

## **Abstract**

The globalisation and digitisation has created a new economy concept. In order to stay competitive, the company needs to be able to adjust and adapt with those changes itself. This paper brings the view of that new economy in smaller scope in service industry by exploring the impacts and opportunities of digital convergence in a recruitment agency company in London. It has been taking into account the performance measurement based on its quality, efficiency, time and cost, before and after the implementation of new proposed bookings systems. It took into account that the proposed recommendations with the concerns to current issues within the company. The purpose of implementation of new systems is for a better performance and improves the company's competitive advantages.

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## INTRODUCTION

The role of web evolvement in the new economy that is characterised by digital convergence and globalisation are attracting considerable attention. In order to adjust with the changing, internet as a global electronic information distribution tool can be employed to structure organisational knowledge. From the organisational perspective, the challenges for improvement in digital environments relates to the need to integrate technology and marketing communications across different channels, which requires careful management, by becoming more knowledge driven and through raising information processing capabilities due to its constant changing. (Dotsika and Patrick, 2006; Javalgi and Ramsey, 2001; Lee, 2001; Rowley, 2004; Southern, 2001).

Renard Limited is a staffing recruitment agency in London which provides staffs for temporary and permanent positions for the hospitality and catering industry in London city area and has been established since 1996. With many new recruitment agencies which turn up as its competitors since the end of 2007, has made Renard's position is challenged in its own market. For the temporary staffs booking, Renard has five consultants who are in charge for the booking, and 3 consultants for the permanent staffs. In this business, the competition base normally depends on the competitive staff's salary per hour and the performance quality of the staffs as the client's satisfaction measurement tool. Currently, Renard has 163 registered temp staffs, and 45 registered permanent staffs. However, their turnover for the temp staffs is considered high, which covers around 30 percent of the total number. The staffs is coming and going without detail information of reason for leaving. This condition is one of the causes of the high spending time for consultants in trying to book the staff when they need them, which means that inefficiency level has increased. Based on those grounds and the current economy situation, it can be a good timing to consider a better ICT systems application for their booking system by employing internet based format.

## **THE IMPACTS OF DIGITAL CONVERGENCE**

The focus for this paper is on the booking systems for the temporary staff. Because looking at the market opportunity and there are many new entrants for the same market segment, it is showing that there is a big portion of opportunity to expand Renard's market position. Moreover, the company has been existed for a good time length of more than 10 years, which should have benefited them in term of market knowledge, strong relationship with clients and operational strategic management. In other word, they need improvement for their knowledge management, CRM and SCM systems in order to stay competitive.

The process of the booking system that is applied at this moment runs not fully digitally. The client will make a contact by phone or email to Renard office, about the number of staffs needed, for when they will be needed, what criteria and expectation from the staffs that the client's required and the uniform information which they need to prepare for the job. From this enquiry, then the consultant in the office, will contact by phone one by one each contact person, and enquiry about their availability and willingness to take up the shift booking. The data of the staff is kept on the computer, and it has direct caller id to make the phone call through online. However, most of the time the consultant uses the data available on the staff's registration card to check their needed information, instead of using the data on the computer's bank data. Normally, the consultant has his/her own preferences of certain staffs, based on the contact regularity that the staff made to the office. The issue is raised because this method is time and cost consuming, has caused misinformation and miscommunication, and up to certain point has cause some problem in workplace relationship between staffs and consultant.

The impact of digital convergence to company's performance is about competitive advantages nowadays. By applying and improving their ICT systems as it needed to catch up with the ICT development itself, it would benefit the company's performance in terms of

building their intelligence capital, building and strengthen their brand and branding strategy, improving efficiency and effectiveness of their operation. On paper, financially this application will have impact on cost saving and profit margin. Suggested by Clarke (2001), Fikirkoca, (2007), Leavy (2003), Lytras and Pouloudi (2003) on their previous research in digital convergence, the company could applied two approaches in maximising their potential performance as the impacts of applying, integrating or enhancing ICT systems into their company's (existing) systems. Those approaches are the market positioning approach to company's strategy development, which focus primarily on how it brings the advantage to company, and the core competence approach that led perspective by choosing from the assessed distinctive competence, then deciding its best market opportunities.

As mentioned previously that the application of digital convergence could benefit the company in brand building and branding strategy exploration, it is one of the attractive less costly of sales and marketing strategy for the company to be benefited from compare if they only rely on traditional marketing media. Known as brand web model, it requires the marketer to understand and recognise their company's goals, identity, brand values and relevance strategies to be implemented. In company practice, the brand web strategy could expand their market by reaching a wider market than what they could reach physically. In current practice, Renard is practicing the traditional push marketing strategy through personal contact with targeted companies. The current company's website does not provide an attractive communication and information to attract prospective clients about the company's service. Therefore, it is suggested that by having a strong strategy in brand web design and application will bring advantage to company's operation, especially in strengthen their market position through pull marketing strategy (Leitch and Richardson, 2003; Rowley, 2004).

