

Case Study On
“COVID-19 related workforce changes in E-Business Bangladesh”

By

Mashiat Islam Ankita

ID- 16104077

An Case Study Submitted To The “BRAC Business School” In Partial
Fulfillment Of The Requirements For The Degree Of BBA

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

MASHIAT ISLAM ANKITA
Student ID: 16104077

Supervisor's Full Name & Signature:

MOHAMMAD ATIQUL BASHER
Lecturer
BRAC Business School
BRAC University

Letter of Transmittal

Mohammad Atiqul Basher,

Lecturer

BRAC Business School

BRAC University, 66 Mohakhali

Dhaka-1212

Subject: Case Study Submission Titled “COVID-19 related workforce changes in E-Business Bangladesh”

Dear Sir,

This Is my pleasure to submit my Case Study On “COVID-19 related workforce changes in E-Business Bangladesh” under your supervision as a part Of BUS 400 which is required for BBA Degree from BRAC Business School. This case study focuses on the impact and the downturn that Online Business took due to the pandemic and what affects it is having on this sector.

I have attempted my best to finish the study with the essential Data and Recommended proposition in a significant compact and comprehensive manner as possible. I trust that the study will meet the demad.

Sincerely,

Mashiat Islam Ankita

ID- 16104077

BRAC Business School (BBS)

BRAC University

Date: September 27th, 2020

Acknowledgement

This study aims to reflect on the current scenario of Online Businesses during this pandemic with great help of BRAC University and from the founder of AJ Collection. I'm truly grateful to receiving such a cooperation throughout the whole time.

Frist of all I would like to thank my supervisor, Mohammad Atiqul Basher, Lecturer of BRAC Business School, BRAC University for supporting throughout the internship period.

Besides for providing me guidelines, clear instructions during this whole semester.

Additionally, I thank the founder of AJ collection for giving me her time, effort selflessly even during this crisis period.

Lastly, I would like to thank all the people who supported me in BRAC Business School since the very beginning 2016. Without their support I couldn't have completed my BRAC University life as a Graduate student.

Executive Summary

AJ Collection is an e-commerce site of Bangladesh. AJ Collection mainly create an easy buying experience for customer who want to buy art supplies, fancy items etc. smoothly without any hassle. AJ Collection provides all the necessary supports to their buyers. This report is all about COVID-19 related workforce changes in E-Business Bangladesh. This report is the result of three months long case study conducted on AJ Collection and is prepared as a requirement for the completion of the BBA program in BRAC University. In this report I have explained E-commerce situation, their demand-supply, the problem they are facing due to the Pandemic. I have tried to explain the E-commerce Site current market of Bangladesh by comparing them with the previous scenario and predicted future situation. Here one will come to know about the blooming market e-business is creating in Bangladesh by taking small steps.

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1. Introduction

AJ Collection is a Unique Bangladeshi shop which that finds inspiration for the creative minded people. It's a next-door solution for creative, art loving group of human being. It's local business which generally sells art supplies for example canvas, paint, brush, fancy things, stationary items, leather bags, purses, pouch, makeup items, makeup organizers etc. The digital platform has brought an evolution in these kinds of businesses. These online businesses now can even hire, monitor employees through online platforms. Now Bangladesh has become a potential market for these kinds of stationary items. These products have huge demand in local and international markets now a days. Bangladesh is one the biggest importers for these products, recently we have started exporting some of the products specially made in little extent. Bangladesh has started making art products like especially handmade canvas, paint brushes, paint, fairy lights, decoration items bag, purses, makeup box, jewelry boxes etc. These products are sold both in local and international market. These products made in Bangladeshi serves almost 6% of the world's total demand of stationary, fancy items.

Nowadays young entrepreneurs are taking opportunities of online platform and opening new business ventures based on current market demand. Akifa Jenia a young entrepreneur and founder of **AJ Collection** started her journey 4 years ago with interest of doing something unique. But in developing country like Bangladesh, it's always difficult for young woman entrepreneurs to be successful. They always have to face with difficulties in every step of moving forward. In this case you'll find the obstacles the entrepreneurs faced during COVID-19 situation and how the overall art supplies, fancy item, decoration pieces market was affected by the pandemic.

