E-Commerce and Human Capital – Friends or foe

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Abstract

Every individual company that wishes to make money and become market leader in business needs to understand the market potential, business implication and technological foundations of electronic commerce. But what is electronic commerce everybody is talking about. How does it affect the organization way of doing business? What sort of technical and business skills are needed to be successful? Is it only machines and software's for completion of a business task or are Human Resources equally important in this era of E-Business or E Commerce? Have the E Commerce taken away the role of humans and left the Human Capital job less?

This Conceptual paper is an effort to generate awareness among individuals related to e commerce and its impact on the human resources. To understand can e commerce wipe away the importance of human resources or do the human beings continue to remain an important part of any business including E Commerce.

Key Points: E Commerce, Human Resources, Impact of E Commerce on Human Resources

Introduction

The growth of ecommerce is continuously been observed and experienced by every individual of this world. In 2017,ecommerce was responsible for around $2.3 trillion in sales and it is been predicted to hit $4.5 trillion in 2021 (according to a Statista report). In the US alone commerce represents almost 10% of retail sales and that number is expected to grow by nearly 15% each year.

When it comes to business every individual company that wants to make money and become the market leaders in business needs to understand today what exactly is the market potential, business implication and technological foundations of electronic commerce in relation to their own area of business expertise.

A question that may come in mind of thousands is what is electronic commerce everybody is talking about? How does it affect the organizations way of doing business? What sort of technical and business skills are needed to be successful in the business with the use of E Commerce?

To understand in simple terms E-Commerce is associated with the buying and selling of information, products and services via computer network. Today companies and consumers have realized that global networking and other technological innovations are powerful tools if used as competitive weapons in their day to day activities.

Consumer desires are very hard to predict,in a highly competitive society, where neighbors seldom talk to one another today's generation resort to entertainment through various E Medias like entertainment on demand including more than 500 T.V channel , video on demand, games on demand, electronic retailing via catalogues and Kiosks and home shopping networks. Now day's viewers decide what they want to see and when they want to participate.In today's economy successful market places are those that cater to consumer's loneliness, boredom, education and career.

Let's take a look at the changing conditions in the "new economy" with respect to the retail industry. Consumers are been continuously pushing the retailers to the wall demanding lower prices, better quality, and a huge section of in-season goods. Retailers on the other hand are scrambling to fill the orders. They are slashing back-office cost, reducing their profit-margins, shortening thetime cycle, purchasing more wisely and making big investment in technology. They are revamping distribution channels to make sure that warehouses costs are down by taking care of inventory maintenance costs by reducing their average inventory levels and coordinating with the consumer demand and supply pattern.

In the fight to reduce prices more and more retailers are resorting to overseas suppliers because of cheaper labor costs. The retailers put the pressure on the manufacturer and then to the supplier end of the pipeline to lower the costs. Electronic commerce is forcing companies to rethink the existing ways of doing business specially related to target marketing; relationship marketing and even event marketing. Adaptation of e commerce or technology in their business would include moving towards computerized "paperless" operations to, reducing the trading costs and facilitating the adoption of new business process. Japanese approach JIT (Just in Time) system, total quality control are focused now for delivery of goods through electronic commerce.

Electronic commerce applications on one hand emphasize the generation and exploitation of new business opportunity and on the other hand it also uses the popular buzzword, "generate business value". For instance, when buyer-seller transactions occur in the electronic marketplace, information is accessed, absorbed, arranged and sold in different ways. In fact, the information of a product or service is separated from the physical product or service making the information more important on its own. In some cases, the information can become as crucial as the actual product or service in terms of its effect on a company's profits. In short, information based business transactions are creating new ways of doing business and even new types of business Electronic commerce application are quite varied and spread across business and processed. In its most common form, E-Commerce on one hand is used to denote the paperless exchange of business information using EDI, Electronic Mail (E-Mail), Electronic Bulletin Boards, Electronic Fund Transfer (EFT) and other similar technologies. These technologies are normally applied in high-payoff areas, recognizing that paper-handling activities usually increase expense without adding value. On the other hand, the term **electronic commerce** is used to describe a new on-line approach to perform traditional functions such as payment and funds transfer, order entry and processing, invoicing, inventory management, cargo tracking, electronic catalogue and point-of-sale, data gathering . Thus one can say e commerce is qually important and growing fast whether is it manufacturing sector or service sector. Whether it is related to physical goods or connected to Human Resource management.

