

VALUE CO-CREATION: ENGAGING EMPLOYEE THROUGH VIRTUAL EMPLOYEE ENGAGEMENT PLATFORM (VEEP)

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Abstract

The purpose of this paper is to examine the virtual employee engagement platform using a value co-creation perspective. To implement the virtual platform, the author's first entrance is using the theory acceptance model to introduce the perceived implementation of technology in the organization. Employees become the customer of the co-creation context to exchange value with the organization. The purpose blueprint has been created to support the developing platform process. Author's purpose is to combine the traditional way of physical facilities with the virtual. So the organization could manage the employees that require working in remote access without coming to the office by controlling them using the virtual platform.

Keyword: Value, Creation, Virtual Employee Engagement Platform

INTRODUCTION

The author explains value co-creation as the systems that can enhance the relationship between provider and the consumer. By sharing and communication with each other, the actor can transfer each other knowledge and regard service science known as value. The shape of the value is not only tangible things. But sometimes the intangible one such as knowledge. In the ecosystem of knowledge, the purposes, in the end, is to create innovation by using the digital platforms so transferring knowledge is easy and also improving the relationship between customer and employee or provider (De Silva et al., 2018)

Knowledge sharing and employee engagement in the firms connected because value co-creation is tended to build the relationship. To create a relationship, organizational members need to communicate with each other. In digital era, we know that there is so many platforms that organization can use to interact with each other. Previous literature by Kim and Park (2017) found that said knowledge sharing contributes to engagement.

Employee engagement now defines as one of the critical variables that impacting organizational success (Pandita & Ray, 2018). Previous studies found that the effects of employee engagement that build in digitalize platforms can attract new young workers to join the organization (Dittes et al., 2019). The time that leaders in organization spent on the internal networking platforms was a significant predictor of employee engagement

(Korzynski, 2015). Based on the study by Avanaade (2012) , found that 54% employees are using the smartphone and their tablets to work in some basic tasks, such as reading documents, email, and other simple tasks.

Forrester Research also found that mobile phone and digitalization are the new face of engagement and become new systems to engage employees that can increase collaboration and connection among employees (Schadler & Mccarthy, 2012)

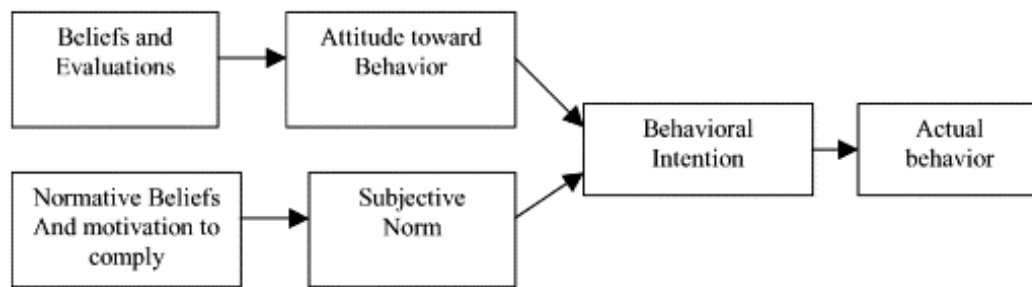
Virtual employee engagement platform was introduced by Milliman et al., (2018) as the platform that enables employees to communicate, sharing knowledge and interact with each other to gain more robust relationship to other employees and organization. These platforms describe as one of the examples of value co-creation system because by using this platform, employees and organization as the provider can be more interaction with each other and hoping to create new value that could enhance organizational capability. Burke et al., (2010) have found that there is a definite relationship between the use of virtual engagement platform on the individual level that affects to positive social well-being. Recently, employees become more comfortable with virtual networking technologies through the increase of new communication technologies such as social media and mobile phones devices (Kaplan & Haenlein, 2010).

Virtual employee engagement platform (VEEP) is a company's virtual touchpoints which are designed to provide and support employees to sharing and integrate resources and also to facilitate employee to organizations and employee to employee interactions (Kim and Gatling). VEEP not only use as the way to communicate but also can be work as the way to sharing information and knowledge between the actor.