2. Background

In previous time people used to find success in business when they are at least 30- 50 years old. The way of doing business was maintaining physical shop which required assets and lots of physical contribution rather than utility of creativity. Since there is a great boom up in e-business through social platforms like Facebook, Instagram, a new workforce has been introduced to create scopes for young people more specifically students. But now the time has changed. Like many developed countries now also in Bangladesh young people are coming with different and unique business ideas, plans. These young people are much more energetic, they are risk takers, they have completely fresh unique idea to be successful and to contribute in country's economy. The **AJ collection** founder **Akifa Jenia** is an undergraduate student of BRAC University MNS Department. Though academically she was not from business background, she always had passion in this sector. She started her journey on December 19, 2016 with passion of achieving success on her own. She started with buying products from local market, who used to import product from international market. At first, she had very limited number of customers. She had opened a Facebook page through which the customers used to order products which she had brought from local business mediums. Initially she promoted her business using different online boosting tools in social media. Later she used an effective new way of promoting business, that is sending PR packages to the influential bloggers. It was the turning boom up point for her business growth. At that time, she didn't have any employee, she worked on her own, took the risk alone for taking the business in another level. Soon with her hard work she managed to get huge positive response from her customers. Now she has over 80,000 followers in her page.

She took very little steps towards future. She started with buying bags, pouches, coin boxes, makeup organizers from local importers. Initially she did not have any specific targeted product variation but later she noticed that she needs to be unique to gain competitive advantage in the

market and hence she added art supplies. Then later on she added Art Supplies with her existing products. She had huge demand in market, she started receiving very good feedback from her customers. She got very good response from the customers and now she is more famous for her unique art supplies. Whenever someone looks up for art supplies in Facebook groups, AJ Collection name pops out. Then after a certain time she started to contact the dealers directly from foreign suppliers. That way she was able to get more authentic product in less price and time as the medium was removed. After 2nd year in July, 2019 she had the courage to open a factory of her own. They make customized rare art products. She gathered a very small team to help her in prosper. As she was directly involved eth the factory, she was able to ensure the product quality. She used to design some of the products and monitored the workers directly. But due to pandemic, her situation has changed a lot. Countries has closed their border areas, limited movement of their people and even confined citizens in quarantine within their houses for weeks, months.

As most the stationary items, fancy product's biggest supplier was China. So, after the outbreak of Covid-19 the product supply was totally off for a very long time. That's why the product price in local market got increased as there were limited number of supplies. But after a while when the Covid-19 situation in China was in control and they were able to export again, the Covid-19 outbreak in Bangladesh had started. So, the product supply was off for a very long time. And in here due to work from home situation her employees stopped coming to the factory. As a result, she wasn't able to monitor their work directly. In her factory the raw material supplier was also delivering late, as his workers were not able to come at work.

According to the statement of founder Akifa said, During the outbreak of Covid-19 her my whole business process got slow. She I couldn't import products from China. In Bangladesh there were very limited type of products available with high range price. Impact of COVID-19 in the behavioral pattern of consumers is significant. As there was lockdown going on, people

had nothing to do except cooking and exploring new things. Hence there was a huge demand for art supplies product. People were keen to try out exploring new things. the customer behavior was changed. They were consuming more product than ever. But due to the supply demand less supply and more demand situation I couldn't achieve my desired number. And whole business function shifted into online, many of my workers are not used with these functions of technology. Previously Akifa Jenia used to handle only the online page and things were delivered into her home from the factory. But due to COVID-19, there was shortage of workers. The scenario was huge demand > employee crisis. I found myself in a helpless situation. I couldn't find more skilled labor during the crisis." Founder Akifa managed to design a proper training for her employees Only compensation can't redeem the necessity of training. She had to design a proper training using appropriate HR techniques.

