Reaching out to employees using B2E: the trials and tribulations

Dr Mohini Singh

School of Information Systems, RMIT University, Melbourne, Australia

mohini.singh@rmit.edu.au

and

Dr Dianne Waddell

Bowater School of Management and Marketing, Deakin University, Melbourne, Australia

dwaddell@deakin.edu.au

Profile: Dianne Waddell is an Associate Professor in Management/HR Programs at Deakin University, Burwood campus. She is responsible for the development, implementation and evaluation of postgraduate and undergraduate courses and teaches in the areas of Quality Management, Change Management and Strategic Management. These subjects are offered both on-campus and off-campus. She holds a PhD (Monash), Master of Education Administration (Melbourne), Bachelor of Education (Melbourne) and Bachelor of Arts (LaTrobe). She has published and presented many papers on 'resistance to change', 'leadership', 'e-business and HR', 'quality management' and 'family businesses' as well as being on the editorial boards for *The Learning Organisation, International Journal of Business Innovation and Research* and *The TQM Magazine*. Her publications also include five books, *Contemporary Management* (McGraw-Hill), *Organisation Development and Change* (3 editions, Nelson-Thomson Learning), *E-Business in Australia: Concepts and Cases* (Pearson Publishing), *Managing the Family Business* (Heidelberg Press) and *E-Business Innovation and Change Management* (IDEA Publishing). She has taught in both public and private education systems for many years, as well as presenting specifically designed industry-based courses. She is a Fellow of the Australian Organisation for Quality (AOQ).

Preferred Stream:

E-Commerce

Reaching out to employees using B2E: the trials and tribulations

ABSTRACT

This paper is an extension of e-business models discussing business to employee (B2E) e- model. It describes the model, the technologies that support the model and benefits to the organisation identified from literature. To further understand the B2E issues a case study in a large organisation that manages its employees with the B2E model is included. Challenges, success factors and an analysis of the case study addressing a wide range of organisational benefits are included in the paper.

Key Words*: B2E e-business model, intranets, employee relationship management

INTRODUCTION

E-commerce, e-administration, e-management and the associated technology applications, within organisations, have become fashionable terms and the key elements of this report. Business to Employee (B2E) is an e-business model in which an organisation delivers services, information, or products to its employees. B2E enables management to reach out to their employees electronically as they streamline time and labour intensive organisational processes. A comprehensive B2E program has three components: online business processes, online people management and online services to the workplace community. The objective is for organisations to spend less time on internal administrative tasks and take advantage of reduced costs of fewer staff for the management administrative processes, paperwork, postage, printing and travel. The idea is to enable managers to empower employees as well as achieve efficiencies.

However, clarification is required in determining whether or not the B2E e-business model is a service to the employees or to organisational management? And are the organisations implementing B2E business models effectively? What are the technological, business and organisational issues for B2E e-management? This paper discusses the B2E business model, and technological and organisational impact of the model.

BUSINESS TO EMPLOYEES (B2E) BUSINESS MODEL

Organisations are now relating to their employees by using online Intranet technology. Job vacancies newsletters, strategic plans, training schedules and training material and other human resource and business information is placed on the organisation's intranet for all employees to access. Turban

(2004) is of the opinion that B2E e-business increases employee productivity by emulating B2C and B2B e-business models where employees are treated as customers. The intention being that organisations enjoy cost reductions and have satisfied employees.

Organisations implementing business models do so as a method of doing business whereby a company can generate revenue. The chosen business model spells out how a company makes money by specifying where it is positioned in the value chain (Timmers, 2000). The business model enables an organisation to define a reference point that enables the planning and execution of a set of business processes to deliver value. E-business models aim to use and leverage the unique qualities of the Internet and the World Wide Web to conduct business. Eisenmann (2002), further describes a business model by referring it to be a hypothesis about how a company will make money over the long term: what a company will sell, and to whom; how the company will collect revenue; what technologies it will employ; when it will rely on partners and how its costs will scale with growth. As business organisations, governments and the education sector embrace the Intranet and the World Wide Web for e-management, the B2E business model can be described as an approach to reaching out to employees within an organisation via technology to streamline organisational processes.

