Chapter

Performance Management and Industry 4.0

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Abstract

From a techno-centric perspective of human resources management (HRM), this chapter explores the components of the Fourth Industrial Revolution (Industry 4.0) that people analytics (PA) need for effective implementation of performance management in diverse organizations. Performance management is the process of continuously aligning people and organizational objectives to realize the value of each individual and team. The study further investigates the consequences, challenges, and opportunities of implementing Industry 4.0 real-time performance management systems through PA. The chapter concludes by suggesting appropriate techniques that (HR) managers should use to solve challenges faced in implementing Industry 4.0 performance management systems through PA. Studying HRM's performance management role is essential since it facilitates the growth and control of diverse talent through coaching, disciplinary action, and termination to achieve welldefined goals. This investigation is significant because it contributes to a 40well-known body of research by providing HRM, practitioners, and scholars with further insights into the implementation of performance management in Industry 4.0 through PA, from a technical perspective of HRM, since existing literature appears to be fragmented and insufficient. Industry 4.0 technologies are thought to be important in the production of goods and services and all HRM functions and processes while strengthening overall organizational performance. Existing literature shows PA as proactive, datadriven, and goal-oriented tools capable of inspiring real-time performance management systems in various organizations, like government, industry, and education. Other researchers argue that implementing Industry 4.0 innovations and PA may have new consequences, opportunities, and challenges for HRM's understanding of PA and their ability to apply performance management strategies in their specific organizational environments, necessitating further research. In more progressive advanced economies, research evidence suggests that perspectives of HRM influence the implementation of performance management in Industry 4.0 through PA. The social innovation perspective, which has been widely explored, considers Industry 4.0 application as a complex non-technical human management strategy with little consideration of human-machine connections. In contrast to the social innovation perspective, the technical perspective of HRM prioritizes Industry 4.0 technologies in automating performance management systems through PA to reduce workforce roles while producing real-time results and decisions.