The Importance of People in E-business
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We are currently living in a changeover era in which different realities simultaneously live side by side. On the one hand, we cannot forget the importance and capacity of survival of the traditional economic set-up, whilst on the other hand nor can we obviate the push of a new economy. This new reality raises many questions which need answering, for example about what the rules and fundamental pillars of the new labour market which the new economy brings will be. For this reason, now that we are faced with a new phenomenon such as e-business, we need to define the problems we wish to overcome and so avoid them catching us unaware in the future.

One of the fundamental challenges in this field is the so-called e-people management; in other words, How is e-business going to influence the management of people? What competences will be necessary? How will work be organised the new economy?

The new economy is defining a new labour market where the relation between the employer in the employee is being modified. Indeed such is this modification that we may even have difficulty separating both figures, at least using the traditional interpretation of the said terms. If we offer an employee a substantial holding in the business, by way of stock options or by way of other mechanisms, should we consider him just an employee, a member or a quasi-member? Are relations the same between employers and employees, or between members or quasi-members?

If e-business has come about and is developing through innovation, talent and readiness to constantly evolve, in other words, as a product of collective or individual spirit, then it shall necessarily imply changes in the management of these individuals or teams.

Influence of e-business on people's work
But what is it in e-business, with regards to the previous situation, that influences people? Among other things, we should highlight the use of technology to work within and, especially, outside of the organisation. This does not mean that in the past we didn't use electronic technology, since we have all used it, we use it today and we shall continue to use it. The differential fact is that now it forms the basis of the business, whilst before it was, principally, for support. Business is now set up around this technological nucleus and the Internet. One of the principle features of this technological revolution is the central role of knowledge and of information/communication processing. This transformation has, at least, the following consequences with regards to people.

One consequence, as we have just seen, is the radical change in the way employer and employee relate to each other. The second consequence refers to the modification of posts of employment. Both take place at the same time, but it is the first consequence which is most important. The new relationship brings a change in the balance of power in favour of the employee. As the employee has the knowledge, which is the basic material of new economy, he is now in a more privileged position than before.
Along with this first modification, people experience other changes: a) Intensive use of electronic means to relate to other people. b) Use of computers, now used as a business channel, as a common work tool. c) People no longer need to remain in one place and operations are geographically dispersed. d) Accelerated changes of strategy and changes to the business process. e) Does it modify the working day? Business can be carried out 24 hours a day, 365 days a year, especially when the market is global.

From a technical or strategic point of view, the consequences go even further, but with regards to people, and to the influence on their working and professional lives, these, in our opinion, are the most important aspects.
On the other hand, when speaking of e-business we can distinguish, fundamentally, two fields: those companies whose business started in the new economy, and those which enter the new economy from a traditional situation, normally large companies who see the appearance of a large market which they must form part of.

**The Problems of Managing People in E-business**

Whenever there is research into the e-people field, the first thing that is discovered is that the biggest difference with regards to the traditional company is not the use of communication and information technologies, but the mentality of the people who work there. The relations between employer and employee are more similar to those between independent professionals or between partners. It is what The Economist (31st March 2000: 87) calls Employee Power. In the old economy, it is the heads of the hierarchy and the organisations that hold control and power in the employer-employee relationship. In the new economy we are witnessing a dramatic change. Entrepreneurs with little work experience and without traditional formal studies begin to define a new kind of labour relationship. Here the important thing is not status or prestige accumulated through years of service; the key is what each person can bring to these new companies in which knowledge is the true talisman. He who has knowledge has power. It seems that the new economy is governed more by the market of knowledge than by hierarchy.

This has consequences throughout the organisation. If one wishes to successfully set up an e-business, or one wishes to transform a traditional business into an e-business, one must modify the way of understanding these relations, the way leadership works and the way the organisation is governed.

In the next three articles of this series we shall analyse in more detail the important implications of the management of people on three levels of the organisation:

a) **At the level of values and missions.** In other words, what are the values which bring unity and consistence to the organisation, and what are the real customer and employee needs we wish to satisfy.

b) **At the level of ways of working and managing.** In other words, what is behind the spontaneous internal cooperation which allows specific competences to be created in the organisation and how can people be managed.

c) **At the level of human resource management systems.** The formal processes of: recruitment, selection, training, development, compensation, appreciation of dedication, participation systems and labour relations.