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The HRM Tactics of Retails Business Model Innovation in the Information Era

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Abstract

The rapid development of information technology has prompted many industries to change, retail industry is no exception. This paper first introduces the theory of business model innovation and the relationship between human resource management and business model innovation. Then, this paper discusses the general way of retails business model innovation. Finally, from the perspective of human resource management, put forward some tactics which would promote retails business model innovation in the information technology environment.
Key words: Information technology; HRM; Business model innovation; Retails

INTRODUCTION

As the development of information technology in the time and space of transaction are expanding, so trading can not only proceed at the shopping mall face to face, also can be processed in various network platforms. Some new retail model also emerged，for example, the trading platform for enterprise which represented by China's top online retailer, Alibaba provides a bran-new wholesale and procurement channel; the e-commerce platforms for ordinary consumers represented by Taobao which provides consumers with much more abundant products category than traditional retail enterprise and it also reduce some intermediate link which unnecessary for consumers. These new retail model of retail business has brought a huge impact on retails business model. In this environment, some retails business begins to think about reforming their business model. Such as Chinese retail giant Suning and Gome Group and so on, to adapt to the development of information technology to achieve business model innovation by opening the online channel and set up their own network platform selling its products. With these enterprises which use the Internet to sell their commodity obtains a superior performance. More and more retails began to think how to improve business performance by using the Internet to innovate business models.

Human resources management provides support for each work of the enterprise. If enterprise wants to reform business model effectively, the action of reform should base on the effective human resources management tactics of the enterprise. Therefore, reform and innovation of business model have a closely relationship with the quality, efficiency, method of the human resources management strategy of enterprise. In the era which with the rapid development of information technology. The retails to innovate their business model, the method and tactics of its human resource management strategy must also be in the service of the transformation of the business model. Unlike the isolated "strategic human resource management", in the era of information technology, the human resources management tactics which retail business model innovation have a series of specific properties.

1. THEORETICAL REVIEW

In recent years, scholars have made many areas of research on the business model innovation，these

research have undergone a process from macro to the micro. For instance, Timmers (1998) argue that

> business model is an architecture for products, services, and the flow of information. It including the description of all kinds of business participants and their roles; the description of the potential benefits of various business participants; and the description of the sources of income.

Magrett (2002) point out that the business model is the story which used to explain the operating mode of enterprise. Rappa (2004) suspect that the most basic meaning of the business model is the way of doing business. These studies discussed the model of business from macroscopic aspect. After that, Linder and Cantrell (2000), Qi (2010), Li (2014) and so on discusses the mechanism of business model innovation from the point of micro level such as value proposition, processes, technology, business management of business model innovation.

Even though there is a lot of research on business model innovation, the study of deep-seated problems of business model innovation mechanism is not much. Especially, the research on the value and driving effect of new technologies in business model innovation (Peng, 2014). The change of the business model made need the changes of human resources development and management method. Information technology be recognized by all staff of the enterprise and applied in every process of enterprise also cannot leave the improvement of enterprise's human resources quality. The retail industry belongs to labor-intensive industry (Liu, 2006). Information technology is an important mean to enhance the level of human resource management. Information technology has the characteristics of high efficiency, process, can be copied and standardization, so it can improve enterprise's core competitiveness, and then improve enterprise's overall strength, very suitable for large-scale service industry enterprise group (Zhang, 2014). Retail business as services enterprises, if they want to reform their business model successfully, they should make some changes in the aspects of its human resources management under the background of information technology. Through the National Knowledge Infrastructure, the research literatures about business model innovation in the recent 5 years were reviewed. It can be found that the research on how human resources management promote retail enterprise's business model innovation in the environment of technology information is few and not systematic. Therefore, this paper will discuss the human resource management tactics which would promote retails enterprise's business model innovation in the environment of information technology. In order to deepen the theoretical study of business model innovation as well as put forward to some suggestions for retails business model innovation from the aspect of human resources management.

2. THE RETAILS BUSINESS MODEL INNOVATION METHOD

Though the characteristics of retail enterprise's business model innovation are different due to the different research perspective, the method of retails business model innovation is still share something in common in the environment of information technology. These common thing are outstanding performance in the following areas:

2.1 On the Customer Level

Convenience customers access to the goods they want. In the environment of information technology, retails business improves the technical quality of the whole staff by recruiting high technology talents and provided information technology training services for staff of company. Set up a more convenient information transmission channel between the enterprise and the customer. On the one hand, even though customers didn't come to stores or chain stores, they can access to the abundant commodity information though through the information platform such as online stores. On the other hand, retails business be promoted to the front of customers by the method of short message including the enterprise's link, scanning the QR codes, WeChat, micro blogging, mobile advertisement and so on to promote. Makes more potential consumers access to the sales channel of enterprise.

