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Abstract

This paper uses an in-depth qualitative case study of a family-owned emerging market multinational enterprise (EMMNE) from India, specializing in digital and electronic media, to explore how EMMNEs may leverage their technological, cultural, and relational capabilities to deliver excellent business and relationship quality outcomes for its clients. Our in-depth analysis reveals this EMMNE's evolution and transformation from a low-value, supply-driven, high-volume transactions business model to a multi-pronged, multichannel, relational demand-led, solutions-based business model. Furthermore, building on a firm's resource-based view (RBV), specifically, dynamic capabilities, this research examines how this EMMNE leveraged its cultural and relational capabilities and created a social and values-based context suited for the Indian and other emerging markets through HRM practices. Collectively, such a context and organizational capabilities enabled business model innovation to deliver sustained value to its clients domestically and in other emerging markets. We discuss our findings and conclude with implications for theory and practice.

Keywords: business model innovation; dynamic capabilities; HRM practices; emerging markets; India; relational and cultural capabilities

1. Introduction

Increased globalization of services in high-tech industries, particularly in emerging markets (EMs), has led to increasing investments in technical and managerial capabilities (Fu et al., 2011; Narula, 2012). This focus epitomizes the shift away from an asset-seeking investment approach by emerging market multinational enterprises (EMMNEs) operating in advanced nations towards helping support the emergence of global innovation hubs in emerging markets. Further, global multinationals and EMMNEs have established global innovation hubs and clusters of innovation excellence in various industries (Malik et al., 2020b), and these are now shaping business practices in EMs within Asia. There is also some evidence of reverse knowledge acquisition in EMMNEs through a subsidiary-led reverse learning process (Fu, Sun & Ghauri, 2018; Munjal et al., 2021).

Further, as several emerging economies in Asia, including India, are rapidly evolving into global hubs of technological innovation using disruptive digital technologies, such as digitalization, artificial intelligence (AI), Internet of Things (IoT) and blockchain; it has also paved the way for changing their current and business practices (Haaker et al., 2021; Khanna & Khanna, 2020;Verma, 2020), including engaging in business model innovation (Sorescu, 2017; Sosna et al., 2010). Within the discourse of EMMNEs there exists limited knowledge of how first-generation (Ghezzi & Cavallo, 2020) and family-owned EMMNEs operating in digital media industry innovates their business model (Soluk et al., 2021).

In this context, we refer a family business as one where decision-making is "exercised through ownership and sometimes through the participation of family members in management" (Davis, 1983, p. 47). Although several studies have examined innovation in family businesses (e.g., Duran et al., 2016; König et al., 2013), the relevance of such research to EMMNEs and digital media businesses is less unlikely owing to the cultural, institutional make-up, risk management, different antecedents of digital media services for diverse

stakeholders from EMs as well other EMs that an EMMNE is catering to (De Massis, Di Minin, et al., 2015; Soluk & Kammerlander, 2021). Family-owned businesses are known for their long-term perspective; hence, new knowledge of how family-owned EMMNEs in digital media industry and how they engage in business model innovation through investments in certain dynamic capabilities is timely (Gedajlovic et al., 2012; Soluk et al., 2021).

EMs offer growth, dynamism and volatility due to technological disruptions coupled with socio-cultural, governance, and institutional complexities (Malik, Ngo & Kingshott, 2018; Sarin, 2012) and diverse business systems (Redding, 2005; Sheth, 2011; Whitley, 1992; Witt & Redding, 2014). Though there is some evidence that R&D investments by the government can help manage institutional voids (Adomako et al., 2021), most EMMNEs still suffer from institutional voids (Khanna & Palepu, 1997), resource constraints and other intellectual property rights challenges (Doh et al., 2017; Khanna & Palepu, 2000; Khanna, Palepu & Sinha, 2005). Therefore, EMMNEs have to remain creative and explore new business models (Chang, Bai & Li, 2015; Murphy & Li, 2015), by investing in managerial and technological capabilities to manage change more effectively to effectively manage their business-to-business (B2B) relationships (Kale & Singh, 2007; Malik et al., 2018), often relying on strategic agility, dynamic relational capabilities and trust for strong cross-border buyer-supplier relationships (Nyamrunda & Freeman, 2021). In a recent study of SMEs, Randhawa et al. (2021) found the role of dynamic capabilities and market orientation in supporting its business model innovation. Therefore, a focus on investing in dynamic cultural, organizational and relational capabilities (Baker & Sinkula, 2002; Malik et al., 2012; Sinkula et al., 1997) to gain sustained levels of firm competitiveness and performance is warranted.

