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A Conceptual Framework for Understanding the Phenomenon of new Ways of Work

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Abstract: A review of the digital marketing literature suggests that it is important to understand that what applies in marketing management in the past and in traditional marketing context may not create success of tomorrow. It is believed that digital technology has an effect on the implementation of marketing. Value creation is seen as the core purpose and central process of marketing management. To be able to operate in the digital environment businesses have started to look for possibilities to renew the ways of working in order to boost product or production innovation and the productivity of the organization. This suggests that also the management needs to change. The practices that enhance the operations of the company may vary, but according to prior literature, highly productive ways of working are such that they decentralize the organizational decision making and problem solving and increase the employee commitment. Thus, the aim of this study is to create a conceptual framework which describes the phenomenon. It integrates four major perspectives: the new digital marketing environment, the characteristics of the value proposition and creation processes in the organization, the characteristics of new ways of work and the characteristics of tools that can help to change the current organizational practices. We build up the constructs from prior literature. Overall, the framework deepens the understanding the current and new practices of value creation processes from organizational perspective. In order to optimize the value creation in the future, it is important to understand if current practices can be organized and managed in a new way. Another advantage of such framework is that it may direct the future empirical fieldwork, data analysis and findings.

Keywords: digital marketing, marketing management, value creation, new ways of working

1. Introduction

The aim this paper is to develop a conceptual framework for understanding the basic processes of the phenomenon. The remaining paper has been organized as follows: a brief discussion of the key themes of value creation in new digital environment especially in relation to the focus of this paper. Then, we present our conceptual framework and describe how it was developed. Next, we evaluate the validity and the limitations of the framework.

2. Digital marketing and technology and its relationship with value creation

In this study, recent developments in the digital technology are viewed from the internal perspective. We refer to the process by which digital marketing, focusing on its implications to value creation, is implemented and communicated in organizations. Consequently, this means investigating how organizations have started or have not started to create and commit to their digital marketing strategies and how digital marketing activities.

Firstly, the development has heightened the need for differentiated professional skills and capabilities in marketing. Due to the fast digital development, it is recommended that sales and marketing people build expertise in the key technologies. Marketing tasks are becoming very knowledge intensive and all functions have to be staffed by specialists. Existing research recognizes the critical role played by the development of fragmenting marketing activities, such as forming complex matrix organisations, multifunctional teams, account management systems and forms of business process management. One of the greatest challenges is that the level of tacit knowledge involved in different functions impedes cross-functional collaboration between R&D (engineers) and marketers. Communication problems and barriers are one of the most frequently stated problems both within organizations and between suppliers and buyers. (Möller & Rajala, 1999).

Secondly, value and value creation are essential concepts in marketing. Grönroos and Voima (2012) suggest a new approach to define value creation in which the fundamental role of the firm differs from the traditional one. By providing potential value for the customer (i.e. value propositions), the firm is a facilitator of value but it is experientially and contextually perceived and determined by the customer. The development of digitization offers companies an opportunity to improve customer experiences and engagement through co-creation. (Grönroos & Voima, 2012; Strandvik, Holmlund & Edvardsson, 2012).

In order to optimize the value creation, it is important to understand how members of the organizations themselves see their participation in value creation and which methods they use to implement it in practice. The traditional marketing literature suggests that three main units are primarily responsible for implementing activities: product management, field sales and customer service. Although the entire world of marketing is changing, the importance of organizational changes and arrangement is overlooked. Thus, the next section focuses on new ways of working. (Lutz & Hoffman, 2014).

3. New ways of working

Knowledge has become an important commodity in a knowledge-based economy and this has led to the emergence of so called knowledge worker. A knowledge worker is different from a traditional employee because there is a deeper interdependency between a knowledge worker and his employer. (Storey & Quintas, 2001). Donnelly (2004) cites the studies by Legge (2002) on the classification of knowledge workers. There are three categories: traditional professionals like doctors and lawyers whose knowledge base is codified and rational; organizational professionals such as managers and administrators whose knowledge base is technical, tacit, local and political; and the new knowledge workers whose knowledge base is esoteric, intangible and non-substitutable. The latter ones are those that the information age discourse is primarily concerned with. Their knowledge base is used to analyze complex problems and their work is highly specialized and requires problem-solving skills.

The knowledge workers' input is highly valued in the external marketplace. This shifts power to the knowledge workers, which in turn makes them less dependent upon their immediate employer as demand for the services they produce also arises from the clients. The knowledge and expertise of these workers must be enhanced all the time in order to be able to offer customers high-level new knowledge services and this enhancement brings mutual benefits: the market value of the individual increases while the company maintains its competitive advantage. (Alvesson, 2001; Scarbrough, 1999.)

Knowledge workers demand different things from their employment relationship from traditional workers. They want to manage their own development and they want their job to reflect their own philosophy of work, career and life. On the other hand, knowledge workers depend on their employer if not so much on the employment but on the ability to skill enhancement and access to resources. (Donnelly, 2004.)

Estimating the productivity of knowledge work is not easy. Quantity of outputs is seldom mentioned in the literature; quality of employees, innovation capability, learning and the outcomes perceived by customers are considered more important. (Ojasalo, 2003). The importance of the customer focus is explained by the fact that knowledge workers usually produce some kind of services and the classical services are ones where a customer participates the service provision and thus has a role in either improving or deteriorating productivity (Gummesson, 1998).

Continuous improvement of knowledge work productivity requires new ways working methods. Personnel often knows best the factors facilitating or hindering their productivity. New ways of working refers to non-traditional work practices, settings and locations with information and communication technologies that either supplement or replace traditional ways of working. (Gorgievski et al., 2010; van Meel, 2011.) The concept of new ways of working is also multidisciplinary: It relates to human resources management, information technology and facilities management. (Laihonen et al., 2012).

4. The development of the conceptual framework

Figure 1. below shows our proposed conceptual framework resulting based on our literature review of how organizations can develop new ways of work in creating value and value propositions. The framework is based on the following propositions. First, the left half of the model displays the context of the phenomenon. Digital environment influences the need for rapid changes and marketing as a function serves as a channel to deliver value across organisation and customers. Second, the right half of the model displays the enhancement of the change as ways of work and tools.

The processes are presented in the figure, although in reality the behaviour, either organizational or individual, is not necessarily straightforward. This study suggests that the process is composed of new knowledge, multiple choices, activities and tools. The main different constructs were identified and they are illustrated as one quarter of the circle. The arrows in the middle represent that the process occurs in the course of time. However, it is

difficult to estimate where the process begins and how much time it requires. During each proposition, participants disseminate new ideas or knowledge which may change their behaviour and enable to move on. Due to the complex nature of the phenomenon, changing the current practises presumes natural behaviour, however, under considerable and multifaceted pressure.



Figure 1: A conceptual framework for understanding the phenomenon of new ways of work

5. Critical evaluation

Validity of the model and data is evaluated through a combination of three different criteria: internal validity, external validity and objectivity. The internal validity of qualitative methods refers to a great extent to the skill, competence and rigor of the researchers. In the present study, we realized that completely value-free inquiry was impossible. However, we have evaluated our participation in two different research projects in order to enhance the credibility of the present study. External validity refers to concepts that are created and that can be used in different ways. In the present study the conclusions are reached without complete evidence. The validity of the findings is based only on a small sample which is not representative of a larger population. The data limitation also raises a question about objectivity, the extent to which the elements of the theory can be generalized to other business or marketing environments. (Patton 2002, 544-545). Nevertheless, the model provides us a useful guide for further research. For example, the different relationships of the propositions could be examined empirically revealing other aspects, either confirming these results or challenging them.

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