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E-business to spur workplace upheaval



DIGITAL SURVIVOR

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Is your job safe? It may not be, particularly as the electronic business steamroller continues.

A study by Towers Perrin suggests the next few years will see massive change to the business world as e-commerce is implemented (you can read about it at **www.towers.com/towers/news/pr000309.html**). The study was based on interviews with executives in large multinational companies, most of them in Canada, the United States or Britain.

E-commerce technology, as it is adopted, will change organizational structures, the day-to-day operations of companies, and all kinds of business processes. People throughout every organization will find that their daily tasks will undergo significant change.

What's fascinating about the Towers Perrin study is it confirms that most companies believe their staff won't be able to cope.

The study shows 87 per cent of the companies surveyed think their managers lacks the skills and capabilities to deal with e-commerce. What's more, 66 per cent admit they have trouble attracting qualified people to deal with e-business.

Indeed, companies are convinced that they aren't even in the right frame of mind to cope. Fifty-nine per cent of survey respondents believe their current organizational culture presents a barrier to e-business. And 74 per cent believe decision-making in their organization is too slow to be able to handle the rapid pace of business in the Internet age.

Another intriguing aspect: The study suggests that companies plan on keeping their e-commerce initiatives tightly integrated within the firm, rather than outsourcing them. So firms seem convinced that they don't have the skills, but still plan to do it on their own anyway.

The study leads to several conclusions. First, e-business is going to cause far more job turmoil than anyone may expect. As it is implemented, it will slam into existing corporate cultures, and will need to bypass traditional channels of decision-making to succeed.

Lots of people won't be able to cope with such change. I'd hazard a guess that we'll see many pushed out the door, either as their skills become irrelevant or as they fail to handle new ways of doing business.

The study also suggests that we are going to see a lot of restructuring as the impact winds its way through organizations.

That became evident a few weeks ago, during a full-day working seminar with staff of a U.S.-based Fortune 1000 company, as they tried to figure out how to approach e-business in their industry. It came as a surprise to me and the attendees when, at lunch time, senior management arrived to announce a sweeping reorganization, driven by the need to prepare for e-commerce.

A lot of shell-shocked people sat in the room, trying to figure out what was going on.

In addition, the implications of the report suggest that external spending on e-business projects is only going to increase — even though respondents to the Towers Perrin study indicated it wouldn't.

The fact is, if companies don't have the confidence that their people can do the job, they will have to continue to turn to outsiders for help. That means big opportunities still lie ahead for companies that implement, service and support e-business initiatives.

Finally, the study makes it evident that the biggest issue of the coming decade, at least from an organization perspective, is the huge job of working with and motivating people to cope with job change.

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