LITERATURE REVIEW

Theory acceptance model (TAM)

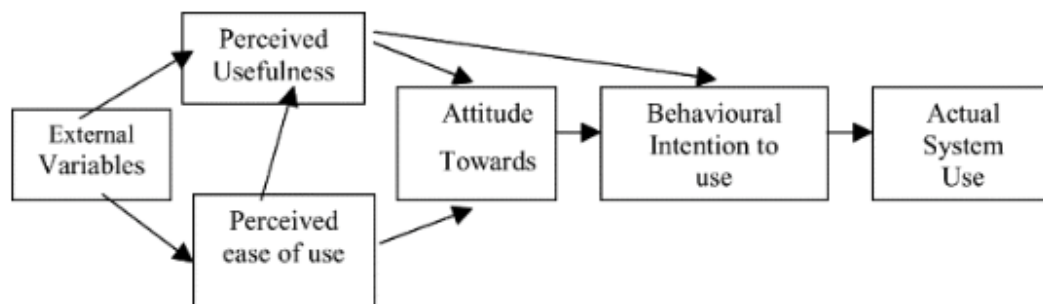
Theory acceptance model first introduces by Davis (1989) as the way to examine users acceptance or rejection of information technology. The model was adapted from the theory of reasoned action that was proposed by Ajzen & Fishbein (1975).



Theory of Reasoned Action (TRA)

Source: Fishbein and Ajzen (1975)

The purpose of TAM is to provide understanding on tracing the impact on how technology perceived by the users. TAM was divided into two dimensions, named it perceived usefulness and perceived ease of use. Perceived value means that the system would increase the job performance and the ease of use means that users believe the system is effortless (Davis, 1989). Perceived ease of use is a strong predictor of perceived usefulness. Perceived usefulness also become the significant determinant of an individual's behavioral intention to use the self-service technology (Kim Jungsun (Sunny) & Gatling Anthony, 2018; Morosan, 2014)



Theory acceptance model (TAM)

Source: Davis (1989)

Above is the original model of TAM that leads to actual system use by the users. This research entry is from TAM because creating a system or platform is very depending on how users perceived the system. The advance system would not guarantee that the users will feel and believe that the methods can be useful and easy to use. Especially in a company with the variety of people character in seeing the new implementation of technology.

