CONTEMPORARY TRENDS IN BUSINESS AND MANAGEMENT

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INNOVATIVE HRM PRACTICES TO ENHANCE ORGANIZATIONAL PERFORMANCE

– Dr. N. Hemalatha *

Abstract:

The role of HRM in enhancing organizational performance is more relevant than often assumed in both research and practice. HRM affects organizational performance; this study examines both the individual and the organizational level of innovation, focusing on HRM and HR practices and how these can enhance innovation, while introducing mechanisms explaining the relationship between HRM and innovation.

The purpose of this article is to study the human resource management (HRM) relevance in innovation, environmental management and organizational performance. Literature review on the related fields of study including conceptual framework, resource-based view and organizational performance have been done. This paper aims to fill the gap in the organization performance literature by highlighting the contribution of HRM in influencing business organizational performance through its intermediate effect on innovation and environmental management.

Keywords: HRM, Innovation, Environmental Performance, Organizational Performance

"You Can Have The Best Strategy And The Best Building In The World, But If You Don't Have The Hearts And Minds Of The People Who Work With You, None Of It Comes To Life."-Renee West, Luxor and Excalibur Hotel

Introduction

Human Resource Management is the process of recruitment and selecting employee, providing orientation and induction, training and development, assessment of employee (performance of appraisal), providing compensation and benefits, motivating, maintaining proper relations with employees and with trade unions, maintaining employees safety, welfare and health measures in compliance with labour laws of the land.

Many HR departments are responsible for organization development that generates the culture of the organization. They are charged with oversight responsibilities to ensure that their organization appropriately builds teams and inspires employee empowerment. HR management can include employee and community outreach. They are frequent mentors and members of employee teams that address philanthropic giving, employee engagement activities, and events that involve employee families.

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HRM functions are also performed by line managers who are directly responsible for the engagement, contribution, and productivity of their reporting staff members. In a fully integrated talent management system, the managers play a significant role in and take ownership responsibility for the recruitment process. They are also responsible for the ongoing development of and retention of superior employees.

HRM's Changing Focus

HRM is the organizational function that deals with or provides leadership and advice for dealing with all issues related to the people in an organization. HRM, as such, deals with compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

HRM is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives.

HRM is moving away from traditional personnel, administration, and transactional roles, which are increasingly outsourced. The HRM function is now expected to add value to the strategic utilization of employees and to ensure that employee programs recommended and implemented impact the business in positive measurable ways.

The New Expectations of HR

Gone are the days when HR staff received direction from the executive team as to their priorities and needs. HR is now expected to sit at the executive table and recommend processes, approaches, and business solutions that improve the ability of the organization's people to effectively contribute.

The new role of HRM involves strategic direction and HRM metrics and measurements to demonstrate their value. Employees who work in HRM must demonstrate their value by keeping their employer and company safe from lawsuits and the resulting workplace chaos. They must perform a balancing act to serve all of an organization's stakeholders: customers, executives, owners, managers, employees, and stockholders.

It is difficult to underestimate the importance of an effective, modern HRM function within an organization.

Today's human resource department is the backbone of a successful organization.Organisations which choose to move the HRM function out of the dark days and into the light - are best served. Few of the

World's most Innovative Corporate Human Resources Departments are

At Google: From Fortune to Mashable to Glassdoor, Google is consistently ranked as the best company to work for in the world. What truly makes Google a great place to work is the people. The company is more than just an Internet juggernaut, its Mountain View, California headquarters offer a seven-acre sports complex, three wellness centers, indoor roller hockey rinks, horseshoe pits, and over 100,000 hours of subsidized massages doled out each year. Google's philosophy is that with the right tools, you can attract the best talent, and develop happier and more productive employees. With these HR efforts, Google's leadership is recognized worldwide.