B2E Technologies

Infrastructure for E-business follows a basic framework or underlying foundation upon which electronic business has been developed. Technological advancements add more features to the basic infrastructure ideally making it more efficient. This leads to improved communication and information transmission resulting in new ways of dealing with business partners and users. A B2E e-management model is developed on the intranet using the Internet philosophy of hypertext technology protocol, links, browser and integrated processes.

An intranet is an intra-organisational information technology (IT) network that supports communication and information dissemination within the organisation (Clark and Preece, 2005). It enhances organisational productivity by facilitating internal communication electronically, allowing collaborative processing and permitting group communications providing transparency for the delivery of information. This is further supported by Wachter and Gupta (1997), who suggest that Intranets act as conduits of within organisation communication, enhancing collaboration and productivity. It is a private network within a single company using Internet technology to enable employees to share information using e-mail and web-publishing. Intranets are configured in such a way as to be shielded from the outside world. It is secured behind a company's firewall (an access control server that isolates a private network from public network). Product catalogues, statements of company policies, customer and employee directories, company newsletters, annual reports, electronic databases and any other information from employees or the management can also be placed on the intranet (Farhoomand and

Lovelock, 2001). Organisational intranet configurations are influenced by social, economic and political contexts and actions, orientations and concerns of actors most directly and locally involved. For an organisation the Intranet also acts as a publication medium which can be readily accessed, searched, and operates as a medium of discussion and record. Major functions of the intranet as identified by (Farhoomand and Lovelock, 2001) include, but are not limited to, freely disseminated information within the organisation, facilitation of greater degrees of communication and collaboration among the organisation's employees, suppliers, customers and business partners.

Intranets are more popular technologies for e-management, however they are usually combined with portals for business to employee communication and interactions. An information portal is a single point of access through a web browser to organisational information (Turban, 2004). These are also referred to as corporate portals which offer employees, business partners and customers an organised focal point for their interactions with the firm. Portals for employees disseminate employee information, news and training. They offer a simple user interface for navigating content via a browser, they improve access to business content and offer access to organisational information from any geographic location a necessity for international markets. The portal increases productivity by providing stakeholders a single web-enabled interface for conducting business regardless of where they reside. Security mechanisms and screening rules to control access of information by authentication is an essential requirement for security of information.

B2E e-management is usually implemented on intranets with access from the organisational portal. The following benefits of B2E e-management have been identified by Farhoomand and Lovelock (2001):

- Employees are able to make informed decisions with up to date information and are able to make better responses to organisational issues;
- Time saved from searching relevant information enables an employee to spend that time on other activities enhancing productivity;
- Team project management is enhanced with easy access to research data, designs and work schedules;
- Project teams that are global, remote or virtual can be formed economically being able to capitalise on the expertise of employees at different branches of the company for better outcomes;
- Information on the intranet helps organisations reduce costs of printing, photocopying and distribution.

B2E E-Management Challenges

Similar to other innovation implementation, organisations adopting B2E e-management are faced with several challenges. Some of these are described below.

- Low awareness and a lack of education about what the technology can deliver are evident in many companies and impose a challenge for its level of acceptance. Failure to understand users (employees), their technology use habits and skill levels, and how they use the web sites regarding work and work related information could result in inefficient use, sometimes defeating the purpose of the investment (Wagner, Chung and Baratz, 2002).

- The concept of trust affects a number of factors essential to online transactions, communication and information exchanges. In the B2E e-space there exists a reluctance to put online the expensive personnel management functions for employee self management due to a lack of trust (the public manager, 2004). Farhoomand and Lovelock (2001, page 347) advocate that "trust is a requirement, just like quality, for users to qualify a company to conduct business with". Without trust it is difficult to get employee commitment to e-services and processes.

- A B2E e-management is all about changing from traditional management to electronically managing people, processes and online services. Complex change is hard for people to manage. Resistance is high where change creates perceived losers. Change is also difficult when new ways of doing things challenge the cultural assumption that how things happened in the past was right (Deise et al, 2000).

