

EMPLOYEE DEVELOPMENT STRATEGIES IN THE B2C BANKING ENVIRONMENT: TWO AUSTRALIAN CASE STUDIES

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Abstract

The implementation of technology and, in particular, eCommerce technologies has had unforeseen consequences for the relationship between managers and employees. To be able to operate in an increasingly global and competitive environment, retail banks have had to develop new ways of dealing with their employees. Issues have arisen that have necessitated a rethink in the way employees interact with customers and this, in turn, has required changes to human resource strategies. The question we address in this paper is what are the employee capabilities and qualities retail banks must develop to satisfy both more sophisticated customers (who demand flexibility of interactions, responsiveness and convenience) as well as the organisation's own needs (including expanded sales opportunities, cost containment or reduction and customer loyalty) when implementing eCommerce technologies. The paper discusses two case studies illustrating some of the issues with which banks, as service organisations, have had to deal. These two banks have taken rather different approaches in their use of technology to interact with their customers and this has implications for the way they manage their employees who deal with those customers.

Keywords: Banking Industry, Case Study, Electronic Commerce, Human Resources.

1 INTRODUCTION

Throughout the last twenty years, business success has come to depend more on intangible assets, for example integrity, trustworthiness, collaborative relationships, research and development, than on the traditional 'hard' assets such as real estate, equipment and inventories (Zuboff & Maxmin, 2002:366-373). Employees have become one of the most significant intangible assets determining organisational competitive success (Zuboff & Maxmin, 2002:368).

The human resource function in organisations will become even more important as organisations deal with increased competition, globalisation, ongoing technological change and, in particular, the move to employees interacting with customers in an online environment. Organisations will need to develop their human resources proactively to achieve competitive advantage (De Cieri and Kramar, 2003:76). Without an emphasis on the human resource function, the implementation of new technologies such as eCommerce will not give organisations the competitive edge they seek.

There has been limited research undertaken in the Information Systems discipline on how human resource policies and procedures have had to change with the introduction of electronic commerce applications in organisations. The research project discussed in this paper has increased our understanding of some of the issues experienced by two retail-banking organisations in Australia by exploring the way in which these organisations are managing their employees as they introduce eCommerce applications.

Although the project has been undertaken in Australia, this experience is instructive for other contexts. In Australia, customers are taking up online banking faster than either Americans or Europeans – more than half of all Australian internet users bank online (Day, 2003). The retail banking industry is typical of what is happening in other industries and the findings from this study will have relevance to other industry sectors which deal with customers on-line and in electronically-mediated forms, in particular service industries such as insurance, travel and health care.

In this paper we present an analysis of the HR implications of eCommerce uptake by major banking organisations, based on case studies of two Australian banks. We begin by discussing the implications of eCommerce for employees and customers within the banking sector, following this with an analysis of theory relevant to the major changes currently sweeping the service sectors in all countries and their relevance to our topic. We then touch briefly on the design of the research project reported in this paper and introduce our two case studies. A discussion of the implications of the findings within both banks from the perspective of the theories of Post-Fordism which are the principal basis for our analysis then leads to a conclusion, in which we reflect on the implications of eCommerce for the service sector generally – and the banking sector in particular.

This analysis shows that the implementation of eCommerce technologies has had different outcomes to those of previous information technology implementations. These organisations have had to rethink both the capabilities and the qualities of their employees, in order to meet the demands of customers who increasingly demand a range of services, including electronic services, and who have more options in today's competitive marketplace. We show how employee capabilities and qualities vary depending on the banks' strategic positioning in the market and how eCommerce technologies have changed the banks' offerings to both employees and customers.

2 TECHNOLOGY, RETAIL BANKING AND THE EMPLOYMENT RELATIONSHIP

In the research project reported here, one of the key questions was "what capabilities (skills and knowledge) and personal qualities do retail banks need in their customer-service employees to satisfy both more demanding and sophisticated customers (for example; flexibility of interactions,

responsiveness, convenience) and the organisation's own needs (for example; building on sales opportunities, cost containment/reduction, lower labour turnover) when implementing eCommerce applications?"