At Cadbury

When it comes to people management, Cadbury leads the way. Not only is the company the world's second largest confectioner, but it has also earned the HR accolade by putting its people first. Since founded in 1824, Cadbury has maintained its worker village and R&D factories. The village offers its staff and their families a comfortable environment to work and live. The company is built on an altruistic belief system that makes people a priority. The Cadbury culture combines positivity and balance, among work and life.

At SAS

In 2014, SAS was ranked No. 2 on Fortune's list of the Best Companies to Work For in the US. The HR practices at SAS are innovative and creative; contributing to the reason the company is consistently ranked as an industry leader. The company offers a university campus feel on its grounds, with greenways that connect buildings to buildings. Recreation and fitness facilities are found on campus, offering time for employees to take part in maintaining the health of the entire person - mind, body, and spirit. SAS is noted for offering a high-trust environment and exhibiting a low turnover rate. The HR department is recognized as a pioneer in addressing day-to-day stresses and concerns that are common in a workplace environment.

Conclusion

In the present competitive world, the companies are facing a lot of skill shortage, talent crunch and attrition. The companies feel the internal customers also are equally important along with the external customers. So every company tries to devise innovative HR practices to attract best talent , giving them nice environment to work with, that enables the company to retain talents, the above said practices are conceived and implemented and found successful by the leading companies. It is found that practices of different companies' merging in different HR areas, which are beneficial for the company's to become more competitive in the global market.

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ENTERPRISE RISK MANAGEMENT

– P.S. SubhaPradha *

Abstract:

Enterprise risk management has emerged as a new paradigm for managing the portfolio of risks that organizations are vulnerable to, as policy makers continue to focus on mechanisms to improve corporate governance and risk management. The nature of risk management has undergone a rapid and remarkable transformation over the past few decades, from a primitive defensive approach to the cotemporary strategic and dynamic approach.

Enterprise risk management encompasses an overall risk management approach to business risks. The term succeeds earlier approaches to risk management like corporate risk management, business risk management, holistic risk management, strategic risk management and integrated risk management. Although these terms differ in their focus to a small extent, the general concepts are quite similar.The emergence of Enterprise Risk Management can be attributed to i) the enhanced scope of corporate governance that covered all risks that a firm takes following many high profile corporate failures and ii) the focus of modern strategic planning on shareholder value concepts derived from finance theory, where risk plays a prominent role.The present paper discusses enterprise risk management and its relevance in the present context.

Keywords: Enterprise Risk Management, Corporate Governance, Risk Management ity customer service, Competitive Advantage, Customer loyalty.

INTRODUCTION

The Risk Environment

In the modern competitive business environment, business entities are exposed to greater risks along with opportunities in their quest for value creation. The global crises and the resulting competitive environment have compelled businesses to take up many measures for survival and growth. These measures varied from employee lay-offs, office shutdowns etc. These have led managers and investors in recent times to pay more attention to managing the risks inherent and emerging in their businesses. It is therefore

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imperative for businesses to take advantage of making appropriate strategicdecisions on uncertain outcomes for reducing losses and enhance profitability. Uncertainties and risks present both risks and opportunities, with potential to erode or enhance value.

A Risk Management survey carried-out by the Aon Corporation presents its findings in four key components - Top ten risks, Overall risk preparedness, Business losses related to risk, and key business topics/functions.

The top ten risks identifiedwere as follows: 1. Economic slowdown 2. Regulatory/legislative changes 3. Business interruption 4. Increasing competition (new addition to top ten since 2007 report) 5. Commodity price risk (new addition to top ten since 2007 report) 6. Damage to reputation 7. Cash flow/liquidity risk 8. Distribution or supply chain failure (new addition to top ten since 2007 report) 9. Third party liability and 10. Failure to attract or retain top talent.