METHOD OF RESEARCH

This research is based on the case study of a large organisation that implemented the intranet for managing employees in the year 2000. A case study is an empirical enquiry that investigates a contemporary phenomenon within its real life context, when the boundaries between phenomenon and context are not clearly evident (Yin, 1989, 1993 cited in Remenyi et al, 2000). In this research, the case study allowed investigation of specific instances in the attempt to identify detailed processes to understand the application of B2E e-management in the organisation which is large, comprises a large number of units and groups of employees. Sources of evidence were obtained from documents, organisation web site, direct observations, archival records web site analysis and a few brief interviews with employees and management. Analysis of case study is qualitative based on a comparison of issues from the case study findings and literature review.

CASE STUDY

The organisation in question is a large Australian university electronically managing its employees which is made up of academics and administrative staff. It is dual sector education provider. The

number of employees at this organisation are 3,345, made up of 88 executives, 1147 academics, 1,576 general staff and 534 staff from the TAFE section. The model of e-management is B2E (business to employee). Technology it uses is an intranet reaching out to employees via the same university home page that is available to all users of the Internet. Employees access the intranet via staff login. Management sends emails to employees alerting them to new information on the web site, the web site includes a search engine to enable quick searches, allows password access to databases for relevant information, provides links to government regulations and policies, allows employees access to project related software and links to all information relevant to employee functions. The intranet also includes information on policies and strategies of the organisation, research and academic programs, news, calendar, timetables, minutes of important meetings, job advertisements, promotion criteria, training, software downloads, information technology service requests, library access, people information (who is who), salary slips, leave balances, leave applications and approvals, and other relevant information. Employee Support Systems is developed on SAP system and integrated to the University intranet.

The B2E e-management model via the University intranet has enabled employees to have 24*7 access to information, they receive email alerts to new information, can pick up training at their own convenience, conveniently manage projects from their desk tops and collaborate with other employees on projects. The organisation improved transparency of information by enhancing knowledge sharing. It has also promoted networking for activities within the organisation such as research, teaching and learning, study abroad and other assignments. This method of e-management has also helped the organisation empower employees by encouraging staff participation in university activities, allowed individual decision making and by helping employees manage their own information needs.

Challenges faced by the University faced with B2E e-management included the high costs of technology implementation and integration with disparate systems and databases. Managing the change from paper based administration to electronic management was an enormous task. Changing the culture from paper based communications to electronic information, requests, approvals, use of passwords, electronic filing of information and independent information access required significant effort.

The nature of work at this organisation requires it to have an IT department to support the IT services for all faculties and administration. Being a University the organisation also provides IT education requiring it to have high level IT expertise amongst its staff. All employees are educated users. The qualification levels for administrative and support staff range from specialist college education to postgraduate qualifications. For academic staff at universities, the ideal level of qualification is a PhD. The senior management are people who have moved up in rank from academic positions. All employees at this organisation have access to technology either on a desk top computer or a lap top as

well as remote access to the intranet. This enables 24*7 information access to all employees. For effective and continued use of the academic management system, the online enrolment system, the employee support system and other administrative, management, teaching and research tools the intranet included online training programs which employees could complete either formally during work hours, informally after work hours or as many times as they needed to for proficiency in usability.

ANALYSIS

From the case study the following issues were highlighted.

Electronic Organisational Processes

As the University implemented the intranet for B2E e-management, it had to ensure online real time processing for which it had to automate and integrate all business processes. These processes include e-payroll, e-leave application and approval, e-training, integrated human resources, e-advertisement of positions, e-information on promotions, position changes and other people related information. Students are the customers at this organisation, therefore all information ranging from enrolment status to graduation have been placed online integrated to the main enterprise system to support academics and administrative staff.

Online Corporate Information

As a result of the intranet and e-management, the University has placed all corporate information online. In the process, all information was updated, checked for mistakes, new policies and issues incorporated, redundant information deleted, and access points and levels determined. The technologies supporting the online information were also upgraded for capacity, to ensure multi platform and multi user operability. Remote access to information was also incorporated to ensure staff had access to information any time and from any where.

Electronic Communication

It is easy for all to communicate with each other electronically either including URL's for sites with information in discussion or attaching files to emails. This has not only increased efficiencies derived from quick information retrieval and decision making but also from reduced paperwork and the number of people required to deliver internal and external mail. Electronic information is also easily filed and retrieved as and when needed.

Innovation

E-management has led to the need for incorporating intelligent technologies to a number of processes to make them more efficient. It has supported new developments such as e-procurement and e-negotiations, once again leading to transparency, efficiencies and application of state of the art systems and methods of work.