More recently, the companies have realized that advertising, marketing and customer support functions are also an important part of electronic commerce application domain. These business

functions are the initiators of the entire order management cycle that incorporates the more established notions of electronic commerce. In short, what we are witnessing in this era is the use of the term electronic commerce as an umbrella concept to integrate a wide range of new and old applications.

Growth of E Commerce in india

Top E-Commerce Companies In India

- Amazon Development Centre **India**Pvt Ltd. Amazon.com, Inc. ...
- Brainbees Solutions Pvt Ltd (Firstcry.com) ...
- Flipkart Internet Pvt Ltd. ...
- FSN **Ecommerce** Ventures Pvt Ltd (Nykaa.com) ...
- IndiaMARTInterMESH Ltd. ...
- Jasper InfotechPvt Ltd (Snapdeal.com) ...
- Justdial Ltd. ...
- MakeMyTrip**India**Pvt Ltd.

(Source :.*fundoodata.com/learning-center/top-10-e-commerce-companies-india*)

(*Source:*https://www.pixelmattic.com)
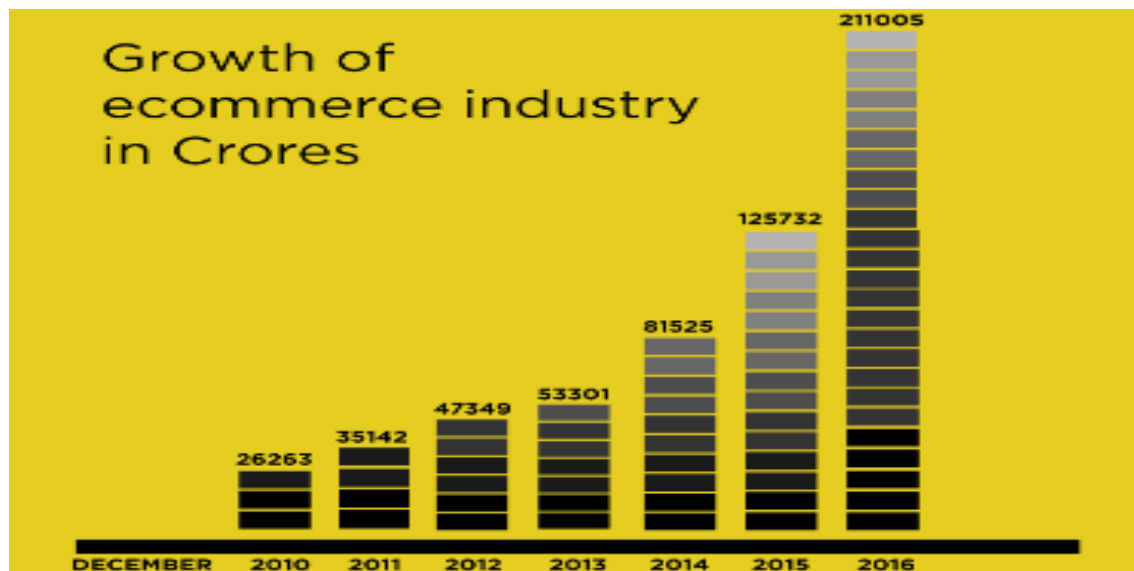
Irrespective of the changes taking place, every business basically has three goals: stay competitive, improve productivity and deliver quality service. These goals are the guidelines based on whichthe firms plot theirwayin the turbulent water of electronic commerce. While dealing with e commerce there are some other factors that companies need to keep in mind. First, most companies have already made enormous information technology investments to automate their key internal processes such as purchasing, invoicing and other similar functions. So, some aspects of the technological infrastructure for electronic commerce are already in place. The company now will have a challenge now as : How to effectively leverage this investment. Second, prices for computer hardware and network equipment continue to fall, marking information technology an appealing investment for many businesses, However, investment without a clear idea of the electronic commerce architecture being built would be akin to driving with blinders on. As a result, companies that have decided that electronic commerce applications represent one of the best strategic investment they can make must first exert some effort to understand the technology underlying electronic commerce applications.
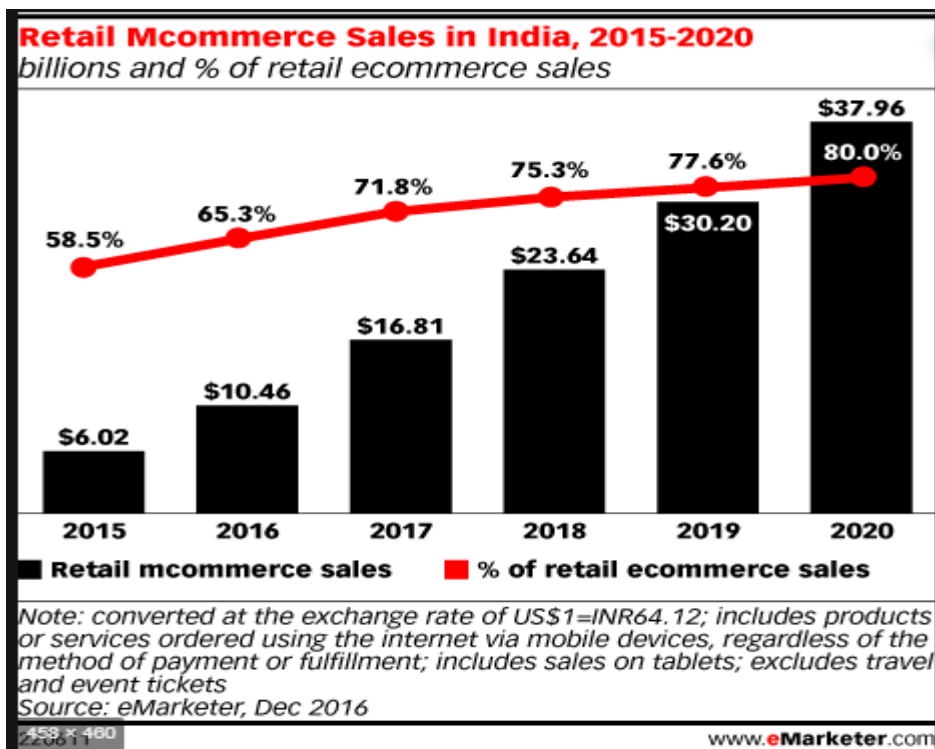
E-commerce and Human Resources `

