broad

stakeholder network which starts with client needs and then reverse engineered into the business model, always ensuring aligned and balanced products and service mix. In other words, their organisational design philosophy and process starts with identifying the client need and pain point and then design products and services to meet those client needs whilst ensuring pricing allows client accessibility to the product. Accessibility does not only cover financial accessibility, it includes physical location and accessibility of services to marginalised areas and groups of South African society.

These five fundamentals of affordability, simplicity, accessibility, transparency, and personalised service determine how they innovate, what they innovate for, how they implement and deliver through their business model.

Emphasis of the centrality of the client role in the business model innovation process was made, which positioned the client as a critical and key stakeholder. The industry in general was quoted by some as not necessarily having been previously inclusive in their business model approach, this having been attributed to South Africa's socio-economic and political landscape. However, this same historic attribute having been mentioned as the reason why the industry has sought to change and redirect through sustainable business model innovation. The terms 'triple bottom line' and 'shared value' were mentioned by some participants, again, when referencing the South African socio-economic landscape in positioning the reasons and level of social impact and the role in inter-connectedness that organisations play.

There was acknowledgement of an existing need and opportunity for value created through increased and greater financial inclusion and access to banking services for a large part of the South African population which falls within the previously disadvantaged social groups which are also referred to as of the unbanked market. This acknowledgment came with a recognition of the innovation new market entrants such as FinTechs are introducing into the market which leverage technology, offer low to no banking charges, leverage partnerships and added value services and client benefits. These new industry approaches are creating more awareness of the multiple value creation opportunities for and through a broader stakeholder network. In their explanation of the incorporation of sustainability within their organisational business model, participant 15 explained that they are currently grappling with:

> …How do we create profit with a purpose and that really speaks about the social impacts that we follow as an organisation, we need to contribute positively in the environment in which we operate. That includes being part and parcel of our customers

day-to-day lives and it, it really has nothing to do with banking. But everything to do with how do we, how do we start to create conveniences for customers? How do we start to make life a little bit easier for customers? And how do we start to impact society in a positive way? Either through providing access to information, providing access to digital solutions, providing access to at least financial inclusion in our context…

Interestingly, whilst client centricity was stated as being critical and clients viewed as key stakeholders, some participants felt that shareholder interest and profit maximisation versus stakeholder value creation does present trade-offs in decision making, especially when that value logic is not entirely embedded in your business model, therefore, creating tensions and misalignment. When it is embedded in the business model, the trade-off still exists, however, with limited or no tension, this was explained by participant 14:

…part of sustainability is being a responsible financial institution by ensuring that the clients' financial wellbeing is never compromised. So, this includes making sure that there are no hidden costs, unreasonable pricing and that there is true value for shareholders and clients. Shareholder value comes with taking care of the client needs and there might be tension there but that's when the bank looks for short term gains, if we are talking about long term gains that are sustainable then that tension is not anything to worry about and the board will support any strategy that looks at long term gains and stability……

Explaining the inter-connectedness of financial access and inclusion, six participants linked this access to the resultant inclusion and greater access in other areas of the banking clients' life such as social access to, for example, better quality education, housing and overall social progression and better quality of life. This points multiple value creation nature of sustainable business models from a stakeholder perspective.

There remains an opportunity for combined industry action for broad sustainability because the current action is still highly internally focused and fragmented. The focus is on the interest of the individual organisation rather than the greater community whether it be environmentally, economically, or socially. In other words, organisations still view sustainability and the role they play from the lens of contribution towards their immediate value network or stakeholder network yet.

However slowly, business models are considering and including some partnerships with other business seeking to expand their offering and value creation for clients. This developing

phenomenon illustrates the interconnectedness of the environment within which business operates.

There is further realisation of business being part of a greater ecosystem where the external environment impacts organisational strategy and overall operations. This sentiment was expressed by participants with reference to addressing issues relating to the country's education levels which impact employability and skills availability across industries. In particular, the impact of digitalisation and the increased and urgent need for digital skills which the South African education and labour market is unable to produce at the required speed and levels. This was explained by participant 14 in highlighting the joint and co-ordinated effort:

> …When you look at government you start to realise that sustainability is not just their responsibility or only the financial institution, but it's for all of us to think about it and see what needs to be done. Look at how there is a skills shortage and the education crisis, that affects us as banks because we can't find the skills we need. We can give bursaries and try to attract talent, but it first starts at the level of school and the education system…

The link between sustainability, business model innovation and the design process where HRM has a role to play was made by all participants in their acknowledgment of the employee role throughout the client experience and lifecycle, the need for the attraction, retainment and development of scarce and critical digital and IT skills, and enablement of organisational transformation to match the digital transformation era and embedding of the right culture and client-centric mindset.

5.5.1.4 Regulatory Compliance and Corporate Governance

Participant 5 from a corporate banking organisation explained that their organisations has "advanced" their business model for sustainability. Together with ensuring Environmental, Social and Governance (ESG) reporting and strengthening their corporate governance measures from a sustainability perspective, they have built processes into their business model which prohibit them from conducting business with other businesses, stakeholders or clients that are harming the environment or the community.

> When we go into a business, [we assess] what are the ESG elements we need to take into consideration. Even before we do [business]. So it's not just about [the] outcome,

> *'cause I think before it was always an outcome. Now it's part of the strategy. So we even have built a function called ESG with the Head of ESG and his role is to make sure that, in everything that we do, that element is considered. It's a strategic imperative for the bank. Making sure that in how you conduct business there's that shared value component to it and actually when you are conducting business its beneficial for all stakeholders. Uhm, and not just for the bank …. we even do business, or we do things that don't necessarily give us great margins or make us a lot of money. But its beneficial whether for society, it's beneficial.*

The ESG component, was mentioned however, participants also indicated limited knowledge of process relating to this component and maturity of these practices, except for acknowledging fulfilment of regulatory requirement and alignment therefore of to sustainability industry principles.

All participants mentioned CSI as a contribution towards sustainability goals, in particular, those activities which may not be embedded in the business model, rather, activities organisations engage in given their role as socially responsible actors within their ecosystems. Furthermore, these activities happened both in a co-ordinated and centralised manner in some organisations, whilst in others, these activities were either employee-driven or ad hoc in nature, or both. They serve a purpose of volunteerism and the organisation aligning itself with social initiatives and in response to occurrences which negatively impact the environment and greater society.

Sustainability is a multifaced concept which requires a stakeholder approach in trying to address and attain SGDs. This was explained by participant 14 when highlighting the joint efforts required to addressing the education and skills gap in South Africa. Other participants echoed this sentiment with reference to skills needs, infrastructure development and the financial industry regulatory landscape as it relates to customer protections laws and regulations. These sentiments emphasise the stakeholder integrated network characteristics in sustainability and how the challenges which sought to be addressed through sustainable business model innovation (BMI) may require systems thinking and a systematic, integrated stakeholder network approach (Geissdoerfer, et. al.,2016; Bocken,2014).

From a stakeholder perspective, this regulatory component is one which exists both internally and externally in the organisation. In other words, it requires joint effort and HRM has a role to play in as far as maintaining and adhering to labour regulations where, through various practices, issues such as employment equity and transformation receive the necessary

attention by business leaders and are linked to a mindset of sustainability. Participant 3, an HRM professional, provided related insights by sharing her perception of the role played by HR in the revision of labour practices relating to labour broking

We've had to relook how we actually work…changes were made in relation to labour broking, for example. It wasn't sustainable and we then started asking, is it a way that we actually wanted to continue to drive our labour force…. the impact of that global crashing led us in that direction, and the decision made if we consider the positives of permanent employment. Employees gained more employee rights in that temporary workspace. I think we've made so much progress and that's probably something that the financial industry was at the forefront of changing and, again, that's probably something that was very much HR related… it means HR people have to get involved…

Participant 7 further explains the role played by HRM, where, through influencing behaviour and mindset change, they are able to position the value add in regulations such as those which relate to employment equity where, when embraced, an origination is able to yield increased levels of innovation resulting from diverse thinking and representation which is an ingredient for BMI.

Next is the culture component where our role focuses on organisational design including employment equity, BBBEE. This is not for HR to just crunch EE stats, again, our role is to influence behaviour and business mindset where business sees the value of transformation and is able to easily link it to sustainability and see its longer lasting role where, in order for innovation to take place, there has to be diverse views and people who bring in diverse experiences. Employment Equity is but one mechanism of bringing these diverse people into the organisation and into the room.

5.5.1.4 Sustainability Conclusion

Whilst there is an appreciation of the overall value of sustainability, the broad and complex nature of the concept remains a challenge for organisations to comprehensively define and, therefore, make provision for, through integrating and embedding, using their business models including supporting processes.

Comparatively, at a macro industry level, sustainability integration through BMI may differ based on the organisational definition thereof and key priorities in relation to that definition. In other words, how organisations incorporate sustainability into their business models is connected to their definition of value creation drawn from their internal context and to a degree, external context. The prioritised external context is drawn from client insights and aligned to statutory regulatory requirements such as King IV 2016 principles, CSI and employment equity requirements which form part of organisational reporting and risk and compliance.

Profit maximisation may also strongly feature in some models more than in others given that sustainability seems to be driven by competitor activity emanating from market share dominance rather than attainment of broad sustainability goals linked to SDGs.

What is achieved as a result of the relevant regulation is also met with hesitance or compliance rather than deliberate design. In other words whilst transformation is identified as important, meeting employment equity targets is at times not prioritised or receives minimum attention and adherence to regulatory requirements is at face value. This view was strongly emphasised by the HR professionals who felt that they continuously have to influence and position transformation with business leaders recognising that even when there is support, it frequently gets deprioritised for various reasons and the bare minimum allocated to it for compliance reasons.

5.2. Question One Discussion

This work seeks to understand whether HRM is considered in the business model design and strategy formulation process and, if so, how the HR role is considered. Question one therefore asked what role HRM plays in the design of business models for sustainability. Participants responded to this research question from a micro-organisational level and macro industry level in providing their perspectives drawn from their experiences.

There was an acknowledgment from participants that HRM in principle has a role to play in the business model design process. Furthermore, almost unanimously it was agreed that, whilst it remains a critical function, it is not always leveraged, and various situational reasons were shared by participants for this gap. These reasons are intrinsically linked to the second research question and will be discussed in more detail when focusing on the factors which impact HRM in their role and, in particular, the business model design process. Table 4 provides a view of the summary themes which emerged relating to the role of HRM

5.2.1. Theme Key Finding Discussion

Table 7: Theme Summary: Human Resources Management Function

Table 7 provides a summary view of the emerging these and summary explanation thereof. Where the HRM role was described as one which enables business model and strategy implementation, plays the role of strategic (business partner) and people expert , enables organisational effectiveness through change leadership and is a trusted advisor by internal and external stakeholders.

Ranking Order	Themes:	Feedback Data Summary
1	Business model & strategy implementation enablement	• Alignment of skills, systems & process in business model transformation • Future proof organisation through capabilities, competency enablement, skills retention and people processes
2	Strategic partner & people expert	• Highlights & supports the risk mitigation of strategic factors impacting Human Capital • HR Business Partnering - Strategic Human Capital
3	Organisational effectiveness enabler	• Leads change management, embeds behaviour & change mindsets • Builds leadership capabilities for change
4	Trusted advisor	• Employee advisor & business advisor • Employee advocate • Balances employee interests & organisational interests (stakeholder tensions) • Employee as critical stakeholders

Source: Author's own

The design process is a collaborative one seeking various functional expertise including HRM (Beckon & Geradts, 2020; Kurucz et al., 2017). The data showed that the overall HRM role in the business model design for sustainability processes is one of enablement where HR practitioners enable the organisation to effectively implement their sustainable business model (SBM) through playing a strategic partnering and people expert role, facilitating and enabling organisational effectiveness, and being a trusted advisor. These are the key themes which emerged from the data relating to the first research question.