Enabled by and dependent on IT and eCommerce activities, consumer banking practices have, over the years, moved away from dispersed branches with face-to-face interaction, manual processing, social relationships between employees and customers and a preference for employees with local ties and knowledge. Banks in the recently deregulated industry now compete on a wider geographic scale and, with the diffusion of internet banking, in the online arena (Blount, *et al.*, 2002b: 2003).

Globalisation, increased competition and new technologies are just some of the influences which have changed the banking industry. New technology has made the banking industry more efficient, improved flexibility, and reduced operating and labour costs (Game & Pringle, 1984, Child, 1985). Products and services such as mortgages, credit cards and bank accounts have been modified to take advantage of mass-marketing techniques and strategies – and can thus be sold more widely (Wind, 2001). At the same time banks have used technology initiatives such as ATMs, phone banking and the internet to migrate customers out of branches (Webb, 2003) as transactions performed in the branch are labour intensive and much more expensive (Balakrishnan, 2003). Customer loyalty is still an issue, but the traditional bases of this loyalty are disappearing. There have, however, been some unforeseen consequences of these strategies:

- Firstly, customers have become more knowledgeable and demanding as they become more familiar with eCommerce technologies.
- The power of customers has increased and switching costs have declined (Porter, 2001) making it easier for customers to change financial service providers.
- Customers are becoming more interested in “financial wellness solutions” (Wind, 2001) and banks have realised they are unable to sell wealth management products without customer loyalty (Webb, 2003), which translates directly into relationships with customers that include feelings of trust and respect (Sherry, 2002). This, in turn, requires organisations to be more flexible and responsive to customer needs.

If customers do not regularly visit a branch, banks are unable to sell value-added services (Balakrishnan, 2003). As well as encouraging customers to come into a branch (Balakrishnan, 2003; Webb, 2003), all the major Australian banks (National Australia, ANZ, Westpac and Commonwealth) are in the process of implementing strategies to improve staff morale and change their culture so that the customer experience is enhanced (Webb, 2003). Tellers must thus become more adept at managing relationships with customers, including solving problems and selling new products and services (Balakrishnan, 2003).

Banks no longer rely on the local and traditional elements in the customer relationship and depend on employees to provide customer service in the new environment (although some smaller banks still market their services based on these “traditional” competencies). But how do banks ensure that their employees are engaged in advancing the banks' interests?

Working for a bank no longer affords the same level of status and security it once did (Hand, 2001). Recruiting and retaining employees will be key to providing the value-add customers expect when they use the branch network. As an example of this new approach, Westpac have recently recruited 900 older Australians as investment advisors (Sherry, 2002) – and it seems likely that more of such solutions to the problem of effective customer liaison will follow.

3 THEORETICAL BACKGROUND

In earlier papers we have discussed theoretical explanations which can provide insights into these issues (see Blount, *et al.* 2002a; 2002b; 2003). A key perspective was that provided by organisational theorists who described a broad shift from Fordist to Post-Fordist methods of production (see Webster, 1995; Piore & Sabel, 1984, Clegg 1990:181; Thompson and McHugh, 1995:170-172). These authors

conceptualise Fordist organisations as selling standardised products into a mass market. They are rigidly organised, their processes are determined by their use of technology; and jobs are highly differentiated and typically deskilled. Post-Fordist, flexible specialisation organisations, by contrast, are decentralised, participative and have flexible employees with differentiated and multi-skilled jobs (Mathews, 1989:108; Ritzer, 1996:306, Blount, *et al.*, 2002a). This transition also applies more generally to the services sector in which banks operate and the conceptual framework suggested by these theories helps us understand what is happening in banking and finance more effectively.

In the present paper, we look more closely at the transition from the traditional banking arrangements, through the development of IT-enabled mass banking, to the attempt to offer more individualised customer service and products in an environment dominated by on-line and IT-based processes. We have called these three stages ‘Pre Fordist’, ‘Fordist’ and ‘Post-Fordist’, respectively. Table 1, below, shows the key characteristics of banking employees required by each of these stages, noting that this is an heuristic framework and the actual development has not conformed neatly to these stages. The term ‘employees’ in this instance specifically refers to customer-facing employees such as those in the branches.