Human Resource Management (HRM) is the function within an organization that focuses managing the human resources of an organization. Basically it deals with recruitment of, management of, and providing direction to the people to become more valuable for organization.

E-Business now day's playing a vital role in the process of managing the human resources. Peoples are recruited, evaluated, promoted, and developed (Internet or Intranet or Extranet) much faster as compared to past practices. For example a human resource information system (HRIS) is software containing a database that allows the entering, storage and manipulation of data regarding employees of a company. It allows for global visualization and access of important employee information to make wise timely decisions related to employee development and career planning. It also helps in recruitment, Selection, time & attendance, Performance Evaluation, Promotions, Compensation and Benefits besides training and development. Thus one can say that the need for electronic commerce stems from the demand within business and government to make better use of computing, that is, better apply computer technology to improve business process and information exchange both within an enterprise and across organisation's. In short, electronic commerce appears to be an integrating force that represents the digital conversions of twenty-first century business applications and computing technologies.

As the e-commerce industry continues to boom and expand, the need for human resources roles will only increase along with it. Whether a business is simply expanding their physical shop to an e-commerce shop or is simply opening a sole, internet shop with no physical address, the need for human resource never deteriorates.

No doubt this era is an era of digitalization, it's a digital world, but a company cannot run on technology alone. While a company may run its ecommerce shop functions solely online, the fact remains that employees are still the mechanics behind the lifeblood of this shop, and while you can automate several parts of a business, the protocol by which employees deal with each other and work together needs human touch. Hence even in this time of digitalization and e commerce human connection is everything.

You can't automate or mechanize a human resource role that needs to handle and solve consistently changing, growing, and evolving problems or issues – only a human being in a human resource role can handle that. All of this summed up to reflect that though your ecommerce business might run solely online through automation, the humans behind the scenes is still important for smooth running of the business.