## **THE OPPORTUNITIES OF DIGITAL CONVERGENCE**

The unique characteristic of the digital convergence to company strategic systems is that there is no same systems application on each company even within the same industry. Because company has its own targets, goals, purposes, and needs, which required them to find the best match systems to be applied or integrated in their (existing) systems. Therefore, opportunities in digital convergence in companies' operation are unavoidable. There are more advantages that digitization offers than disadvantages. However, needs not to be ignored that along with ICT fast development, it also requires a high concern in data security systems. The internet systems application in business, commerce, marketing or any other forms give opportunities for collecting data accurately, faster, better interaction and saving cost.

In practice, the expectation by implementing this systems in Renard's operation is to reduce the number of office employees down to minimum, to reduce time consumption of the calling to make the booking, to reduce the possibility of human error and miscommunication, to maximise the potentiality in expanding its market through market approach, staff training to improve the service quality, and to increase efficiency and effectiveness of booking system. Through its data mining of the staff documentation, the company will be able to build their knowledge capital by having a reliable record of staffs and clients. For the CRM data building it provides data and information to present staff data figures, for tax purpose, and for performance measurement. The company will also have data mining of the client for the SCM data building purposes, such as the information of the regularity of their booking, their level of satisfaction and expectation of the staff quality provided, and the possibility to forecast their future booking rate. This can lead to a fix long-term contract with the client. By having this knowledge about their business operation, the company would recognise the trend and seasonality of the business, which would be useful to make forecasting for the coming periods and to set up a strategic business plan.

## **JUSTIFICATION AND RISKS**

The purpose of the proposed system as the key trends in emerging ICT is to maximise performance efficiency and quality of the company and improve client's satisfaction of offered services, with minimum time and cost consumption (Badii and Sharif, 2003). Therefore, justification for the proposed system's measurement is based on quality, cost, efficiency and time. Quality measurement is based on the service delivered to clients. It perceives from the staffs' overall performance during the shifts in client's company, which starts from the reporting time-on-duty, the facial and physical presentation, and the working performance while on duty. Quality score starts from 1 to reflect the lowest score, and represents clients' dissatisfaction of overall service performance. And score 5 to reflect client's maximum satisfaction level of overall service performance.

Cost measurement is to measure the cost spending in delivering services to clients, which is starting from when the consultants contact the clients whether they would like to book the staff for certain shifts, then continue with the consultants allocate the booking shifts to the staffs, which could be highly time consuming and in terms of inefficiency. Cost score starts from -1 to reflect a high cost level of spending, and score -5 to reflect a low cost spending.

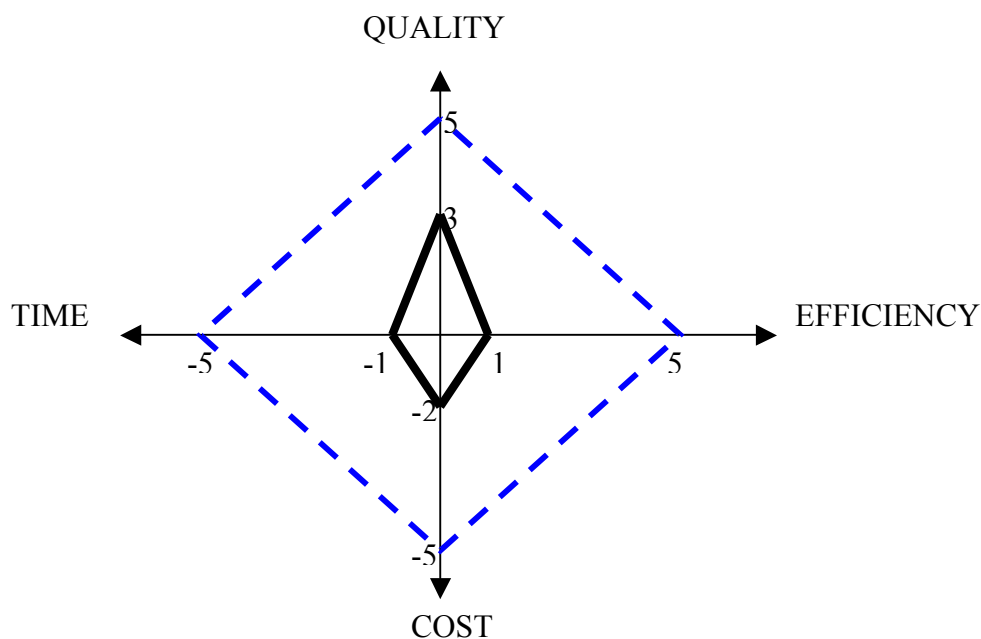
Efficiency measurement is to measure how efficient the client in doing the direct booking (e-booking) through internet system, the timesheet process after the staff has completed their shifts, the direct booking from the company to staff's communication system (e-mail or mobile text sms), and the efficiency of reverse process from the staff in responding and confirming shifts' booking. The score for this measurement is started from 1 to reflect inefficiency of the information system, and score 5 to reflect a high level of efficiency.

