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# **New Work Organization through Crowdfunding Platforms - A Case Study - (Extended Abstract/Research-in-Progress)**

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## **Introduction**

The digitization of work has gained momentum in the last years. Digital technologies are nowadays important driving forces in the economy, transforming the world of work and driving productivity and growth (Brynjolfsson and McAfee 2011). While this digital “revolution” offers many chances and opportunities, there are also drawbacks: Frey and Osborne (2013) for example examined in a comprehensive study about the future of employment how susceptible jobs are to computerisation and came to the conclusion that many jobs are at risk. This is not only true for blue-collar jobs, but also knowledge work, broadly defined as “work that is more mental than manual” (Davenport and Kirby 2015).

One important development in the area of digitization of work in the last decade is crowdsourcing, a new form how to organize work and the division of labor in a digital environment. It introduces a paradigmatic change: Work does not get anymore assigned to workers, instead, workers choose their tasks. Crowdsourcing can generally be characterized by a crowdsourcer (which could be a company, an institution or a non-profit organization) who proposes the voluntary undertaking of a task presented in an open call to an undefined group of contributors or crowdsourcees (individuals, formal or informal teams, other companies) (Blohm et al. 2013). If the achievements and contributions of the crowdsourcee are financially remunerated, it is labeled crowdwork and the crowdsourcee who performed the tasks is labeled a crowdworker (Durward et al. 2016). This new form of work design is mostly conducted through technical platforms which can be seen as brokers, intermediaries, market places and in general the point where the controlling and management of the crowd and of all activities within the crowd take place (Leimeister and Zogaj 2013). These platforms, which we (in differentiation to crowdfunding, crowdvoting or other platforms) name *crowdfunding* platforms, are a constituent element of the relationship between the crowdsourcer and the crowdworker. The advantages of this new form how to organize work can especially be exploited if the coordination and transaction costs of decomposing, allocating and recomposing tasks by the crowdfunding platforms are comparatively low.

## **Project on External Crowdfunding Platforms**

The current development and the increasing importance for the economy shows that it is worth it to put a focus on such crowdfunding platforms and to do more research about their functions. In a recently started project with several partners, we are conducting a sub-project that investigates such external crowdfunding platforms. The goal of this sub-project is to analyse the services delivered via crowdfunding platforms in

the context of crowdworking projects. The platforms are not investigated isolated and from a pure technical perspective. Instead, their specific role in a complex service system is worked out. The scientific goals are to determine the intersections between crowdworking platforms and companies on the one hand and crowdworkers on the other hand. And to identify in this context, which kind of services (sort and volume) are delivered by which kind of crowdworking platform. On that basis, we also investigate how the respective services are integrated in the processes of the companies (crowdsourcers) and also the integration and role of the crowdsources/crowdworkers in the context of the delivery of such services. Last but not least, the analysis of the operative management (planning, steering, control) of crowdworking projects on crowdworking platforms constitutes another scientific goal.

### **Implications for Companies**

But what implications does this development of increasing use of crowdworking platforms have on current jobs performed by “regular” employees within companies? And what experiences do the respective companies have with regard to the collaboration with such platforms? Within the aforementioned project, we are conducting a case study with works council members from three companies that perform work via such crowdworking platforms. The employees come from companies of different sizes and industries. The focus of this case study lies on the following research questions:

**RQ 1:** What experiences do the respective companies have regarding the collaboration with external crowdworking platforms?

**RQ 2:** What effects does this collaboration have on current jobs performed by “regular employees” of the company?

To get as much insight as possible, we pursue the following sub-questions:

- In which fields does the respective company use crowdworking platforms?
- Which specific tasks did the company outsource to the crowd?
- What sort of crowdworking platforms did the company work with?
- What have been the reasons for the decision to use such platforms?
- How do the workers’ representatives perceive the collaboration with the platforms?
- What are factors for a successful performance of work via crowdworking platforms?
- What implications does this have for the regular employees of the company?
- How do the respective companies assess the future development in this realm?
- Specifically: Can they imagine to also outsource more complex work in the future?

Since the selected companies are already collaborating with crowdworking platforms for several years and therefore have a lot of experience in this area, we expect that this case study delivers especially valuable insights.

Following Eisenhardt (1989), this case study is conducted using multiple data collecting methods. The main source are interviews with works council members, accompanied by public assessable information and some observation. One motivation for this case study is that works council members as the representatives of the workers in a company can give valuable insight about the collaboration between the company and the crowdworking platform and are also a party who can influence the future development of collaboration between companies and crowdworking platforms as intermediaries. Until now, little is known about their integration in the process of collaboration

with crowdworking platforms respectively their views on this issue. Since current research mainly deals with crowdworking platforms which allow the performance of more simple tasks, a special focus of this case study lies on the question how also more complex tasks can be managed on crowdworking platforms - a theme that hasn't been investigated very intensely in science so far.

Even though this case study is still research in progress, we are confident that the results of it can offer interesting views on this from our perspective continuously growing field at the conference on September 19<sup>th</sup>, 2016, in Stuttgart. Especially on the implications for companies resulting from collaboration with crowdworking platforms as a constituent elements of the relationship between them and the crowdworkers.

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