The HRM business model and strategy implementation enablement role entails alignment of skills; HR systems and processes in business model transformation; future proofing

organisations through capabilities; competency enablement; skills retention; and people process including performance measurement.

In practice, the functional contributors in this process tend to be business leaders who may value HRM input, however, don't always consistently include HRM or apply HRM contributions throughout the process, instead, HRM is required to implement and facilitate processes and practices which support the enablement of the business model and business model design.

5.2.2. Business Model and Strategy Implementation Enablement

Unanimously, participants understood the core functional purpose of the HRM as being that of attracting, retaining, and developing skills necessary for the organisation to best compete in the market in pursuit of its organisational goals. Furthermore, in the execution of this central function, HRM is required to ensure that it future proofs the organisation by linking their recruitment and skills development to existing and future business needs which, therefore, align with and establish corporate, long-term sustainability. Participant 19 captures this view when explaining how the HRM role has evolved.

> *I think it's definitely become more strategic I think it's going to continuously evolve so it's no longer a role of getting stuff done, ticking boxes, being what used to be personnel you know. It's far more driving the bottom line and collectively driving revenue, making sure that we've got…focus on digitalisation with an innovative solution-oriented mindset, we need to find the right people, in the right roles but people that could also diversify potentially and rotate into a number of roles as the business diversifies. That's a sustainability model which factors changes, so it's solving for current problems but being able to tailor them to solve for future ones too…*

Participant 2, expanded and contextualised by explaining the recruitment and skills development role through highlighting their current organisational focus relating to scarce and critical skills where the impact of digitalisation and the fourth industrial revolution has resulted in an increased and urgent need for IT and digital skills

> *…there is the conversation about skills, current and future and preparing for digitalisation and [the] IT skills gap. So we have a focus on recruiting for scarce and critical skills in IT specifically, and also upskilling existing employees as well... we are always innovating when it comes to technology and what we can do to provide better*

service to our client, I think that's also linked to sustainability because if you keep the clients happy in how you do business or provide a service then you can increase your customer base and increase revenue…

It can therefore be understood that the HRM function has an integral role to play in building the business model design process through assisting and enabling organisations build capabilities for sustainable business model (SBMI) (Teece, 2016).

In playing an implementation and enablement function it remains critical for HRM to be part of the business model design process to better enable, guide, and advise on all aspects which directly and indirectly impact the employees, employee lifecycle and HR systems. In other words, the business model design process may be focused on what is required to meet client needs and maintain market relevance, however all those elements intrinsically impact the workforce and in their capacity as the workforce subject matter experts it is imperative for HRM to be an integral part of that process.

Interestingly, although the critical HRM role was acknowledged, it also emerged that the business model design process is viewed as a process which is outside of the HRM realm, given their implementation role and, as a result, their participation needs to be invited and contribution solicited and endorsed by other functional role players such as the CEO and other business leaders.

Referenced in table 8, analysis group 6, agreed on the collective input which requires broad functional representation from the organisation inclusive of HRM expertise. However, executives in participant group 13 also alluded to the invitation of HRM in the process and the need for their endorsement and further went on to acknowledge that, at times, HRM is either left out or not given adequate time for engagement. This corroborates the fact that the HRM contribution is subject to an invitation and requires endorsement and allows the researcher to infer that this may impact HRM's ability to deliver value depending on the level of endorsement.

Table 8: Participants Summary: Business Executive Group 6

Participant Role	Organisation type	Organisational Reference	Quotation
Retail Banking Senior Executive	Banking	Org 7	• *Sometimes we leave the people conversation for last on the agenda and then give five minutes to people at the end of the discussion.* • *We made sure HR understood where we want to take the company through the digital strategy and still explain it and what we need*
CEO	Banking	Org 9	• *All those different stakeholders are quite important in making sure that there is a voice in the room. Strategy teams would sit then come up with plans or what is it that we want to do five years from now or 10 years from now, and nobody has worried about the people?*

Source: Author's own

As an HRM executive, participant 12 described her role as lifting out the people aspects from the organisational strategy through interpretation and understanding of the business model. From there participant 12 explained, HRM identifies what they are required to deliver on, what the set strategic priorities are and then validates with the CEO. This process was referred by the participant as "fleshing out the implementation from an HR point of view".

The strategy delivery process requires continued alignment of skills, systems and processes as part of business model transformation in line with ever-evolving business and stakeholder needs (Demabek et al., 2018; Kuruza, et al., 2017). This may also translate into or result in lack of integration, continuity and consistency.

Emerging from the data, the value derived from the inclusion of HRM at design stage enabled speed of execution and agility, effective change management and a people-centric approach to strategic delivery which, in participants' view, are elements which have an impact on the overall business performance and ability to compete competitively. As a key strategic partner, it was acknowledged that engagement with HRM and HRM participation was critical throughout the design process and not only at strategy implementation phase.

In addition to enabling speed of execution of the business strategy, the HRM role in the design process under this theme was described as being an opportunity to better enable HRM to gather the right data from the internal and external organisational environment and translate

that into business insights which accurately and adequately empower the organisation to future-proof through the identification of the correct capabilities and competencies required for optimal strategy delivery and execution, contextually relevant change management and organisational redesign. Participant 16 as an HR Executive shared that this in an opportunity to ask questions such as: "How do we capacitate the leaders to understand what it is that they need to do"; "How do we enable measurement of implementation"; and "Whilst there are business gaols which need to be met, how does business change or transformation impact people and how do we mitigate that impact". Participant 9 explained that:

…HR needs to ensure that they are an equal partner at the design stage of the business model and strategy and not secondary or only at implementation. Implementation is important but the design is where they are most valuable because there play an advisory part. Also being at design almost ensures that your implementation is then also more accurate and truly in line with where the business is going whilst having pre-emptively taken into consideration the employees part as well.

The critical nature of the HRM role in this process was corroborated by analysis group 7 represented in table 6 below, also highlighting and emphasising the need for the CEO in positioning this role in the process.

Table 9: Theme Summary: Participant Group 7

Table 9 is a comparative view of analysis group 7 statements relating to criticality of the HRM role in design process and their emphasis on CEO endorsement of HR inclusion and value add.

Participant Role	Organisation type	Organisational Reference	Quotations
HR & Operations Manager	Banking & Insurance	Org 6	• *All strategy should be underlined by a people pillar. That automatically means HR needs to be in the room and they can't be an afterthought. Asking: "Where are you going to find these people who are going to do that?"; "How are we going to retain them?"; "Do they have the resources?"; "Are we enabling them?"; "How are we going to assist you to get there?" That starts at the CEO – well, the CEO needs to believe that HR is necessary.*

HR & Business Executive	Banking & Insurance	Org 7	• *I remember the CEO would invite my opinion debates, he would say, "I want your logical and rational opinion which I know you have. What are your thoughts on this part of the strategy".*

Source: Author's own

5.2.3. Question One Conclusion

In summary, HRM is viewed as a value adding function within the business model design process. There are opportunities where HR practitioners can lead whilst predominantly their role in the process is to ensure effective implementation of the business model through ensuring the suitable capabilities are secured and developed accordingly. Inclusion at design stage better contributes to better implementation by HRM.

The inclusion of HRM is one where the business not only understands and sees the value of HR practitioners, but also a stakeholder approach in the design process. Non-inclusion tends to create tension and breed misalignment. A strong sentiment from HRM participants is the need for CEO endorsement of their role which they believe creates better inclusion and acceptance by other functional arears.

The data indicated there being a number success factors and indicators for HR inclusions in the design process through a collaborative process as illustrated in figure 4 below.

Figure 4: HR Success Indicators Summary

An illustrates what emerged from the data as success indicators for HR inclusion in the design process through a collaborative process. These were sighted as the tangible and intangible identifiers which can be used in assessing the level of involvement of HRM by business leaders and stakeholders when their role is see as value adding both at business model design stage and throughout strategic implementation.

| Size of HR Budget allocation & nature of allocation process. Natutre of funded HR process & initiatives | Timeline between identification of business transformation need and when HR becomes aware of the need or decision made | Level of HR business leader, employees & external stakeholders engagement & participation in HR initiatives |
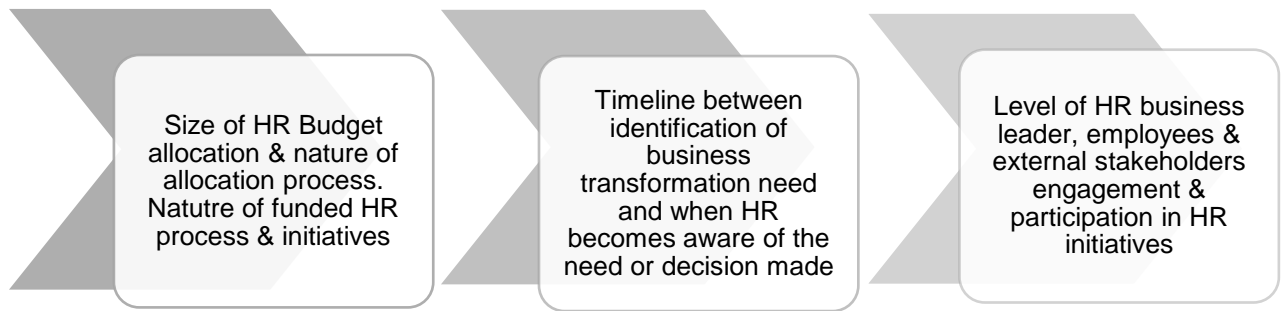
Source: Author's own

5.3.1.1 Strategic Partner & People Expert

As a strategic people partner, HRM was said to play a key role in highlighting and supporting the organisation and its leaders in mitigating strategic risk factors which impact the workforce such as:

- Union and external stakeholder engagement relations
- Corporate Governance and Labour Relations
- Business transformation and change management, including the facilitation of these

Participants in analysis group 1, made particular reference to the role played by HRM in advising business leaders on the various types and nature of risks associated with strategic decisions from the formulation, interpretation and implementation of the business models. In particular the impact they may have on issues relating to employee wellbeing and work environment, workforce management, diversity and inclusivity, employment equity, general employee sentiment and level of engagement and productivity.

The strategic partner role seems is not always recognised and advise not always observed by business leaders, participants listed a number of reasons linked to the factors which impact HRM involvement, performance, and nature of their input, discussed in further detail of the research under question two. The low level of business leader 'buy in' into their expertise or value add was mentioned as a hinderance in their ability to execute and effectively implement of integrated, fit for purpose HRM solution. This sentiment was shared across HRM professional analysis group 2, 3 and 4. Participants from these same HRM professional groups emphasised the need for strong influencing and stakeholder engagement and inclusion within

their role for the enablement and effectiveness of their role as strategic partners and people experts.

Well firstly HR needs to ensure that they are an equal partner at the design stage of the business model and strategy and not secondary or only at implementation. Implementation is important but the design is where they are most valuable because there they play an advisory part. Also being at design almost ensures that your implementation is then also more accurate and truly inline with where the business is going whilst having pre-emptively taken into consideration the employees part as well.

Whilst there was strong agreement across participant groups relating to the nature of this strategic partnering role, its effectiveness and, at times, credibility or lack thereof, was questioned. Interestingly, all groups shared that limited business knowledge and business acumen were contributing factors. It was reported that HRM's inability to grasp and effectively engage with the technicalities related to the business model and strategy disables their ability to partner strategically where business leaders tend to either only engage where necessary or limit the level of engagement and HRM inclusion as a result.

