

Role of E-Commerce in India and Impact on Economy

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ABSTRACT

In India and Globally the scenario of business in service industry is moving towards e-HRM, knowledge or digital based economy. Computers have stepped up significantly and simplified the task of analyzing vast amounts of data and they can be invaluable aids in HR management, from payroll processing to record retention. With computer hardware, software, and data bases, organisations can keep records and information better as well as retrieve them with greater ease. e-HRM is the relatively new term for this IT supported HRM, especially through the use of web technology. This paper is an attempt to highlight the importance of digitalisation and E-commerce, new challenges and opportunities of e-HRM for the organizations. If organizations have to be successful in the competitive environment, then they have to adapt new technologies like e-HRM and it is an innovative technology in managing human resources. Although the impact of IT on work and employment has been the subject of research, the current situation has been paid to electronic commerce and its effect on work organisation and HR management. This paper examines existing literature on how e-commerce technologies have analysed upcoming challenges and opportunities at workplace management. It proposes a conceptual framework for identifying and understanding these changes in the context of the business pressures faced by, in highly competitive environment.

Keywords: E-Commerce, Human Resource Management, Workplace Management, Digitalization.

1.0 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 utilises 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.

2.0 OBJECTIVE OF THE STUDY

The study has been undertaken to achieve the following objectives: 1. To gain insight on the present status of use of digital tools in HR practices. 2. To understand the working and successful implementation of digital tools in HR practices in India. 3. To highlight the benefits of E-HRM in Indian Industry.

3.0 RESEARCH METHODOLOGY

The study is conceptual in nature. Hence, secondary source of data mostly comprising journals, research publications, and internet has been used to achieve the stated objectives.

4.0 ECONOMIC AND SOCIAL IMPACTS

- With the growing competition in the ecommerce market, players who are able to adapt and innovate quality products will gain profit and enhance the economy of the country.
- Both electronic learning and mobile learning enhances the access of the good educational institutions in remote areas.
- The rise of online sales in the developing markets will encourage retailers to go online for global expansion.
- E-marketplaces are working well in India due to high fragmentation on the supply side.
- Mobile banking reduces the transaction cost of banks which increases access to financial services through rapidly growing mobile market.
- Rural areas which are too costly or unprofitable for business development might be a focus of investment and market expansion, and also for building corporate offices

5.0 CHALLENGES OF HRM IN DIGITALIZATION AND E-COMMERCE

5.1 Higher Total Compensation Demands

Employees constantly feel pressure to provide well for themselves and for their dependents. When they feel their compensation isn't fair, they won't hesitate to speak up about the situation. In a recent survey, employees stated that pay is the most important contributing factor to their overall job satisfaction. This creates a difficult situation for any human resources manager, whose job includes keeping employees

satisfied while keeping costs low. When it comes to employee retention, it's up to HR to decide who is worth keeping and who isn't.

5.2 Tightening Talent Market

When the unemployment rate skyrocketed back in the late 2000s, employers were easily able to find talented new recruits because the pool of applicants was huge. Now that it's fallen to less than 5 percent in some countries, however, it's much more difficult to find new personnel. If you don't have the resources to offer the highest compensation package, your company might consider other appealing job perks like flexible hours or remote positions.

5.3 Unappealing Company Culture

Younger employees (millennials, in particular) expect a different work environment than their predecessors did. Most recent grads aren't happy to sit at a desk, fulfill their job duties, and go home at the end of the workday. They're looking for jobs that offer perks like a relaxed, open communication policy; flexible scheduling; and meaningful job tasks with clear objectives. Companies that don't meet at least some of these demands will be hard-pressed to find suitable employees.

5.4 Increased Employee Turnover

HR managers are constantly battling against a high employee turnover ratio. The Center for American Progress states that, on average, a company will pay approximately one-fifth of an employee's salary on recruitment costs to find a suitable replacement. This number is typically much higher for jobs that require a high level of education or specialized training. Obviously, this means that employee retention is incredibly important for the overall success of a company. High employee turnover could quickly affect an otherwise healthy bottom line.

5.5 Lack of Leadership

According to the Society for Human Resource Management, top executive positions are experiencing the highest level of turnover. This creates a unique problem for HR: a lack of leadership within the organization. To combat this problem, HR managers should talk to the current leaders to develop a plan for training new executives as old ones are replaced. It's a tough task to undertake, but the future of the company may very well depend on these proactive measures.

