

ASSESSING THE IMPACT OF E-BUSINESS ON ORGANISATIONAL PERFORMANCE

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Abstract – *The world, where conventional economies give their places to digital economies, has changed in a way much more depending on information and technology. Under these conditions, E-business technologies have come into a special prominence. This paper aims at assessing the impact of E-business on the various aspects of Organisational Performance. The various aspects include the strategy of the organisation, productivity, human resources, business environment as well as the technology. Firms apply e-business technologies in order to build up subcontracts, payment costs, better customer service, more efficient production, logistics and commercial systems.*

Keywords: E-business, strategy, productivity, organisation

INTRODUCTION

E-business is becoming an important initiative for companies to consider every aspect of running a business organisation. E-business may be defined as any process that a business organisation conducts over a computer used network and it includes buying and selling of products and services which are carried out for profit as well as non profit oriented organisations. E-business involves the continuous optimisation of the value of an organisation. Implementing E-business aspects will require organisational restructuring, new job descriptions and various revised policies. To make

the impact of E-business successful, the decision maker should understand the nature of these changes as well as their impact on the performance of the organisation. The way in which companies and end users conduct business will change, ultimately driven by the emergence of new business models brought on by the between and across external businesses and between evolution of the Internet.

E-business is focused on improving the organisational performance by adopting new technology and also by connecting across businesses and business partners to attain competitive advantage as well as reduce the overall costs. If E-business is properly implemented, it can help the organisations in improving customer relations and increase revenue thereby reducing the costs.

STRATEGY

For an effective E-business the basis is to understand the organisational goals, not the E-business goals. For long run business planning, E-business plans must be re-evaluated on a regular interval. E-business strategy is not a one-time event, but an iterative process. Continuous planning with proper feedback has been evolved as the strategy of choice for a volatile E-business. Organisations with E-business must be able to adjust the business and the strategies depending upon

the unpredictable market pressures as well as competitors.

HUMAN RESOURCES

In this fast change E- business related technology as well as economy, the workers are constantly asked not only to update, but also to expand their skills and performance. Employees should have more tools to help complete their daily tasks, at their end. There are intranets to simplify the internal issues, for outside research there is Internet, and the word processing programmes which write letters and reports virtually. Resolving problems requires a common view of the organisation from the customer perspective. Since, much of the information that administrative support workers collect, manipulate and distribute can be transmitted over networks, E-business which automates many administrative support functions and services, is also expected to have a dampening effect on employment in administrative support occupations. E-business applications in the human resources are rapidly progressing towards an electronic delivery concept called as EHR(Electronic Human Resources), which functions in real time by enabling the end-users to make fact based decisions.

CUSTOMER RELATIONSHIP MANAGEMENT

The business organisations have realised that the present customers require convenience, speed in service, personalisation, and competitive prices in the shopping process. So the organisations need to evaluate how it can deploy technology in order to dip the process and value.

E-business is having impact on the customer relationships at various levels. Customer relationships are becoming an important factor in differentiating one business organisation from another. To retain the competitiveness, companies with E-business initiatives have started analysing the relationships with customers, which enables the organisations to maximise the customer relationship with the organisation as well as the customer's value to the company. As companies make many of their operations in the internet, customers have an easier access and insight into their workings. Thus, E-business is changing the way companies and their customers interact with each other.

INFORMATION TECHNOLOGY

Information technology and business must work together with updating the inventory, processing orders and manufacturing as well, which can represent a big change from the traditional business organisations. Due to E-business, IT is becoming much more associated with the business decisions. As such IT managers are expected to be more aware of the alternatives as well as opportunities for enlightening the business people. Besides offering many advantages, E-business is also creating a lot of challenges for the IT managers related to internal change and increased work load. It is also requiring IT managers to communicate more effectively with the business people.

E-business is also causing radical change in the companies' thinking about technology and this change is inevitable. Technology is no more related to the back office of the organisation, it has become an integral part of E-business enabled business processes. In an E-business initiative, technology must be used to innovate, entertain as well as enhance the entire experience with the product.

ENVIRONMENT

In the modern E-business environment traditional efforts and factors don't work anymore. The pace of E-business environment implies companies must replace sequential change process with parallel processing, which means the organisations must create strategies, develop skills and cultures simultaneously.

TRUST FACTOR

E-business requires more trust between a business, its partners and customers than the traditional business organisations. Many organisations are uncomfortable to adopt the E-business system as they are concerned about the better safeguards required to protect against the unfamiliar risks and uncertainties. Despite the tremendous growth in the E-business projections, its overall potential will be materialised only if the partners of business organisations truly trust the E-business transactions.

CONCLUSION

Incorporating E-business in a business organisation invariably has a very relevant impact on various operations as well as aspects of the organisation, which causes changes in the various aspects such as human resources, strategy planning, technology, trust factor and the environment. For a successful implementation of E-business, it is very important that the decision makers not only understand the changes and their impact, but also manage the change process in such a way so as to ensure proper utilisation of resources and management of the business. The E- business plans must be devised as a part of the corporate strategy and the impact of E-business on the processes and people must also taken

into consideration, to achieve E-business goals rather than traditional organisational goals.

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