Need for Enterprise Risk Management

The recession has forced businesses to place more focus on the management of risks relating to all aspects of their businesses. Such management is broadly defined as "Enterprise Risk Management" ERM, which describes the set of activities that businesses undertake to deal with all the diverse risks that face it in a holistic/strategic/integrated method. These risks include financial, strategic, operational, hazardous, and compliance risks, spanning through the organization. Many of such risks have significant impact on the profitability, effectiveness, and reputation of business enterprises. In the 21st century, there are several critical factors that have considerably driven the need for enterprise risk management, which today is referred to as drivers of ERM, this includes increase in the following:

- Greater transparency through better Corporate Governance
- Financial disclosures with strict reporting and control requirement
- Security and technology issues
- Business continuity and disaster preparedness
- Focus from rating agencies
- Regulatory compliance (laws and regulations)
- Globalization in a continuously competitive environment

UNDERSTANDING ENTERPRISE RISK MANAGEMENT

The renowned father of modern management, Peter Drucker quotes "a decision that does not involve risk, probably is not a decision". Thomas Stewart says, "Risk - let's get this straight up front - is good. The point of risk management isn't to eliminate it; that would eliminate reward. The point is to manage it - that is, to choose where to place bets, and where to avoid betting altogether" We see the same school of thought in the words of Dan Borge, former director of Bankers Trust; "Many people think that the goal of risk management is to eliminate risk - to be as cautious as possible, not so. The goal of risk management is to achieve the best possible balance of opportunity and risk. Sometimes, achieving this balance means exposing yourself to new risks in order to take advantage of attractive opportunities." Again, Peter Drucker makes it clear what an attempt to eliminate risk completely would lead to; "A business has to minimize risk. But if its behaviour is governed by the attempt to escape risk, it will end up taking the greatest and least rational risk of all: the risk of doing nothing."DrVedpuriswar adds that risk can neither be avoided nor eliminated completely. The theme of risk management is clearly highlighted as the minimization of risk in a bid to keep it within controllable limits, as well as the acceptance of risk in other to gain reward - the definition of a risk appetite. Uncertainty in business and life in general is said to exist due to the futuristic nature of outcomes. The outcomes of business operations are to be reached at sometime in the future after the tasks have been performed. G. Monahan agrees to this in his work stating that businesses face risk due to the uncertainty of possible outcomes of the actions taken in the course of doing their business. And even in situation where a high level of certainty exists towards the achievement of positive outcomes, a sudden disastrous event may occur to change this fate. Barton T. L. et. al. sheds light on the "risk? debacles which the business community has witnessed that have resulted in considerable decrease in shareholder value, financial loss, damage of company reputation, so on. They point out that such events may include environmental disaster, mergers destroying shareholder value, organisations trading in complex derivative instruments without the understanding of the risks involved, traders lacking oversight and have inadequate controls for the enormous risks they assume, etcetera, while placing emphasis on the attention and handling of such risks. G. Monahan argues on the notion that risk is the same as uncertainty, by defining risk as anything that produces a distribution of various probabilities for various outcomes. COSO on the other hand, defines uncertainty as that which presents both risk and opportunities, with potentials to erode or enhance value. Risk is the possibility that the occurrence of an event will adversely affect the achievement of objectives, and opportunity is the possibility that an event will occur and positively affect the achievement of objective.

