E-commerce: A Study on Implementation of Market Pressures and Human Resource Management Strategies

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Abstract: Electronic commerce technologies are changing the way that work tasks are conducted and thus have significant implications for the way organisations manage their human resource functions. Although the impact of IT on work and employment has been the subject of research, so in this paper little attention has been paid to electronic commerce and its effect on work organisation and HR management. This paper examines existing literature on how eCommerce technologies have shaped workplace management, with particular attention to the banking industry. I would also like to propose a conceptual framework for identifying and understanding these changes in the context of the business pressures faced by banks in the highly competitive retail banking environment.

Keywords: E-commerce, competion, management, human resource management.

I. INTRODUCTION

Though business in e-commerce is driven by technology, the human element continues to play a pivotal role in new-age economies, making the role of HR more dynamic and challenging. A big challenge for the e-commerce industry is that it doesn't have a readily employable workforce to bank on. The situation is very similar to any of the sunrise sectors. This means, it has to employ people who are the closest fit, train them, make them conducive to the new environment and also constantly motivate them to be able to retain them for the longest period.

However, this doesn't completely describe the role of HR in the e-commerce sector. In fact, it's just the tip of the iceberg. As the story unfolds, it becomes apparent that people policies and management in this sector have to be completely refurbished, revamped and be unprecedented. The rules of the game have to rewritten and should have an unconventional approach. The role of HR in the e-commerce sector is best described in terms of agility, quirkiness and thinking out of the box when it comes to hiring, retention and rewards and recognition policies. E-commerce firms faced with unconventional business situations are coming up with market- leading and differentiated people practices.

The HRM department ensures the smooth running of the staff within a business. This allows the management to focus on the running of the business and not get distracted by internal rows involving employees.In a smaller business the HRM may be the responsibility of the line manager. The work may take focus from their daily job and in time a business may need to employ a HRM officer or train an existing member of staff to take on the role.

II. VITAL IN THE GROWTH OF A BUSINESS – OBJECTIVES

The job of the HRM involves the training of staff in best working practices but also in preparing staff for advancing within the organization. This is a key role. By not retaining and continually training existing staff a business may not grow according to plans. Experience is not easy to come by and having staff with the necessary skills already on board avoids many problems in the future. It is cheaper to train existing staff than to source and train new members.

    i.   Human resource management also keep the business a pleasant place in which to work.

ii.   Making staff and management aware of employment law and good behaviour at work is part of every HRM department's remit.