1. Existing blueprint

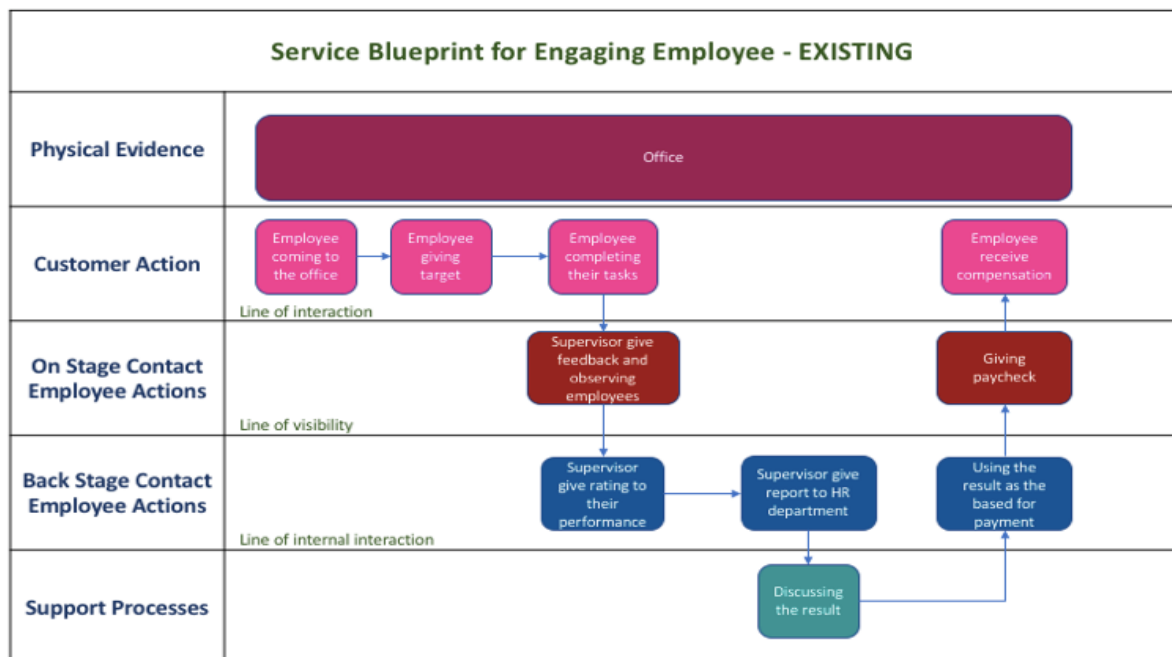


Figure 1. Existing blueprint

Existing blueprint is showing that most activities are using traditional way means that employee should be physically being in the office. In the other way, the problem that appear if the employees' responsibility is mobile not staying in the office. That is why author purpose a platform that can be allowed employees to be more flexible but still engage virtually to the organization. The process is not ended in one cycle process. Because after the tour guide finishes the job on guiding people in tourism destination, the should post some review regarding the place. Each tour guide can share their own experience so it will enhance the knowledge regarding the tourism destinations.

2. Definition of service system

Most of the research regarding value co-creation is talk about how customers and provider relationship with each other so each of the actors contribute to another actor. This article is different because they use the employee as the perspective on explaining value co-creation.

Value co-creation can be fully implemented in the organization, as long as the organization put the focus on how to engage not only the customer but also the employee (Chen, 2017). Communication also becomes another factor that can improve engagement

in the company and trigger knowledge sharing so that they can interacting and sharing knowledge between each other actors.

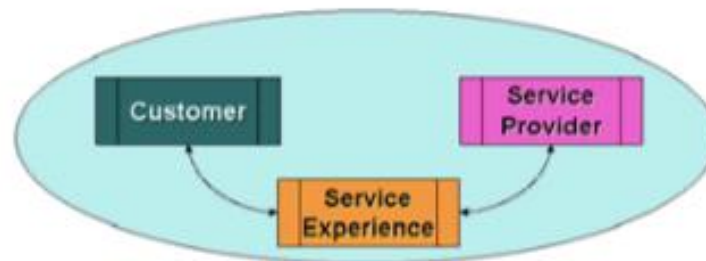


Figure 2. Service system framework

Source: (Kwan and Min, 2008)

In the research by Kwan and Min (2008) describe a framework that can provide the foundation on how service system work in the organization or management of service systems. In the frame above, Kwan and Min (2008) explain three entities name it customer, service provider, and service experience. The customer as mention in the paper can be a group, an organization or institution, which leads the author to change the context here in employee perspective.

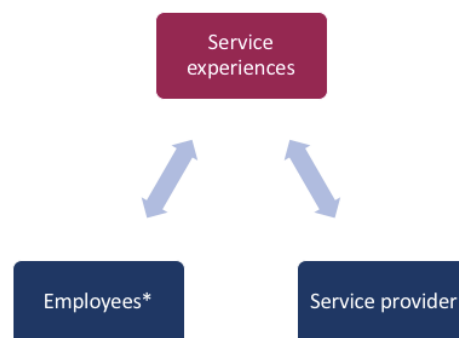


Figure 3. Modified Service Experiences Framework

Source: Developed from Kwan and Min (2008)

Employees become the customer of the organization because the organization was described as the service provider who provides the virtual platform for engaging more employees. The service provider also can be defined as the other external parties that give the system. In that case, the organization can be a customer in the framework. Service experience is usually not provided as a free good (Kwan and Min, 2008). So the

service experiences being purchased to enhance the value of the customer or in this context employee.

Service system defines as the way organization arrange and manage their technology, people, and business processes to support service-to-service exchange or value co-creation, which makes service system the main vehicle for value co-creation (Golooba & Ahlan, 2014; Vargo & Lusch, 2008, 2017).