Organisation of bank activity	Employee capabilities Skills and Knowledge	Employee qualities
Pre-Fordist: reliance on branch network, local knowledge, face to face interaction, traditional sociability	<ul style="list-style-type: none"> • Manual accounting keeping • Branch management • Local knowledge • Established relationships with customers; interpersonal skills 	<ul style="list-style-type: none"> • Loyalty • Honesty • Fitting in with community • Deference to superiors
Fordist: Streamlined, IT-dependent, automated, mass banking, centralised back offices, workplaces organised as factories, closure of bank branches, DIY telephone and internet banking	<ul style="list-style-type: none"> • IT knowledge related to back-of-house processes and systems • Generic Skills • Banking Skills (product knowledge) • Speed and efficiency 	<ul style="list-style-type: none"> • Interchangeability of tasks and locations • Responsiveness to direction • Discipline • Ability to deal with routine
Post-Fordist: Strong reliance on IT and internet banking, applications such as decision-support software and CRM, focus on individualised products, responsive customer service and relationship building, positive customer experience across all service delivery channels	<ul style="list-style-type: none"> • Individual problem-solving skills • Interpersonal skills but in IT-mediated environment • Understanding of internet-banking and other sophisticated technology • Understanding of context and complexity in products and customer characteristics • Selling skills 	<ul style="list-style-type: none"> • Loyalty and organisational commitment • Customer focus and responsiveness • Maturity • Flexibility, adaptability • Independence and initiative in organising work • Diversity of background

Table 1. Theoretical Stages and the link between employee capabilities and qualities.

This research investigated the experiences of two Australian banks and how they met the challenges outlined in this table. In particular, we sought to discover:

- how the banks had experienced the transition to electronic banking,
- what skills and personal qualities they wanted from their staff who deal with customers; and
- what strategies they had in place to ensure their staff possessed those skills and qualities.

4 RESEARCH DESIGN

We selected two banks for the case studies in order to develop a rich understanding of the responses to these issues in different parts of the Australian banking sector:

- the Australian Union Bank (AUB) was selected as one case study because it is growing rapidly and is only beginning to consider the implications of the introduction of eCommerce service delivery channels. AUB has grown from a small bank located in one state to a medium sized bank with a national presence. It employs around 2000 staff, has over 250 points of representation around Australia and has over 850,000 customers.
- Lawson Central Bank¹ was selected as the other case study because it is one of the four major Australian banks and has given eCommerce service delivery channels a high priority. It has over 20,000 employees and operates mainly in Australia, New Zealand and the Pacific through over 1200 points of representation. This includes branches as well as agents attached to small businesses in regional and country areas in Australia. It also maintains offices in major financial centres around the world. The bank currently has over seven million customers.

This approach falls within the definition of a multiple case study as advocated by Yin (1994) and undertaking two case studies gave us the ability to consider the implications of our findings from different market and business strategy perspectives. It also allows us to perform cross-case analysis and extend existing theories (Benbasat *et al.*, 1987; Myers, 1997; Clark, 2000).

Interviews were conducted with bank personnel holding a variety of roles in the two banks. These interviews took place between February 2002 and March 2003 and were organised slightly differently in the two cases. In the Australian Union Bank case study we undertook two rounds of interviews a year apart. The first round of interviews was designed to be exploratory and in this phase we identified the specific issues that warranted further investigation. In this phase there were ten interviews with sixteen participants. The second round of interviews in AUB extended the research, using more focussed questions and involved six interviews with seven interviewees. In the Lawson Central Bank case, by contrast, we undertook only a single round of questions, consisting of eight interviews with ten participants. We did not feel the need to undertake a second round of interviews in this case because the knowledge of the banking sector we had gained through the double pass approach at AUB had provided us with sufficient background to eliminate much of the basic fact-finding process.