iii.   They resolve disputes before they arise, remove staff that may not add to the overall ethos and mediate between staff and management when problems do occur.
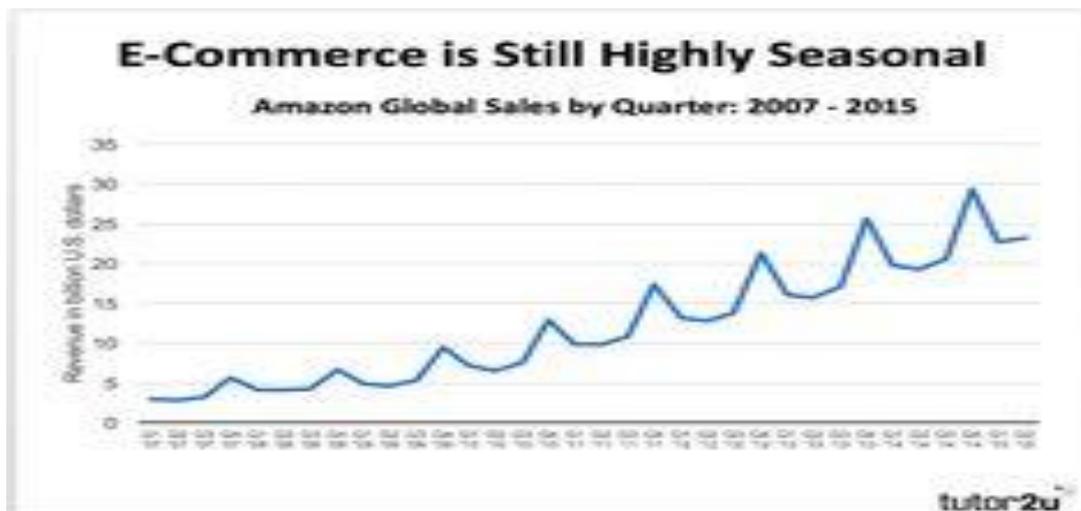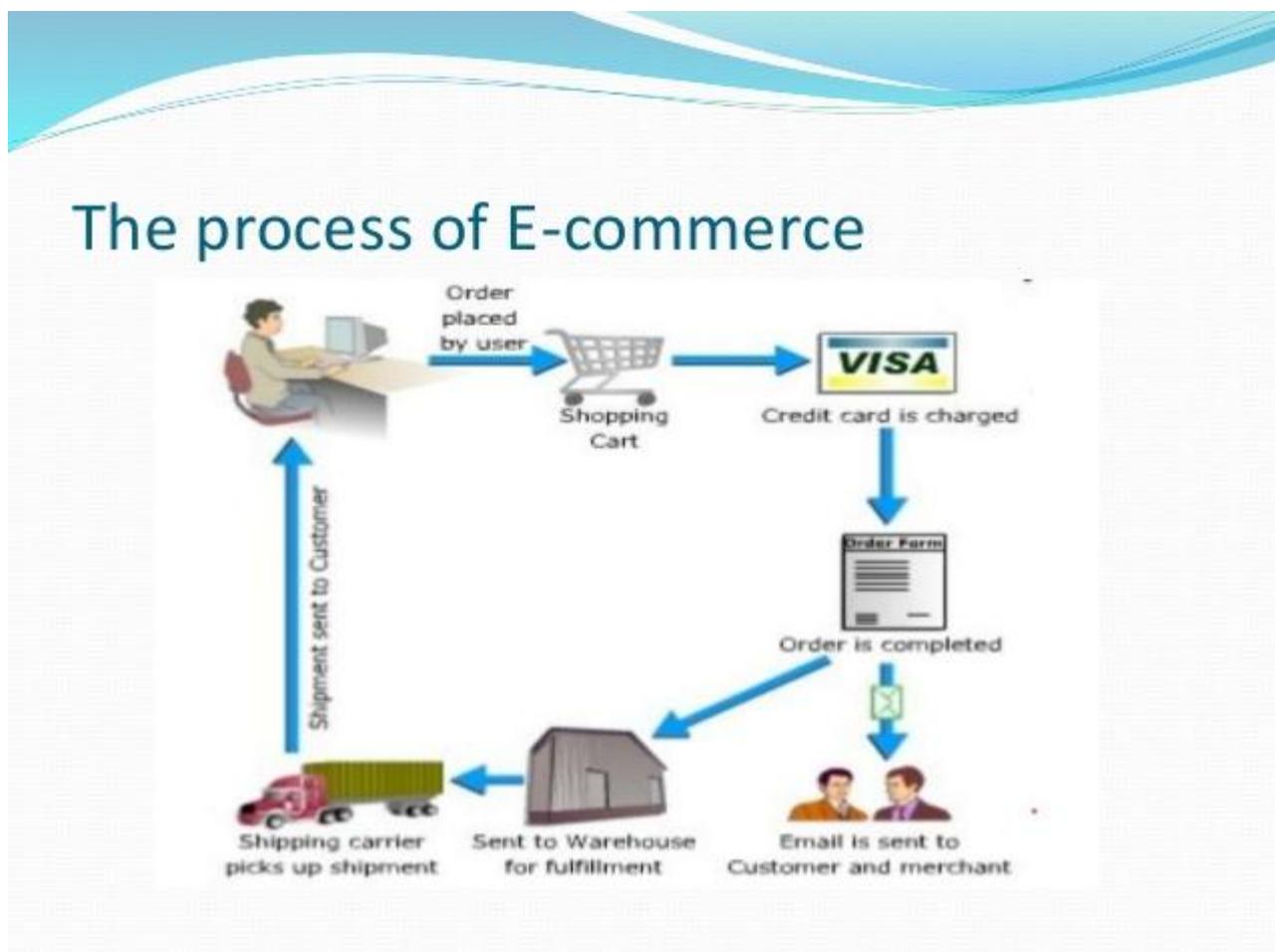

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Figure: 2

III. OBJECTIVES OF RESEARCH

1. **To advance e-commerce in customer relations -** It will increasingly become the place customers go to obtain investment advice, financial advice and assistance for big purchases such as a home mortgage – as well being the place where the local manager can be depended upon to help in unusual or difficult situations such as sudden large loans, or assistance with a deceased estate. This resurgence of the concept of the branch will, in turn, change the skills employees will need to perform their jobs. Large and sophisticated banks, such as Lawson Central, have come to realise that their human resources are just as important as their technology resources – and also require on-going upgrading and improvement.

2. **To ensure Compensation packages for e-business –** It may include many different forms of compensation. In addition to standard compensation items such as salary and signing bonuses, e-businesses try to offer other types of compensation that employee's value.

3. **To integrated programme of Web- Based Total Rewards Linkages-**Compensation plan is the overall total rewards programme; it should be delivered as fullyintegrated programme. This means that the plan should be accessible from the HR home page as a major hyperlink and should be labelled. Although every organisation's total rewardsprogramme is unique, delivering these new attributes on the internet uses the web's powerful presentation capabilities to the sponsoring company's advantages by linking all these components in order to promote retention, loyalty and pride.