Dig out customers' preference. Obtain the precise information on what customers actually want from the vast amounts of data and understand customer's willingness to pay for the product, through data mining techniques, shopping basket analysis techniques and method. In order to provide the goods which correlations with customers' preference. To make it easier for customers to find the goods they need and improve customer's effectiveness (Yan, 2014). Such as some physical stores in the united states through video and WIFI signal tracking the customer, obtain customer's gender, the average purchase frequency, the time spent on each section of the store, what goods they have seen before make purchase decision. Jingdong an online retail enterprises in China, start "Jingdong spectacular eye" project in order to mine the data of consumer preferences.

Enhance customers' participation. The rapid development of information technology provides a more convenient channel for the communication between enterprise and customer. Customers can participate in the process of product's design and production. Through customized production to ensure the product's uniqueness, meet the variety requirements of customers (Xu, 2015). For example, MI an electronic products retailer and maker in China, interacts with consumers through social media such as WeChat, micro blogging, BBS, post bar, space and so on. In this way consumers can participate in the design of mobile phone and receive customer's evaluation

of product experience. To make customers form a clear cognition of the retail brands and will choose language to express this cognition. Become the voluntary promoter of this brand.

2.2 On the Operational Level

Integrate offline and online distribution channel. Due to the rapid development of Internet technology, retails begin to open the network sales channel one after another in order to adapt themselves to the new competitive environment. Through business model innovation, retails form a method that combining online services and offline services, that is OTO business model (Xia, 2016). Such as sunning uses the online and offline business model. However, the independent each other online and offline business model would compete with each other. In order to avoid the consumption which due to compete with each other, integrate the resources and the structure of this two operating mode is necessary.

Improve the efficiency of operation. Applied cloud computing technology and the like into the various business processes, so the work that former employees need to handle it themselves can be do it by an automated way and then increase work productivity. Optimize supply chain management and set up information sharing platform for the suppliers. Different types of suppliers can be gained the completely information of sales promotion, products, order form, distribution and settle accounts and so on through the information technology platform. By this way to establish the comprehensive cooperative partnership with supplier, to drive the cost of inventory and logistics down as much as possible and then improve operation efficiency (Peng, 2014).

Create an open platform. Open the boundaries of the enterprise, establish commercial ecological network to meet the customers' individuation and variety requirements (Hu, 2015). For instance, Amazon with the help of information technology, make an open online sales platform for more small and medium-sized retail company. That platform helps the small and medium-sized retail company acquire the data related sales and to carry out targeted marketing.

If retails want achieves the improvement of service level for customers and operational efficiency, the innovation and improvement of human resource management, technology, infrastructure are necessary. Therefore, the path of retails business model innovation can be expressed as that through strengthen the acquisition of technical personnel and management personnel, according to the characteristics of high quality people to perfect management mechanism. To realize the goal of convenience customers access to the goods they want, dig out customers' preference, enhance customers' participation, integrate offline and online distribution channel, improve the efficiency of operation, create an open platform and eventually form a new commercial ecological network based on information technology and other auxiliary activities.

3. THE HRM TACTICS

In the environment of information technology. Retails in order to prompt business model innovation should strengthen the acquisition of technical personnel and management personnel, according to the characteristics of high quality people and perfect management mechanism. In human resources management should obtain from following several aspects:

3.1 In the Aspect of Acquisition for the Talent

Under the background of information technology. To establish the reasonable structure of talent echelon, finally realizes the business model innovation and in order to apply information technology to business model innovation gain competitive advantage, retails need a large number of technical personnel and management personnel. So retails should analyses and forecast the future needs and supplies of the management and excellent technology personals. Finally, obtain the required talents from external hires and internal training.