The data collected consisted of semi-structured interviews and analysis of documents relating to strategies, policies and procedures relevant to eCommerce implementation. The questions were designed to elicit in-depth responses. Questions included, for example, 'What is the eCommerce strategy of the bank as you understand it?' 'What do you see as major challenges for the future when dealing with customers?' 'How has your role evolved over the last 12 months?' To include as many perspectives and experiences as possible, interview participants were selected at different levels of the organisation and from various functional areas. This included Human Resources staff, branch staff, information systems staff, and senior managers as well as electronic banking specialists. The data were analysed using a meaning condensation approach (Kvale, 1996). This required interrogating the data for central themes and linking this back to the theories.

¹ Both bank names are fictionalised for reporting purposes.

Year	AUB	Lawson Central
2002	first round of exploratory semi-structured interviews ten interviews, sixteen participants	semi-structured interviews five interviews, seven participants
2003	second round of follow-up interviews six interviews, seven participants	semi-structured interviews three interviews, three participants

Table 2. Summary of Interview and Participants

5 CASE 1: LAWSON CENTRAL

During the last decade of the 20th century, Lawson Central utilised technology to centralise functions, close branches and reduce staff to become more competitive in the market. Initially, the implementation of eCommerce was about branch closures and reducing staff (the key focus being on cost cutting) and migrating customers out of branches. The eCommerce service delivery channels have recently been integrated back into the mainstream operations of the bank. Branches operated in an assembly line manner, where the focus, according to one interviewee, was to “churn them out...no personal services”. This approach was characteristically Fordist.

Over the last three or four years, the bank has made significant changes to both branch and job design. Branches are more open-plan, so that there is effectively no barrier between the bank and the customer. Jobs have been redesigned so that employees are able to interact with customers in the sense of “exploring their needs”. One comment was: “I’d rather work out the front with customers than sit behind the glass like we used to a few years ago. It’s a relationship.” This suggests a move to a post-Fordist environment where employees have more input into how their jobs are performed which is likely to result in increased job satisfaction.

New employees in customer-facing positions are screened for customer service and problem solving skills rather than banking skills. There has been an emphasis on employing more people who look like customers, that is, employing a more diverse workforce. Young people just out of school and university are not hired into customer-facing positions, as they are not considered to have the necessary customer service skills. There is greater emphasis on communication with staff, as well as training on how to interact with customers to add value to the face-to-face transaction. These initiatives are consistent with the post-Fordist, flexible specialisation mode of practice in which products and services are customised for the customer’s individual requirements.

New infrastructure is being rolled out to the branches, so that the technology can be used to support employees in their interactions with customers more effectively. Once the infrastructure is available in all branches, a staff portal will be introduced which will be tailored to each individual’s job description so that they will have the most relevant information and applications possible in order to support the customer. eLearning is another initiative which is to be implemented once the technology is in place across the branch network. Again, these practices are consistent with the shift to Post-Fordism suggested by writers such as Clegg (1990) and Mathews (1989). The emphasis is on having staff in branches who are more knowledgeable and skilled than the customer, and this has required the up-skilling of employees.

The human resource function is becoming more strategically involved with the business, evolving from a purely personnel or administrative role. For example, workforce planning is a strategy being used to consider how to recruit the most appropriate employees, how to retain the right people in the right jobs and how to support more flexibility in the workplace. The Head of Human Resources is a member of the Executive team.

There has been a reversal or change of strategy in the way in which technology - and in particular eCommerce - is being utilised. The emphasis is no longer on using technology and the internet to cut

costs, migrate customers out of branches and make staff redundant, but rather on encouraging customers to utilise the branch, the reintroduction of the branch manager and the re-skilling of jobs. The branch has been redesigned so that customers are greeted when they walk in the door. Staff have been moved from behind counters to front of house. Employees in branches are able to take their time with customers. When a customer opens a new account it can take from an hour to an hour and a half. Jobs have been redesigned so that there are now two types of branch employees: tellers, who primarily deal with cash transactions; and customer service officers, who specialise in building a relationship with the bank's clients – a post-Fordist approach.