Further research is also needed to understand how digital media EMMNEs configure and renew their relational and cultural capabilities and leverage them to successfully manage technological change business model innovation (BMI) (Foss & Saebi, 2017; Soluk et al.,

2021). Therefore, it is crucial to understand how EMMNEs develop their dynamic relational and cultural capabilities. Several studies have highlighted the importance of dynamic capabilities in dealing with BMI, especially for EMMNEs operating in high-technology industries, such as digital media, where technological disruption requires firms to constantly innovate their business model (Ghezzi & Cavallo, 2020; Haaker et al., 2021; Sorescu, 2017).

We offer two significant contributions. First, at a firm-specific level focusing on the cultural context and practices and second, explaining the EMMNEs' location choices. First, the story of evolution of a first-generation, family-owned EMMNEs operating in the digital media industry and how it implemented BMI is a novel context requiring further exploration (Soluk et al., 2021). Here, we are specifically interested in how these firms evolve by leveraging their operational and functional capabilities to deliver BMI that is relevant not just to this firm, but it also has relevance to other SMEs in the Indian cultural context, and it does not preclude lessons for advanced nation MNEs seeking operations in Indian settings. In a recent study of an indigenous Indian Ayurveda and modern pharma firm, the relevance of cultural context and achieving performance by contextualizing practices was evident through different paths (Malik et al., 2021). Second, our research contributes by highlighting the reasons for why this EMMNE located their subsidiary operations in EMs. Owing to perceived similarities in institutional and cultural make-up, its social capital in regionally proximal emerging markets, its choice of Middle East and SE-Asian region, given the applicability and similarity of these practices such areas.

Previous knowledge on intercultural service encounters (Sharma et al., 2009; 2012) and relational capabilities that incorporates the impact of human resource management (HRM) practices (Nasution & Mavondo, 2008; Olson, Slater, Hult, & Olson, 2018), this research analyses how, in the context of a digital media EMMNE, the presence of cultural and relational capabilities also help shape its business model: value creating activities and value

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capture activities in EMMNEs and high technology firms. Further, the research analyses how it renews and implements BMI using its human, cultural and technological capabilities for engaging in BMI (Amit & Zott, 2012; Johnson et al., 2008; Zott et al., 2011).

Employing the principle of equifinality (Drazin & Van de Ven, 1985; Malik & Nilakant, 2016), our distinctive contribution shows that firms can achieve sustained performance and BMI by investments in different capabilities. We show a distinctive and contextually relevant finding of investing in a social and values-based context, one which encourages values of *open-mindedness, freedom, risk-taking, experimentation, knowledge sharing* and *trust* among coworkers in a medium to large-sized digital media EMMNE operating in India. Specifically, we argue that by investing in specific values and ability-, motivation-, and opportunity-enhancing HRM practices firms can create a social and relational context that engenders among employees capabilities to apply it to a firm's new business model for creating and capturing value. Further, by investing in learning and market orientation capabilities, firms can share and integrate new knowledge from internal and external sources and embed it in a firm's value creation and capture activities or in short its BMI. Collectively, both relational and cultural capabilities are vital for achieving BMI. Thus, through this research, we aim to answer the following research question: *What are the critical organizational capabilities in B2B contexts for digital media EMMNE to successfully deliver on its BMI?*

We, therefore, address through this research how a first-generation family-owned EMMNE from India, specializing in digital and electronic media and operating in India and other emerging markets, such as the Middle East and Indonesia undertakes BMI through cultural and relational capabilities. This EMMNE in the wake of significant technological disruption, implemented BMI to offer increased access and reach, reduced transaction and customer search costs, and where possible, offer deep levels of customization to clients through its cultural and relational capabilities. Employing an in-depth qualitative case study,

we explore how this digital media EMMNE leveraged these capabilities to implement successful BMI. Our in-depth analysis reveals how it transformed its existing *low-value* and *supply-driven high volume transaction* business model to a new focusing on a *multi-pronged, multichannel, relational demand-led* and *solutions-focused business model*.