6.0 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.

6.1 E-business

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 (www.ficci.com/sectors/task-forces/e-business/e-business.htm).

E-commerce as 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. 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 these 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.

Naukri.com – India's premier recruitment site has captured around 50% of the recruitment market.

ICICIDIRECT.com - Stock trading simplified, Icidirect.com is today the country's premier trading portal.

Baaze.com the country's premier shopping site started as an auction site and graduated to be the most popular platform-shopping site.

Irctc.com - One of the best things about this site is that a credit card is not an essential requirement for buying tickets here. Instead the site offers a direct debit facility having tied with most of the popular banks (www.rajindraflorist.com).

It is being estimated that the online travel market in India was estimated at \$300 million in 2005 and has crossed \$750 million in 2006. By 2008, it is expected to exceed \$2 billion(http://www.m-travel.com/news/2006/10/online_travel_m.html).

Young Jun Choi¹, Chung Suk Suh(2005) reported that the economic consequences of the death of geographical distance due to the emergence of e-marketplaces. It has shown that overcoming spatial barriers by means of e- marketplaces lowers the price level. Since e-marketplaces achieve economies of scale by aggregating dispersed demands, they allow the economy to have more varieties that did not exist before their emergence.

6.2 E-commerce integration

Zabihollah Rezaee, Kenneth R. Lambert and W. Ken Harmon(2006) reported that the rationale for infusion of e-commerce education into all business courses is that technological developments are significantly affecting all aspects of today's business. 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.

6.3 Open and distance learning

Diana Oblinger (2001) reported that one is that education and continuous learning have become so vital in all societies that the demand for distance and open learning will increase. 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.

6.4 E-commerce and E-insurance

Prithviraj Dasgupta and Kasturi Sengupta (2002) reported that 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.

E-insurance also makes the insurance procedure more secure since the policy details are stored digitally and all transactions are made over secure channels. These channels provide additional market penetration that is absent in traditional channels and help in earning more revenue than traditional insurance processes.

6.5 Future media of e-commerce

Patric Barwise (2001) reported that Probability 99% of e-commerce today is done using PCs either desktops or laptops. For B2B e-commerce this is unlikely to change. For B2C e-commerce however, things will be more complex.

There will be wider range of relevant media, including interactive digital TV, and a range of mobile and wireless services.

There will be huge difference between different consumers' ownership of equipment and access technology. Some will have broad band access and others have no digital communication at all.

Current and future B2C digital media

Digital media able to support consumer e-commerce can be grouped under five main headings, with in the home PCS, IDTV and with in next five years a range of other online device such as games, computers, utility meters etc. In summary, the online PC is well established while the other B2C digital media are still emerging.

6.6 Economic issues raised by e-commerce for the WTO and developing countries.

Arvind panagariya(2000) reported that access to e-commerce, which in the WTO parlance often means access to e-exports, has two components that must be distinguished sharply: access to internet services and access to services that can be traded electronically. The former deals with to access to Internet infrastructure while the latter relates to specific commitments in electronically tradable services.

E-commerce offers unprecedented opportunities to both developing and developed countries. In the short run, the gains are likely to be concentrated in developed countries have more to benefit. This is because, in the short run, developing countries lack the infrastructure necessary to take full advantage of Internet. For many countries, especially developing ones, in these countries, most consumers do not have computers or Internet access. A likely scenario, therefore, is one in which a handful of independent entrepreneurs will receive the product by Internet, convert it into physical form such as CDs and sell the latter to consumers. But this activity may itself be costly, using up real resources. But in the long run, they can leapfrog, skipping some of the stages in the development of information technology through which developed countries have had to pass.

7.0 E-COMMERCE BUSINESS CLASSIFICATIONS

- B2B – Business to Business

A B2B model focuses on providing products from one business to another. While many ecommerce businesses in this niche are service providers, you'll find software companies, office furniture and supply companies, document hosting companies, and numerous other ecommerce business models under this heading. Examples you may be familiar with include the ExxonMobil Corporation and the Chevron Corporation, Boeing, and Archer Daniel Midlands. These businesses have

Examples you may be familiar with include the ExxonMobil Corporation and the Chevron Corporation, Boeing, and Archer Daniel Midlands. These businesses have custom, enterprise ecommerce platforms that work directly with other businesses in a closed environment. **A B2B ecommerce business typically requires more startup cash.**

- B2C – Business to Consumer

The B2C sector is what most people think of when they imagine an ecommerce business. This is the deepest ecommerce market, and many of the names you'll see here are known quantities offline, too. B2C sales are the traditional retail model, where a business sells to individuals, but business is conducted online as opposed to in a physical store.