Data from the business leader groups corroborated the sentiment relating to business leader buy in and value added by HRM as a strategic partner. Lack of HRM solutions' credibility was due to a demonstration of limited business knowledge and business insights by HRM. They perceived HRM to apply linear or singularly focused methods in problem solving and solutioning, noting methods which lack integration and balance between business needs and performance as well as stakeholder needs. Interestingly, the inverse was perceived by the HRM professionals who viewed the lack of involvement by business leaders as a result of their profit maximisation logic which always seems to overtake the rest of the stakeholder needs when trade-off scenarios arise.

The unmet business need by HRM were therefore positioned as preventing optimal strategic partnership and inclusion into the business design process and described as HRM's inability to consistently produce and implement future fit, scalable data driven and agile solutions.

Whilst the HRM participants shared the same views relating to HRM credibility in the business, they however felt that their non-inclusion by business leaders is a significant contributing factor to their inability to, sometimes, effectively execute. As junior HRM professionals, both participants 1 and 2 felt that there was better strategic partnering by senior business leaders

with their HRM counterparts whereas, at a junior HRM level, senior business leaders were not inclined to partner with HRM. Participant 2 explains that:

> *I think the problem is at a junior or HRBP level when we are dealing with Heads of department then sometimes you are not even invited to the MANCOs so you hear about things as oh by the way. Or when employees are complaining and then you have to come in and fix things for line managers. They don't really allow you to partner up with them so you can advise from the start. think that maybe management or leaders see HR as a blocker instead of an enabler. But they fail to see that we become a blocker when we are included late in the process and have to ask questions and highlight risks that they overlooked and sometimes it is too late because maybe something has already happened.*

5.3.1.2 Organisational Effectiveness Enabler

The business environment remains in continuous state of fluctuation, fluidity and change (Amu et al., 2017). According to the data, part of the HRM's role, therefore, is to continuously contextualise and understand the changes and then conceptualise the steps and interventions required in order to capacitate the leaders and employees in effectively navigating those changes.

The organisational effectiveness role played by HRM was explained as one where HRM initiates, facilitates and influences an organisational change mindset and culture, and embeds the relevant behaviours across all HR systems including people and leadership practices thereby enabling leadership capability and change management capability.

Notably, while some participants positioned the ownership of the organisational culture and associated practices as being owned by HRM, other participants understood it to be owned by business leaders and enabled and supported by the HRM function. In other words, the responsibility for enabling and embedding the requisite mindset for change fell within the role and scope of business leaders. HRM's responsibility is the development of the corresponding leadership skills and organisational match for potential leaders and new recruits who, in turn, lead and manage the change accordingly through the appropriate processes and mechanisms jointly identified and selected by HRM and business leaders for implementation by HRM.

There was a strong emphasis on leadership capabilities, culture and mindset change required for business transformation enablement and all participants agreed on the critical role HRM plays in this regard.

5.3.1.2 Trusted Advisor

HRM was repeatedly referred to as a trusted business and employee advisor. Participants also positioned the role as one which, at times, represented employee interests and helped maintain balance between employee and organisational interests driving focus towards aligned outcomes. Lastly their role was viewed as one which guides fairness, integrity and objectivity across stakeholder groups. This role, therefore, encompasses the employee advocacy referred to in chapter 2.

Participant 1 described the measure of success in her role in terms of when she knows and is treated as a trusted advisor, describing this role as:

> *I know that you can never have all employees happy but I guess as an Human Capital (HC) team where you get to a point where employees do believe and trust the HC team and that they don't view us as an extension of management. They view us as a neutral body that will always be fair, be honest. And not take sides. And that's a success for me.*

The theme of trust was not only one which emerged in relation to the employees but also relating to HRM being a trusted business partner to business leaders. The context relating to the idea of a trusted business partner was in relation to business leaders having trust in HRM's capability to deliver on business goals and expectations.

This element is also very closely linked to the strategic partner theme where, without the trust, HRM is then not able to partner with business leaders nor are they able to, therefore, effectively represent employee needs and this can be interpreted as another form of tension in their role.

5.3.2.1 Stakeholders

Participants across all groups acknowledged and saw the employees as a critical stakeholder stating that there would not be organisational value creation without employees. Participants

highlighted that, from design to implementation, this critical stakeholder input and output is required yet, at times, due to the organisational value logic equated to profit maximisation and conflicting stakeholder interests, tensions arise between employees and business leaders and HRM plays a role in continuously trying to balance and align these needs. Where there may be conflict, HRM is required to find various means of neutralising the conflict.

It also emerged that a multi-disciplinary and multi-functional approach yields the best business model innovation and redesign results and is needed for business model innovation and redesign which translates to stakeholder inclusion. In other words, a stakeholder approach is relevant to the purpose of the business model and organisational goal which must be met through unlocking multi-directional business value. This approach is applicable in the designed process as well, through its functional inclusivity where the process includes insight and inputs from a broad range of organisation functional expertise for optimal results.

Furthermore, from an HRM perspective this role would incorporate the social support role given its connection to a broad set of stakeholders. None of the participants gave indication of leading CSI. This seemed to be something which they partake in but don't necessarily lead.

It was however acknowledged that there are external factors which the HRM role considers such as external regulatory environment, labour legislation, education sector and other socio-economic factors which impact the organisation and it's employees and labour market trends.

5.3.1.1 Question One Key Finding Summary

HRM fulfils a the role of strategic business partner and people expert, enables organisational effeteness and is a trusted advisor. Some of the tangible success indicators in their role are the comparative sizes of the HRM budget and nature of the budget allocation including the funded HRM process and initiatives and level of business engagement such as the timeline between a significant business change decision is made and when it is communicated to HR. The intangible success indicators are level and frequency of leadership, employee and external stakeholder engagement including level of participation in HRM initiatives.

HRM role is critical in the business model design process, this was unanimously agreed upon by all participants and the same emphasise placed to this view. This participation is enabled through continuous strategic business partnering which, in turn, empowers the HRM role for effective strategic operationalisation within their implementation and enablement function. The

organisational senior leadership play an instrumental role in endorsing HRM including and business partnering, most especially the CEO role.

Business leader perception is that, for the strategic partnering to occur, there are certain HRM competencies which are required for HRM to display and, in the absence of those competencies, the HRM purpose and value add in the process is diminished.

The organisational effectiveness role is one which focuses on the required elements integrating business strategy into the organisational DNA by way of identifying the ideal organogram structures, leadership competencies, overall organisational routines and cultural practices which will embed a the required behaviour for sustainability There seems to be weak alignment relating to the nature of accountability HRM has towards the culture component and level of responsibility HRM has versus business leaders.

5.4 Question Two Discussion

Question two focuses on the factors which impact the HR role in the design process, looking in particular at what the barriers and enablers are. By understanding these factors, this could potentially create opportunities for business leaders and HR practitioners to look at ways of overcoming the barriers and leveraging the enablers for more collaborative and integrative ways of work.

After the data was analysed, the factors, enablers and barriers presented a pattern of underlying and shared sentiments within and across participant groups, which provided a more comprehensive view and understanding of the context from which the insights were shared. Figure 6 represents the theme which emerged from the data relating to factors which impact the HR role and function. The link between the barriers, enablers and the underlying sentiments are understood to be where the potential for optimal HR value adding performance.

Figure 5: HR Barriers and Enablers Summary

A consolidated view of the factors which enable and hinder HRM performance and delivery in line with business objective for sustainability which are discussed in detail under corresponding heading.

Barriers	Enablers
Lack of role clarity	Integrated & inclusive approach to processes
Non data driven HR insights & misaligned HR solutions	HR stakeholder engagement
Outdated HR capabilities & competencies	HR business acumen
Organisational Value Logic & Stakeholder Tention	Fit for purpose , data driven & scalable HR solutions
Fragmented business processes	Trusted (people & business) advisor & strategic partner

Source: Authors own

5.4.1. Barriers

Having agree that indeed HRM has a role to play in the business model design process, participants presented various reasons and scenarios which hindered this function playing a role accordingly. There where therefore opportunities identified which would enable HRM in playing amore prominent role, whilst there are barriers which disenable this role.

5.4.1.1 Role Clarity

The overlap in roles identified as a barrier was in refence to there being parts of the HR role which are, at times, executed by other departments or taken over as individual initiatives. Particular reference was made to CSI strategy execution which, depending on the organisational structure, this functional department potentially falls within HR. In some organisations it is a stand-alone department and functional area or falls within the marketing department (Stahl et al., 2020).

Participant 6 shared that, in their organisation, CSI initiatives are run centrally under the CSI department, however various departments lead their own CSI initiatives which have an impact on and link to employees, yet HR is largely left behind. The reason provided was the sentiment that HR tended to be bureaucratic and disenabling where, instead of applying a risk mitigation process to enable an initiative, they instead simply highlighted the risk therefor preventing execution or delaying it.

This sentiment was corroborated by participant 16 and participant 1, however, the examples referenced were more related to business leaders either taking over the implementation of change management processes or HR practitioner taking over business leader roles in employer employee engagement processes. The sentiment shared there was that of a lack of business clarity between business areas and, at times, this was associated with HR's inability to position its role and value within the business or play a meaningful role.

Whilst having seen the positioning and endorsement of HR by the Chive Operations Officer (COE) as positive, participant 15 also shared that this translates into HR not being seen as value-adding given that HR has the need for endorsement of their role. This creates a barrier to entry into the deign process and/or entry that is not on equal footing and/or as a strategic partner.

> *….HR should not have to be invited because, as a partner of equal value, you simply take up the space and add that value without being invited. HR people's self-image needs to change where they are able to take up the space and play their part without being [invited] or waiting for an invite and this takes them understanding their role, the value they have to bring before anyone else understands it….*

5.4.1.2 Non-Data Driven HR Insights & Misaligned HR Solutions

All participants expressed the inability of HR practitioners to "speak the business language", have a flare for business or truly understand businesses. This was indicated as resulting in HR's inability to:

- Present business relevant, scalable and fit-for-purpose solutions
- HR's inability to quantify their value add and business case

This inability was viewed as resulting in loss of trust in their ability to deliver and, therefore, negatively impacting their role as a strategic partner and trusted advisor, further perpetuating a sentiment of being transactional instead of transformational in their role.

5.4.1.3 Outdated HR Capabilities and Competencies

This barrier is closely linked to the non-data drive hr insights barrier, given that it too refers to a particular skill required in the HR role which, according to the data, at times, not demonstrated by HR practitioners. In this aspect however, participants made specific reference to the need for a reviewed HR capability and competencies both within an organisational context but also at a broader, educational level where the provided rationale was that HRM qualifications tended to not provide the requisite business orientation which is a critical needed for HRM practitioners given the complexity of the business environment.

Whilst their role maybe focused on providing HR-related solutions, these solutions need to be aligned to the business context and participants seemed to believe that there tends to be an inability to create and match HR-related initiatives, solutions and process to the business need and context. This inability was linked to a need for business-related capabilities and business acumen and orientation.

Some participants further qualified their sentiment through sharing that, historically, HRM as a function served a different purpose within organisations, it was there to focus on workforce management and personnel, which had been the business need during the industrial era. The business landscape has since evolved, however, from within the HR profession and academic arena, that evolution needs to happen which will, in turn, elevate the HR role and credibility in operations (Ehnert et al., 2014; Macke & Genari, 2019; Stahl et al., 2020).

5.4.1.4 Organisational Value Logic

Participants attributed this barrier to existing tensions in organisations relating to shareholder profit-driven interests, the broad stakeholder value network and shared value orientation. In particular, participants narrated that decision-making was required by organisational leaders which may place these leaders in positions of having to make trade-offs, and the perceived trade-offs are between interests which serve a profit-making logic at the expense of other stakeholder interests such as employees and clients.