The rest of the paper is organized as follows. We begin by offering a brief review of the literature of the guiding theoretical lenses employed in the study. This is followed by a detailed discussion of the research context of our chosen EMMNE from India's digital media industry and the research methodology to analyze our exemplar and unusually representative case study organization. Next, using an abductive approach, we offer a thematic analysis of how this digital media EMMNE transitioned from its existing business model to a new business model by making sustained investments in specific dynamic capabilities and values. Finally, we also discuss our findings and their implications for theory and practice.

2. Literature review and theoretical background

Relationship quality in B2B markets is a function of the level of *trust*, *commitment* and *satisfaction* between relationship partners (Athanasopoulou, 2009). The presence of these constructs is critical for relational success (Kingshott & Pecotich, 2007). Further, as B2B relationships are often deeply based on social exchanges (Dwyer et al., 1987; Morgan & Hunt, 1994), it is not surprising that such relationships that span cross-borders and cultural boundaries and encounters require investments in cultural and relational capabilities (e.g. Nasution & Movando, 2008) through investment s organizational learning processes (Lambert et al., 2004) as well as specifc organisational values and HRM practices that enable effective learning and sharing of internal and external information and builds the ability, motivation and provides opportunity to employees to apply their knowledge and skills to changed product offerings and capture the new value thus created (Malik et al., 2018).

2.1. Resource-based view, dynamic capabilities and values-based social context

The firm's resource-based view (RBV) (Barney, 2001) posits an inside-out view of strategy wherein a firm's targeted investment in a range of technical, human and managerial resources represents a critical step in creating a source of sustained advantage. The long-held view that firms must develop resources, capabilities and organizational routines that are hard to replicate by competing firms (Amit & Schoemaker, 1993; Lu et al., 2010; Makadok, 2001) holds true in stable contexts. It is for these reasons that the RBV has been criticized as it offers a static perspective of resources and capabilities, which must change in times of significant technological and environmental turbulence and disruption. Such changes require renewal, reconfiguration and recombination of resources and capabilities, or what is referred to as dynamic capabilities (Teece et al., 1997), a view that offers insights and guidance into how firms develops an underlying ability to renew its current resource and capabilities base (Danneels, 2010; Wójcik, 2015). Therefore, we aim to understand the critical organizational capabilities that EMMNE must invest in to integrate, adapt, renew and build competencies to respond to a firm's changing internal and external environments (Danneels, 2010).

We argue herein that in addition to the technological capabilities that most product-focused information and communication technology firms have, they must concomitantly invest in softer and intangible resources and capabilities that are hard to replicate, as this can be a source of both competitive advantage and high performance (Barney & Hesterley, 2011). We put forth a case for investing in a combination of internal and externally focused dynamic capabilities, or what we classify as cultural and relational capabilities for implementing business model innovation at this EMMNE (Malik et al., 2012, 2020; Nyamrunda & Freeman, 2021; Randhawa et al., 2020; Teece et al., 1997). By creating a values-based context, which promotes values of *open-mindedness*, *freedom*, *risk-taking, knowledge sharing, experimentation* and *trust*, the existing norms and current knowledge bases can be

openly questioned and challenged, thus, leading to new knowledge creation and extensive information sharing, especially in B2B service contexts (Malik et al., 2012; 2018).

Boxall and Purcell (2016) also concur that investing in human resources (HR), organizational process and social capital can create an HR advantage and a social context where employees can innovate. This research proposes that investment in relational capabilities, such as specific HRM practices can help EMMNEs increase the ability, motivation and opportunity of employees can create a social and human capital context (Malik et al., 2020), which coupled with specific cultural capabilities of investing in internal and market-based organsiational learning will allow firms frame appropriate market and business responses and firms can engage in new learning and BMI (Malik et al., 2012; 2018).