Then she added, "Though without factory my utility cost was being saved. many workers wanted to leave work and go to village, I needed proper skilled Manpower. So, I had to arrange Compensation for the existing workers to make them stay, to keep running my business." She faced various kind of difficulties due to the Covid-19 situation. She and her workers were not used with this new business process. They were having problem processing order. They couldn't find experienced worker during the crisis period they had to plan proper Training and Development process to guide themselves. The whole business process got disrupted. As the economy cycle of whole world got affected due to this pandemic outbreak. Though she added different new products based on the situation. For example, face masks, hand sanitizers etc. This was a great opportunity to show adaptivity still in business.

3. Evaluation of the case

World Health Organization (WHO) announced coronavirus (CODIV-19) a pandemic on March 11, 2020. Which means a global disease outbreak which was threatening the whole world. The whole situation was changed for whole world economy. The online businesses were also a part of that. But the consumer behavior has totally changed. Because they were not allowed to go out of home. The idea of isolation has brought new interest, new passion among many customers. So, the business owners had to adapt with the new situation very quickly. They had to come up with new innovative ideas the customers might find necessary while sitting home.

As this case study is focused on the effects of Covid-19 on online business platforms in field of Human Resource Management. The given below information will help to get a better understanding:

3.1) E-business situation before COVID-19:

Before the pandemic the HR strategies were conducted factor based. E-business would hire employees based on their set of skill. They used to apply general Cloud based mobile friendly Human Capital Management System. The whole process of E- Business and HR is little bit different than the traditional ones. The business owner can hire their employees through online and offline process also. As these businesses are generally based on internet, generally they don't need any manufacturing factory work so most of their work can be monitored by working from home.

From a study I have found that there is different point of views about HR implication on Online business. Two of them are described below:

I. Child (1985):

He developed his work process among a labor method model, that highlights the figure of employee-employer relations. He argued that initially management doesn't not focus on labor process when they are investing in any new technology, however that there are implications that would be seen as an evolution of socially control strategy "New Technology" includes info technology, microelectronics, software system and communication facilities (Child, 1985: 112) and of course ecommerce (which he couldn't mention explicitly). Managers explains the changes to the labor process by relation to new technologies and response to competitive pressures (Child, 1985: 117). Child was known four reticulate management ways which usually incorporated new technology.

These strategies consist *elimination of direct labor* through automation or flexible production process. *Contracting* through which the labors agrees to work for an agreed amount of working hour. *Dissolution of traditional job demarcations* where the workers perform additional job responsibilities that extend their job and skill limitations. Finally, *degradation of jobs* where the skill is derived from the employees and put on the management.

II. Zubboff's theory of Informatisation:

A unique perspective was given by (Zuboff, 1988: 57) who examined the implications of information technology applicable for job design. She argued that the computer, internet, technology-based business process is minimizing number of human workers in business. But ideally the organizations had become more flexible, it has become easier for people to attach themselves with a job they are comfortable with, managers have become more open. In the "*informed information*" she expresses that actual difference of mental, physical labor is

dysfunctional, the difference between white collar and blue collar doesn't exist anymore when it comes to online business.

3.2) Effects of COVID-19 on Economy:

The COVID-19 outbreak has caused bankruptcy for many well-established brands in many industries as consumers staying at home and economies are turned down (Tucker, 2020). In the US, famous companies such as Sears, JCPenney Neiman Marcus, Hertz, and J. Crew are under huge financial loss. The travel sector is deeply affected; 80% of hotel rooms are empty (Asmelash & Cooper,2020), airlines cut their employee by 90%, and tourism destinations are getting no profits in 2020. Furthermore, expos, conferences, sporting events, and other large gatherings as well as galleries and museums are currently referred to as off. Consulting in general and personal services, like hairdressers, gyms and taxis have also come to a still position due to lockdowns. Finally, important industries like the car, bus-truck, electronics industries have suddenly closed (although they started to open after one or two months their closure, as the whole system was becoming online dependent). There are lots of questions we could ask ourselves in connection to this uncertain close-down. For example, how do we take care of the employees in situation like this one? Why aren't companies more prepared to handle these kinds of situations? How are the companies and also countries are using the current situation to apply their competitive advantage? One of the countries that seem to be taking advantage of the situation is China that is buying European based infrastructure and technology (Rapoza, 2020).