Examples of B2C businesses are everywhere. Exclusively online retailers include Newegg.com, Overstock.com, Wish, and ModCloth, but other major B2C ecommerce businesses include names like Staples, Wal-Mart, Target, REI, and Gap.

- **C2C – Consumer to Consumer**

B2B and B2C are fairly intuitive concepts for most of us, but the idea of C2C is different. What does a consumer-to-consumer ecommerce business look like?

Created by the rise of the ecommerce sector and growing consumer confidence in online sales, these sites allow customers to trade, buy, and sell items in exchange for a small commission paid to the site. Opening a C2C site takes careful planning.

Despite the obvious success of platforms like eBay and Craigslist, numerous other auction and classified sites (the main arenas for C2C) have opened and quickly closed due to **unsustainable models**.

- **C2B – Consumer to Business**

C2B is another model most people don't immediately think of, but that is growing in prevalence. This type of ecommerce business involves individuals selling products or services to businesses, and is roughly equivalent to a sole proprietorship serving a larger business.

Reverse auctions, service provision sites like UpWork, and **several common blog monetization strategies like affiliate marketing or Google AdSense also fall under this heading**.

8.0 Economic benefits

- This era is called as "Information Age" as customers are becoming particular about the knowledge on product/service. Before the purchase, customers are reviewing the product with research. With digitization, it became easier to provide information to the customers. Through digitization economic benefits are being captured.
- Consider a simple case of E-ticketing services. The Digitization has made it simpler and convenient to book your tickets just by logging into the respected websites. You will receive confirmation Mail/SMS after the payment process. The websites are optimized for easy navigation and easy payment facilities. No need of waiting at queues or contacting agents for tickets. You can easily book your tickets by sitting at home.
- Mammoth technological investments to develop technological infrastructure has been observed from past few years in order to stay ahead of competitors. The ubiquity of connectivity and access for a population empowered entrepreneurs to shift towards new technology. Customers are more inclined towards convenience and that is possible only with the acceptance of technological changes. Entrepreneurs are also aggressively becoming the part of this change.

9.0 Trends In Digitization:

- **Digital India:** Government took initiative to transform the ecosystem of public services into digitalization; through this, they wanted to make digitally empowered society. They launched Digital India campaign to make the services even better. It not only facilitates the development of new projects but also improves the Digital operational efficiencies.
- **E-commerce:** E-Commerce is changing the way of people shop in the country. It is one of the big change that leading towards the success. Adoption of technology by next generation is accelerating the growth of digitalization.
- **Rural Connectivity:** Government is making efforts to connect villages with the help of rural connectivity to deliver various services. With this, villages can access quickly to the outside services.
- **GST:** The impact of GST has made many businesses to implement latest technologies to get benefited out of it. Automation will make easier to transact with each other throughout the country. It will take the industry to the next level.

- Mobile applications and social media have made businesses to interact with the customers or clients. With this customer relationship, we can identify their needs, wants and can work accordingly to satisfy the customers.

The digitization will undoubtedly deliver the best to both the customer and the entrepreneur.

10.0 CONCLUSION

After taking a holistic view of the industry trends, it is seen e-commerce is emerging as an important tool to ensure exploding growth of Indian economy. It has the scope to lead India into an Economic superpower. With a rapidly growing internet penetration e-commerce offers an attractive option for the retailers to expand. To achieve this, there should be more investments in supporting infrastructure and innovative and game changing business models in India.

Organizations are trying to reduce their cost and time to achieve profitability. Organizations are trying to convert their HR Practices in to E-HR Practices. In the era of globalization, Companies want to expand globally by reaching the people all across the world companies needed end to end visibility in their value chain and enhanced process efficiency throughout the organizations.

The digital strategy which leads to the success always has to be developed by creative managers on the top of the company, integrating interesting products, innovative organization and careful role of HRM in the structure of the company

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