2.2. Human resource management practices and relational capabilities

Recent studies from transitional economies have identified the presence of a strong social context, wherein cognitive and affective trust, communication, social bonds, meta-capability paths of strategic agility and knowledge sharing are vital aspects in developing strategic agility of SMEs (Nyamrunda & Freeman, 2021). Still others have highlighted the importance of relational capabilities (capabilities that help manage internal and external relationships and include human relational and managerial systems) relevant in supporting value co-creation and innovation in SMEs (Ngugi, Johnsen & Erdelyi, 2010).

There are several conceptualizations in the B2B literature on relational capabilities (e.g., Dyer & Singh, 1998; Jarratt, 2004; Möller & Törrönen, 2003; Ritter & Gemünden, 2003; Ritter, Wilkinson & Johnston, 2004). For example, Day (1994, p. 38) defined capabilities as 'complex bundles of skills and collective learning, exercised through organizational processes that ensure superior coordination of functional activities.' Although Day (1994) noted the importance of capabilities from an operational perspective, he also suggested the

need for integrating capabilities from a functional perspective. Jarratt (2004) also reinforced the importance of a functional perspective in complex B2B settings. Such an approach is critical for B2B firms because they have to work collaboratively with other firms and seek cooperation and coordination from various businesses' functional areas to develop healthy relationships within and across their clients' networks. In sum, resources and capabilities are built collectively through internal and external sources and a firm's ability to integrate knowledge from within and across its network is regarded as its dynamic capability (Malik et al., 2020a). While extensive research examines relational capability through the theoretical lens of marketing and strategy, few examine this from the HRM perspective.

Different functional perspectives and their integration are critical, as Day (1994) and Jarratt (2004) have highlighted the need to integrate knowledge and skills that reside in different functional and external client domains, as does the knowledge of crucial mechanisms for extracting such knowledge from different functional areas. Bringing and applying such knowledge to an organization's productive function is well within the realm of HRM and knowledge management works of literature (e.g., Grant 1996; Malik & Nilakant, 2016). It is not surprising then to see interest by HRM scholars to link the impact of HRM practices to relationship quality (Malik et al., 2018), knowledge sharing and integration (Gast et al., 2019; Malik et al., 2020a), promoting entrepreneurial orientation for building innovation capabilities (Chang, Wang, & Cui, 2019), servitization strategy and transition (Fliess, & Lexutt, 2019) and using human capital practices market-based organizational learning capabilities (Malik et al., 2012). In essence, the concept of relational capability is viewed as a dynamic capability that postulates a firm's ability to leverage and integrate knowledge and information from both its internal and external stakeholders.

Investment in specific bundles of HRM practices that can help increase the ability, motivation and opportunity of employees' to apply their skills, and exercise their discretion to

a range of work tasks that can help increase individual and organizational performance (Boxall & Purcell, 2016, 2016; Wright & Kehoe, 2008). Despite numerous models of how bundles of HRM practices help explain performance, the ability (A), motivation (M) and opportunity (O) (AMO) framework is a widely framework for explaining individual and organizational performance (Appelbaum et al., 2000; Blumberg & Pringle, 1982; Vroom, 1964). According to the AMO framework, investing in HRM practices can increase employees ability-, motivation- and opportunity can realise employees' discretionary effort. While the research on ability and motivation enhancing HRM practices has been undertaken extensively, there is limited research on opportunity-enhancing practices such as those that are also related to employees social relations at work and include allowing employee involvement, participation and trusting them (Boxall et al., 2016). Research is sparse in the context of digital media, medium sized, family-owned EMMNEs that examines ability, motivation and opportunity enhancing HRM practices and its impact on BMI.

Ability-enhancing HRM practices. Based on extant theorisations, we posit, in a B2B context, ability-enhancing practices increase the client-facing employees' knowledge, skills and abilities (Appelbaum et al., 2000). Using selective recruitment and selection, training, and socialization practices firms can support their BMI (Malik et al. 2018).

Motivation-enhancing HRM practices. These practices enhance client-facing employees' task-related discretionary behaviors through HR practices of intrinsic rewards and recognition and market relative extrinsic compensation, norm-based performance management, promotion and career development and job security (Appelbaum et al., 2000), and help support value capture elements of a firm's business model (Malik et al., 2018).