While a few groups of business are struggling, a few organizations are thriving. This is actual for some internet-based corporations which includes the one associated with on-line

entertainment, meals delivery, on-line shopping, on-line educations and solutions for work from home situations.

Other industries which can be doing properly are the ones associated with healthcare and medicine in addition to herbs and vitamins. Typically, while reading market, its miles assumed that they are there're static, a natural end due to the fact that they tend to alternate slowly. However, is they maybe one component the COVID-19 outbreak has proven us, its's miles that market are dynamic ([Jaworski, Kohli, & Sahay, 2000](#)) and might flow rapidly.

Furthermore, a marketplace isn't only a firm; it's far a community of actors (i.e., firms, customers, public organizations) appearing according with a fixed of norms. These structures are every now and then called “dynamic ecosystems” that exist to generate business value ([Vargo & Lusch, 2011](#)). The COVID-19 outbreak poses a completely unique possibility to take a look at how markets are created and the way they disappear inside a completely restrained time span.

It might additionally be exciting to discover whether or not the disappearance of 1 answer for a marketplace can be changed with the aid of using another (e.g., combustion engines for electric powered or bodily coaching for on line coaching) ([Naveen Donthu, 2020](#))

3.3) Effects of COVID-19 on Job market:

The COVID-19 situation has almost destroyed the job market. Whole world is struggling with job crisis. Many we- established country has damaged job market now. Many well-known companies had to *layoff* many of their experienced employees just because of they were facing loss. Many employees also left jobs, because of mental stress this situation has created. The world is going through a very rough time when it comes to job market. If we add some graphical images, it might help us to get a clearer view:

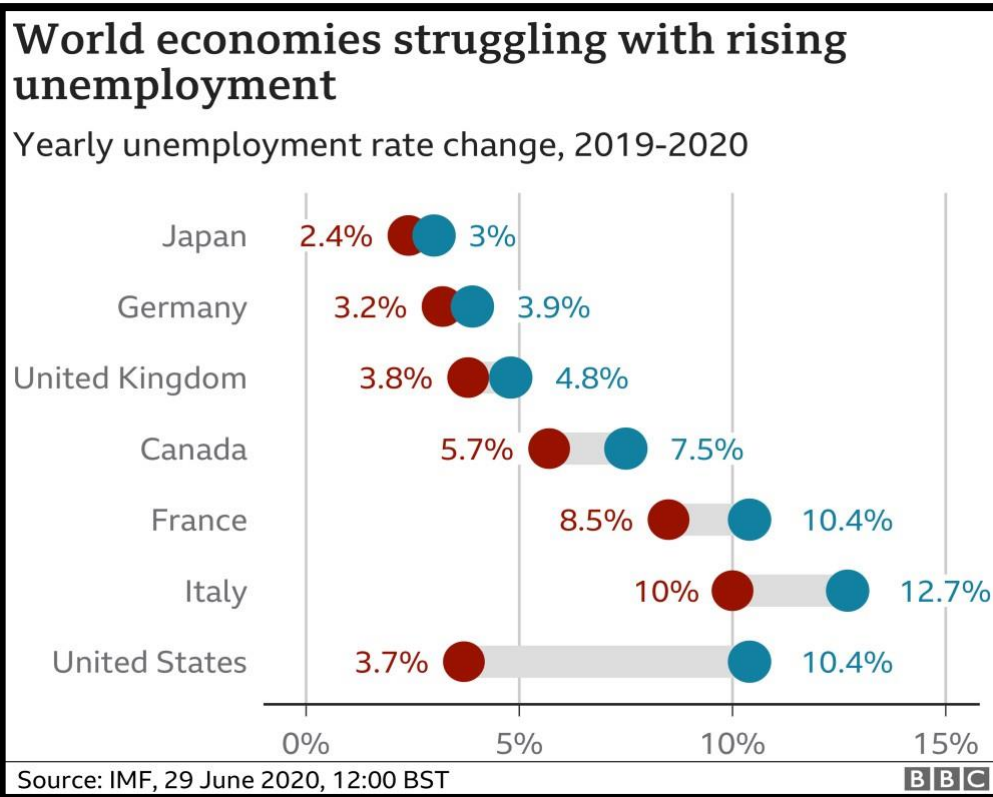


Figure 3.1-Source: IMF, 29 JUNE, 2020

In the graph we can see the downwards sloping for job market. Developed countries like these are also fighting to survive against this pandemic.