What is Enterprise Risk? Currently, the need for corporate governance, internal control (as well as the compliance to rules and regulations) and risk management have been of critical concern to businesses as experts call for the integration of all three with a single management approach referred to as the integrated GRC. However, the solution came as "Enterprise Risk Management?, as it emphasizes on all three aspects within its process of application. Experts point at the recent financial crisis and the related economic downturn, and the failure of risk management to help the situation as further backing for the reevaluation of the discipline for a change to a more co-ordinated (wider scoped) risk management approach that recognizes the interdependencies of risks. Again, Enterprise Risk Management is described as the solution to this challenge. Enterprise risk is the aggregate of all functional and process risks a business entity faces in the course of carrying out its business activities. Such risks would include the types described by Casualty Actuarial Society listed below: 1. Hazard risk 2. Financial risk 3. Operational risk 4. Strategic risk Enterprise Risk Management (ERM) approach is a first attempt to recognize the interdependencies among risks and the treatment of risks across all business operations. About Enterprise Risk Management (ERM) The holistic approach that characterizes the present trend of risk management, referred to in some text as enterprise-wide risk management, enterprise risk management (ERM), strategic risk management, or integrated risk management, is aimed at dealing with uncertainty for the organisation. The rationale behind this approach is that value is maximized when the decision-makers sets strategy and objectives to strike an optimal balance between growth and return goals, and the related risks, and efficiently and effectively allocate resources in pursuit of the entity?s objectives. Barton et. al. stated that the goal of this new approach is to create, protect, and enhance shareholder value by managing uncertainties that could influence the achievement of organisational objectives. Enterprise Risk Management is clearly distinguished from risk management and financial risk management in the RIMS Executive Report, 2009. While risk management is described as a broad term for the business discipline that is concerned with the protection of the assets and profits of anorganisation by either reducing the potential before it occurs, mitigating the impact of a loss if it occurs, and the execution of a swift recovery after a loss occurs; Financial risk management is the term often used by non-financial institution to describe the mitigation process for their financial exposure; Enterprise Risk Management on the other hand, is said to represent a revolutionary change in the risk management discipline that broadens the scope of risk management behaviours. By definition and contrast, ERM is seen as the new paradigm in risk management; while the old paradigm in characterized by avoiding losses within a limited scope, separated by function, and terminates at the end of the task (or project), this new approach covers all risks, both internal and external, integrates and views all risks from a board, creating awareness organisation-wide, with the goal of creating, protecting, and enhancing shareholder value by mitigating risks and seizing opportunities in a continuous process. The authorities and expert of this emerging discipline have defined ERM in a number of ways that depicts their perception and the way they practice it. The CAS committee definition is stated below: "ERM is the discipline, by which an organisation in any industry assesses, controls, exploits, finances, and monitors risks from all sources for the purpose of increasing the organisations short and long term value to its stakeholders".

The committee places emphasis on the following five parts of the definition:

1. ERM is a discipline
2. ERM applies to all industry
3. ERM exploits (value creating) as well as mitigate (manage) risk.
4. ERM consider all sources of risks
5. ERM consider all stakeholders of the enterprise

The COSO committee describes ERM as one that deals with risk and opportunities, and defines ERM as follows: "Enterprise risk management is a process, affected by an entity's board of directors and other personal, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives." Asbefore, the COSO committee also breaks the definition in to simple bits, it seems to be the most elaborate definition of the concept; 1. ERM is a process; it is ongoing and following through an entity. 2. ERM is affected by people at every level of an organization. 3. ERM is applied in strategy setting.

4. ERM is applied across the enterprise, at every level and every unit, and includes entity-level portfolio view of risk. 5. ERM is designed to identify potential events that, in the event of their occurrence, will affect the entity and to manage the risk within its risk appetite. 6. ERM is able to provide reasonable assurance to the management and board of directors of an entity. 7. ERM is general towards the achievement of objectives in one or more separate but overlapping categories. Managing Enterprise Risks According to Lexicon Systems, LLC, this new, strategic imperative has grown momentum, and in a single paragraph summarizes the activities of ERM which will take organisations years and years to accomplish, stating that: organisation can support ERM solutions when they reach a certain level of business and information maturity. When this occurs, they establish a "risk culture" and then gather risk intelligence. The adoption of a process focused on GRC as against the "siloed" issue-by-issue style follow. In addition to these, they suggest that the organisations establish a risk and compliance architecture that considers the business processes, the people and the information technology. And finally, the organisation commits and trains the members consistently on corporate policies and procedures. The CAS committee states that this involves continual scanning of the risk environment and evaluating the performance of the risk management strategies, and the feedback into the contextsetting step of the process and the cycle repeats again and again, continuously. The ERM process in a

generic sense is a reiterative process in which certain sequential activities are carried out starting with establishing a context, and then identifying events, analyzing and quantifying risks, integrating risks, assessing and prioritizing risks, and finally treating risks/ exploiting opportunities. The monitoring and reviewing activities are continuous and concurrent with these other activities.