Opportunity-enhancing HRM practices. Finally, we posit that these practices can help increase information sharing and build trust between relational partners through greater autonomy and freedom, suggestion systems, work teams, employee involvement and formal

grievance and escalation processes (Malik et al., 2020a).

Thus, AMO-enhancing practices (Appelbaum et al., 2000; Boxall & Purcell, 2016) sets the tone for employees to willingly share their knowledge and information collated from internal and external client sources for developing appropriate responses. These HRM practices and guiding set organisational values collectively create a social context, which encourages employees to undertake BMI in times of change. Overall, from an HRM perspective, we note these as relational capabilities that require actionable steps or specific behaviors of employees and how they interact with their external clients or partners. This social context allows employees to collectively or individually solve clients' problems, communicate effectively with them, and develop new products and services, or solutions to solve their expressed or latent needs (Sinkula et al., 1997; Jaworski & Kohli, 1993) and problems (Jacob, 2006; Kale & Singh, 2007). The implementation capabilities that can be developed through HRM practices (Nasution & Movando, 2008; Pagano, 2009).

2.3. Cultural capabilities

Using the resource-based and dynamic capabilities perspective, we posit that cultural capabilities relevant for EMMNEs to compete in a highly dynamic and competitive environment constitute a value and belief system that helps firms develop their ability to learn from their internal and external environments on an ongoing basis and integrate such new knowledge into the firm's productive routines (Malik & Nilakant, 2016; Malik et al., 2020).

Learning orientation. Such a view of organizational learning requires having a mindset of challenging existing knowledge to create and then implement new learning and change, and is well established in the seminal works of Argyris and Schön (1974, 1978). Further, as Nasution and Movando (2008) found, a cultural capability is a firm's ability to learn through its continuous commitment to learning or having a strong learning orientation (Baker &

Sinkula, 1999; Sinkula et al., 1997). Learning orientation of a firm is its ability to seek and share new knowledge and information, which gets challenged by critical thinking and open-mindedness, leading to new knowledge creation (Sinkula et al. 1997; Malik et al., 2012).

Market orientation. Sinkula et al. (1997) refer to this *knowledge-questioning value* as *open-mindedness*. This value facilitates the development of cultural capabilities of continuous learning. Additionally, by investing in such information collation and sharing processes from the external market and internal business contexts, firms can frame appropriate responses, or what has been described as developing a strong market orientation (Jaworski & Kohli, 1993). Sinkula et al. (1997) have further argued that a firm's market sensing, dissemination, and response capabilities can be significantly enhanced through a strong learning orientation. Disseminating new knowledge is also enabled by values of freedom and trust, requiring employees to exercise their discretion and choice. Thus, a strong cultural capability should encourage values of freedom and autonomy in routine and non-routine decision-making, as noted in a study of knowledge-intensive B2B firms from an EM context (Malik et al., 2012).

2.4. Business models and business model innovation

Johnson et al. (2008) conceptualize a business model as one that 'consists of four interlocking elements that, taken together, create and deliver value" (p52). These elements include a core value proposition, essential resources, processes and profit formula. Others argue that a firm's business model is its blueprint for making money and focuses on a firm's activities, structures, resources and processes through which it value creation and value capture (Basu *et al.*, 2021; Osterwalder, & Pigneur, 2005; Zott et al., 2011). Amit and Zott (2012) note that successful firms are challenged by changes in the dynamic business environment, which necessitates reinventing their value proposition and implementing business model innovation, as evidenced among digital media entrepreneurs (Ghezzi & Cavallo, 2020), particularly in EMs where vendors offer diverse configuration of BMI (Haaker et al., 2021).

There are many approaches regards how firms implement BMI, such as from trial-and-error learning (Sosna et al., 2010) to systematic investment in technical skills and HRM practices (Malik et al., 2018). Other notable shifts being experienced by digital media entrepreneurs in the form of shifts from data driven business models evident in the gig economy (Sorecu, 2017) to customer-experience (CX) driven BMI (Keiningham et al., 2020) using cognitive, behavioural, emotional, social and sensorial drivers of new CX. Others, have focused on contextual influences such as owenership status (family-ownership) and presence of dynamic capabilities (based on knowledge, risk-management and marketing) can support effective BMI (Soluk et al., 2021). While there are many variants in the literature focusing on BMI, in short, it must have a clear focus on '*new*' core value proposition for a firm's clients and identify *new activities* for *creating* and *capturing value*. Examples of BMI include, for example, IBM's transition from a strong product mindset and portfolio, selling established computer hardware products to selling a variety of software services.