When it comes to the human force that is working in e-commerce business organizations, such organizations need to take direct, transparent approaches and procedures simply because of the nature of their business. Adding in a competent and skilled, helpful human resource team to their e-commerce company can help to increase the flow of knowledge that can also transfer on-the-job information faster and better, and create an open, honest, work culture where employees can best understand their responsibilities and feel comfortable in their work environment.

In other words, having a skilled and specialized human resource team in your e-commerce business can help all of your work smoother, giving you less issues to deal with so you can focus on what you need to focus on – running your business.Human Touch Makes a Difference

If one wants to characterize the e-commerce businesses by its nature, it would be that they're consistently evolving. All the changes ecommerce brings for helping in business from a business standpoint, will require time, effort, explanation, and adjustment from your employees.

All consistent change and adjustment as a result of ecommerce needs to be handled by a human resource department employee or staffs to help your other employees gradually accept, learn, and evolve with the changes that are happening in your e-commerce business.

Ecommerce has proved to be the most challenging space for the HR professionals, especially in the context of India. With e-commerce becoming the fastest evolving and growing sunrise sector of today, there is an absolute shortage of candidates who can perfectly fit in the job requirements in connection to ecommerce. Unlike any other proprietorship model, human resource professionals in the e-commerce field need to constantly be on the move, work closely with

various verticals to understand the ideal profiles and scout from the given sea-pool of an employable workforce to discover the closest fits. Companies can utilizegamification and hackathons for hiring; by hosting live hackathons and contests, e-commerce companies can very well test the truecalibre of the candidates, and can make the right call. In addition, companies are asking candidates to submit an Instagram post describing why they are the ideal match for the positions vacant. Social Media hiring has anyway been on a rise for e-commerce companies and the same trend is expected to gain more traction in near future. The hands behind the implementation and crestion of such recruitment methods are again of human resource. The nation-wide digitalization has disrupted the way we used to function and communicate. Every business today is using cloud and mobile computing. This has resulted in making e-commerce a norm in India. Although our western counterparts shop online ten times more, India holds the second largest number of smartphone users across the globe. With the boom in internet access and smartphone affordability, the number is set to grow in the near future enormously.The generation aged 18 to 34 has emerged as the leading employable generation and also, the largest generation alive. Opinionated and empowered, and always connected via social media and smartphones, millennials seldom shy from asking what they desire and hence, are changing the rules of the game, especially the hiring strategies adopted by the companies today.Recently many of the leading ecommerce companies in India have been in the news, for all the wrong reasons. To narrate a few examples SnapDeal was in news for its downsizing decisionFlipkartwas in picture as a result of its battling with higher rates of attrition, one can only imagine the challenges put forth by the e-commerce in front of the HR professionals today. In the view of all the challenges faced by the human resource management for the e-commerce, the time has come for the companies to break the shackles of the redundant models and develop a truly unprecedented approach towards hiring and retaining their top talent.Owing to the evolving requirements of ecommerce, HR professionals in e-commerce are becoming tech-savvy and agile. From being involved in product testing to working closely with the tech team in determining the ideal skillset of candidates, e-commerce HR professionals constantly need to step outside their traditional roles and step into the shoes of strategic business partners. **Thus it can be opinioned that HR is Necessary in any business in e commerce too for Adaptations and Change.**

Artificial Intelligence has impacted Human Resource Management for the e-commerce. With the help of big data analytics and artificial intelligence, e-commerce companies can minimize the errors in hiring by making processes more efficient and by eliminating tedious tasks that add no value to the hiring process.

Conclusion

In spite of all the good and bad speculations made regarding ecommerce and digitalization, the e-commerce sector is here to stay in India. Thanks to the initiatives taken by the Prime Minister of India Mr Narendra Modiji under Digital India initiative. With the internet and connected devices all set to reach out the very last mile of rural India, the e-commerce sector is expected to grow in leaps and bounds. As of today, the Asia-Pacific region has surpassed Europe in becoming the largest e-commerce market in the world. However a major chunk of this market is claimed by China, India looks poised to leapfrog the loopholes and is expected to contribute 1.61% in the global GDP.

All these initiatives very boldly point out the fact that there are immense employment opportunities in the e-commerce domain for the workforces of tomorrow. HR Professionals are not only combating the challenges but are also doing the groundwork today to prepare the workplaces to best contain and nurture the promise of future.

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