The Limitations of ERM

The COSO committee clears the air by stating the observed limitations, discussing the misguided notion that with embedded internal controls, the organisation will achieve its objectives. In the viewpoint of COSO, there are three distinct concepts that must be regarded: 1. Risk relates to the future, which is described as being inherently uncertain. 2. ERM can only provide reasonable assurance, and does not provide that the objectives must be met. 3. ERM cannot provide absolute assurance of outcomes with respect to any one of the objectives.

Conclusion

ERM provides guidance for the leaders of organizations to identify, assess, and manage risk while at the same time growing the business. Because the risks in the global economy constantly change and evolve, ERM is a never-ending journey. ERM requires strong commitment from C-level executives and an effective process tailored to each organization's unique culture. A company's implementation can benefit from the ERM knowledge that Certified Management Accountants (CMAs) and other finance professionals can bring to the process. In their quest to "drive business performance," businesses should exploit the true potential of ERM.

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E-BUSINESS MANAGEMENT: CONCEPTS AND SUCCESSFUL FACTORS

- B. Santosh Kumar *

Abstract:

The merge of the information technology and the web standards have formed the electronic business "E-business". Succession in e-business will need organizations to revise their strategies and goals to meet market rules of demand and supply. Conversion of ordinary business into e-business has forced organizations to be redesigned and reshaped. E-business is a combination of economic, technology and market forces that reinvented strategies of traditional business. The business process is counted to use the power of computers and communication networks which are known as Internet. This can allow organizations to stay competitive and more efficient. Also, new business models have been introduced and implemented in a variety of ways. E-business and Internet have enforced organizations to use new and combined models. This enforcement drove organizations to seek and create solutions to the issues of change management. One of these issues is business process reengineering which is redesigning the processes of an organization's business to the optimum to meet their goals.

Keywords: E-business, Succession, Re-engineering

Introduction

Internet is changing the international economy. By exploring the abilities and possibilities of information technology, computers and communication networks which have created a very cheep way for organizations to transform their business and activities, enhance their relationships with their partners and other stockholders and create new market opportunities. The ease and world wide usage of Internet have increased the challenge and competition between organizations to invent and create new methods to be leaders in e-business. This report reviews the factors of change management in implementing e-business and assesses the importance of each. It concludes with the main success factors in managing change, organizational structure change in response to e-business and human aspects management in implementation of organizational change.

What is Management?

Management is the process used to accomplish organizational goals through planning, organizing, directing and controlling organizational objectives. The planning is forecasting and determining the best strategies to achieve organizational goals and objectives. While the organizing is the implementation of those plans to

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achieve the goals and objectives of the organization by designing the organizational structure, setting employees and employment rules and regulations and creating conditions and systems that insure that everyone and everything works together. After that, directing is required to guide and motivate others to work effectively to achieve the goals and objectives of the organization. Finally, business will need controlling to determine whether or not the organization is progressing towards its goals and objective and how necessary to take corrective actions if needed (Nickels et al, 1990).

Good managers will always have contingency plans as backup plans in case primary ones fail. Also, a model known as management by walking around is very effective. It requires managers to interact with employees and customers to learn their wants, needs and suggestions (Nickels et al., 1990). This kind of managements will lead managers to new ideas in marketing, sales, etc. which can change goals, objectives, structure and culture of the organization. This change by itself will need management.

What Is E-Business?