Team Work and Group Decision Making

Integrated processes, easy access to information and links to relevant information regarding the environment in which the organisation operates, has enabled cross functional teams and cross pollination of ideas leading to informed and improved decisions, new opportunities and better outcomes for research, student recruitment, partnerships and international collaborations. Group decisions are superior and better informed once again contributing to business efficiencies.

User Acceptance

User acceptance is an important variable for the success of new technologies and systems. In this organisation all employees accepted the B2E e-management firstly because that is what the employer proposed and also because all users have a certain level of education as well as access to a computer. The University provides all employees with a desktop computer and dial in service for remote login.

DISCUSSION

B2E business models can provide a number of improvements to organisations. As suggested by Hansen and Deimler (2001) a comprehensive B2E e-management model includes online business processes, online people management and online services to the workplace community. Based on the case study findings, discussed below are some interesting B2E e-management model issues.

All company information that is placed on the intranet is checked for accuracy, updated frequently, includes relevant content, is based on robust, reliable and agile technology, and receives active support from senior management. Same information is shared by all employees leading to new networks within the organisation and be more effective. Improvements in the management of information on customers, competitors and markets are also achieved due to easy access and orderly presentations of information which in turn improve company processes. It also helps managers to better manage product (course) status, have access to calendars, key decision criteria and current resource allocation schemes.

Knowledge management includes organisational learning, information management and information technology (Stoddart, 2000). Organisations capture knowledge and disseminate via intranets for all employees to have access to this knowledge. Intranets also promote information sharing as they

support access to relevant information for employees with similar interests and assignments to work together. Intranet technologies support work spaces where virtual teams from different locations within the organisation as well as from remote locations can participate in team meetings, discussions and work on the same projects.

Just as B2B and B2C Internet businesses reduce the transaction costs between sellers and buyers in external markets, B2E applications reduce cost and effort associated with employees' interactions and information searches. These cost reductions are achieved from simplified business processes and streamlined operations. Information tools available on the company portal or offered via the intranet to support employees find information related their work easily. As a result, productivity increases as employees end up with more time to accomplish more.

Just as B2C e-business model enabled companies customise and improve relationships with customers, B2E e-management helps organisations improve their relationship with employees. Training and education intranets enable employee development with modularised educational tools. Self managed training available on corporate portals enable employees to look up various training courses they think they need and enrol in them online.

Online services to employees, allowing employee feedback and input develop trust with the employees also enhancing the relationship between employees and the organisation. This helps the employees with services they would have to look for in their own time making them more satisfied with their employment (Hansen and Daimler, 2001). Some organisations also offer a broad range of services to its employees on the intranet.

As organisations implement B2E e-management model they get all employees to use the intranet. This ensures the intranet is deployed as a useful tool and incentive encouraging them to refer to the site/portal for their work. Effective sites are those that carry valuable information to the employees, easy to use and navigate with updated information. Training provides new skills and methods needed to deploy the intranet in the organisation. A trained workforce with appropriate knowledge and skills will better procure the benefits of B2E applications upgrading their technological skills as they use the intranet.

Since B2E business model has a hundred percent user acceptance, is widely deployed by large organisations, and has several benefits, it can be said to be the most successful e-business model. B2E e-business provides internal orientation of e-business, and prepares employees to manage and deal with e-business issues when it comes to dealing with customers and business partners. In the

University environment the B2E model can enhance e-learning or e-education. B2E business model should be emulated on to achieve success with B2C and B2B e-business.

CONCLUSION

B2E e-management is increasingly adopted especially by large organisations to reach out to employees electronically. Technologies supporting B2E e-management are intranets usually combined with portals, search engines, intelligent technologies, integrated business processes and human resource systems. Key business information such as the company vision and organisational strategy, internal newsletters, policies and procedures for employees is placed on the intranet or the organisational portal for all employees. This leads to organisational efficiencies as it enables cohesive and consistent communication, reduced travelling time, fewer administrative meetings and electronic documents. Intranets and portals are vehicles of internal company wide communications, collaboration, human resource administration and employee to employee collaboration.