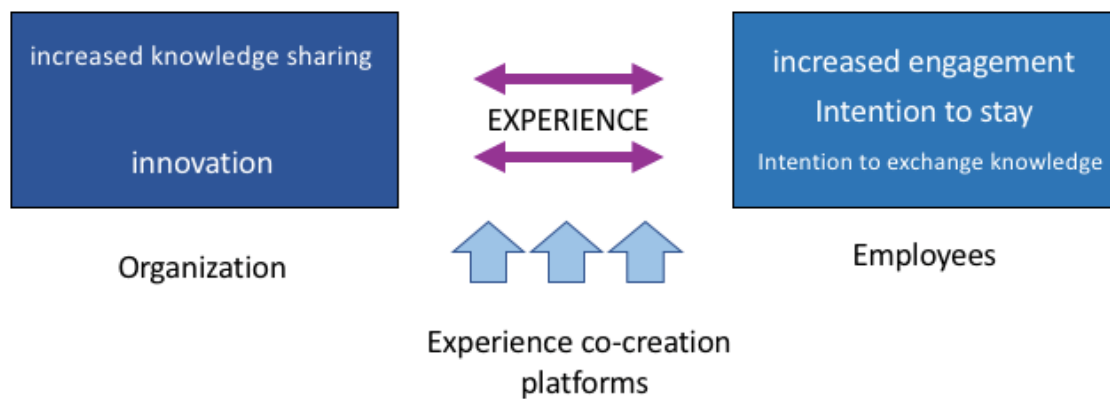


Figure 4. Propose Platforms Model

Service system also brings some benefit to organization and employees context. By increasing the experience both organization and employees, both of the actors can exchange experience that could translate to benefit such as sharing the knowledge that might lead to innovation and also increasing engagement that will lead to employees' intention to stay in the organization.

3. Analysis service system: value co-creation process

There are several streams of the theory of co-creation. Based on Galvagno and Dalli (2014) there are two different clusters or stream that explain the method of co-creation. Value co-creation definition is the joint, collaborative, concurrent, peer-like process of producing new value both materially and symbolically (Galvagno & Dalli, 2014). Below is the table that explains the theory of co-creation:

Table 1. Value Co-Creation Research Streams (Galvagno and Dalli, 2014)

Cluster	Research Streams and Common Theme	Author
Cluster 1A	Foundations of and theoretical developments in the co-creation literature	

	Co-creating value through customer experience and competence	Pralahad, Ramaswamy (2000, 2004a, 2004b)
		Dong et al. (2008)
		Etgar (2008)
		Ramaswamy (2008)
		Xie et al. (2008)
		Cova, Dalli (2009)
		Shet et al. (2000)
		Vargo, Lusch (2004)
		Matthing et al. (2004)
		Edvardsson et al. (2005)
	Service-Dominant Logic	Lusch et al. (2006)
		Lusch, Vargo (2006)
		Payne et al. (2008, 2009)
Cluster 1B	Service innovation	Brown et al (2003)
		Gentile et al (2007)
		Spohrer, Maglio (2008)
		Ordanini, Pasini (2008)
		Moller et al (2008)
		Michel et al (2008)
		Bitner et al (2008)
		Maglio et al (2009)
		Sheth, Uslay (2007)
		Vargo (2008)
	Development of service science	Maglio, Spohrer (2008)
		Gronroos (2008)
		Cova, Salle (2008)
		Ballantyne, Varey (2008)
		Ng et al. (2009)

Merz et al. (2009)

Ostrom et al. (2010)

Vargo, Lusch (2011)

From different literature above, the author will follow the stream number 1A which is Co-creating value through customer experience and competence. Because the stream is more relevant to this research than the other.

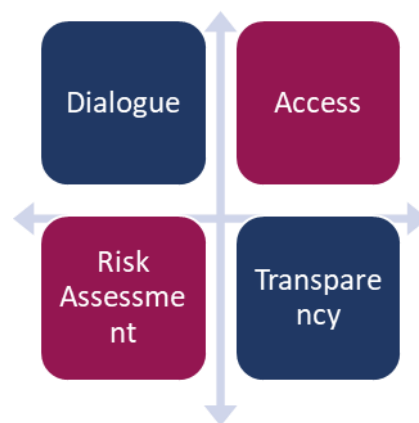


Figure 5. DART Model

Source: Prahalad and Ramaswamy (2004)

DART model is one of the value co-creation models. According to Prahalad and Ramaswamy (2004) and Mukhtar et al., (2012) a careful combination of these building blocks will result in better engagement of customers as collaborators in value creation. DART is shortened from Dialogue, Access, Risk Assessment, and Transparency. Dart model is a landmark model for co-creation. DART model was used to analyse the existing value co-creation process. Dart model used in this model, because the author finds it relevant to the proposing research. The judgment on why the model is suitable is because the definition visualizes the same purpose as the author wants to create.