This value logic and associated trade-offs create pressure and tensions for management groups and other functional areas. As a result, HRM professionals expressed having to 'fight for employees' or having to be the voice of employees. The previously shared participant quotation relating to HRM budget allocation can also be linked to this view where management makes decisions based on resource allocation based on these tensions

5.4.1.5 Non-Inclusive & Fragmented Business Processes

The need for HRM to be invited into the design process and what participants referred to as strategy formulation process indicated the existence and non-inclusive and potentially fragment business process which, not only impacts individual functional areas at an organisational level but, in turn, broader stakeholder groups and the intended business objective. This may also delay speed of execution of the impacted parties and possibly then contribute to their perceived failure or non-delivery.

This sentiment was explicitly expressed when participant 9 related:

> *An invitation is for guests and being viewed as a guest at those meetings that you must be invited to contribute already means that you are one foot behind being able to then influence and sometimes even lead.*

> *Sometimes we struggle doing what we need to do as an HC partner purely because of the maturity of business heads sometimes. So you find that business heads in other areas isn't inclusive, co-operative or taking HC on the journey and define what strategy is for them and exclude HC.*

5.5. Enablers

The enablers which were expressed by participants, were intricately linked to the barriers were participants believed that if the barriers were addressed and enabling factors occurred more frequently, the role of HR would be more pronounced in the design process. They believed that HR would be enabled to play a more active role and at times initiate or lead pro-active action. The below discussion highlights five identified enablers stemming from the data gathered.

5.5.1. Integrated & Inclusive Approach to Business Processes

This enabler is linked to the inclusive integrated approach to business processes. This enabler was expressed as an element which is necessary as a leadership capability or skill and one which is a component or element of organisational culture wherein leaders seek to enable and include a broad set of stakeholders in their process and decision making. In such a reality, consultative measures are taken in ensuring that decisions made encapsulate a broad stakeholder perspective

Participant 1 shared how the CEO in their organisation followed a similar approach during the review of their organisational strategy.

> *…as people [HR] that have played a role we actually had a session with our CEO and our employees. You know when we engage around all these changes of this strategy, the CEO wants to hear that we [HR] are embracing the change, motivating people about the change that is upcoming. Which is now a reflective of all the input from different guys in the business, their head of departments and their top talent of the bank. And then after that, they will look at the strategy or revised strategy based on the feedback and what they've agreed in deciding what they will then do*

5.5.2 HR Stakeholder Engagement Way of Work

This enabler was largely deduced from participants who highlight not being included in the design process whilst there was an expectation from business leaders and employees that HR create solutions aligned to business model design principles which they are, at times, unaware of, do not understand or have very limited information on in order to effectively deliver. As a result, the underlying sentiment which can be understood from the data is for inclusive and business process design approaches which, in turn, enable integration and alignment of solution initiatives and processes.

Interestingly, the HR professional groups expressed the effectiveness of their own processes and initiatives when they used inclusive approaches, making mention of greater adoption and success rates and better business and employee interactions. This approach was positioned by these participants as one which is also vital when navigating and facilitating any change and business transformation process.

5.5.3. HR business Acumen and Business Orientation

The need for a strong business-oriented HR function and professionals was expressed across all participants. Participants highlighted that this enables understanding of how and what needs to be integrated from an HR perspective drawing from business practice, business strategy and business model insights in order to effectively enable strategic and operational execution. Furthermore, this business acumen would enable HR professionals to better present their data-oriented information thereby better allowing relatability to business leaders and demonstrating reliability and quantifiable, measurable insights.

This would create an environment of trust between HR professionals and business thereby building towards being a strategic and trusted partner whose value is seen and understood, and guidance taken. It would enable HR to better position themselves, their role and capabilities.

5.5.4 Fit For Purpose Scalable HR Solutions

The definition of sustainability and its connection to long term relevance, market performance and broad stakeholder value creation through the enablement of innovation from business model innovation has already been mentioned. Fit-for-purpose solutions were those which would facilitate this process and enable the organisation through its HR and human systems and processes to reach their business goals.

Fit-for-purpose and scalable solutions were also linked to cost maintenance-oriented or cost-conscious solutions which enable integration and scalability whilst creating high value for stakeholder groups. The types of solutions also present an opportunity for HR professionals to view this as a way of quantifying their role, looking to identify potential metrics linked to these inputs and outputs thereby also connecting to the data informing way of work which had been identified as an enabling factor.

5.5.6 Trusted Advisor

The trusted advisor concept is one which came from all the HR professional participants. This was used in reference to their role and engagements both with business leaders and employees. The business leader relationship has already been discussed; thus focus will be on the employer relation where HR professionals positioned their role as being a representative for employees and employee interest and in order for them to effectively play

this role they highlighted the need to be a trusted advisor to business about matters pertaining to employees and employee interests and wellbeing.

5.6 Research Question Three

This last research question explored which HR practices and processes were understood to likely enable business models for sustainability. In these discussions, participants shared insights relating to the macro banking industry environment and their internal micro-organisational environments.

Across participant groups there was alignment in the view that the key role for HR in enabling the business model – irrespective of the business model type and organisational value logic – is ensuring that the organisation has the matched capabilities and competencies in order to deliver on the business strategy and business objectives to ensure long-term business and market relevance. An extensive list was mentioned by participants of the requisite HR practices in the execution and fulfilment of their described role.

Across HR professional analysis groups it was mentioned that all strategy should be underlined by a people pillar. This view was shared by the business leader analysis groups as well. Furthermore, all groups agreed that HR is central and HR practices ensure that the organisation has the right people, in the right roles, doing the right things whilst being recognised and rewarded for their work, kept engaged, developed, enabled and their overall wellbeing supported.

Additionally, HRM practices are able to be linked to certain business intent relating to the business model stage the organisation is in, in terms of the strategic business cycle, type and level of business change and transformation required including level of sustainability impact envisioned.

Contextually, participants also referred to the impact of the current global pandemic COVID-19 on workforce emerging trends and what they are grappling with or solving for in relation to these trends such as in the case of hybrid, flexible staffing models and a remote way of work. Practitioners are considering how to effectively enable employees and support productivity; how to motivate them and keep them engaged; how to enable collaboration, build and maintain a favourable organisational culture; and how to enable leaders to effectively lead remote and hybrid teams.

It was clear from the data that there are generic HR practices. What distinguishes these practices is how they are uniquely integrated into the business model and business strategy and contribute in building a particular organisational DNA which is then leveraged to better compete in the market.

Participants stated culture and leadership practice being strong contributing factors in enabling, supporting and inculcating a conducive culture which supports, and, in turn, is supported by the HR practices as a form of reinforcement of behaviour and mindset.

5.6.1 Digitalisation

A notable phenomenon and concept which all participants stated repeatedly is digitalisation. Participants mentioned that they were currently grappling with this both at a macro South African banking industry level and in their functional roles at organisational level. Digitalisation was mentioned in the context of business model innovation. Data analysis revealed that there is a strong focus on developing the necessary internal organisational capabilities and competencies required in order to compete in a digital banking era. Business leaders and HR professionals relate on some of these challenges identifying recruitment, development and retention of key talent with scarce and critical technologically oriented skillsets.

Participants expressed not only the critical nature of these scarce skills as they compete in the market and maintain market relevance through business model innovation, but also the rapidly evolving nature of technology and South African education and labour markets' inability to produce them. There was indication from the data that the digital and technology skills gap is potentially a broader societal matter and in solving for it, the industry may benefit from adopting a stakeholder approach to finding solutions as opposed to trying to solve for it as individual organisations. Participants 5 and 6 shared similar sentiments by making reference to a workplace skills programme called the YES program. This national initiative involves young qualified South African youth being placed in corporate organisations for a set period of time where they are provided meaningful work experience and remunerated accordingly. The question by the participants who made mention of this initiative is why this approach could not be scaled to address industry skills gaps.

Lastly, the impact of digitalisation is not only on the organisational business and operating model but also impacts how HR execute their own role in relation to HR competencies related to operating within a digital era and environment thereby linking to the already mentioned factors of HR capabilities and data-driven HR solutions.

5.6.2 Capabilities enablement

Capabilities are at the heart of an organisation, and this begins with a clear talent attraction strategy which identifies what skills are required, both current and future, where and how such talent can be attracted and if skills are scarce, then how does the organisation develop its own. This insight was aligned to participant 5's perspective when mentioning that:

> *…from a HC perspective, I think it's just first of all going back to what I was saying around knowing and understanding that it's also about coming up with solutions for business that says, from a people perspective, if we're going on a digital transformation journey what is the impact on the skills of people and what should we actually be skilling and upskilling people on to prepare the workforce for the future? It might take long for us, maybe to go through the technical and digital waves, but when it does, we must be prepared…. If you look at a lot of technology and digital transformation articles and what these speak about is that they talk about the skills that are going to be relevant like creativity, and you know things that machines can't do. You know that only people or human people humans can do?*

The analysis conducted in this process further informs other HR processes such as the retention strategy, leading and development strategy, employee value propositions and resources budgets. In other words, key consideration is necessary for what some participants referred to as the employee lifecycle.

Interestingly participants from organisations group 7 shared how, in their business strategy, as part of their business model they did not stop at looking at the employee lifecycle but they considered their client profiles, locations and ensured that, as part of their recruitment strategy, they would recruit only employees living within the communities that their branches were located in. They believed that locals serving locals would result in better client experience.

5.6.3 Employee value proposition

Employee value proposition (EVP) was referenced as a practice and process by some participants as something which is part of an organisational culture, or the way things are done. This included the way employees are treated, which demonstrates to employees that they are valued resulting in employees seeing themselves as an important part of the organisation, as a valued stakeholder.

Based on this, it can therefore be interpreted that the concept of the EVP could entail both aspects, where either are tangible process and practice which are then reinforced through demonstrated behaviour and mindset which is an element of organisational culture.

From a stakeholder perspective, EVP can also be interpreted being linked understanding that employees are an integral part of the value creation and exchange, and a vital stakeholder which, therefore, needs to be considered in a certain manner in the organisational ecosystem.

Participant 9 explained how in their organisations product design process a step has been built where the product test phase is conducted with employees opting in to being part of a test group and interacting with the product or service from the perspective of a client. These employees get an opportunity to use the service or product and then give client experience feedback for product improvements before the product market launch. This way of work emanated from the organisation's investment in their employees where the organisation not only views employees as critical stakeholders, but also organisation and client experience ambassadors. The EVP and employee onboarding process have been mechanisms used to build and reinforce this employee mindset and way of work. Participant 9 noted:

> *…let make every employee a client and we did this through our MVP [minimal viable product] approach rather than going to market where products are tested by our employees who then give us feedback. Remember these employees would have gone through our onboarding emersion [called] 'Firm Foundations" which means they have a full appreciation of customer-centricity and so, when testing a product, it only makes perfect sense for us to test it with our number one clients who will give feedback about just how customer-centric it is and whether we have stayed true to our fundamentals. So again, its levering the ecosystem and understanding that there is a network of stakeholders who are all part of the Why, How and What….*

5.6.4 Learning and development

The data presented employee development and having a learning organisation as an important element towards sustainability. Various learning and employee development initiatives were made reference to by our participants who indicated that this component contributed towards employee engagement in their work. It further supported the development of relevant skillsets and also contributed towards employee retention especially when linked to internal career progression and mobility for high performing employees.

Developing employees was therefore found as a way to future proof the organisation by internally creating opportunities for new knowledge, skillset creation and internal mobility. It built institutional knowledge and helped retain critical capabilities.

It is under this broad organisational approach to learning and development where concepts such as multi-skilling, re-skilling and upskilling would be most connected where HR would look as the organisational context both internally and externally and make data informed decisions relating to various learning approaches which may be relevant, in alignment with the business context, its needs and strategic objectives.