It also requires employee relationship management (ERM) strategies that support both the employees and the organisations. It also promotes a new digitised culture in the organisation for employee interaction and connectivity. Although improvements that can be achieved from B2E e-management many, formal evaluations of this new management philosophy are required to determine its impact on management. Other issues that need to be addressed are whether small and medium enterprises can achieve the same benefits from B2E e-management or is it more suitable for large organisations? The impact on employee and management relationship with B2E e-management determine user satisfaction. Challenges with the electronic applications for example, security breaches, unwanted information and data access and other issues are yet to be investigated.

However, B2E e-business is a service to the employees resulting in several organisational benefits with employee management, and improved internal organisational processes for efficiencies in information management. It is one of the most successful e-business models, however, literature on B2E e-management is scarce and research is most definitely warranted on this topic.

REFERENCES

Chaffey, D., 2002, *E-Business and E-Commerce Management*, Prentice Hall, Great Britain.

Clarke, K. and Preece, D., 2005, *Constructing and Using a Company Intranet: 'It's a very cultural thing*, New Technology, Work and Employment 20:2 pp 150 to 165.

Cumming, M. and Cuthbertson, L., 2001, *Wired in Whitehall: a survey of Internet and Intranet use in Government*, Aslib Proceedings, Volume 53, No 1, January pp 32 – 36.

Dagenais, T. and Gautschi, D, 2002, *Net Markets: Driving Success In the B2B Networked Economy*, McGraw-Hill Ryerson, Canada.

Diese, M., Nowickov, C., King, P. and Wright, A, 2000, *Executives Guide to e-Business: From Tactics to Strategy*, John Wiley and Sons, New York, NY.

Eisenmann, T.R. (2002), *Internet Business Models Text and Cases*, McGraw-Hill Irwin, New York.

Farhoomand, A. and Lovelock, P., 2001, *Global e-Commerce,* Prentice Hall, Singapore.

Ghosh, Shikhar (1998), *Making Business Sense of the Internet*, Harvard Business Review, March – April, 1998.

Hansen, M. T. and Deimler, M. S., 2001, *Cutting Costs While Improving Morale with B2E Management*, MIT Sloan Management Review Fall pp 96 – 100.

Oliva, R. A., 2002, *The B2E Connection,* business WEB, July/August pp 43 – 44.

Osterwalder and Pigneur (2002), *An eBusiness Model Ontology for Modelling eBusiness*, Proceedings of the 15th Bled Electronic Commerce Conference: eReality: Constructing the eEconomy.

Remnyi, D., Williams, B., Money, A. and Swartz, E., 2000, *Doing Research in Business and Management An Introduction to Process and Method*, SAGE Publications, Great Britain.

Sharma, S., 'A Change Management Framework for E-Business Solutions', E-Business in Australia: Concepts and Cases edited by Waddell, D., Pearson Education Australia pp 54- 69.

Singh, M., 1997, *Effective Implementation of New Technologies in the Australian Manufacturing Industries*, PhD Thesis, Monash University, Melbourne, Australia.

Singh, M. 2002, *Evolving E-Business Models: A Process of Technology*, E-Business in Australia: Concepts and Cases edited by Waddell, D., Pearson Education Australia pp 8 – 22.

Singh, M., 2004, 2004, *Innovation and Change Management*, in E-Business Innovation and Change Management, edited by Singh, M. and Waddell, D., IDEA Group Publishing, Hershey, USA pp 1 – 19.

Stoddart, L., 2001, *Managing intranets to encourage knowledge sharing: opportunities and constraints*, Online Information Review, Volume 25, No 1 pp 19 – 28.

The Public Manager, 2004, Winter v33 i3 p58(2).

Timmers, Paul (2000) *Global and Local in Electronic Commerce.* EC-Web 2000: 191-205.

Turban, E., King, D., Lee, J. and Viehland, D., 2004, Electronic Commerce A managerial Perspective Prentice Hall, New Jersey.

Wachter, R. and Gupta, J., 1997, *The Establishment of Corporate Intranets,* International Journal of Information Management 17, 393-404.

Wagner, W., Chung, Q. B. and Baratz, T., 2002, *Implementing Corporate Intranets: lessons learned from two high-tech firms*, Industrial Management & Data Systems, 102/3 14—145.