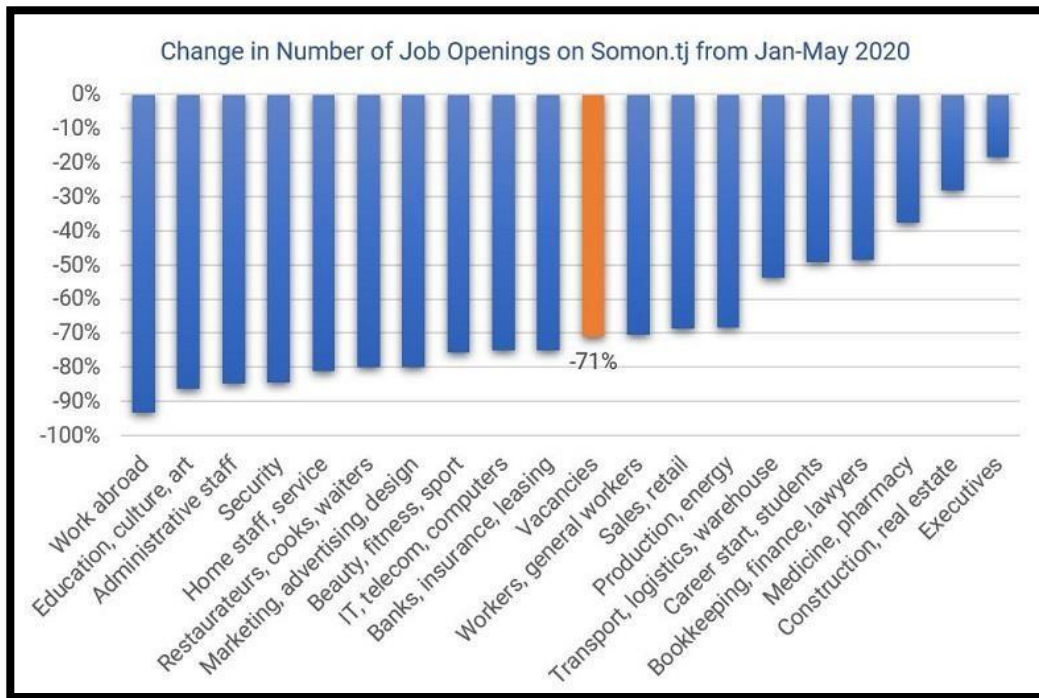


Figure 3.2- Source: World Bank Group

In this picture we can get a clear idea about job loss in different sectors of business. How different sector of economy was affected by COVID-19 effects.

Young generation are facing real trouble finding any kind of decent job. They are not getting chance of starting their career. Here's a picture of the situation:

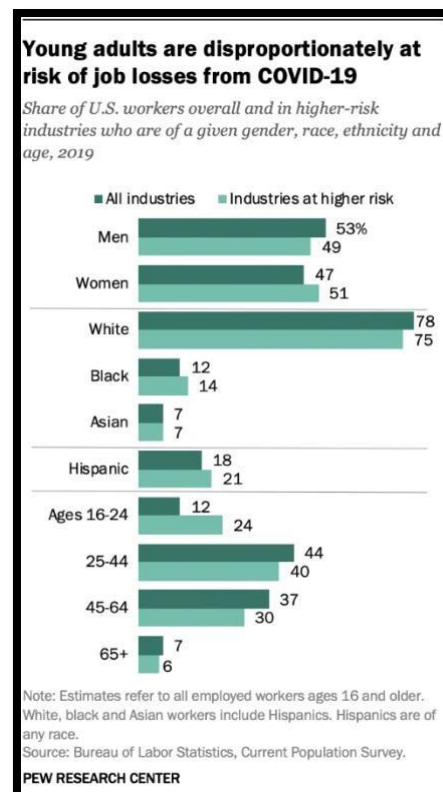


Figure 3.3- Source: PEW Research Centre

3.4) Impact of COVID-19 on E-commerce:

