ANNEXURE
A STUDY OF HR PRACTICES ADOPTED BY E-COMMERCE COMPANIES IN INDIA

Questionnaire for Research purpose

Name & Mobile No: ________________________________________________________

Company: ______________________________________________________________

Q.1: Do you think that the application of human resource management has increased over the years in India?
   (i) Yes
   (ii) No
   (iii) Do not know/ Can not say

Q.2: Which is the most prominent domain through which recruitment is done in your company?
   (i) Advertisements
   (ii) Referrals
   (iii) Placement Agencies
   (iv) Online Sources

Q.3: Do you think that Human resource needs additional traits for e commerce industry?
   (i) Yes
   (ii) No
   (iii) Do not know/ Can not say

Q.4: What traits do you look for human resources in e commerce industry?
   • Understanding of performance management metrics in business functions and industries;
   • The ability to scrutinise and analyse business problems
- The ability to differentiate between key performance indicators (KPIs) and metrics;
- The ability to foresee how the suggested solution will impact business performance;
- The ability to integrate and use unstructured data sources to develop innovative solutions that stand apart from traditional solutions;
- Knowledge of basic statistical functions and their wide functionality.

Q.5: Which is the most useful technology for recruitment process from inviting applications to final selection of the candidate?
- e recruiting
- e training
- e compensation
- e communication
- e performance appraisal

Q.6: Do you think the traits needed in human resource in e-commerce industry are the same as in traditional industry?
(i) Yes
(ii) No
(iii) Do not know/ Can not say

Q.7: What are the major challenges for an HR in e-commerce industry?
- Project Focus Challenge
- Generational Challenge
- Change of salesman role challenge
- Labor market exuberance challenge

Q.8: Do you think the appraisal techniques are same for an e-commerce company and a traditional company?
(i) Yes
(ii) No
(iii) Do not know/ Can not say

Q.9: In which sector knowledge of technology plays an important role?
(i) e-commerce
(ii) Traditional sector
Q.10: In which HR areas IT tools are used by your company?
- Recruiting
- Training
- Career management
- Communications
- Health and safety
- Others

Q.11: What motivational factors are used to motivate employees in e-commerce companies?
- Higher growth opportunities
- Entrepreneurial mindset
- Thrill of shaping a new-age industry
- Wealth creation opportunities

Q.12: What challenges are faced by the employees in e-commerce companies?
- Change in technology
- Language problem
- Change in shifts
- Health issues

Q.13: What challenges are faced by the HR professionals in an e-commerce company?
- Attracting the right talent;
- Creating a strong employee outreach programme and engagement activities;
- Building world-class talent with thoughtful and rigorous training;
- Implementing a strong performance management system, and rewards and recognition programme.

Q.14: Which training method is adopted in an e-commerce company to train the employees?
- Training during orientation week
- Guest lectures of Motivational speakers
- Workshops of latest technologies
- Others

Q.15: Do you think that the role of HR manager in e commerce company is same as in traditional company?
(i) Yes
(ii) No
(iii) Do not know/ Cannot say

Q.16: Do you think that the employees in e commerce companies need to have skills in digital technology?
(i) Yes
(ii) No
(iii) Do not know/ Can not say

Q.17: What are the key impacts of e commerce on HRM?
- Transparency
- Flexibility
- Real time HR
- Workforce diversity

Q.18: What are the benefits of e commerce to businesses in India?
- Global trade
- Virtual businesses
- Lower search cost
- Increased power of downstream players

Q.19: What motivates you to work in an ecommerce company?
- Quality of life with flexible work timings
- Opportunity for self development
- Performance and skill based incentives
- Other factors
Opportunities and Prospects of E-Commerce in India

