## Ural State University of Economics

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## THE CONCEPT OF USING CROWDSOURCING IN MANAGING AN ORGANIZATION

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Abstract of the dissertation for an academic degree PhD in Economics

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Relevance of the research topic. Management of organizations seeking to become global market leaders are making changes in their management approaches due to the influence of a number of systemic factors. First, competition in the external environment increases. Acceleration of the transition to a new information society in combination with global transformations of the economy leads to the entry of next generation companies that use modern technologies, methodologies and tools both in terms of production and management. Second, changes occur internally. The entry of a new generation employees into the labor market forces organizations to adapt to the changing forms of employee needs. The constant introduction of new technologies determines the need for process transformation, personnel training, and management rotations. Third, the community of people who are dispersed in an external and internal environment has more and more opportunities for operational influence on business development and involvement in solving organizational problems.

Such changes lead to the emergence of new forms of functioning and management of the organization. More and more managers start to use new management tools, methods, and technologies. Many of them are united by crowdsourcing, which involves the use of external and/or internal resources, primarily human resources, to create additional organizational results, usually on a gratuitous basis. Some organizations are actively turning to crowdsourcing, but there are a large number of barriers that do not allow it to be done in a comprehensive and systematic manner: difficulties in understanding how to use it, lack of regulation, conservatism of participants in economic relations, the degree of possible complexity of the tasks being solved is not fully clear. In addition the boundaries of crowdsourcing application areas are still not defined. Because of these, crowdsourcing, which a few years ago was perceived as a universal tool for involving people in solving organizational problems, has become less and less used in practice.

The need to rethink the role of crowdsourcing, clarify the content and develop applied developments on its use that can determine new modern ways of managing

an organization determine the relevance of this research, its topic, structure, scientific and practical significance.

The degree of knowledge of the problem. The topic of crowdsourcing is considered in the works of a number of key foreign and domestic scientists who represent different scientific fields. The problem of its use is multidimensional, which determined the need for a comprehensive study of crowdsourcing.

From a theoretical point of view, the tool first introduced by J. Howe is interpreted differently by such authors as Daren C. Brabham, Levy and Surowiecki, La Vecchia and Cisternino, Enrique Estellés-Arolas, D. Mazzola and A. Distefano, M. Vukovic), P. Whitla. Some continue to argue about the limits and scope of using crowdsourcing, suggesting, among other things, alternative interpretations, for example, through the term Wikinomics (as it is done in the works of D. Tapscott and A. Williams). The lack of agreement also indicates a lack of understanding of the concept and the rapid speed of change – crowdsourcing involves new types of organizations. That is why further research in this area is extremely necessary.

Practical cases are considered in scientific works quite widely, in particular, the analysis of individual cases of using crowdsourcing in public practice by such authors as B. Noveck and T. Gylfason. In the social sector - N. Ellison and D. Boyd., C. Daren, A. Giegerich. For better forecasting of events - L. Wu, E. Brynjolfsson. for profit-making by individual corporations K.L. Lakhani, L. Houson and N. Sakkab, A. Zynga, C. Ihl, D. Lüttgens, F. Piller. However, at the moment there is no clear systematization of examples of crowdsourcing.

In the Russian scientific literature, the topic of crowdsourcing is primarily covered by the works of R. A. Dolzhenko, I. V. Miroshnichenko, E. V. Morozova, S. V. Polutin, A.V.Sedletsky, S. V. Ponomarev, who consider various practical examples of using crowdsourcing, including taking into account national specifics. A whole range of works by Russian authors is devoted to crowdfunding, which is directly related to crowdsourcing, namely S. V. Rukavishnikov, M. K. Sanin, A.N. Sivaks, N. S. Suvorov. Issues of regulation of crowdfunding from the point of view

of legislation are considered in the works of E. A. Ermakova and E. A. Nesterenko, as well as V. A. Kuznetsov and others.

Despite the numerous works devoted to crowdsourcing, a single concept for using this method and technology in managing an organization has not yet been developed.

The purpose of the dissertation research is to develop the theoretical and methodological foundations of crowdsourcing and develop the concept of its use in the management of an organization.

To achieve this goal, the following tasks are formulated in the dissertation:

- 1. To reveal the content of the concept of "crowdsourcing" as a technology for integrating interests, a method of using resources, and an approach to forming the organization's management structure.
- 2. To develop a classification of types of crowdsourcing from the perspective of various aspects of its practical application in the management of an organization.
- 3. To analyze and systematize domestic and foreign cases of crowdsourcing application, to develop practical recommendations for improving the use of this tool for the management of an organization.
- 4. Develop a concept for using crowdsourcing in organization management that allows you to flexibly and quickly change the structure and processes with the involvement of human resources of the right quantity and quality.
- 5. Develop a technology for integrating crowdsourcing-based meta-divisions of the organization into project structures to quickly solve various applied tasks.