5.6.5 Culture & leadership practices

Culture was referenced by HR and business leader participants. Whilst there was not tangible or explicit examples made, this was mainly reference as a mindset and linked to HR and leadership owning the organisational culture which is shaped and influenced by leadership behaviours.

Engagement Surveys, a data gathering tool, was reference by three HR professionals as a mechanism used in their organisations to gather data from employees relating to their employee experience and sentiments about the organisation; observed and experienced leadership behaviours; and how improvement can be made in all of these areas.

5.6.6 Change management and stakeholder engagement

The business environment is in constant flux, digital transformation is a significant change impacting the industry and individual in different ways, however, all of this requires effective change management practices and approaches which minimise and mitigating a range of operational barriers.

5.6.7 Diversity and inclusivity

Diversity and inclusivity had been mentioned in reference to transformation in line with employment equity within the South African socio-economic and labour legislation context which has a connection to good corporate governance. However, some participants highlighted the connection and the need for focus on supporting HR processes in line with the benefits it brings in positively contributing towards increased or greater innovation and an innovative culture, way of work and solutioning when your workforce is diverse.

Chapter 6: Research Questions

Research finding and recommendations

6. Introduction

This chapter focuses in more detail on the findings from Chapter 5 and builds on these by presenting an analysis of the emerging themes in relation to the questions put forward in Chapter three and comparatively assessing these in relation to the literature review from Chapter two.

The purpose of this chapter and process is one which seeks to answer the research questions whilst also identifying opportunities for extension in literature using the themes which emerged, and combining those with the presented concepts which include sustainability and sustainable business models, sustainable HR and related ideas which are viewed through stakeholder lenses and constructs and supported by participant comparative insights.

This research sought to understand the role of HRM in the design of sustainable business models, framing exploration of these questions within the South African banking industry. Whilst the nature of the questions lend themselves to an organisational level analysis, drawing participants from more than one organisation who fall within the same industry provided depth and rich and comparative data for analysis.

Question one sought to understand whether HRM has a role to play in the design of business models for sustainability where question two explored the factors which impact the HRM function and question three looks at the HRM practices which support and enable sustainable business models. Briefly, the drivers of sustainable business models were discussed in Chapter two so as to further get an understanding of whether HRM has a role to play and, if so, what that role is.

6.1 Question One Results Discussion

Question one explored the role of HRM in the design of business models for sustainability. This was to better understand whether HRM is considered and included in the business strategy formulation for sustainable business model process and, if so, how their role is considered in that process.

6.1.1 Sustainability and sustainable business models

In engaging participants, most all of them started off with a need to clarify and align on the definitional meaning of sustainability and sustainable business models, and a significant amount of time in the interview was spent on this area and concept in the research.

It emerged from the data that, indeed, sustainability is a broad concept which brings together and requires action from various stakeholders both external and internal, therefore, this view was aligned to the presented literature both from a sustainability and business model for sustainability perspective as well as a sustainable HRM perspective.

Within the South African banking context, sustainability through business model innovation is presented in various ways and influenced largely by external stakeholders which include clients, new market entrants, government through banking industry specific regulation and general labour legislation (Carè, 2018; Yip & Bocken, 2018).

Whilst organisations within this industry may seek to minimise negative business impact within their ecosystem, or positively contribute towards certain substantiality goals, those vary in nature and are not always a direct result of business model design and associated value creation practices and processes. Rather, the yielded results tend to be a by-product of organisational activities. What was not clear was whether this may be as a result of the dominant organisational value logic still being one of profit maximisation or a result of the organisation still grappling with embedding and integrating sustainability using its business model and aligned processes (Laasch, 2018).

Internal and external alignment of organisational activities are critical in the deliberate pursuit for sustainability by organisations through their business activities, hence, this requires a stakeholder approach where functional representations are taken into consideration from

business model design right through to strategic implementation and management, and it was found that this is not the case in most of the organisations (Stahl et. al., 2020).

In order to operationalise sustainability, organisations need to have innovated and designed their business models to incorporate sustainability whilst at the same time ensure that these principles are integrated across the value chain through the organisational strategy.

Amui et. al. (2017) argue that sustainable strategy implementation has to be the driver for the corresponding organisational capabilities which they list as organisational learning orientation and innovation, risk management and culture with strong leadership capabilities in order to enable information dissemination, management commitment and employee long-term engagement and motivation.

Participants agreed that leadership capability and culture were critical for organisational performance and the ability to innovate, manage change and operate sustainably. Furthermore, they saw this as one of the key reasons and areas where HRM should be able to plays a role in the design of sustainable business models.

6.1.2 Sustainable banking business models

It emerged strongly from that data that there has been a concerted effort in the South African banking industry for organisations to incorporate sustainability within their business models through products and service innovation and pricing which create greater financial inclusion, thereby, positively impacting not only the clients' financial lives, but also other social needs and the broader society. In other words, the business model innovation for sustainability has been an area of loan granting, sustainable financial products, inclusive value creation and digital solutions, thereby corresponding to some of the banking archetypes identified by Yip & Bocken (2018).

Sustainable business models in banking corroborates Chapter two's definition of sustainable banking derived from Raut et al., (2017) which speaks to a trustworthy banking system incorporating internal and external financial and non-financial stakeholder needs, where the intermediary action is informed by end results in a sound financial system through ethical practices which considers internal and external stakeholder needs and impact and mitigates accordingly against risk, and balances stakeholder needs and trade-offs.

These areas or elements of sustainable business models framed within the banking industry, were grouped under two overarching themes relating to sustainable banking practices – organisational sustainability and market relevance, and regulatory compliance and corporate governance. Participants understood sustainability to mean organisational relevance and market dominance through BMIs which catered for and ensured shareholder returns through optimising digital platforms and digital services by offering a wide range of services and products seeking to attain broad value creation whilst maintaining and ensuring responsible financial practices. Furthermore, client financial education, triple bottom line consideration and the maintenance of a sound national financial system were highlighted as critical elements and drivers of sustainable business models (Carè, 2018; Raut et al., 2017; Yip & Bocken, 2018).

Participants also agreed that sustainability in their organisational and industry contexts has predominantly been based on regulatory compliance, which means that activities related to CSI, employment equity targets, BBEEE and various other regulatory requirements closely associated to sustainability and good corporate governance were being followed and viewed as the main organisational sustainability inputs.

The motivating factor for sustainability and sustainable action in banking has stemmed from the regulatory and legal framework, risk management, customer attractions, external market entrants and corporate governance (Carè, 2018; Raut et al., 2017). This therefore indicates the gap which has been substantively covered in literature, that of organisations superficially or at a service level pursuing broad sustainability hence the lack of integration and embedding through the business model and organisation related through process (Yip & Bocken, 2018).

This finding aligns to and supports the literature which notes that organisations tend to focus on performance related factors and profit maximisation where social dimensions are used as part of social promotion and positioning of the organisations and, as such, the activities which drive and support sustainability environmentally, socially and economically then tend to either be misaligned or superficially incorporated into the organisational activities but remain as standalone, separate from the business objective and business model operation (Carè, 2018; Stahl et al., 2019; Raut et al., 2017; Yip & Bocken, 2018).

Corporate sustainability requires a long-term organisational mindset, organisational structural redesign and the alignment of processes in pursuit of embedding sustainability across people, systems and processes (Ehnert et al., 2016; Kurucz et al., 2017) hence the need for an integrated stakeholder approach with HRM. There is, therefore, room for organisations to do

more as a means to move towards greater and impactful ways of redesigning business models for increased sustainability.

6.1.3 HRM's Role in the Business Model Design for Sustainability process

6.1.3.1 Sustainable Human Resources Management Role

Having explored whether HRM has a role to play in the design of sustainable business models in question one, the research found that HRM indeed has a role to play and that role is acknowledged and recognised by HRM professionals and business leaders alike. However, HRM is not always present or part of that process. Furthermore, not only do HRM have a critical part to play, but it also emerged as a finding that the design process should be one which is inclusive in nature, catering for functional interconnectedness and stakeholder inclusivity.

The role played by HRM in the business model design process for sustainability, is multi-dimensional, balancing various stakeholder needs and influencing various stakeholder behaviours where the employee is indeed a key and material stakeholder (Ehnert et al., 2016; Voegtlin & Greenwood, 2016; King IV, 2016). It is also this characteristic as a multi-stakeholder influencer and mediator which lends itself to being ideal in the influencing and enablement of sustainability. This is done through the improvement of employee wellbeing, engagement and productivity through effectively aligning practices to organisational sustainability goals and performance, attracting and developing the requisite skills, competencies and capabilities in order to deliver multi-directional value (Ehnert et al., 2016; Malik et al.,2018; Macke & Genari, 2019; Stahl et. al., 2020).

At the centre of the HRM role is the attraction, retention of top performing talent and skills therefore positioning the organisations as an employer of choice and enabling it to leverage capabilities in order to create a competitive advantage, sustainably respond and adapt to market changes and contribute positively to its ecosystem (Ehnert et al., 2016; Malik et al.,2018; Macke & Genari, 2019; Stahl et. al., 2020).

Furthermore, this is enabled through HRM practices and systems which seek to build and embed the requisite culture and leadership behaviours which cultivates innovation and the

adaptability to change and mitigate risk accordingly. The effectiveness of this role requires stakeholder buy-in where, at organisational level, employees openly engage HRM; leadership partners with HRM; and external regulatory bodies provide the required statutory tools and support (Ehnert et al., 2016).

A strong view regarding the overall HRM role was that of ensuring that the organisation has the required skills and capabilities for reaching organisational goals through recruitment, training and development and retention of those skills. This is enabled by HRM practices and systems which seek to build and embed the requisite culture and leadership behaviours which cultivates innovation and the adaptability to change and mitigate risks accordingly.

6.1.3.2 Sustainable Human Resources Management Role Classification

The SHRM role can categorised intro three main role functions, namely, strategic support role, employee advocate role and social support role and, descriptively, these classifications were noted by all candidates in describing the 'what' of SHRM Podgorodnichenko et al., (2020). The strategic partner role is a business enabling role for the achievement of organisational goals therefore the area where SHRM would apply various initiatives and processes in attracting and retaining talent and ensuring optimal performance in line with organisational goals.

The employee advocate role is rooted with the employee in solutioning for what is in the best interest of the employee as a material stakeholder. In other words, employee wellbeing, employee volunteerism, equitable inclusivity and diverse workspaces and policies. Interestingly, this role was also the part of the role which HRM professionals found to be minimised at times by business leaders as a result of conflicting stakeholder interests and stakeholder tensions and trade-offs.

The social support role is focused on external stakeholders where HRM policies impact the external environment whether directly or indirectly. This entails CSI initiatives but also those SHRM policies and practices which seek to minimise the potential or existing negative effects of the pursuit of organisational goals on aa broad stakeholder base (Podgorodnichenko et al., 2020).

When assessing 'how' the SHRM role delivers, it was found that it requires data and multi-disciplinary methods in understanding interactions amongst humans and elements of a system in order to design for optimisation of human wellbeing and overall system performance, and balancing stakeholder needs (Ehnert et al., 2016).

6.2 Question Summary Findings and Recommendations

The main findings were that the underlying functional and value adding HRM and SHRM role is one which enables risk mitigation and balancing of stakeholder needs and associated tensions, whilst being positioned for strategic implementation of organisational action towards goal attainment including corporate sustainability. This role entails facilitating organisational change, leading focused recruitment, career development and organisational learning whilst designing innovative solutions for employee wellbeing and dynamic workplace environments (Malik et al.,2018).

This implementation role requires HRM business inclusion in the business model design process and across all strategy implementation stages. It requires employees' support and engagement, and leadership and management involvement and ownership (Ehnert et al., 2014).

