Hrm about alibaba

1. Introduction Alibaba Group is the world's outstanding business-to-business e-commerce service company, which provides an efficient online trading platform for buyers and suppliers all over the world. It is China's largest e-commerce group which was founded by Jack Ma in 1999, and has developed into seven affiliated groups, namely Alibaba International Business Operations, Alibaba Small Business Operations, Taobao Marketplace, Tmall. com, Juhuasuan, e-Tao and Alibaba Cloud Computing (News, 2012).

Besides, Alibaba Group has more than 24, 000 employees in 70 cities which scattered in China, India, Japan, Korea, the United Kingdom and the United States (News, 2012). This report will focus on analysis for Alibaba Group's human resource management, in order to reply the demand of its future developments. 2. Background to thecase studyorganization Alibaba Group has taken a hit as a result that a part of its employees were guilty of online fraudulent activities and irresponsible short-term profit.

The announcement of the company showed that nearly 100 employees including sales staffs, manager and supervisor, had conspired to the fraud by deliberately helping fake suppliers in China to register with avoiding the company scrutiny and allowing them to defraud oversea buyers on the Alibaba's international website (Nytimes, 2011). Surprisingly, these allegedly fraudulent online shops account for 1. 1% and 0. 8% of Alibaba's ' Gold Suppliers' signed up during 2009 and 2010 respectively, which has impacted on the company value and produced a shock to mass beliefs (Economist, 2012).

Thirteen people were sentenced ranging from eight months to three years in jail after conspiring with suppliers to gain illegally around RMB 500, 000 yuan

in this online fraud (Nytimes, 2011). 3. Outline of People Management Issues This issue related to the credibility of Alibaba is directly due to the internal defects in management, the lack of inside supervision and few controls of the internalculture. Moreover, the deep-rooted reason should be the problems of its human resources management. Lacking of a set of scientific and effective control and management system cannot guarantee the mplementation of building both core value and enterprise culture of Alibaba. Therefore, the outline of this report about the human resource management issue behind the online fraud of Alibaba is as follows. On the one hand, the management and supervision system has problems. Alibaba Group has not supervised the management in the process of dealing with related complaints about fraud happened between 2009 and 2010, even though some suspected online trading accounts had been deleted and specific inquiries of its international market transaction had been conducted since the beginning of the third quarter in 2010.

It appears that in this issue managers ignored fraudulent behaviours behind the performance-chasing. However, in the statement said by Mr. Ma, it was not allowed to violate business honest principal or the basic line of company values (BBC, 2012). Although managers in Alibaba Group have to take responsibilities for the consequences, it cannot be denied that the fraud fully exposed that the lack of internal control, especially the supervision and administration of the management, is one of reasons lead to exacerbate the situation.

Additionally, the event of online fraud has been doomed from the start to some extent. With the accelerating pace of internationalisation, the number

of employees which rapidly increased from 11, 700 in 2009 to 24, 000 in 2012 has become a significant challenge that threats the development of Alibaba Group (Hua, 2012). However, weak awareness of the human resource control among Alibaba Group's executives sets the stage for this online fraud scandal in China. On the other hand, the company may not satisfy the physical and emotional need of its employees.

Both the greedy desire and the psychological imbalance are the internal reason behind the problem. 4. Analysis (linked to HRM theory) There is always a kind of psychological motivations behind any subjective action, and the online fraud scandal of the Alibaba Group is no exception. This report will start the analysis from the view of internal motivations and then moving to the external causes. 4. 1 Internal reasons According to the perspective of Abraham Maslow who is well known for the hierarchy of needs theory, the pattern of behaviours based on individual needs (Poston, 2009).

The following are psychological requirements which could associate with the fraudulent behaviours of officers at Alibaba in term of the greedy desire, the psychological imbalance and herd mentality. 4. 1. 1 The greedy desire It is difficult to satisfy individual demands because everyone would move to the next more advanced platform of the hierarchical pyramid that Maslow created frequently once the prior need is met, especially in modern society.

Meanwhile, when setting Maslow's model into the business to understand themotivationbehind employees' behaviours, it is not amazing to find that there are also have similar five levels of needs which including wages, safety, social belongingness, self-esteem and finally self-actualization. Maslow and Stephens (2000) have posited out that individuals will not spend

an inordinate amount of time to think about their salaries if they are fairly paid. After being paid adequate salary, employee seeks safety physically and mentally on the jobs.

And then the stage of needs moves to the third level subsequently-seeking social belongingness in the workplace. Although the workingenvironmentis always full ofstressand difficulties, training provides opportunities for employees to improve themselves and contact with new people which could help them to fit in. Until the employee make themselves comfortable among different working relationship, it will not allowed to access to the hierarchy stage of self-esteem and self-actualization respectively.

Unfortunately, after employees have been satisfied with all these five levels of needs, the worldview, philosophyand value view of them will be generally changed in a climate of corruption. With the early success of corrupt deals by heads of the sales department at Alibaba, they would have an addictive sense of satisfaction and accomplishment which lead to those guilty behaviours for greater interest repeat again and again naturally. In Skinnner's reinforcement theory, Skinner (1984) has drawn attention to the fact that appropriate reinforcement based on public consequence may influence verbal response.