Lawson Central has programs underway to change the organisation's culture (as have all the major banks). The strategy is for the bank to become more customer service focused. The emphasis is on knowing the customer and doing more with existing customers, so that bank employee focus must move from transactions to customers' needs and wants. In order to provide this enhanced customer service experience, employees need to be supported by the organisation with the technology that they need to support their changing roles. The bank believes that the technology available to staff should be the same, if not better, than that to which the customer has access on the internet to enable a value-added service experience within the branch itself - a post-Fordist approach. This focus on the customer experience is very much in line with recent theories of the Experience Economy, which suggest that customer purchasing experiences are a fourth economic offering, following on from commodities, goods and services (Pine and Gilmore, 1999; Voss, 2003).

The bank acknowledges that there has been a power shift in the relationship between the customer and the front line. According to one interviewee: "the power has now shifted to the customer and eCommerce has been a huge enabler of that from a customer point of view". Customers are able to access their information in real time using online technologies and this has meant a change in the interaction staff have with customers. Customers: "don't come in because they don't know anything, they come in because they know a lot. And they either don't like what they know or they want something different". One unanticipated issue was how: "to keep up-selling them and their needs will change and they will need more financial services – how do you get to them? They are not coming in, we used to have them as a captive audience".

Another unforeseen consequence was the relationship between the 24 hour online access and the relatively short opening hours of a branch. Unpredictably, there has been considerable pressure from customers to increase opening hours in the branches. Customers expect more flexibility in opening hours, despite 24/7 online availability. Customers are demanding the same proposition regardless of the service delivery channel – a post-Fordist flexible specialisation view.

6 CASE 2: AUSTRALIAN UNION BANK

The AUB is widely regarded as a success story. It has not used technology to reduce labour costs; it is still expanding its physical branch network and employing staff. It enjoys high public regard as a customer-oriented organisation. The stated policy has been that eCommerce service delivery channels exist specifically to give customers another service delivery option, that is, this technology has not been used to migrate customers out of branches or automate jobs to any significant extent. In the Call Centre, employees respond individually to every email, which is extremely labour-intensive when technology is available to automate some of this function. Customers are able to apply for a mortgage, credit card or a personal loan on the website. However, the backend process is no different from that which occurs when a customer applies in a branch. The Call Centre employee must print out the form, ring the customer to obtain the required documents and enter the information into the Loans Application System, which then must follow the normal approval process. These strategies are rather more consistent with pre-Fordist principles where the bank is keen to rely on local knowledge and established relationships with customers.

There have been recent media campaigns depicting this bank as being able to provide customers with a one-to-one relationship with their own bank manager, who will provide the service and products to suit them and their business. The bank manager role is changing to become more sales oriented with less time spent in the office: “to concentrate mainly on larger consumer deals and small business, probably not unlike how the majors operate anyway”. This indicates a shift in strategy where the availability of the bank manager may not be as portrayed. These strategies could be interpreted as post-Fordist, in that services and products are tailored to individual customer needs. However, the AUB’s approach is more pre- than post-Fordist.

One interview participant described the bank as having a “family culture”. Different employees used widely differing (indeed, contradictory) terms to describe this culture, for example, “staid and stagnant”, “humble beginnings, working together” and “trying to engage, not just with customers but with each other”. Staff reported that they felt close enough to their customers to be able to deliver the personal customer service demanded and expected. This employee quality has been a key competitive advantage for AUB in gaining customers from the other banks. The face-to-face interaction with customers is considered so important that Internet and telephone banking are not available in the branches.

An interview participant described the human resource function as reactive because: “we come in when something has gone really wrong and try to fix it”. Another indicator is that there is no human resources representative on the Executive Team. This suggests a more traditional approach to human resources, where the HR department was viewed as a support function, rather than being seen as a strategic part of the organisation.

The HR Department has developed more formal HR policies and procedures, which are available to all staff through the Intranet. Despite the implementation of the new ‘induction tool kit’ (a checklist for managers to ensure new employees have everything they need on their first day) there are no procedures to ensure that the checklist is followed and no repercussions for managers who have not completed it. The current performance appraisal system was described by an interviewee as: “very casual, sort of *ad hoc*”, although the implementation of a more formal appraisal system is underway. These two examples, also point to a pre-Fordist culture but one where the informal work environment is becoming more formal and bureaucratic as the organisation grows. There are some signs of growing Fordist elements in the move to a uniform, standardised approach.