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Abstract

E-commerce is anything that involves an online transaction. E-commerce provides various benefits to the consumers in form of availability of goods at lower cost, wider choice and saves time. The general category of e-commerce can be broken down into two parts: E-merchandise: E-finance. E-commerce involves conducting business using modern communication instruments: telephone, fax, e-payment, money transfer systems, e-data interchange and the Internet. Online businesses like financial services, travel, entertainment, and groceries are all likely to grow. Forces influencing the distribution of global e-commerce and its forms include economic factors, political factors, cultural factors and supranational institutions. This paper is outcome of a review of various research studies carried out on E-commerce. This paper examines different opportunities of e-commerce for developing countries and future prospects of e-commerce. Finally many companies, organizations, and communities in India are beginning to take advantage of the potential of e-commerce; critical challenges remain to be overcome before e-commerce would become an asset for common people.

Index Terms - E-commerce, opportunities of e-commerce, uses of e-commerce

Introduction

E-commerce is anything that involves an online transaction. This can range from ordering online, through online delivery of paid content, to financial transactions such as movement of money between bank accounts. This paper has analyzed some of the challenges and opportunities of e-commerce and the prospects of e-commerce in India. Elizabeth Goldsmith and others (2000) reported that the general category of e-commerce can be broken down into two parts:

1. E-merchandise: selling goods and services electronically and moving items through distribution channels, for example through Internet shopping for groceries, tickets, music, clothes, hardware, travel, books, flowers or gifts.
2. E-finance: banking, debit cards, smart cards, banking machines, telephone and Internet banking, insurance, financial services and mortgages on-line (Elizabeth Goldsmith and others, 2000).

Farooq Ahmed (2001) reported that the enormous flexibility of the internet has made possible what is popularly called e-commerce which has made inroads in the traditional methods of business management. All the facets the business tradition with which we are accustomed in physical environment can be now executed over the internet including online advertising, online ordering, publishing, banking, investment, auction and professional services. E-commerce involves conducting business using modern communication instruments: telephone, fax, e-payment, money transfer systems, e-data interchange and the internet.

Importance and Use of E-Commerce

• Exploitation of New Business:

Broadly speaking, electronic commerce emphasizes the generation and exploitation of new business opportunities and to use popular phrases: “generate business value” or “do more with less”.

• Enabling the Customers:

Electronic Commerce is enabling the customer to have an increasing say in what products are made, how products are made and how services are delivered (movement from a slow order fulfillment
process with little understanding of what is taking place inside the firm, to a faster and open process with customers having greater control.

**• Improvement of Business Transaction:**

Electronic Commerce endeavors to improve the execution of business transaction over various networks.

**• Effective Performance:**

It leads to more effective performance i.e. better quality, greater customer satisfaction and better corporate decision making.

**• Greater Economic Efficiency:**

We may achieve greater economic efficiency (lower cost) and more rapid exchange (high speed, accelerated, or real-time interaction) with the help of electronic commerce.

**• Execution of Information:**

It enables the execution of information-laden transactions between two or more parties using interconnected networks. These networks can be a combination of plain old telephone system, Cable TV, leased lines and wireless. Information based transactions are creating new ways of doing business and even new types of business.

**• Incorporating Transaction:**

Electronic Commerce also incorporates transaction management, which organizes, routes, processes and tracks transactions. It also includes consumers making electronic payments and funds transfers.

**• Increasing of Revenue:**

Firm use technology to either lower operating costs or increase revenue. Electronic Commerce has the Potential to increase revenue by creating new markets for old products, creating new information-based products, and establishing new service delivery channels to better serve and interact with customers. The transaction management aspect of electronic commerce can also enable firms to reduce operating costs by enabling better coordination in the sales, production and distribution processes and to consolidate operations arid reduce overhead.

**• Reduction of Friction:**

Electronic Commerce research and its associated implementations is to reduce the “friction” in online transactions frictions is often described in economics as transaction cost. It can arise from inefficient market structures and inefficient combinations of the technological activities required to make a transaction. Ultimately, the reduction of friction in online commerce will enable smoother transaction between buyers, intermediaries and sellers.