It means that individuals would reinforce a kind of behaviour once its consequence benefit to them. Therefore, it makes sense that managers at Alibaba will help to defraud if dynamically taking managers' greedy desire into consideration. 4. 1. 2 The psychological imbalance Employees of equal position and qualification serviced in the parallel department with the same salary may have quite different perceptions of the fairness. When they

perceives the disparity between the inputs and the outputs, different responds will be excepted in various ways, including de-motivation, reduced effort, becoming disgruntled and even disruptive.

According to the Equity Theory of Adams, an individual will perceive the ratio of inputs to the outcomes depend not only on the absolute value but also in the relative value in order to measure whether himself or herself is treated fairly or not (Adams et al, 1976). This can be illustrated by the following equation: Individual's outcomes/individual's own inputs = relational partner's outcomes/relational partner's inputs (Adams et al, 1976). Equity is considered when this ratio is equal. While if this ratio is unequal, it leads to ' equity tension' which was called the negative tension state by Adam (1976).

Meanwhile, it will motivate him or her to do something to relieve this tension. Therefore, it is why some leading cadres at Alibaba Group may feel unbalanced and help to defraud which negatively impact on the credibility of the company. With the rapid expansion of international business scale in the development of Alibaba Group, they consider their contribution to the company is greater than the return. As a result, corruption was caused secretly by the combination of selfish desire and power without supervision. 4. 2 External reasons 4. 2. 1 Opportunity

The officers participated in the fraud are almost from a high-powered job position in Alibaba Group and own important resource and privileges in the company. Therefore, it is easy for them to commit a crime with close interest people once they are lured by short-term profits. 4. 2. 2 The lack of control and management system It is not just incorrect psychological requirement or the unsound political system is blamed for breeding corruption, the lack of

core value and culture control of the company is one of the significant factors which could not be ignored.

The development of supervision before the event, at present and after the event all depends on the growth of the enterprise culture. Thus, if the pre-supervision runs into a problem, it represents thefailurein enterprise culture management. There are six core values guide Alibaba Group's operations and operate its culture, which including customer first, teamwork, embrace change, integrity passion and commitment (News, 1999). However, it is difficult to transform corporate culture into practice to some extent.

Meanwhile, with the rapidly increased number of employees in Alibaba Group, the previous culture management has to further improve. Organizational culture diagnoses and cultural audits, for example, can give an accurate picture of an organization's current management system (Mason, 2012). 5. Critical Reflection on group presentation Because our group has not given the presentation to the class, I could just conclud some limitation about the analysis of this report. Due to the theories of human resource management are not fully understood, the analysis of the case study about the Alibaba Group is not in-depth and incomplete.

Moreover, the report has only provided superficial explanations of the issue because of the insufficient knowledge of Alibaba Group and the limitation of those methods linked with. Besides, the recommendations have not taken everything into consideration. They are too abstract and theoretical that are not seen as scientific, feasible suggestions in practice. However, analysing the issue of human resource management in the view ofpsychologyis an

innovative point of this report. 6. Recommendations 6. 1 Strengthen job rotation system in the key position

Alibaba Group should strengthen the job rotation system to avoid the corruption, especially in some key positions. According Shalley and Oldham (2004), employees will have job burnout of different extents as well as reduction of creativity after 6 years working in the same position. However, if the company could do the job rotation periodically and provide support to any employees transitioning out of the company, the situation will be changed as it not only prevents managers from increasing spheres of influence, but also gives opportunities to employees to gain experience in their professions. 6. 2 Establish the mechanism of risk management

Risk management of all positions in the internal enterprise is an important part of the management system. Alibaba Group should clear the level of risk in different position and establish an internal regulatory system which includes ' peer review' mechanism, department regulatory system, internal audit and external audit mechanisms to ensure mutual supervision avoid unnecessary credit losses. 6. 3 Establish psychological management mechanism It is necessary to give psychological training programme at least once a month for intensifying the efforts of anti-corruption and enhancing the management of core value and culture in Alibaba Group.

Besides, relevant department would better assign a special supervisor to investigate the staff on suspicion of corruption. 6. 4 Improve the mechanism of incentives and restrictions Alibaba Group should keep its employees hold the sense of crisis andresponsibilityand correct the psychological imbalance at the same time, such as using gaming-style leader boards to encourage

internal competition or offer appropriate prizes to the most successful one. 6. Improve the standard system of selection and appointment Alibaba Group should try to improve the standard system of selection in order to ensure the person employed has higher organizational commitment. Additionally, it is necessary to introduce different kinds of methods of personal testing and assessment which combine the enterprise culture into the evaluation. References Mason, K. (2012). Informing a new business-to-business relationship: Corporate identity and the emergence of a relationship identity. European Journal of Marketing, 46 (7), p. 684-711. Poston, B. (2009). Maslow's Hierarchy of Needs.

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