The implementation of technology, in particular eCommerce, has not been used to rationalise costs in the same way that the major banks have done. This means AUB has a very high cost base compared to some of its competitors. An Intranet is in place, although there is no coherent strategy for how it can assist employees in performing their jobs. This is due in part to there being no designated owner or champion of the Intranet, as well as to the bank not having the resources to allocate to this project. HR policies and procedures are available on the Intranet, as are branch manuals and other useful staff applications such as stationery, uniform orders and archives. However, HR forms and the phone list (in Excel) are available via Outlook folders (the email system) rather than on the Intranet. Several employees described the Intranet as being slow and noted that it was often time-consuming to locate information. There is no designated owner or champion of the Intranet. Recently, however, the Intranet was used to deliver Privacy Training to every employee in the organisation – the first time it has been used for such a purpose. The use of online training may be considered in the future, although at present there is no clear strategy on how this would be implemented. In this case, the Intranet is being used to achieve some reduction in operational costs, yet there is no overarching strategy (or allocation of resources) for how this medium will be used to assist employees to do their jobs or deliver better service to the customer.

The eCommerce service delivery channels are being driven by customer demand as, according to one interviewee: “customers know what’s available in the market place and are demanding similar facilities to operate their account”. Recently, the bank changed infrastructure platforms and as a result did not implement any new functionality for twelve months on their eBanking application. This delay

led to some conflict with customers who were demanding more online services. There were also tensions with employees who were relying on obtaining new business once the changes had been implemented. This caused some staff dissatisfaction or frustration, as staff members were unable to achieve their objectives without the necessary technology.

The bank is growing, both organically and by acquisition, and it is moving into new geographic areas. Branches will be used to emphasise the bank's local knowledge and customer relationship focus – a clearly pre-Fordist approach. As the bank develops, however, it will need to become more efficient in the way it delivers its products and services to its growing (and increasingly diverse) customer base. It will need to look at using IT to streamline operations and contain costs, using some Fordist techniques. If it maintains the large, costly branch network as well as developing an enhanced online presence, it may not be able to maintain its competitive advantage in the market.

All the interviewees described the culture as something unique to the bank. In the past, however, according to one interview participant, an employee tended to progress by developing relationships. Advancement depended on: "who one played golf with and sending one's children to the same schools". There is thus some conflict between the pre-Fordist culture which currently exists and the merit-and-reward system around which the HR processes are based. This will become more relevant as the bank grows and develops a more national presence.

7 DISCUSSION

A consideration of both banks' strategies indicates some interesting contrasts and demonstrates the diversity of responses to eCommerce technology implementation in this sector. In the case of AUB, a business strategy that includes growing the physical branch network and a high cost base relative to its competitors has not yet fully incorporated the online services customers demand and has elements of both pre- and post-Fordist approaches. The pre-Fordist model may be unsustainable as the bank develops its national presence and has to operate in a more competitive online environment, where it can no longer rely on the face-to-face customer relationship. The questions the bank will have to consider include: Are the online service delivery channels in competition with what the bank offers, or are they complementary? How can the bank transfer its highly valued face-to-face customer service to the newer internet channels without changing its culture? AUB is in the process of formalising its HR policies and procedures and implementing a more comprehensive appraisal system that is linked closely to business goals and objectives to be able to compete in this changing business environment.

Lawson Central, by contrast, has incorporated eCommerce service delivery channels into its business mainstream, while focusing on using eCommerce technology to improve its offerings – not only to customers, but also to employees. Lawson Central has a delicate operation ahead to persuade customers that they should continue to do their day-to-day transactions online, but their more complex transactions in a branch. At Lawson Central elements of a Fordist strategy remain in its operational areas and the call centre, but there is also a clear incorporation of post-Fordist practices such as developing employees' ability to interact with customers in a more engaged way. Lawson Central have allocated significant resources to developing employees to be able to have more meaningful interactions by providing more information and support in context rather than concentrating on specific products and services.