In the article of (Mukhtar et al., 2012), there are other techniques called customer co-creation techniques that describe as the use of customers resources ideas and as partners in co-developing or co-producing the products or in this context the platforms.

Table 2. Classification of co-creation technique

Classification of customer co-creation technique	Customer's role	Customer value (based on Woodruff's model)
Participatory method		
Co-designing	Customers as co-	
Artifacts and prototypes	producers, co-designers	
Lead user approach		
Personas and avatars	Customers as resources of ideas; customers as sources of (general) information	Attribute base value
Toolkit for the ideas competition	Customers as resources for ideas	
Community-based innovation	Customers as co-creators of products	
Living labs	Customers as co-creators of products, tester, and users of products	
Emphatic design	Customers as end users	Attributed based value
Laddering technique	and buyers	with the focus on value-in-use

Based on the classification above, author chooses living lab because see users as the cental of the methodology that will be involved in create, prototype and test the product in the real context (Mukhtar et al., 2012). This technique is relevant to the development of the platform that will be used by employees in the organization.

4. Service Model: Proposing blueprint

The blueprint propose in this research are combing the traditional way that requires the employee to physically coming to the office with the virtual platform that helps the employee who has the remote job to keep engage to the organization virtually. The author believes that office as physical evidence cannot be changed. Because as a human, we still

need direct face-to-face communication with others. That is why employee still are necessary to come to the office, but in satisfied condition, some of the process and work can be done remotely by using the virtual platform. The author also proposes that virtual and office can be combined with what function that organization aim. So first thing first before the organization is intended to implement the proposed blueprint, the organization should measure what the process that can be done virtually what the process that requires the person to come physically to the office.

5. Implication and Future Research

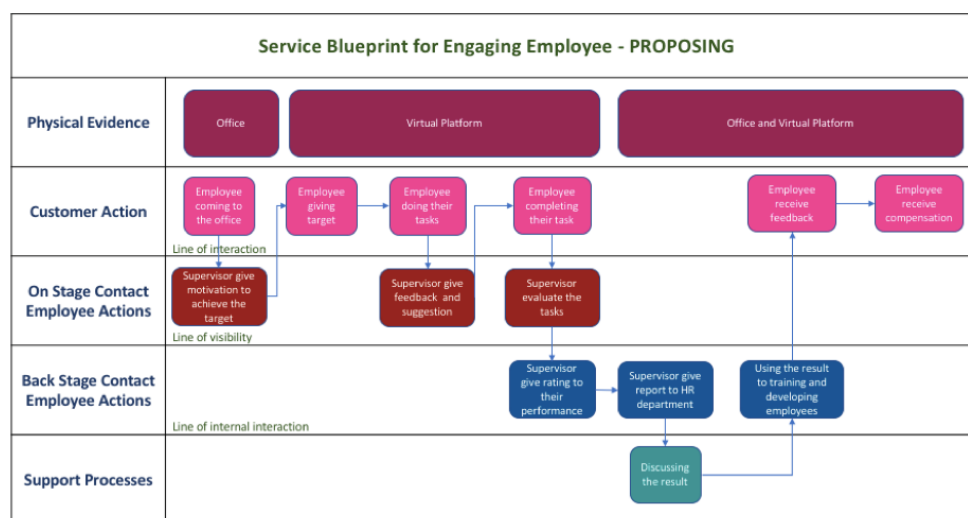


Figure 6 Proposing blueprint

The implication of this research can be used by the organization to have several considerations before implementing some technology, system, and platforms. This research also can be developed in another context such as marketing or decision making that use platform based on the way to engaging with the users. Future research can use other methodologies such as qualitative to explore more about the virtual platform in engaging employees both from the organization as the provider side and employees as the users of the platform

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