Chapter 7.11
Consequences and Strategic Implications of Networked Enterprise and Human Resources

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INTRODUCTION

In the current environment, knowledge constitutes the starting point for the development of all economic and social agents' activities and behaviors (Castells, 2000). Knowledge, as an internal resource, can be used intensively, which makes it possible to consider it as a productive factor as well as an important strategic element for obtaining a key source of competitive advantages (Vilaseca, Torrent-Sellens, & Jiménez Zarco, 2007).

Certain works, such as the ones developed by Vilaseca et al. (2007) and others, consider the process of economic globalization, the demand changes, and the intensive use of ICT responsible for the emergence of an economy based on knowledge. Nevertheless, from a business point of view, the intensive use of ICT can be regarded as the most important factor. Thus, the globalization of markets together with the changes in demand are challenges, although the intensive use of ICT provides strength for responding to the new environmental changes and even transforming them into opportunities. Depending on the ability of firms to transform challenges into opportunities—which can be sometimes achieved through a systematic use of ICT—good results can be achieved.

In order to face the growing complexity and competitiveness of the environment as well as give quick and suitable responses, the firm must consider ICT as an internal strategic factor (Bond & Houston. 2003). Hence, by favoring the accumulation and use of knowledge in all organizational activities and encouraging the organization's flexibility, the use of

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ICT permits a quick adaptation of the organization to this new context as well as the development of customized competitive strategies.

In contrast, the intensive use of ICT in organizations will not only influence the marketing, post-sales, and human resources departments (Vilaseca & Torrent, 2003), but also induce the development of new organizational, productive, strategic and managerial models. Thus, the intensive use of ICT facilitates both in the medium-and-long run the generation of more flexible schemes, more efficient and economical productive processes as well as strategic models based on the generation, processing, and use of information and knowledge (Johnson, Sohi, & Grewal, 2004).

BACKGROUND

Changes in the environment lead the firm to be aware not only of its situation as a social agent but also of the importance of every environmental issue. As a result, organizational culture undergoes a key change, and thee organizational values, the mission and the strategic goals are modified (Dyer & Nebeoka, 2000). From a strategy based on production (the product itself) the firm evolves toward a market and learning orientation (Wei & Morgan, 2004); organizational goals begin to be established in terms of survival and long-term growth; and the consumer is considered as the central point of the organizational strategy (Grönroos, 2000).

Understanding the environment and all its relevant elements becomes a priority for the organization, but anticipating and responding to changes requires the acquisition of a perfect knowledge of every agent integrated in the environment (De Luca & Atuahene-Gima, 2007). Thus, in order to foresee the most suitable potential actions, strategies and behaviors regarding the new scenario, the organization begins to develop processes and systems based on the direct and indirect use of ICTs orientated to:

- Obtain, generate, and disseminate knowledge (Tzokas & Saren, 2004).
- Increase communication and cooperation behavior inside and outside companies (Chua, 2001; Kahn, 2001; Sorensen & Lundh-Snis, 2001).

ICT Use Oriented to Knowledge Creation

The use of certain ICT in market research permits the quick and efficient acquisition, analysis and storage of a great deal of information regarding the environment. Besides this, the development of internal communication systems facilitates the quick retrieval, diffusion and use of this kind of information (Dyer et al., 2000, Leenders & Wierenga, 2002).

However, the availability of information does not guarantee knowledge creation. As De Luca et al. (2007) show, knowledge is the end-result of a complex process of acquisition, interpretation (analysis and evaluation) and integration of that information, in which ICT play a key role. Thus, encouraging the *generation of market knowledge,* ICT put at the company's disposal the necessary tools for the treatment, management, analysis, and storing of information (Von Hipel, 2001). Finally, as Sorensen et al. (2001) suggest, ICT also facilitate and encourage the process of *transmission and diffusion of knowledge* throughout the entire organization, and its later use in the decision-making process.

An important part of the decisions to be taken correspond to the marketing function, as they affect the design and development of actions directly undertaken in the markets. In this kind of decision, ICT provide ready access to a vast array of global information resources, and facilitate the gathering of valuable competitive knowledge and consumer-related information that simplify the decision process. In addition, ICT endow marketing with an extraordinary capability to target specific groups of individuals with precision, and enable