The pandemic situation is yet to be solved and ending period for the shutdown is still far away. However due to this uncertain period of shutdown current business structure are going through drastic transformation marketing, finance, HR, or operations each feature of a business is experiencing a paradigm shift.

Digital advertising and marketing are a big factor of any business's marketing operation. Coupled with the fact that how exceptional the prominence of virtual groups is in the country, having a strong knowledge of ways this pandemic might cross on approximately shaping the panorama of virtual advertising and marketing might be vital in making plans and strategizing the destiny days for those businesses.

- **Rise of ecommerce:**

Since people are locked up in home, all activities consisting of all commercial operations have long past on-line. And quite naturally, at this stage, this shift is only going to continue. As a result, all brick and mortar companies are certain to shift their operation on-line. "We will see an upward thrust of e-trade and on-line operation shift for the brick and mortar-primarily based totally companies. As a result, there can be an upward thrust of labor in internet site design, e-trade improvement and basic virtual advertising sports for SMEs," says Mashfique Khalid, coping with director of Lie to Eye, a main marketing and marketing business enterprise of the country.

- **Rise of Market technology and AI:**

Similarly, because of the improved technological dependency in the Covid-19 seized world, enterprise proprietors are actually realizing the capability of artificial intelligence (AI) and device mastering even more. And in close to future, this inclination will best pass up. As defined with the aid of using Mark Anupom Mollick, senior software program engineer

and commercial enterprise improvement coordinator at Code Crafters International Ltd., main software program answers firm, "In the post-pandemic world, innovation and era gets brought priority. As a result, advertising era and artificial intelligence assisted marketing might be aggressively pursued."

In the case:

Due to the pandemic outbreak the founder of **AJ Collection** had to change many business processes than it used to be before. As the founder of the business **Akifa Jenia** has to take all the managerial decision for her business. In online business generally, the owner doesn't need a huge team to work with. They usually hire a small group of people with a preferred skill set, knowledge, experience in that particular business field. As she has a small factory, which contains with 4 labor, they make customized art supplies as per demand. With that she also has 2 other employees, who answers customers concerns regarding the product, order process, shipment, payment policy etc. But as this the first time with the factory workers to work from home, they were having issues understanding the order clearly. They didn't have enough knowledge about working from home. First couple of weeks the work was totally stopped as the owner as the whole country was locked down. After couple of weeks when they started working again with work from home situation, they started to face different problems, as all of them were not quite familiar with this process. They were having issues at first to meet the customer's demand ad follow their instructions properly. They were also facing problems with suppliers. Even after the lockdown the workers were refusing to come to work. But soon they were able to adapt the changes and recover. They even added some new products to match the current demand.

4. List of Question

As we have seen in the case the owner is facing some issues while working in this situation. So, the number of questions might arise regarding what kind of problem is she facing and how those can be solved. We will discuss about the questions below:

- ***Question: Why customers and owner are unable to engage effectively with the AJ Collection's workers team?***

Answer: This COVID-19 situation was a sudden and uncertain situation for each and every kind of businesses all over the world. Some businesses were able to fight this because of their quick adaptive capability. But those who couldn't do that have lost their profit, investment everything and has faced huge amount of loss. Many small companies got shut down during this crisis period.

Over the first month of working from home, some unexpected, uncertain side effects have occurred. There were no necessary changes to the workflow since a work-from-home policy was already in place, except the factory workers.