New value creation. As noted above, as part of its business model innovation, many digital media and software service providers have moved from a technology solution or a product mindset to selling software as a service using online and digital platforms. The core value proposition is different in its value for customers as well as in the way it is delivered.

New value capture. Spieth et al. (2014), argued that an activity or a role-based approach to business models can explain how a business generates its profit. They argue the need to understand fundamental mechanisms, functional activities such as HRM, marketing, and operations to collectively contribute to sustaining and innovating the business model. Malik et al. (2018) note a practice-based approach to HRM for value creation and capture aspects of a firm's business model innovation in India's information technology and services industry. Similarly, Wright and McMahan (1992) have argued that skills play in creating a motivational environment and enabling value creation. Similarly, Boxall (1998) argued that

firms can create value through investments in human capital and HR processes to gain human process advantage. AMO can influence value creation and capture (Malik et al., 2018).

HRM practices create the motivational environment critical in achieving high levels of relationship quality outcomes and in supporting the core processes of value creation and capture for sustaining or indeed innovating a firm's existing business or new business model (Malik et al., 2018). HRM practices can also create a favourable social context using value-based investments and a climate of managerial and coworker support for employees to willingly apply additional discretionary efforts, such as by engaging, involving, collaborating and communicating with clients and coworkers for complex problem-solving and proposing new solutions in disruptive environments (Appelbaum et al., 2000; Boxall & Purcell, 2016). Following the principle of equifinality, and given the equivocal approaches noted above, we focus our attention to the collective influences of cultrual and relational capabilities on BMI.

3. Methodology

3.1. Research design

We adopt the well-established single-case research design (e.g. Dawson, 2019; Dyer & Wilkins, 1991; Siggelkow, 2007; Yin, 2003) due to the revelatory and unique nature of the organization under investigation. Our choice of a single case study design (Ozcan, Han & Graebner, 2017) is based on the premise that such designs are most suited to investigating phenomena undergoing major changes (Langley et al., 2013). Single case study designs offer rich explanations where the focus is on uncovering a complex and a rare phenomenon, or where access to such details is not usualy possible through other approaches and such research supports development of new conceptual and theoretical frameworks (Ozcan, Han & Graebner, 2017), a view also shared by Yin (2003) who suggested such cases as unusually revelatory and extreme. A case for generalizability using single case studies is further articulated by Zittoun

(2017) who argues for using abudctive logic for explaining new and rival findings through a creative synthesis using a combination of existing theoretical explanations and new patterns or configurations from a data, which seemingly looks like a constellation of experiences of people temporally and spatially bound in an given institutional environment. The ability of researchers to see such new configurations and relate it to existing theoretical explanations is a key mechanism for generalization through single case study designs. Yin (2013) further argues that instead of a positivist sample-to-population logic, single case study designs employ analytic generalization for generalizing the findings to other concerte situations and exant theorisations.

Thus, in line with Yin (2003) and Eisenhardt (1989), this research undertakes in-depth within-case analysis by incorporating multiple data sources: organizational records, manuals, client testimonials, semi-structured interviews and non-participant observations, which allows us to offer novel and rich theoretical insights. The use of these multiple data sources was necessary as they helped increase our findings' validity (Tellis, 1997; Yin, 2003) and provided us with further confidence in our findings. For our analysis, our choice of a family-owned, first generation digital media EMMNE, referred to as DIGISERV is timely. Ethics compliance requires we ensure the firm and interviewees' anonymity and confidentiality. DIGISERV can be regarded as revelatory and unique for the following reasons. First, it is unique as there is limited understanding of how an EMMNE within India's digital media industry could successfully overcome institutional voids and regulatory pressures. Second, DIGISERV is a revelatory case, as this EMMNE was able to significantly innovate its business model despite a strong *technology* and *product firm* mindset – which is often viewed as a barrier for change in most high-technology product firms (Malik & Rowley, 2015). Further, securing access to a vast range of data and interviewing senior leaders who have stayed with the organization for a long time and have been part of the journey that maps the BMI helps explain the innovation allows rich and rival explanations, using abductive logic.