Given these findings it is, therefore, critical for HRM to jointly with business leaders look at ways for cross-functional and multi-disciplinary approaches to business model design for sustainability. Furthermore, the identification of opportunities of process alignment and integration is also required, given the complexity of sustainability and organisational and external contexts which all require consideration in the process.

Whilst the participant groups agreed on what the SHRM role is and how they deliver on their role, a varied number of reasons were presented relating to why SHRM tends to only be visible in the strategic implementation stage with practitioners operating as strategic and operational implementors rather than having input and contributing at the beginning of the process as well as throughout. A strong sentiment relates to the need for HRM data-informed, future-fit solutions were found to be the most stated reason for non-inclusion where it was indicated that HRM fails to provide data-driven, future-fit insights and solutions.

The factors which impact HRM, and, in turn, disincentivises business leaders will be discussed in detail because, whilst these came out and were connected under question one, they are better suited for discussion under enabling factors and barriers for HRM.

6.3 Question Two Results Discussion

Question two assessed the factors which impact HRM in participants' function. The research sought to better understand the challenges HRM professionals may encounter in their role and where the opportunities which may better enable them in the design and implementation of sustainability business models through identifying barriers and potential enablers.

6.3.1 HRM Barriers

Table 10: Classification of (S)HRM Barriers and Enablers

Drawing from and adapting Chams and Garcia (2019) barriers classification, the themes which emerged from the barriers were classified under organisational barriers, systemic barriers and attitudinal barriers presented in to provide an integrated view of emerging themes.

Barrier Classification	Definition	Barriers	Enablers
Organisational Barriers	Misaligned and contradictory internal process	- Role Clarity - Fragmented business process - Non-data-driven and misaligned HR solution	- Integrated, inclusive process - HR business acumen - Fit-for-purpose, data-driven & scalable solutions
Systemic Barriers	Poor external stakeholder support		- SHRM Stakeholder engagement
Attitudinal Barriers	Poor internal stakeholder support i.e. Employee mistrust and non-engagement	- HRM non-inclusion in business process	- Stakeholder engagement - Trusted advisor and strategic partner

Sources: Authors Own

6.3.1.1 Role Clarity and Fragmented Business Process

Role clarity, fragmented business processes, non-data-driven HRM insights and misaligned solutions were presented as some of the main barriers for the HRM function which the research classified as organisational barriers drawing from (Chams & García-Blandón, 2019). In addition, non-inclusion of HRM in critical business processes and employees' mistrust of and non-engagement with HRM was identified as attitudinal barriers negatively impacting the HRM level of value delivery (Chams & García-Blandón, 2019).

Participants across HRM professional and business leaders shared that, whilst they understood the need for HRM inclusion in the full strategic design and implementation process, there was an inability for HRM to position itself and demonstrate full value. They sighted challenges where HRM's inability to present data-driven insights and limited or lack of business knowledge and acumen disenables HRM from providing integrated HRM solutions aligned to business needs. These reasons fuelled non- inclusion of HRM in the design process.

In contrast, HRM professionals acknowledge the same gaps and attributed these as barriers which disenable them to effectively solution and implement. Furthermore, the identified enablers, they presented as interlinked to the barriers and solutions for this would best position them as a trusted strategic HRM function which is able to deliver on stakeholder needs. For the HRM professionals, the fundamental enabler was business and the role they play.

The misalignment and role clarity impacting HRM delivery may be connected to the lack of clarity barrier. For example, HRM professionals indicated the responsibility to lead change, which is a driver of sustainable business models, as resting with business leaders where HRM plays an implementation and enabling role by providing business leads with the necessary tools. However, there was a group of participants who presented that leading change management belongs to HRM. This misaligned view relating to roles and responsibilities may impact delivery and even inform the fragmentation in business processes and those of HRM.

Furthermore, this scenario is one which is aligned to the functional strategic barrier identified by Bocken & Geradts (2020) when they referenced the barriers and drivers for sustainable business model innovation, explaining that functional boundaries and defined responsibility, accountability and authority is required to enable alignment in execution and to mitigate what they termed as restrictive functional focus and silo thinking (Bocken & Geradts, 2020). In

addition, it indicates the critical nature of the management role where leadership requires collective, collaborative action (Kurucz, et al., 2012).

6.3.1.2 Management role and HR Non-Inclusion in Business Process

Kuruca et al., (2017) explain relational leadership as transformative action as an important part of building towards sustainability where they describe it as continuous alignment of actions for collective meaning-making where leadership is no longer viewed at an individual level but rather collectively and, through a leadership framework, leaders collectively work through actions towards strategy operationalisation and perhaps it is through this type of approach where functional barriers can be addressed thereby creating improved role clarity, responsibility and accountability based on a contextual framework.

The delineation of roles and responsibilities specifically relating to change management is not explicitly clear from the literature. What has been presented in the literature is the need for organisational transformation and organisational structures redesign, strategy definition and implementation, people enablement and management process alignment where there is a dual responsibility, that the leadership role is critical across all levels of strategic design and implementation which include change management (Bocken & Geradts, 2020; Kurucz et al., 2017).

Stahl et al., (2020) references the failure of top management in empowering HRM which disenables them from playing their role of enabling the organisation both in the business design and strategic implementation process, which correlates with the data and findings and specifically links to the repeatedly expressed view by participants where they felt that the CEO plays a critical role in empowering the HRM function and positioning its value with top management accordingly.

6.3.1.3 SRHM Capabilities

A significant number of participants referred to SHRM capabilities. Where some questioned the type of skills required for effectiveness in the function, others questioned the relevance of existing professional HRM qualifications and training received by HRM professionals as they described the function as having evolved, having progressed from a transactional workforce management function to a strategic role player and, recently, a critical partner in the design of sustainable business models.

Whilst business acumen and data analytics were highlighted as a skills gap for HRM professionals, there remains a clear need for the understanding of what the existing skillsets and capabilities within the HRM realm which are required and aligned to broad-based business sustainability. In other words, positioning the idea that, similar to there being specific and certain business capabilities and dynamic capability needed to enable sustainable business models, there may be an opportunity to look at and understand what those capabilities are within the area of SHRM (Stahl et al., 2020).

HRM professionals indicated the criticality of stakeholder management and engagement and the ability to influence across a diverse set of stakeholders as critical skills within their role, including change management and effective communication.

Stakeholder management is indeed a critical skill in the role, given the stakeholder network complement which is an attribute of broad sustainability. Furthermore, business transformation and organisational redesign are significant elements of the business model innovation process which invariably requires effective change management. Lastly, given the acknowledged sustainability attribute of varied stakeholder needs which present management tension, the ability to influence, present data-driven ideas and solutions would be critical skills required in an SHRM role (Bocken & Geradts, 2020)

In conclusion, there exists an opportunity for business, HRM professionals and external stakeholders such education institutions to collectively look into what current and future skillsets are required in HRM which will better enable HRM professionals in their role as they support and enable sustainable organisations.

6.3.2 HRM Enablers

For the SHRM role to be effective and demonstrate value, what is required is integrated and inclusive approaches to processes, SHRM stakeholder engagement, SHRM business acumen where fit-for-purpose, scalable and data-driven solutions are crafted and SHRM are seen and engaged with as trusted people, business advisors and strategic partners.

Participant feedback relating to enablers was unanimous across the groups. Speculatively, all participants provided different reasons relating to the absence of these enablers. Those

reasons were all linked to trust, or the absences thereof, rooted in the perceived inability of SHRM to speak the business language in other words being relatable to business leaders. This refers to their inability to present data-driven information and solutions aligned to organisational goals, which are integrated and embedded into HRM systems. Furthermore this inability was then found to be the primary reason for business' non-inclusion of HRM at a business strategic level. This non-inclusion has a ripple effect as it hinders their ability to fully grasp the business needs and, therefore, effectively solution for it hence the resultant misaligned HRM process and the misalignment of SRHM processes which, at time, causes tensions and mistrust not only between business leaders and HRM but also negatively impacts the employer employee relationship negatively.

6.3.3 Trusted advisor and strategic partners

The loss of trust was explained as impacting the SHRM role in that it hinders their ability to influence as it takes away the credibility of the advisory role played by SRHM. Furthermore, given the nature of their role as being one which balances various stakeholder needs, the ability to influence is a critical success factor which is influenced by trust.

The literature makes reference to trust being a necessary component within sustainability and stakeholder literature noting how the absence thereof may result in increased tensions. In their role of facilitating and stakeholder interactions the words trust, credibility and influencing were repeated numerous time. Evidently, these concepts are interrelated where it became apparent that, when trust is earned in their role, it better enables the HRM function to influence through gained credibility. In the absence of trust, they are not able to yield benefits from influencing as there are not credible in their role.

Ehnert et al., (2014) mention the importance of the SHRM role creating a culture of trust and trustworthiness within the organisational and across stakeholder interactions. This need for trust is just as critical for their own role effectiveness in relation to how they deliver and what they deliver.

6.3.4 Business, Stakeholder and SHRM Tensions

Stahl et al. (2020) contends that, part of the exclusion of HRM in the design process, is as a result of the need for business leader approval and support, and this has, at times, been to

the detriment of other stakeholder interests including balanced representation of employee needs which has, at times, been overtaken by business' need for profit maximisation.

This view points to the already mentioned stakeholder interest balance, tension and trade-off which organisations have to contend with as they navigate towards broad sustainability. This tension may be the result of some of the mistrust which has been covered. For example, HRM is required to balance establishing performance targets which consider employee capability, wellbeing and personal goals whilst also ensuring these performance targets deliver organisational goals (Macke & Ganari, 2017).

This view was expressed by participants where some used industry-related examples citing the extent of the paradoxical role HRM is required to play between balancing business need and employee needs, and the tensions which they are required to manage and mediate when, at times, employees engage labour unions, feeling that their interests are not represented internally by HRM.

It emerged from the data that the managers do deal with trade-offs which are an inherent part of stakeholder relationships. Furthermore, they are, at times, not well equipped to manage the trade-off decisions and this has an impact on employer employee relationships. Furthermore, this then requires HRM intervention, and HRM themselves are, at times, conflicted.

The trade-offs which management face are linked to the strategic, operational and institutional barriers to business model innovation and without effective tools on how to manage and navigate them both from a managerial and HRM perspective, they will continue to hinder progress in business model innovation for sustainability where the requisite dynamic capabilities are not fully developed.

6.5 Question Three Results Discussion

This last question sought to better understand what HRM practices enabling sustainable business models and business model redesign exist inclusive of the processes that enable sustainability for practical applications by HRM.

The role of HRM and SRHM was established as being a business enabling function for the delivery of organisational competencies aligned to organisational goals by recruiting, developing and retaining key and critical skills whilst balancing and influencing stakeholder

needs both internally and externally through being a trusted advisor, strategic partner and mitigating and managing labour and corporate governance risk.

This role was found to be enabled through management collaboration and inclusivity, practiced by leadership and employee and stakeholder trust. In their delivery of value to the business and stakeholder, there are processes which they leverage in order to create value and deliver it in line with their described role, and, whilst the detail thereof may be within the strategy implementation realm as opposed to the business model design process specifically, it remains important to better understand these processes as they form part of the SHRM's overall role and the value or type of value created impacts the overall attainment of corporate sustainability.

Ehnert et al., (2014) explains that the level of organisational commitment to sustainability and the feature of HRM involvement is a contributing factor to the nature of SHRM practices. In other words, whilst there is a need to better understand HRM practices which enable sustainability and sustainable business models, organisational context plays a part and, to an extent, so does the external environment.

Following this logic of reasoning combined with how the participants responded to their understanding of sustainability both at organisational level and industry level, and the strong view relating to client-centricity being a component of sustainable business models and archetype in the banking sector, as well as the need for a supportive culture and learning capabilities, organisational and work design capabilities, it is plausible that HRM practices would be viewed from these perspectives when assessing the level of value add they yield for the organisation (Malik et al., 2017).