4. **To ensure that business is properly staffed-** The purpose of this objective is to understand organizational structures and identifying under what type of contract different employee groups will work. The right people are then recruited and developed. HR managers compete in the job market to ensure only the best and talented employees are recruited to assist in meeting the company goals and objectives such as profitability.

5. **To understand the complexity of e-commerce and its many facets-**With the advent of the Internet, the term e-commerce began to include:

   a) Electronic trading of physical goods and of intangibles such as information.

   b) All the steps involved in trade, such as on-line marketing, ordering payment and support for delivery.

   c) The electronic provision of services such as after sales support or on-line legal advice.

   d) Electronic support for collaboration between companies such as collaborative on-line design and engineering or virtual business consultancy teams

IV. RESEARCH METHODOLOGY AND ANALYSIS

We have chosen a multiple case study approach (Yin, 1994) to enable comparison and contrast between banks with different market positions and different business strategies.

   i. The first case study (reported in Blount et al., 2002a) deals with a small bank, the 'Australian Union Bank' operating across several Australian states.

   ii. The second case study, examines one of Australia's four major banks, the 'Lawson Central Bank', to obtain the perspective of a bank having a different configuration of business activities.

Australian Union is strongly focused on the retail sector and growing strongly and opening branches. It has a good public profile while moving down the eCommerce path. Lawson Central, by contrast, is of interest because of its focus on the corporate market-place (while still having a significant retail operation). It deals with a range of competitive pressures, including the public criticism directed at the large banking sector in Australia. It has been an innovator for both the development

of the eCommerce capabilities offered to customers and the use of strategic human resource strategies to develop their employees.

ANALYSIS

a) Yvette Blount, Tanya Castleman, Paula M.C. Swatman 6 The case study data for both banks include interviews, as well as documentation such as strategies, policies, and practices adopted when introducing eCommerce in these organisations.

b) Semi-structured field interviews have been chosen to obtain the descriptive data required.

c) Interview participants were selected at a number of levels of the organisational hierarchy, including senior managers, middle managers and employees, with the aim of including the different experiences and perspectives at varying organisational levels and across a variety of functional areas.

d) All interviews were conducted onsite as close as possible to the respondents' place of work. This allowed the researcher to obtain data in context by providing additional background data such as the physical work environment as well as being able to take note of work processes and interaction between work team members and managers.

e) It also allowed the researcher to collect additional relevant documentation during interviews.

In this study we report some preliminary data from the Lawson Central case study which consisted of eight interviews with ten participants. In the first case study we did two rounds of interviews a year apart. The first round of interviews was designed to be exploratory and in this phase we identified the specific issues that warranted further investigation. The second case study and the second round of interviews in the first case study followed up more explicit questions. The underlying theories used to interpret the data include Child (1985), Zuboff (1988) and the post-fordist theorists (for a full discussion see Blount et.al. 2000b). The data are being analysed using Kvale's meaning condensation approach (Kvale, 1996:197-196) that is, looking for natural meaning in the interview data and then teasing out and explaining the main themes. This allows the researcher to keep an open mind by exploring the experiences of employees in depth to obtain a sense of how these issues are being dealt with in practice in these organisations. That is, these are multi-perspective, inclusive, iterative case studies which seek responses to the research conclusions from a representative of both organisations. There is a dynamic between the case studies so that the analysis of one case study informs the other.

V. CONCLUSION

Despite these eCommerce-enabled advances in customer relations, however, the branch will also continue to evolve. It will increasingly become the place customers go to obtain investment advice, financial advice and assistance for big purchases such as a home mortgage – as well being the place where the local manager can be depended upon to help in unusual or difficult situations such as sudden large loans, or assistance with a deceased estate. This resurgence of the concept of the branch will, in turn, change the skills employees will need to perform their jobs. Large and sophisticated banks, such as Lawson Central, have come to realise that their human resources are just as important as their technology resources – and also require on-going upgrading and improvement.

This paper also gives analysis of many challenges for HR professionals in E-Commerce business. Clearly, firms must obtain the necessary technical skills (e.g., html programming) for the management of the technical aspects of the e-business. In addition, experience in managing in an e-environment also exists in short supply, and firms engage in heated competition for these skills as well. The intense competition for talent combined with the faster flow of information via e-recruiting sites such as Monster.com provide employees with considerable leverage in negotiating pay. The employment impact of eCommerce in the banking industry provides a fertile area for **investigation.** A better understanding of the design, adoption, implementation and management of such technologies is needed.

Change management strategies are needed to deal with ecommerce implementation over the long term, not just for a given round of change. Future research should focus on the technological shapers of the labor process (as) and the dynamic relationships between ecommerce implementation, market pressures and human resource management strategies.

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