It is a method of running business using Internet where all the financia l transactions can be conducted over web with suppliers and customers online. Industrially, e-business is defined as "All about time cycle, speed, globalization, enhanced productivity, reaching new customers and sharing knowledge across institution for competitive advantage" said by Lou Gerstner, chief executive of IBM. It is a business change where adoption to constraint and continual change is needed to manage transitions smoothly, to improve operating efficiencies that will strengthen the value provided by the business to the customers. Going far beyond buying and selling over Internet, e-business is the relation to the whole chain of organization business from raw materials through to satisfied customers (E-Business Systems Integration Center, uda).E-Business is more than the implementation and operation of an electronic front-end. It requires the development of new strategies for using and managing real-time information, reorganize inventories and distribution system activities, and establishing new inter-organizational relationships.

Why E-Business?

The opportunities that e-business may present to an organization business are vary. Some of these opportunities include improving existing business process and reduction of transaction cost. But the survival challenge and competition are the main reason of turning into e-business. Its advantages are increasing purchasing opportunities and options within an open market, round-the-clock services and fast and accurate information exchange. While the disadvantages can be differently measured by organizations depends on geographical location, Internet bandwidth limitation, applying new skills and recruitment and difficulty in measuring the return on investment. (E-Business Systems Integration Center, udb).

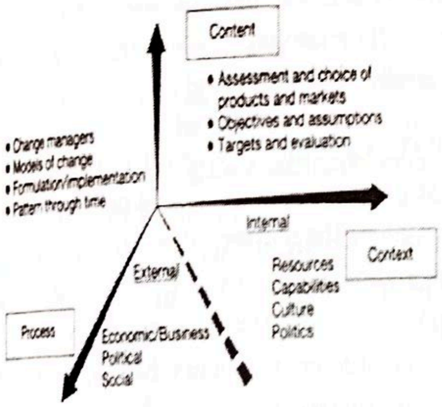
Becoming an E-Business

The Internet gave the opportunities to consumers and businesses to quickly and easily buy and sell products by providing some features like electronic presentation of goods and services, on-line ordering and payment processing, automated customer account inquiries and on-line bill presentation. Consumers are having an advanced customer services by delivering on-line and dynamic solutions to them. (E-Business Solutions, ud). To take the advantages of the opportunities that e-business is representing requires a strategic planning and forecasting, re-discovering business resources, manufacturers, suppliers, distributors and other stakeholders. Wither it is business to business (B2B) or business to consumer (B2C) companies, both will have to manage the change that will be necessitated by e-business in order making the benefit of e-business (Chaffey, 2004). E-business requires understanding the business needs and skills and resources to design, implement and maintain superior solutions. It will require changes in the organization structure, culture and staff responsibilities. It needs knowledge, experience and tools that can deliver the promise and potential of e-business (Chaffey, 2004)

E-Business Aspects of Change

Chaffey (2004) said that main change aspects required are market and business models, business process, organization structure, culture and staff responsibilities and technology infrastructure changes. He added that change aspects will be key factors for an organization to be agile to responding to market place changes and delivering competitive customer service. Also, Pettigrew and Whipp (1993) have emphasized that a successful change will be a result of the interaction between those aspects and defined them as content, process and context or what, how and where (See figure 1).

Figure 1 Aspects of Change: Three Essential Dimensions (Pettigrew and Whipp, 1993)



What are the objectives, purpose and goals of the change, how the change can be implemented, and where the change will be, is it internal, external or both? Answering these questions will help to solve the issue of change management in converting the business from ordinary basis into e-business and achieving a successful result (Value Based Management.Net, 2005a).

Market Place and Business Model - What?

Integrating digital marketing into an organization will need to redesign the objectives, purpose and goals of the organization. Managers will face challenges to define strategies and best practice approaches to meet the new goals of the organization and to set practical solutions to those challenges. But, Achieving those goals and objectives by applying digital technologies emphasizes the importance of deploying E-business to align with and impact business and marketing objectives and using technology to support this, rather than leading with technologies and applications. From this definition we can understand that technologies like web, e-mail, mobile, etc should not drive organizations to get involved with the technology itself and continue developing and building applications. But, they should concentrate on the business returns from gaining new customers and maintaining relationships with existing customers (Chaffey and E-Consultancy, 2005).