Client-centric culture came out strongly from the data. Learning and development; scarce and critical skills attraction; retention and development; employee volunteerism; diversity and inclusivity; mobile workforce; and employee mobility were the identified emerging and current trends which SHRM are required to solve for and support through aligned HRM processes and systems.

It was also found that, due to the contextual nature of SHRM in particular, there exists generic HRM practices, and the distinguishing factor is how organisations leverage and tailor these practices to support their organisational goals and drive sustainability.

Digitalisation and the global COVID-19 were highlighted as significant impacting situations which have required organisations to quickly adapts through various business process including those from HRM, to respond appropriately and adjust practices to cater for the changing business and labour landscape. These again are external factors yet impact the organisation and its internal practices, including how SRHM goes about designing and implementing fit-for-purpose HRM practices, systems and related initiatives (Enhert et al., 2014).

6.5.1 Digitalisation

Digitalisation is not necessarily a new and emerging trend. What is of significance is the speed at which it is occurring and the impact it has on the need for the organisation to develop specific capabilities, skills and competencies in order to effectively respond. Furthermore, in the South African banking context, it was shared that there exists a technology deficit and organisations are having to redesign their entire enterprise, updating their dated technology, aligning process, people and systems accordingly.

Furthermore, it became clear that new market entrants were leveraging technology to better compete and have embedded sustainability enterprise-wide. HRM's response to this has been to use innovative ways in attracting and retaining the requisite skills, but also acknowledging that these are scarce and critical skills which has necessitated creative ways of retaining existing skillsets and cultivating the requisite digital skills internally. The challenges faced have been attraction, retention and remuneration of these scarce and critical skills where key considerations have been, once the talent is in the organisation, what are the HRM practices which will keep them engaged, feeling recognised and further developed them. It was highlighted that the same skills and employee groups are highly mobile, given their sought-after nature in the market.

6.5.2 COVID-19 Pandemic impact on HRM Practices

When referring to what participants referred to as emerging trends, they made refence to how COVID-19 had placed urgency for HRM solutions which again may not necessarily have been new. However, their impact on the organisation and corporate sustainability was within a different context which required renewed thinking and dynamic approaches.

These related to increased requirements for CSI initiatives and employee volunteerism given the pandemic's social impact. In addition, they needed to solution for hybrid staffing models and remote work where processes and policies were required relating to enabling employees to work productively while working remotely; leaders were upskilled and enabled to lead remote teams including keeping these team motivated and engaged; overhead cost reduction through multi-skilling and reskilling approaches where there remained the need to minimise the social impact of retrenchments (Ehnert et al.,2014; Ehnert et al.,2020; Stahl et al., 2020).

From the perspective of workforce engagement where the practices are generic HRM practice, HRM was required to look at new ways of approaching employee wellness and change management approaches. Under the capability's enablement, the requirement was for new ways of onboarding employees remotely and digitally.

Lastly, from an HRM governance perspective, there remains a need to actively assist organisations to manage the associated risks presented by this new business context relating to workforce management, stakeholder management and engagement and new leadership and culture capabilities needs emerging.

6.5.3 Diversity and Inclusivity

Diversity and inclusivity were strong themes which emerged relating to corporate sustainability and business model innovation where, in order for organisations to have high levels of innovation, it became clear that diversity and inclusivity needs to be top of the organisational leadership and SHRM agenda, where one of the building blocks for innovation is cultivating a culture where there are diverse skillsets from diverse backgrounds. This falls within a regulatory compliance realm as well in as far as it relates to the South African labour environment. This was acknowledged by participants; however, it was also recognised that it forms part of corporate sustainability and an aspect which plays a part in contributing positively towards a culture of innovation.

Figure 6: Organisational SHRM System Framework

Figure 6 provides an integrated view of the organisational SHRM ecosystem which takes into account internal and external conditions where a contextual approach is taken to the formulation of HRM practices and systems formulating sustainable HRM practices were seeking to drive sustainability through sustainable business models.
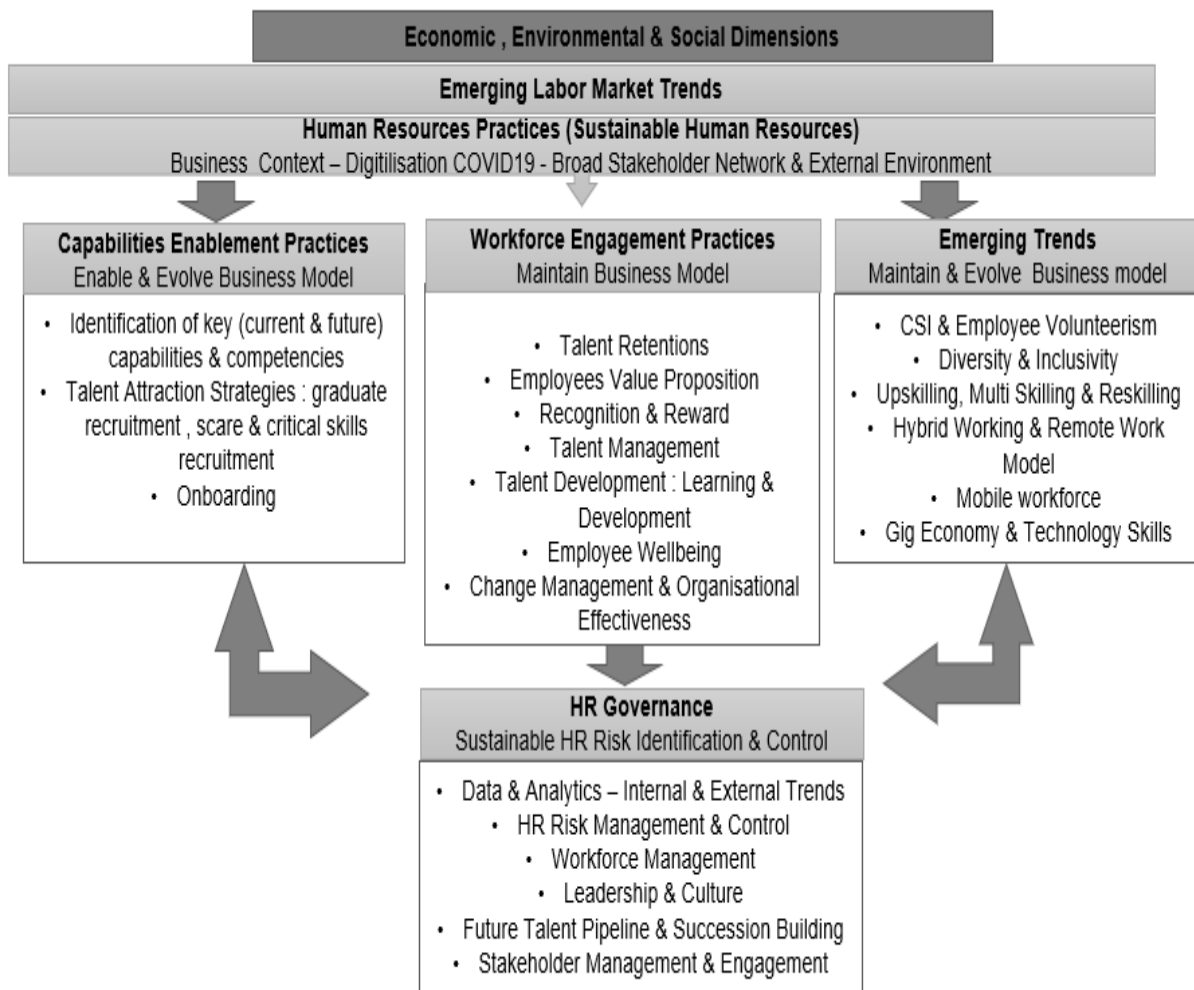
Source: Authors Own

Chapter 7: Research Questions

7. Introduction

According to Chams and Garcia-Blandon (2019) the UN Sustainability forum seeking to impact conditions which enhance sustained economic growth, efficient resources allocation, decent work environments and collective prosperity through SDGs. Organisations contribute towards the establishment of people-oriented economies through sustained employment creation, nurturing work environments which positively impact their ecosystems.

Corporate organisations including the banking industry, through the pursuit of sustainability goals, have the ability to influence and shape related external public policy through the pursuit of non-financial and financial organisational goals for the achievement of social objectives and reduce long-term environmental risk by (Raut et al., 2017; Yip & Bocken ,2018). In pursuing greater sustainability, organisations use business model innovation where the business model is used as a tool for stakeholder value creation through embedding sustainability across its value network.

HRM has played a role in the attainment of organisational goals, through the use of HRM processes, practices and systems to enable organisations to embed sustainability (Ehnert et. al., 2014). In the pursuit of corporate sustainability, HRM has a critical role to play in the internal and external mutually-beneficial relationships across the organisations' value chain, namely, employees, internal and external business landscape and ecosystem (Ehnert, et al., 2020; Schaltegger et al., 2020).

The research sought to understand how organisations and managers within the banking sector can leverage HRM in the design of sustainable business models by better understanding the HRM role in this process, what the impacting factors are which either enable HRM or disenable their role and lastly, which HRM practices enable and support sustainable business models (Hörisch & Freeman, 2019; Freudenreich et al., 2020; Stahl et al., 2020).

7.1 Research Summary Conclusions

Sustainability remains a broad concept and its broad, complex nature presents various organisational challenges relating to the ability to innovate for sustainability through business model innovation and organisational redesign (Amui, et al.,2017).

In the banking context, sustainability or sustainable banking refers to a trustworthy banking system managing various risks and catering for both internal and external stakeholders, taking into account financial and non-financial factors (Raut et al., 2017). Central to the banking business model is innovating in order to meet evolving current and future client needs through products and service diversification, digital optimisation and client-centric culture (Care, 2018; Raut et al., 2017).

The sustainable business model design process is one which requires functional collaboration given its complex nature and its need for the consideration of a wide stakeholder network and competing needs. With that said, HRM has a functional value adding role to play in the business model design process in order to better deliver on their functional enablement and strategy implementation role (Chams & García-Blandón, 2019).

There remains a strong profit maximisation value logic within the banking industry where sustainability is driven from the outside in, furthermore this value logic contributes to internal management tensions which intern impact stakeholder relations and the HRM function in their role as they try to balance varied stakeholder interests and most importantly employee interests as key stakeholders in the organisation.

Sustainable value adding HRM practices and HR systems vary in nature, depending on organisational context (internal and external context), for HRM to add value towards sustainability, their practices need to ensure efficiency, relevance and alignment to organisational goals and be sustainable (Ehnert et al., 2014).

Business acumen and orientation is a critical skill requirement for HRM professionals, additionally there is an opportunities to further identify the necessary HRM capabilities which positively impact organisational objectives for the attainment of corporate sustainability. Additional HRM skills are stakeholder management and engagement and influencing. Where trustworthiness plays a critical role in building stakeholder relations.

Culture, organisational minds set and learning organisation critical features and organisational capabilities which aid and enable business model innovation and both HRM and management play a definitive role in either enabling or disenabling these features, therefore highlighting the interrelation relationship between functional areas and expertise as part the business model design process , further illustrating that stakeholder approach is necessary in order to create greater sustainability in the business model design process and through optimising it.

7.2 Research Contribution

The research contributes towards a closer view of the compatibility between HRM, sustainability and stakeholder theory. Whilst it leaves the question of which HRM capabilities are required for increased sustainability answers, it amplifies the need for specific HRM capabilities for the enablement and drive towards sustainability in organisations.

The research has also contributed more insights relating to the contributing factors which enable and disenable the HRM sustained functional performance which should prompt business leaders and HRM professionals seeking corporate sustainability to look for more opportunities for collaboration and increased efforts made at fostering organisational environments where trust, diversity, functional collaboration and organisational learning culture are fostered as a way of building the requisite mindset for innovation.