**• Facilitating of Network Form:**

Electronic Commerce is also impacting business-to-business interactions. It facilitates the network form of organization where small flexible firms rely on other partner, companies for component supplies and product distribution to meet changing customer demand more effectively. Hence, an end to end relationship management solution is a desirable goal that is needed to manage the chain of networks linking customers, workers, suppliers, distributors and even competitors.

**Opportunities for E Commerce**

Young Jun Choi1, Chung Suk Suh(2005) reported that the development of the internet in the 20th century led to the birth of an electronic marketplace or it is called e-marketplace, which is now a kernel of electronic commerce (e-commerce). An e-marketplace provides a virtual space where sellers and buyers trade with each other as in the traditional marketplace. Various kinds of economic transactions and buying and selling of goods and services, as well as exchanges of information, take place in e-marketplaces. E-marketplaces have become an alternative place for trading. Finally, an e-marketplace can serve as an information agent that provides buyers and sellers with information on products and other participants in the market. These features have been reshaping the economy by affecting the behavior of buyers and sellers.
• **E-businesses:**
E-business affects the whole business and the value chains in which it operates. It enables a much more integrated level of collaboration between the different components of a value chain than ever before. Adopting e-Business also allows companies to reduce costs and improve customer response time. Organizations that transform their business practices stand to benefit immensely from innumerable new possibilities brought about by technology. This can range from ordering online, through online delivery of paid content, to financial transactions such as movement of money between bank accounts. One area where there are some positive indications of e-commerce is financial services. Online stock trading saw sustained growth throughout the period of broadband diffusion. E-shopping is available to all those who use a computer. Over the past year Amazon.Com, ebay India, Indiatimes have seen a rapid growth in categories such as mobile handsets, jewellery, fashion apparel, books, gift items and other items.

• **E-commerce integration:**
An e-commerce dimension can be added to the business curriculum by integrating e-commerce topics into existing upper-level business courses. Students would be introduced to e-commerce education and topics covered in a variety of business courses in different disciplines e.g. accounting, economics, finance, marketing, management, management information systems. To help assure that all related business courses in all disciplines such as e.g., accounting, finance, economics, marketing, management, information systems pay proper attention to the critical aspects of e-commerce, certain e-commerce topics should be integrated into existing business courses.

• **Open and distance learning:**
As the availability of the Internet expands, as computing devices become more affordable, and as energy requirements and form factors shrink, e-learning will become more popular. In addition to the importance of lifelong learning, distance education and e-learning will grow in popularity because convenience and flexibility are more important decision criteria than ever before. E-learning will become widely accepted because exposure to the Internet and e-learning often begins in the primary grades, thus making more students familiar and comfortable with online learning. In fact, for many countries, distance education has been the most viable solution for providing education to hundreds of thousands of students.

• **E-commerce and E-insurance:**
The recent growth of Internet infrastructure and introduction of economic reforms in the insurance sector have opened up the monopolistic Indian insurance market to competition from foreign alliances. Although the focus of e-commerce has been mainly on business to consumer (B2C) applications, the emphasis is now shifting towards business to business (B2B) applications. The insurance industry provides an appropriate model that combines both B2C and B2B applications. Traditional insurance requires a certificate for every policy issued by the insurance company. However, paper certificates encumber problems including loss, duplication and forging of the certificate. The conventional certificate is now replaced with an electronic certificate that can be digitally signed by both the insurer and the insurance company and verified by a certifying authority. Online policy purchase is faster, more user-friendly and definitely more secure than the traditional processes. Therefore it is more attractive to the insurer. At the same time it incurs less cost and requires fewer resources than traditional insurance and is therefore more profitable for the insurance company.

**India’s Prospects in E-Commerce**

• **Opportunity for retailers:**
A retailer can save his existence by linking his business with the on-line distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity.

• **Opportunity for whole sellers/distributor:**
In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation
those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on-line.

- **Opportunity for producers:**
  Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by having a brand identity.