Organizations can use a capability maturity model to Review current approaches and identify areas for improvement, benchmark with competitors who are in the same market sector / industry and in different sectors, dentify best practice from more advanced adopters, set targets and develop strategies for improving capabilities. Organizations can determine their e-business capabilities with other organizations by using a 5 stage capability maturity model (CMM). The five stages of this model are unplanned, diffuse management, centralized management, decentralized operations and integrated and optimized. CMM concentrates on content and managing the integration with enough experience, visitor acquisition by structuring approaches in certain areas, controlling the conversion to meet objectives and goals, retention the integration with market activities and optimizing the approaches (Chaffey and E-Consultancy, 2005).

Business Process Reengineering (BPR) - How?

E-business has driven organizations to open markets and competition where no longer to enjoy the protection of our own country's borders as we could in the past. Today, in a global economy, worldwide customers are more sophisticated and demanding. This will require organizations to examine new goals that need redesigning work and business process. According to Hammer and Champy this can be a radical redesign from the ground up (Answers.com, ud). They called it reengineering that is determined by open markets and competition (Answers.com, ud). BPR should deal with processes redesign and manage the change rather than automate existing tasks and functions (Answers.com, ud). It is a methodology that needed to do the change. An example of BPR methodology is the organizational change process (OCP). It comprises four major phases. These are preparation, acceptance, implementation and commitment (ebiz.enable, 2005a). If change has been identified, then a decision to proceed should be taken, and communicated throughout the organization. Then, BPR implementation can lead to successful outcomes. BPR at beginning will need to organize pressure for change. For change to be effective, it needs to be implemented at all levels. Employees should share the vision for the organization and also for themselves as individuals (Our South West, 2004).

Organization Structure, Culture and Staff Responsibilities - Where?

The employment status of staff can affect their loyalty to the organization and create resistance to the change. The attitude and behaviour within an organization usually set by senior employees, so their influence on organizational culture is important. Also, in the managerial level, problems can occur when mangers won't assign the needed resources to the project (ebiz.enable, 2005b). Prosci has defined the elements that may create a desire not to change as fear of job loss, discontent with the current state, career advancement, acquisition of power or position and trust and respect for leadership. Those are some of the internal aspects that can affect the change while a union can be considered as an external one where it may have some impacts on the change (Change management learning centre, 2005a). The factors which influence the expectations that individuals and groups are likely to have of an organization are vary. Those factors can have effects on the strategic development of the organization and should be analyzed to identify the expectations of groups and individuals within the organization and wither the strategies reflect the influence of any of those factors. Also, how would those factors help or hinder the changes which would be needed to pursue new strategies should be considered in that analysis (Johnson and Scholes, 1993).

Technology Infrastructure Changes

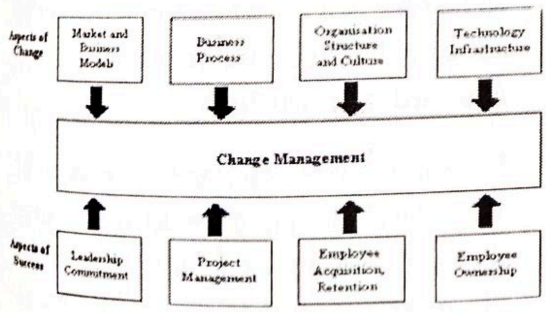
E-business will impose to understand some techniques and terms like on-line and off-line communication, extranet, etc. and these techniques will require a knowledge management, for example on micro-environment like customers, suppliers and computers. The knowle dge transfer will be a key to competitiveness (Chaffey, 2004).