When retails at the time of recruitment, often think that retail sale positions are everyone can do. Therefore, after the physical examination results of employees are qualified, the candidate almost always be accepted despite the education background, skills and other qualification (Bai, 2014). With the rapid development in information technology right now, retails should transform from the original conception which retail enterprises don't need a large number of high-tech talents to the conception that attracts and keeps talented employees. Pay attention to the candidate's knowledge and skill level in the recruitment. In practical terms, retails should recruit managerial talent who knows skills of the network sale and rich in revolutionary spirit, the high experienced technicians, and then optimize the structure of the qualified personnel. Such as Suning introduces a group of IT, Internet and new business areas talent in order to achieve business model transformation successfully. From a talented team with the features of professional, knowledge type and open type. This talent team can provide sufficient intelligence support to the continuous development of the enterprise (Zhang, 2016). In order to improve the effectiveness of recruitment, retails should use the information technology optimize recruiting methods. Such as Google describes the "digital portrait" of the talent of high performance, through collect the information of all staff in the enterprise. Based on the high performance data google establish a set of algorithms to search for and identify talents. Release recruitment information through network channels, so more candidate can be informed. And with vast applicant's information retails the big data found the most suitable candidate improves the effectiveness of recruitment.

The retails should establish a long-term and comprehensive training mechanism in the enterprise's internal to adapt to the changing information technology. Though training is one of an effective mean that raise human resource the whole quality of the governor and employee, the employees of retails in China only have a simple short-term training before they get into their job and even some retail enterprises didn't make any training for their employees before they get into their job (Bai, 2014). As the consequences of this conception, the enterprise is stuck in their business practice and even hostile to information technology. Therefore, on the one hand retails should do ideological work of all the staff and conduct technical training for employees, such as the technology of using multimedia technology to communicate with customers, improve the level of service for the customer and enterprise vitality. On the other hand, provide a variety of learning chance which combines with employee's potential and interest. And then form the atmosphere for learning new technology, enhance the competitiveness of enterprises. For instance, Suning from enterprise culture, business ability and leadership three aspects start its training. This three aspects of training includes various forms of training system, such as the training of taking work, on the job, off job, E-Learning and manufacturers joint training, university-enterprise cooperation and so on.

3.2 In the Aspect of Management Mechanism

Adjust enterprise organizational structure and reduce the organization hierarchy. With the development of information and network technology, it is possible that employees across the departments, hierarchy and regional. This tendency will accelerate and expand the speed and quality of data transmission (Xu, 2016). For instance, Intime Department Store use information technology replaces some management function and then reduces the management layers. Therefore, accelerate the speed of information transmission, strengthening the authenticity of the bi-direction flowing of information (Li, 2015). Lay the foundation for integrating the human resources and improve the level and efficiency of the human resource management of the organization.

As is shown by some researches, more than 86% of the retails pay close attention to and implementation of a certain level of performance appraisal. However, the specialized level of performance appraisal programs is not high as well as at the low level of participation degree of the employees in the process of scheme design and lack of overall coordination ability. Even some enterprise's performance appraisal exists in a certain degree of the phenomenon of go through the motions or lack of sticking power (The HR Study Center of China's Retail Business, 2014). Retail enterprise should be to establish a systematic performance appraisal system in the process of absorbing information technology. Performance evaluator can

analyze the data of employee performance and the data of others to find the potential relations of these data through information technology to dig out the date of employee performance. By this way performance evaluator can be more accurate understanding the factor which impact on employee's performance, and formulate relevant incentive schemes and rules based on this system. And thus arouse the enthusiasm of staff effectively. For example, HP abandons the single performance evaluation system, after introduction of the social networking technologies. Therefore, they can be dynamically and continuously collect the feedback and suggestions of employees as well as effectively develop employee's potential, improve employee's productivity (Xu, 2016).

In the aspect of compensation, retails have a very low barrier and belong to the small profit sector, so its pay levels are generally lower than other industries (Feng, 2011). Obviously this salary system is not able to attract high-tech talent and outstanding management talent. Hence, retails should provide a reasonable and competitive compensation system to employees in order to achieve business model innovation in the environment of information technology. For example, with the improvement of employee's professional and quality, Suning implement a competitive compensation system and diversified incentive mechanism. In addition, with about 1/5 of the total employees would receive the year-end bonus in Suning at the end of each year (Xu, 2011). Retails should establish a network platform for salary and welfare. On this platform employee can know the information of their salary and welfare information and company policy. The company can provide diverse salary and welfare through the platform and collect the information of employees' preference. By this way enhance the effectiveness of the compensation, attract and motivate high-quality talent. Provide talents guaranteeing for retails business model innovation

CONCLUSION

In the background of new technology, especially the Internet technology has gone into huge numbers of families, the change of retails business model is irreversible. In the future, the retail business model combined with information technology is inevitable, prompt the operation mode of retails will have a qualitative change. To improve the method of service for consumers and efficiency of operation through information technology. This must cause the changes of human resources management way of retails. This paper mainly puts forward some tactics from the aspect of human resource acquisition and management mechanism in order to provide some help for retails in the information technology environment.

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