- **Opportunity for people:**
  As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

**Conclusion**

The future of E-Commerce is difficult to predict. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India i.e. replacement guarantee, M-Commerce services, location based services, multiple payment option, right content, shipment option, legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be same as shown on the portal, dedicated 24/7 customer care centre should be there. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. Retailers meet electronic orders and should be in touch with the consumers all the time. Wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on-line. Producers can also linking themselves with on-line, by giving better information about their products to the other links in the business chain and by having a brand identity. As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits. People could found various opportunities of employment. On the behalf of above said reports and experts view showed that the future of e-commerce in India would be bright in the upcoming years if all essential factors would be implemented.

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A Study of Major Challenges of HR in E-commerce Industry

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Abstract

This paper deals with the major challenges of human resource in e-commerce industry. Technology has changed everything with great extent, the methods of production, the process of recruitment, the training techniques, and new equipment etc. Now it’s up to HR personnel’s to work with their functions as shown below to best manage the workforce. In this paper we have discussed those foremost issues and challenges which are confronting today Organization. To overcome these issues and challenges the HR managers will have to build a standard structure that allows managing all different workforce alternatives.

Introduction

E-commerce technologies are changing the way 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, little attention has been paid to e-commerce and its effect on work organisation and HR management. At the point when a business first chooses to actualise e-business methodologies and operations, it regularly utilizes the personnel it has for doing so. However, as the strategy increases in magnitude, the organisation will need to
change in order to better embrace and ‘live’ a more efficient and productive organisational restructuring for maximum desired results. In doing as such, the human resource for the organisation can turn out to be critically imperative to achievement. The quantity of required experts expected to cooperate with a specific result to expand capability turns into a great test.

Filling the requirement for specialists can be refined by creating and procuring these aptitudes from inside of the organisation, or setting up key associations or outsourcing the work to authorities. Typically, larger companies will implement building skills from within as well as acquiring the skills in new hires. However, this does not mean that this is the norm, as many large companies initially seek partnerships and outsourcing to foster knowledge as well as minimise initial startup expenses.

HR plays increasingly integral role in designing and supporting change

• The general perspective is that bigger firms more often than not have spending plans that are more vulnerable to all choices. Since staff pros with e-business learning and experience can be popular with the huge number of transitioning organisations, it turns into a test for organisations to retain skilled people. It can likewise turn out to be extremely costly as experts usually demand hefty salaries. The importance of retaining solid performers becomes even more critical when time, money and resources have gone into training them in new areas of skill development.

• Creating and holding such staff can be such a colossal test and potential budgetary presentation, a developing pattern among organisations is to outsource the work. This is commonly done in two positions: outside-in and back-to-front. The outside-in configuration for e-commerce includes outsourcing a few tasks where there isn’t sufficient in-house learning or experience. As the ventures thrive, the organisation adds to these abilities for future needs.

• It is critical for HR to be included in observing and cultivating both of these connections to best address the organisation’s issues. In addition, human resource departments must establish a sense of collaboration and commonality among whatever system or combination of systems is chosen. This can be done by not only making roles challenging and stimulating, but also by sharing skills and cross training employees.

• Using the learning of SMEs (Subject Matter Experts) to help train other representatives is an incredible approach to augment assets and expand aptitudes limit through broadly educating endeavours. Giving the capacity to extend worker obligations and opportunities through new learning encounters help to keep talented staff drawn in and energetic about their work. Accordingly, the danger of losing a representative on account of exhausting or commonplace day-by-day undertakings is reduced.

• Vital objective that must be tended to in setting up the fitting blend of experts inside of an e-business structure includes adaptability. Adaptability fundamentally implies that the framework or organisation must have the capacity to handle any alterations in requests being asked. For instance, like a spring however inverse in development, the e-business framework (counting the organisation) must have the capacity to contract or grow as required by the interest on it. Where a spring contracts with included weight (the interest), an e-trade framework would in principle need to extend to handle the increment in limit. The spring’s development is just used to exhibit the development taking into account impacting conditions. On the other hand, the fundamental message is that a supportable e-trade framework must have the capacity to handle variance sought after.