PTC Global Services are suggesting to Automat the change process and provide visibility that can reduce the number of late stage engineering changes and reduce the overall number of changes. Although they think the benefits of an automated change management process can be clearer and better then using methods to implement the solution. Their solution is to Assess, Deploy and Optimize an approach that leverages industry accepted processes such as CMII. It is a consultancy services that can assess to adopt a clear strategy and cost and benefit analysis for improving change management. Then, deploy the solution by offering installation, configuration, and training services. After that they can improve the solution of the change management process by optimizing it (PTC Global Services, 2005).

E-Business Aspects of Success

The enforcement of a change will need to process a strategic management to specify objectives, develop policies and allocate resources to implement plans (Answers.com, udb). Change management learning center (2005b) has defined some components of change management based on Prosci's research which was conducted with more than 400 organizations in the last five years. The se components are change management process, readiness assessments, communication and communication planning, managers training for change management, employees training and development, sponsorships activities, resistance management, feedback analysis and finally the rewards for succession. Those components actually can be considered as tools or guidelines for applying an effective change and approaching the desired goals of an assigned project. But the aspects of success for e-business are well defined by Chaffey (2004). He defined those aspects as leadership commitment, project management and employee acquisition, retention and ownership. He added that examining those aspects can be on a large-scale project or on a smaller scale that could be a single project. The examination may affect the whole business of a firm. So, it is better to make it on a single project that can be considered as a pilot for the large-scale project. Figure 2 shows the interaction between aspects of change that required to be assessed in order to maximize the benefits of e-business and aspects of success that required to be implemented to achieve those benefits and goals of an organisation.

Figure 2: Key Factors In Achieving Change (Chaffey, 2004).



Leadership Commitment

Kotter (1990) suggested an eight change phases' model for successful leadership. He said that a leadership has to establish a scene of urgency, create a coalition, develop a clear vision and share it, empower people to clear obstacles, secure short-term wins, consolidate and keep moving and anchor the change (Value Based Management.Net, 2005b). The model can be considered as management commitment where the president or senior management can play the role of leadership that should drive the project to the desired objectives (ebiz.enable, 2005c). But Prosci is considering sponsorship as the most important success factor which will need plan for sponsor activities and help key business leaders carry out those plans (Change management learning center, 2005b).

Project Management

When developing an e-business strategy, it is essential to consider business process reengineering (BPR) methodology which is an effective tool to process and manage the change. BPR; as mentioned earlier; comprises four phases. First, the preparation phase which will require the leaderships to make and encourage the employees and other stakeholders to understand and accept the change (ebiz.enable, 2005d). Next, the acceptance phase which will resolve the resistance by training the employees and encourage them to learn new skills (ebiz.enable, 2005e). After that, the implementation phase. It is the most important phase where the involvement to make the change. This phase is to analyze business systems, work flow and relationships; then redesign those processes and implement the change (ebiz.enable, 2005f). Finally, the commitment phase which is to evaluate the change outcome based on organization goals and validity of those goals which will need continuation on revising and improving the process of change (ebiz.enable, 2005g).

Employee Acquisition, Retention and Ownership

This aspect focuses on avoiding loss of valued employees and makes the employees pro-active members by resolving their resistance to the change to accepting the change. This will need change assessments in areas such as culture and values (Change management learning center, 2005c). The acquisition and retention will require the project leader to set communication plans that can address the needs of the employees from the front-line to the executives. Retention can be strengthen by providing those needs based on the role of the implementation of the change. Retention and ownership issues can be resolved by applying training and development programs that can provide knowledge about the change and required skills. The ownership of employees should be highlighted by rewards during early success and long-term wins (Change management learning center, 2005b).

Conclusion

E-business is a change and considered as a global business change. It may affect the whole organization's structure, culture and objectives. This change prospects may differ from firm to another. While it is essential for some organizations to survive, it can be considered as a market competitiveness and leadership approach for others. The best commitment for the change is the management to understand the factors of change and apply the successful ones. The open markets will lead to discover new ideas in marketing and sales. Implementing those ideas may need radical changes in the business or the organization itself. By best practice, applied process of change will need revision and improvement continually.

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