The communication strategy includes using social media to keep her employees informed; this has worked well. While these strategies have been successful in all over the places, the company faced some employee issues in the factories—that they did not have the same knowledge about digital communication. That's were the main issues began. The owner, customer was instructing them properly. But as the workers are not used with this system, they never have used this before they were facing problems using it and receiving information. They were continuously making wrong product. Then the owner called a meeting to talk to them in detail about the issues they were facing. She understood the problems they were facing, she decided to take necessary steps. Thinking about the HR strategies she decided to arrange

Training and Development program for them. She taught them how to use the digital platform to receive product order, shipment, payment etc.

After providing the training she noticed difference in the situation. She observed:

- In spite of the daily demands of working from home, productivity has not suffered. In fact, it has increased somewhere.
- Personal resilience and agility—meaning the ability to respond and adjust to changes quickly—has become a necessity rather than a luxury. If they have not adapted the new working process, new products it would have been a disaster for their business.
- Working from home under this pandemic creates its own challenges, such as a sense of isolation. To fight that, the owner has provided wellness **Incentives** (online), sharing ideas for taking care of the employee himself and family and regular check ins.

Because of the workers limitation off knowledge the miscommunication with the customer and owner was occurring. After finding out the problem the owner was able to solve it successfully and they achieved increased revenue and profit.

- *For future what other steps the owner might have taken to overcome this situation?*

This COVID-19 has brought difficulties for businesses of every kind. This has brought a paradigm shift in economy. During this crisis period Akifa, founder of AJ Collection might have taken some other steps.

- She might have applied **Strategic Planning**. As we know the definition of Strategic Planning is is the process of documenting and establishing a direction of your small business—by assessing both where you are and where you're will go in future.

The strategic plan gives you a place to record your mission, vision, and values, as well as your long-term goals and the action plans you'll use to reach them (Eric Vo, September 2: 2020). If she had planned it through she wouldn't face any difficulties.

- Ms. Akifa could've have used **Strategic HRM**. The definition for Strategic human resource management is the connection between a company's human resources and its strategies, objectives, and goals. The aim of strategic human resource management is to: Advance flexibility, innovation, and competitive advantage.
Develop a fit for purpose organizational culture
- I think she might have used the **Compensation**” By using it she could have inspire her workers. They will be more motivated by receiving some extra amount of money.

I think these are all the necessary the owner can do to achieve success. Otherwise she has taken all the possible steps.

5. Proposed solution and changes

I think in the current business situation as a small business owner Ms. Akifa is really doing a great job. 4 years ago, she started with 2 followers on Facebook. Now she has over 85,000 follower her group in that Facebook Page.

The proposed solutions will be:

- i. Reassessing and revising work from home policy to create more flexibility around work location and working hour established by the employer own demand and lifestyle. That way they will be more dedicated to the company. It will save their time and Expense.
- ii. Adjusting measurements and objectives for performance assessment attached to work from home workers productivity, whatever location is was. Otherwise the owner wouldn't be able to find the difference between before COVID-19 situation & after COVID-19 situation.
- iii. Hiring workers that embody the characteristics of being agile and adaptable, beyond and in addition to technical skills. These skills will automatically fasten the whole business process. They will be producing more in less amount of time.
- iv. Conducting interviews and onboarding virtually using the HCM already in place.

I think if the owner will take these steps she'll be able to achieve more success in short amount of time.

6. Conclusion

The E-commerce sector of Bangladesh has now strong effect on economy. Many young entrepreneurs of Bangladesh have started to export products to other countries. They are always trying to come up with an innovative, new idea so that they can beat their competitors. During my case study I have seen how the small online business has taken this huge turn now. The owner has hired two 2 women as employee to proof Woman Empowerment. Like all other sector these online businesses are now taking Bangladesh's name to other countries, other developed counties. AJ collection has started their journey with 2/4 people. Now she has huge follower group. The business is getting enormous number of positive feedbacks. This business has turned to be a great success for a young woman entrepreneur who wants to earn success like this. Sometimes it also participates in different kind of fairs to contribute for less privileged group of people. AJ Collection is an inspiration for young entrepreneurs who want to achieve sues in this early age.

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