Challenges faced by HR in E commerce Industry Project-Focus Challenge

Corresponding to the project structure challenge is the project-focus challenge. This refers to the tendency for managers in a project-
structure to focus on project completion to the exclusion of other managerial responsibilities. In essence, because the firm rewards managers for project completion (on-time, on-budget), a single-mindedness of purpose develops around that goal. In the process, managers may neglect their people-management responsibilities. Thus, firms face the challenge of balancing managers’ attention between the immediate need for project completion with the long term capability gleaned from effective management of people.

**Technologist as Manager Challenge**

In addition to the project-focus challenge, the technologist as manager challenge further limits the firm’s ability to properly manage people to meet their intrinsic and developmental needs. This challenge stems from firms’ tendency to promote highly effective technology employees to management positions. These technology employees often possess tremendous technological expertise that far exceeds their people management skills. Again, consistently observed among the e-businesses was the fact that employees left the firm when they felt they were not properly managed. This requires managers who show respect and concern for employees, particularly with regard to understanding their career goals and providing development opportunities to help them achieve these goals. Failing to provide such managers inevitably results in employees fleeing to the nearest competitor who offers marginally greater compensation. The skills necessary for managing people this way seldom appear naturally in highly technical employees. Such employees tend to focus on technological issues and solutions, and assume that people work like machines. Given the centrality of technology in e-business, these managers are easily drawn toward focusing on either the technology or project completion to the neglect of their people.

**Generational Challenge**

One aspect of this challenge lies with the governance or management of younger employees. Because they place greater value on autonomy and have less respect for authority, control via position power is less effective. Because many of them entered the job market in a situation of high demand, they believe that they have much greater leverage and control over their own careers and are thus less influenced by traditional reward and coercive power. Finally, because their technical skills probably exceed those of their managers, they are less likely to be subject to expert power. Thus, the effectiveness of traditional modes of exerting power over employees dissipates. Rather, these employees are more effectively influenced by charismatic leaders who can appeal to their idealistic vision. While the downward influence of managers over employees presents one problem, another aspect of this challenge lies with opening the minds of managers to the expertise of this younger generation. These employees certainly possess up to date technical skills. More importantly, however, they bring a mindset and ideas unlikely to be seen among the older generation of workers. Because they grew up surrounded by technology, they see opportunities and applications invisible to those of previous generations. Thus, the challenge is to both absorb younger employees into the firm and to find ways to exploit their knowledge.

**Change of Salesman Role Challenge**

As more and more business moves to the web, firms must address what will happen to their sales and procurement jobs. Surprisingly, firms and individuals do not agree on how moving to e-business will impact jobs, in particular sales positions. Agreement exists that the nature of the job will change. The change will see sales representatives moving from transaction processors (filling out order forms)
to customer consultants. This new consultant role will require that sales representatives understand customer problems in detail and then provide solutions to those specific problems. In addition, while seldom discussed, one must recognize that a similar effect will occur with regard to the procurement positions in organizations. As more and more raw materials orders move to the web, the nature of the procurement job will change, as will the number of procurement specialists needed. Thus, firms must address the job churn challenge as the move business toward the web. Undoubtedly the nature of many jobs will change, and arguably the number of employees needed in those jobs will change.

**Labor Market Exuberance Challenge**

Finally, the labor market exuberance challenge describes the intense and even irrational competition for labor that has arisen among e-businesses. 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 to provide employees with considerable leverage in negotiating pay. Compensation has exploded as firms seek to lure talent from their competition by offering considerable increases total compensation. Competitors’ response of even comparable or higher packages results in spiraling compensation. The intense competition for talent has resulted in spiraling compensation packages and increasing variability in the quality of talent obtained. This creates a situation where firms must pay more, but face serious risk of getting far less than they paid for.

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