Further, single case designs with rich access helps in theory-building in areas where there is limited research on the phenomenon (Gioia, Corley & Hamilton 2013; Eisendhart, 1989; Eisenhardt & Graebner, 2007; Thomas, Cuervo-Cazurra & Brannen, 2011; Whetten, 1989). Our access to multiple levels and types of data allowed exploring how HRM practices and organizational capabilities enabled BMI at DIGISERV. The study also examined how these practices support BMI transition and governance regimes between EMMNEs and its clients.

3.2. Data collection and analysis

Our primary data comprised of eleven interviews with key informants, such as Head of Human Reosurces, HR Manager, Head of Digital Product (Line 1), Head of Digital Product (Line 2), Business Development Head – Digital Media Solutions, Apps Developers (two), Senior Leader and employees. In addition to the interviews, an array of organizational documents, such as HR policies, values statements, client testimonials, and other information accessible through its public website helped form the basis of the case analysis. The interviewees (managers) were selected based on their experience (on average, 10+ years) in overseeing DIGISERV's operations and managing BMI. Interviews explored details of HRM practices adopted at various product divisions with each of the interviewees. Senior leaders who had extensive experience were selected as they were best suited to comment on the details of the changes implemented to DIGISERV's business model. Interviews were conducted at the Head Office in India's National Capital Region (NCR), New Delhi. Additional interviews were conducted at DIGISERV's the product development centre, at another location in the NCR. Interviews lasted between 30-90 minutes, yielding more than 41,100 words of interview transcripts. We employed a case study protocol focusing on the nature and extent of innovations undertaken in the last 2-3 years for exploring the changes to its business model and why these were triggered. In doing so, we examined the role of HRM practices and other managerial processes in managing this transition.

The analytical approach involved a two-staged process. First, an unstructured and automated analysis of the interview data using Leximancer 4.5.1, a specialist content analysis software. Leximancer software allows for an unhindered and automated extraction of main concepts using machine learning algorithms underpinned by rigorous and validated statistical processes (e.g., Grech et al., 2002; Metropolis et al., 1953; Smith & Humphreys, 2006). Leximancer software enables analysis of the text using (i) frequency counts and their co-occurrence in two-sentence blocks of text; this underpins the identification of concepts and themes that are related to each other; and (ii) output in the form of themes and concepts map showing relational co-occurrences between themes and concepts (Smith & Humphreys, 2006). The application's semantic and relational co-occurrence logic has been validated in its conceptual paper (Smith & Humphreys, 2006). A key advantage is that it reduces human bias and subjectivity associated with manual data coding (Smith & Humphreys, 2006) and its underlying statistical processes ensure face validity, stability and correlational validity.

< Insert Fgure 1 about here >

Following the processing of the above textual analysis, a concept and theme map was produced, identifies key concepts (points in the colored circles) and themes (the colored circles). The application allows relational networks to be populated to fully explore their relationships with other concepts and themes (See Figure 1 for details). Themes presented in red or brown circles are deemed the most critical, whereas those in lighter shades such as blue or green are less critical than those on the map's periphery. The size and closeness of themes show how related they are to each other. As shown in Figure 1, the following core themes are closely related and have numerous relational co-occurrences between concepts both within a theme and across other themes, such as business, people, SMS, different, team, trying, and *trying* and *work*. Some of the other less related themes and concepts in blue and green can be seen on the map's periphery. The map was set for 39% theme level outputs

settings, and to allow for a fuller exploration of concepts, the setting for concepts was kept at 94%, and rotation was set at 58 degrees. Interestingly, this output map highlights the concepts of HR in the *Team* theme as related extensively to *people, different* and *business* themes. This indicates the strategic business partner role HRM practices in this case, organization and the management structure. HR also supports the core values critical for people and business and HR practices create a critical social context for developing different products and solutions.