Both banks have concentrated on using technology implementation for customer-facing applications rather than employee support. In the case of Lawson Central, there have been a significant number of resources allocated to increasing the technology offerings to staff. Zuboff & Maxmin (2002:370) argue that the organisation of the future will have to accommodate employees' rights to development and education, career choices and wealth creation. AUB will have to consider more closely how they will be able to provide staff with the support they need as their customers become more sophisticated.

AUB has a high customer satisfaction rate for its face-to-face customer interaction. The bank employs tellers straight out of school. Lawson Central no longer employ school leavers or university graduates

into customer-facing positions as they believe people recruited into these positions must have better customer service and problem solving skills which are more likely to be found in more mature employees. However, it is AUB that has a much higher customer service rating than Lawson Central. The question this raises is whether Lawson Central is on the curve of a new phase of employee recruitment, retention, training and development or whether AUB's strategy is more appropriate. Banks will have to have clear strategies on how they will be able to use their employees to enhance their competitive advantage.

Lawson Central is a well-established bank in both Australia and New Zealand and has points of representation in city and regional areas. AUB by contrast has, until recently, been located in a single state of Australia. As part of its growth strategy, AUB is re-positioning itself in the market as a bank with nation-wide representation. HR policies will therefore have to be equitable across Australia, providing for employees living in the major capital cities, as well as for the bank's existing, predominantly regional, base.

From a customer service point of view, all the Australian banks say they want to be the best at customer service, so it is difficult to see how an individual bank can differentiate itself in this area. AUB has the advantage of being small, unencumbered with legacy systems, and should thus be able to respond faster to market demands using eCommerce applications. Lawson Central, however, despite having legacy systems underpinning its eCommerce offerings which makes it difficult to react quickly to market changes, has greater resources to allocate specifically to this area – and the bank is determined to gain the maximum advantage from this communication and delivery channel. A key component will be the quality of employees and how effectively they are managed as eCommerce technology makes further inroads into the experience a customer will have with his/her bank.

Will AUB be able to maintain its pre-Fordist stance in the future or will it need to move further into a Fordist and post-Fordist environment? How will AUB develop the capabilities and qualities in an increasingly competitive environment?

8 CONCLUSIONS

Globalisation, increased competition and the implementation of information technologies – in particular the internet – have made employees one of the most important intangible assets to determine an organisation's success (Zuboff & Maxmin, 2002:368). In the banking industry, the take-up rate of the internet is escalating. According to Dodd (2003), the number of registered internet banking customers is increasing and online transactions now rival other service delivery channels. The number of registered internet banking customers is also increasing – a 31 percent increase in Australian users between 2002 and 2003. This indicates that customers are still taking up online service delivery channels at a significant rate and this trend is likely to continue as customers become more comfortable with online channels. Organisations will need to consider how best to utilise their employees to achieve competitive advantage in this online environment.

This paper has shown that required employee capabilities and qualities depend on a bank's strategy and on whether it is primarily pre-Fordist, Fordist or post-Fordist in its approach to customers and employees. ECommerce technologies have offered an alternative to a Fordist approach which has alienated both employees and customers. The most clearly theorised direction of this change is toward post-Fordism. However, the banks in this research do not simply follow this path – although both are successful in their business strategies for the present. Lawson Central's approach has characteristics of both the Fordist and post-Fordist approaches, while AUB has followed a mixture of pre- and post-Fordist strategies. Each of these approaches presents some problems as well as advantages. We predict that service organisations will try to find the right mix of business process 'right-sizing', job reduction, automation and technology-dependent applications, together with IT-supported individualised service provided by empowered employees. But we cannot dismiss the effectiveness of

pre-Fordist customer service and employee relations strategies which still 'work' in this sector. It is not clear, however, how long this can form the basis of competition.

Organisations will need to consider how the implementation of online technologies will change their employee capabilities and qualities and implement human resource management strategies to recruit and retain the employees they need, implement appropriate training programs and develop their staff to be able to interact with the more sophisticated well-informed customer.

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