Time measurement is to measure spending time in booking process, either from and to clients and from and to staffs. Scoring is starting from -1 to reflect a high level of time spends

in allocating and confirming shift's booking, and score -5 to reflect low level of consumption time in booking process.

The measurement of company's current condition shows in table below, along with the measurement of the expected achievement after the company applied the propose booking system. The measurement value is from 1 to 5 to measure quality and efficiency maximization, and -1 to -5 to measure cost and time minimization.

| Measurement | Current |                                                               | TARGET TO    | Expected Achievement |                                                                             |
|-------------|---------|---------------------------------------------------------------|--------------|----------------------|-----------------------------------------------------------------------------|
|             | Score   | In condition                                                  |              | Score                | In condition                                                                |
| QUALITY     | 3       | Acceptable quality of service based on client's satisfaction. | Optimize (+) | 5                    | High satisfaction level of service quality that meets clients' expectation. |
| COST        | -2      | High cost spending in delivering the service.                 | Minimize (-) | -5                   | Low cost spending in delivering the service.                                |
| EFFICIENCY  | 1       | Low efficiency in direct booking system application.          | Optimize (+) | 5                    | High efficiency level in booking system application.                        |
| TIME        | -1      | Time consumption is high in allocating the staffs' booking.   | Minimize (-) | -5                   | Low time consumption in booking system.                                     |



The graph above is showing the current condition of company in the centre with score 3 for quality, 1 for efficiency, - 2 for cost and -1 for time measurement. And the expected results after adopting the changes shows by the outer line, with score 5 and -5 as maximum point of achievement. This condition is with assumption that the company applies a continuing and regular control and monitoring system during the implementation process. As part of the new systems implementation, the integration of the knowledge management with the management staff's learning capability will progress the improvement result. As it is offering opportunity for a better performance, it is also bearing some risks in its implementation process. It requires the willingness of the company's human resources to accept and adapt with the new online business management systems application. Because of the management staffs are the people who are dealing directly with the issue and acted as the middleman to transfer the information from clients to staffs, therefore their knowledge and experience contributions are needed in the process of building the new systems. The synergy of this activity could be achieved through brain storming and involvement in team discussion.

## **RECOMMENDATIONS**

Adopting the idea suggested by Chang and Li (2003) and Lujan, *et al.* (2007) about the application of e-HRM, it is expected that the improvement in Renard's ICT existing system would enhance their competitive advantage. As we know that the e-business practice is transforming the traditional economy to new economy which resulted from the convergence of technology, customer supremacy and intellectual capital. In its application it removes the boundaries of time and space, without ignoring the procedures and structures. From this point of view, the implementation of digital system as part of information delivery system in Renard is needed. The basic idea is by introducing a direct booking system by the client through Renard's company website. The client is required to fill in a form with the details of

the number of staffs needed, the date and time they are expected to come, the criteria and skill requirements that they are expected from the staff and the uniform that they have to prepare.

On the other hand, the company would have a data mining of staffs, which covers personal identity, skills, owned uniforms and availability. For the availability and contact number or email, the staff can up date their contact number, email and availability. When the client makes a booking by online, the system will deliver the order to the office main data, and do the staff's selection by comparing the input from client's enquiry to the staffs' data identification. When it met its matches, the system will send the email or mobile text straight to the best candidates. And the staffs need to send their confirmation for the job also either by text or email. Because all the employee of Renard has a mobile phone as their contact, therefore the application of this system would not be an issue for the staff.

In order to up-dating the data from time to time, for the staffs that have been non-active for 1 month, there will be a reminder appear on the screen, and make the consultant aware of it. The consultant can proceed by making a call to the staff for confirmation and ask his/her circumstances. If the person still non-active for the second month, the second reminder will appear again on the screen, and the consultant will precede the same process. On the third month, if the person still non-active, then the final reminder will be shown, and either the consultant takes the action to terminate the staff from the system or the system will take the action automatically if in 24 hours the consultant do not take any action towards it. The data of the staff then will be sent to historical data server, in the case that it is needed for certain purpose in the future, such as tax report.

Apart of functioning for the booking system, at the end of completing the job, the staff requires to confirm with the client about the completion of the day by signing (or typing their name) on the electronic timesheet. Before the client submits the timesheet, there will be

an instruction to fill in the questionnaire about the staff's performance on the day. The questionnaire should be made simple and no-time consuming to complete it. The purpose of this action is for performance measurement.

## **CONCLUSION**

Digital convergence into company's operation has offered more attractive advantages than disadvantages. This feature has made the implementer forgetting and neglecting that there are some issues need to be aware of in its pre- and post-implementation, such as the implementation planning and data security concern. This paper has tried to present the impacts and opportunities available of digital convergence by taking the case of its implementation in a recruitment agency company as one of the sector type of company in service industry. The simplicity of company's operation might have made the operator forgetting about the importance of digital convergence role in improving its competitive advantages.

Throughout this paper, the impacts and opportunities of employing intelligence data, building customer and supplier relationship and strategic branding has been explored with the concern of the relevant current issues within the company. The purpose of the proposed performance measurement tool and new systems is for a better performance improvement and strengthen their current competitive advantages.

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