The object of the research is crowdsourcing in the management of an organization.

The subject of the research are the areas of using crowdsourcing in the management of an organization.

Theoretical and methodological basis of the study. The theoretical basis consists of research on the definition of crowdsourcing, works of foreign and domestic scientists in the field of management theory, corporate governance,

organization management theory, research in the field of group management, in the field of knowledge economics and behavioral economics.

The research methodology is based on the application of a process approach. The methods of logical analysis, analogy, observation, questioning, comparative analysis, interviews, statistical research using expert assessments - descriptive statistics-were used in the course of the work. Practical examples were analyzed using the case study method. To develop the concept of using crowdsourcing, functional modeling was applied (IDEF0 methodology was used).

The informational and empirical base of the study is based on the materials of official statistics in domestic and foreign databases. A significant role was played by the primary data obtained as a result of an independent sociological study, as well as the author's personal experience in organizing crowdsourcing in Sberbank of Russia. The evidence base was obtained on the basis of the author's empirical research. We conducted a survey and interviewed experts responsible for organizing crowdsourcing in organizations.

The main scientific result lies is the development of theoretical and methodological foundations of the concept of using crowdsourcing in organization management, reflecting modern flexible approaches to consolidating its resources, changing the structure for current tasks.

## Scientific novelty of the dissertation research.

- 1. The content of the concept of "crowdsourcing" is clarified, which, unlike those available in the literature, covers its various types and compares them with related concepts. This allows us to determine the scope of crowdsourcing as a method of optimizing resources and organization structure, as well as technologies for integrating customer needs and the capabilities of an unlimited number of performers.
- 2. The author has developed a classification of crowdsourcing types according to various criteria: goal based (five parameters), organizer based (two parameters), motivation of participants (two parameters in the matrix structure), which allows us

to comprehensively reflect the possibilities of using crowdsourcing in organization management.

- 3. The possibilities and prospects, limitations and risks of using crowdsourcing in organization management are identified and empirically proved on the basis of systematization of domestic and international cases, which made it possible to develop practical recommendations for improving the use of crowdsourcing to integrate the interests of employees, customers, management, efficient use of resources and the formation of a flexible organizational structure.
- 4. The concept of using crowdsourcing in organization management has been developed, which includes the principles of flexible change of its goals in accordance with the needs of consumers, resource management. The evolution of markets and the development of employee motivation was taken into account. Also the principles for the formation of meta-divisions and their gradual integration into the organizational structure to optimize resources were drawn. Key aspects of transformation of the work of an organization that implements crowdsourcing (new approaches to goal setting, resource use, organization of activities, motivation of participants) are described.
- 5. The technology of integration of flexible changeable divisions (meta-divisions) into project structures using crowdsourcing is proposed, which makes it possible to comprehensively build their goal-setting, identify performers, select basic implementation tools and available resources for solving organizational problems.

The theoretical significance of the research consists in a comprehensive study of the essence of crowdsourcing, as well as the formation of the author's classification of its types. This systematization allows us to understand various aspects of using crowdsourcing to solve various problems, use resources, and integrate the interests of project participants. In addition, the presented approaches to understanding the evolution of the use of crowdsourcing in organization management will help to form research directions in the design of modern forms of functioning and development of new-generation organization management systems.

Practical significance of the research lies in the development of a concept for using crowdsourcing in the management of organization, based on consolidating the best experience in creating and implementing such projects. The selected areas of use of crowdsourcing allow us to form strategic directions for the development of an organization's management systems. The developments obtained in the course of the study were tested in a number of crowdsourcing projects of Sberbank of Russia, including those dedicated to digital services and mobile applications. The concept of using crowdsourcing presented in this paper, as well as the integration of metadivisions into project structures, opens up an opportunity for applying promising methods of managing an organization while using crowdsourcing.

Structure of the dissertation. The paper consists of an introduction, three chapters, a conclusion, a list of sources used, a list of references, and appendices. The first chapter presents the prerequisites for the emergence of crowdsourcing, describes the evolution of forms and methods of using it for various organizational tasks. The author presents a classification of approaches to understanding the content of crowdsourcing on various grounds. The second chapter provides an overview of foreign and Russian crowdsourcing practices and presents the results of the author's research on the practice of using crowdsourcing in a number of domestic organizations, as well as in-depth interviews with experts. Problems that hinder the active implementation of crowdsourcing in business practice are described here as well. The third chapter we describe the basic principles of the concept and methodology of using crowdsourcing in the management of organization, suggest technologies for integrating flexible, changeable divisions into project structures built using crowdsourcing. In conclusion, the results of the dissertation research are summed up.