7.2.1 HRM Practitioner Contribution

The research has highlighted to HRM professionals the perspective business leader have pertaining to their role and the level of involvement in the business design process. These insights can be used by HRM professionals to better position the value of their function as an example by identifying the capabilities which are required to strengthen their role and functional skills and looking at various mechanisms they can develop business orientation, data analytical skills as mentioned in the research.

7.2.2 Business Leader Contribution

A contribution towards business leaders who seek to better understand the challenges that HRM faces in their functional role in order to better support HRM in the business model design and implementation process given the criticality of their support and the role managers jointly play in building culture, aligning process and enabling a learning environment which are key for business model innovation.

7.3 Research Limitations

The research limitations are primarily presented in the research design discussed in Chapter 4. Additional limitations include:

- The research sample comprised of 80 percent of HRM professionals and 20 percent business leaders where the purpose was to enable data triangulation. In this regard, there is an opportunity to have had a more balanced representation sample number between the two main professional groups. This would aid in stronger comparative data.

- The study was framed within the banking industry, there is an opportunity for a cross industry study to gain an understanding of whether there are specific nuances which differ relating to the business model design processes and involvement the HRM function and the effective thereof on HRM practices, nature of sustainability results.

- The topic lends it's to a focus on organisational level where a deeper organisational view would potentially yield deeper sights relating HRM practices adding tangible and measurable sustainability value within that organisations specific context and direct ecosystem.

7.4 Opportunities for Further Research

There were a number of expressed views in the research pertaining to the need to know and what HRM capabilities and skills are critical in supporting sustainable business models. The need for business acumen or commercial orientation as part of the HRM skillset, combined with data analytics was highlighted. The perceived lack of these skills was linked by some to a possible misalignment in HRM professional qualifications and curriculum versus the skillset

required by business from an effective value adding HRM professional. These views therefore present an opportunity for research assessing what the value adding skillset for HRM professionals in the enablement of corporate sustainability are. This research would potentially aid and empower those looking to venture into the HRM profession in ensuring that they are adequately equipped and those professionals already within corporate to develop their skillset further, ensuring present and long-term relevance.

There is an opportunity for research focused on quantifying the HRM input and linking it to quantified corporate sustainability activity. This would aid HRM professionals to have quantifiable case study results demonstrating their value add to the organisation's pursuit of sustainability and, where there are shortcomings, they will have data guiding where the areas of improvement are (Ehnert, et al., 2019). Furthermore, it may aid in the enhancement of HR performance matric.

There remains an opportunity for research which will provide a comprehensive, consolidated presentation of overall agreed upon and standardised concepts relating to sustainability and SHRM, this was evident in the interchangeable manger concepts and constructs were used in the research and by participants. A view which is aligned to Podgorodnichenko et al., (2020).

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Appendix 1: Interview Guide

Research Question	Summary Interview Questions	Probing Questions
1. What role does HRM play in the design of the business model for sustainability banking industry?	 • In your view what role has sustainability played in the banking industry in SA? • What is your company's stance on sustainability? • How is sustainability made a part of the business strategy/model? • What is the role of the HRM? • Are the human resources practice in-line with the current needs of your company and employees? • What should human resources management do to play in enabling and supporting sustainability in your company?	• What outcomes are expected from this approach to sustainability? • In which way Is the business model geared towards sustainability?
2. What factors impact the role in the design of sustainable business models?	• Can you mention some of the existing HR practices which enable SBMI's • How do they enable SBMI's? • How is success measured or what does it look like? • What are some of the barriers? • What are some of the enablers?	

3. Which HRM practices enable sustainable business model	• Which stakeholder groups are central to the strategy process? • How is sustainability made a part of the business strategy/model? • What should human resources management do to play in enabling and supporting sustainability in your company?	

Appendix 2: Consent Form

**Gordon Institute
of Business Science**
University of Pretoria

Dear Participant,

I am currently a student at the University of Pretoria's Gordon Institute of Business Science and completing my research in partial fulfilment of an **Mphil (Masters in Corporate Strategy)**.

I am conducting research to understand *the role of Human Resources Management (HRM) in the development and implementation of a business model for sustainability* .

Your participation is voluntary, and you can withdraw at any time without penalty. The interview is expected to take approximately 30-45 minutes.

Your participation will be granting permission for:

• The interview to be recorded;
• The recording to be transcribed by a third-party transcriber, who will be subject to a standard non-disclosure agreement;
• Verbatim quotations from the interview may be used in the report, provided they are not identified with your name or that of your organisation;
• The data to be used as part of a report that will be publicly available once the examination process has been completed; and
• All data to be reported and stored without identifiers, to honour your privacy.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher name: Kholiwe Mtingane
Research Supervisor name: Prof Alet Erasmus
Email Email: 12310442@mygibs.co.za
Phone Phone: 0662309885

Signature of participant: _____

Date: _____

Signature of researcher: _____

Date: _____

Appendix 3: Ethical Clearance

GIBS ETHICAL CLEARANCE APPLICATION FORM 2021/22

G. APPROVALS FOR/OF THIS APPLICATION

When the applicant is a student of GIBS, the applicant must please ensure that the supervisor and co-supervisor (where relevant) has signed the form before submission

STUDENT RESEARCHER/APPLICANT:

29. I affirm that all relevant information has been provided in this form and its attachments and that all statements made are correct.

Student Researcher's Name in capital letters:	KHOLIWE MTINGANE
Date:	08 Aug 2021
Supervisor Name in capital letters:	ALET ERASMUS
Date:	08 Aug 2021
Co-supervisor Name in capital letters:	
Date:	08 Aug 2021

Note: GIBS shall do everything in its power to protect the personal information supplied herein, in accordance to its company privacy policies as well the Protection of Personal Information Act, 2013. Access to all of the above provided personal information is restricted, only employees who need the information to perform a specific job are granted access to this information.

Decision:

Approved

REC comments:

Date: 12 Aug 2021

Appendix 3: Generated Codes

Generated Codes
Ability to speak business language is important
Accessibility of executive team and CEO to HR
Agile HR capability
Agile leadership, ways of work & environment
Attracting top talent
Balance business& employee interest
Balancing client & shareholders' interest
Banking industry contribution to sustainability for employment by job creation
Banking industry sustainability is about legacy & longevity
Banking societal contribution to infrastructure creation
Banking sustainability contributing to government limitation
Broad sustainability
Business acumen should be a key skill for HR professional
Business inclusion of HR from design in order to enable effective implementation
Business knowledge and understanding is a key HR competence
Business mind set about HR's function & value needs to change
business mindset shift
Business model dependent on skills, process & system alignment
Business Model for sustainability is in the product and services process design & delivery
Business model innovation is a co-creation process
CEO buy in on HR value & role
CEO solicitation of employee strategic insights and input
Client Experience is central to long term relevance and sustainability
Client reward programmes part of sustainably strategy & business model
Client value creation equals sustainability
Collaboration between HR & Marketing
Collective focus towards sustainability
Contribution of banking to sustainability financial literacy & education
CSI plays a role in sustainable business models
Culture & mindset shift required
Data centric HR capability are needed
Data informed HR role in strategy and business model
Digital transformation in banking is a key element for sustainability
Diversity and Inclusivity as part of business transformation and sustainability
Diversity, Inclusivity & Transformation
Education & employment opportunities through external graduate programs
Employee & business tension

Employee centric frameworks
Employee data informed insights
Employee engagement and communication
Employee inclusion in strategic process is critical
Employee not treated as key stakeholder
Employee partnership and ownership
Employee seen and treated as key stakeholder
Employee value proposition
Employee value proposition aligned to client value proposition & retention strategy
Employee wellness
Employees are global (multi regional) citizens with needs
Employment Equity
Enablement of business model & strategy through process implementation & embedding culture
Evolved HR Process
Evolving culture
Fairness, Integrity & Objectivity
Fit for purpose value adding HR solutions
Flexible work enablement
Functional role overlap & role clarity
Future proof organisation through skills succession & skills pipeline strategy
Future talent pipeline
Gap in change management process require HR intervention/participation
HR & Business Partnerships
HR advising on change implementation and business impact
HR agile execution enabled
HR as employee advocate
HR be in the room and an after thought
HR budget allocation is an indicator of the value business attributes to it
HR building & maintaining employee engagement
HR building Org capabilities & competencies for strategy implementation and delivery
HR Business Partnering
HR challenge status qou
HR continues being seen as admin & personnel function (legacy)
HR data analytics capability & monitoring frameworks
HR data informed decisions
HR enabling leaders to manage and leader business transformation
HR evolved to strategic role & strategic partner
HR facilitated employee strategic engagement sessions
HR foresight & proactivity
HR function differentiated inline with business value add
HR immersion in employees work of work
HR immersion in employees work of work

HR impacts bottom line - Value Adding
HR inability to future proof their capabilities inline with business (internal & external environment factors)
HR Innovation & long term view capability
HR is a Strategic Business Partner & must be seen that way
HR is a strategic business partner in design & implementation
HR is internally focused
HR lacks innovations
HR measure, evaluate & monitor design & implementation impact
HR mind set needs to change
HR mindset shift
HR needs a seat at the table as equal partner
HR no longer transactional
HR owns the alignment of skills, systems & process in business model transformation
HR perceived by business as a hinderance
HR red tape & bureaucratic
HR researches solutions & manages expectations with business
HR role elevation is need
HR role is enabling the business to implement strategy & business models
HR role is transactional and administrative
HR Shor termism
HR structural change implementation
HR System capabilities & legacy systems
HR to better position is role and value add
HR trusted advisor
HR unable to effectively position HR role
HR understand the external factors influencing employee needs
HR understanding the business need
HRM creating employer of choice
Hybrid model
Inclusive Strategy Review Process
Identify future capabilities critical for sustainability
Interrelated & aligned HR processes
Internal stakeholder involvement in HR process
Lack of business consultation with HR
Lack of collective corporate & industry action
Lead culture shift
Leadership capabilities building & enablement
Meaningful business & stakeholder engagements by HR
Meeting client needs and client experience are central sustainable business model
New world of work
Org effectiveness custodian
Org sustainability based on employee inputs and wellbeing
Organisational long term relevance linked to sustainability

Organisational Effectiveness
Overlap in role function is barrier to HR role effectiveness
People strategy drives or strategy
Pivot from traditional work of work
Poor leadership practice result in poor staff retention
Position HR as meaningful and value adding role and career
Product mix and diversification offering
Relevant & fit for purpose HR process
Remote work enablement
Right people, in the right roles, with the right skills
Role clarity between business functional areas
Shareholder interests (profit maximisation) VS stakeholder interest (client interest)
Skills and talent risk mitigation
Society and community involvement through CSI initiatives
Solving today's talent problems in preparation for future
Stakeholder engagement & management to influence
Streamlined leadership capabilities & management practices
Sustainability as financial inclusion for unbanked clients
Sustainability as responsible lending
Sustainability in banking through Integrated product and services offering
Sustainability in the product and process design of
Sustainability is collective ownership and involvement
Sustainability is collective ownership and involvement
Sustainability is the responsibility of a wide stakeholder network
Sustainability linked to tripled bottom line
Sustainability not clearly articulated in business models and strategy
Sustainability of the banking industry through responsible lending practices
Sustainability requires agile business models
Sustainability within banking is profit orientate whilst contributing to broad sustainability contribution
Sustainable business models consider economy, socio & environmental impact
Tailored employee retention strategies
Tech savy designs and client experience part of sustainably strategy & business model
Tension between business objective and people/employee objective
There's a need for Business related HR qualification
Treating clients as critical stakeholder
War on talent
Wealth creation & financial education