Second, the automated exploration of each theme and concept was followed by a targeted and manual theoretical coding using an abductive logic, wherein the codes are iteratively linked back and forth to theoretical concepts found in the literature to allow for analytical generalizations to a body of literature (Van Maanen, Sørensen & Mitchell, 2007; Gioia, Corley & Hamilton, 2013). This approach builds on raw data and categories it as first-order concepts. Next, following abductive logic (Ozcan, Han & Graebner, 2017; Zittoun, 2017), we theoretically coded these iteratively by going back and forth between the data and the concepts of interest for this research. This involves a manual and theoretical coding of second-order concepts and aggregate dimensions and creates the study's data structure (See Figure 2, for example). Next, based on the second-order concepts and aggregate dimensions in the data structure, we develop our conceptual framework to explain how DIGISERV undertook business model innovation through the presence of a values-based social context, HRM practices and cultural and relational capabilities (see Figure 3, for example).

< Insert Figures 2 and 3 about here >

4. Results and discussion

4.1. DIGISERV- Transitioning its dominant business model

4.1.1. Mass-service supply-driven technology model.

DIGISERV was set up in the early 2000s to offer digital media solutions and exploit India's

mobile telephony boom. Delivering SMS (short message service) through mobiles was gaining prominence. Only a few players had proprietary tools for deploying efficient B2B SMS media services in India. As most technology providers, DIGISERV commenced its operations using a robust technology, product development technical capabilities and software development skills for delivering telecom and digital media services. Leveraging technical capabilities, its proprietary products and platforms, and registered millions of users for offering reach and access to a highly segments demographic user bases to its clients.

  DIGISERV had a clear value proposition to offer fast, cheaper and high-volume service (Johnson et al., 2008) using its proprietary products to send SMS traffic to a large number of clients. A surge in demand for such services required DIGISERV to upgrade its capacity and bandwidth and invest in acquiring large blocks of bandwidth for servicing its inventory-based, supply-led business model, which enabled it to create and capture value through this approach in a fraction of time and cost (Osterwalder, & Pigneur, 2005; Zott et al., 2011). This model became the norm and was replicated by players in the Indian digital media market.

> *So, we had capacities, and the idea was that we would use predominantly for serving enterprise customers, and the ideal capacity… But then last two years was very bad in terms of regulatory changes, which hit the enterprise business, but it also hit media business…there was no capacity buying anymore…our inventory model was converted to a one-stop solutions model where we are able to use [our technology], and then we applied a single [solutions] model to [it].* Product Line 1 Leader

At the time of the study DIGISERV employed 400 staff, but then encountered severe challenges of increased supply and declining revenues due to the government deregulating the number of players in the market. Increased supply and capacity added by telecom providers rendered its existing model untenable in the longer term. In addition, rents from its proprietary products alone were not enough. As a result, DIGISERV had to reinvent its

business model (Johnson et al., 2008; Spieth et al., 2014) from a supply-led inventory model.

4.1.2 Multichannel, demand-led and solutions-based model.

Subsequently, it undertook several changes to its business model by making investments in human, technical and managerial resources. These resources were developed through sharing knowledge and information employing a complex set of interactions and routines within its internal functional areas and its diverse client base. DIGISERV organized its HRM practices and learning and market sensing processes in such a way that it helped develop novel organizational routines for the development of its cultural (business values, learning orientation, information sharing, communication and responding to clients' expressed and latent needs) and relational capabilities (via its sustained changes to investments in recruitment and selection, training, compensation and rewards to facilitate motivation and empowerment of employees). Investment in relational capabilities also included fostered an environment of trust and commitment among its clients and employees (Malik et al., 2018; Olson et al., 2018; Pomirleanu, Mariadoss, & Chennamaneni, 2016). Its BMI required cross-selling and upselling digital media services and solutions using existing or new products for its clients through its platform thus offering each client a customized value proposition.

> *Basically, what we are trying to do is we're not going exactly where what is standard [practice] and what has been followed, ... we're going with new things, we are going with new understanding [of clients] a much more inclusive, much broader, much more cross-platform in that sense. So, what innovation would mean for the media side would be more towards creating a solution...So when we say solutions, ...understands what the brand wants to do ... build something which is absolutely customized... in that sense, tailor-made, or using model platforms or ability, or capabilities...So we now ...say that [we can] manage the entire ecosystem of the digital media work...* Product Line 2 Leader

4.1.3. New Value creation

The above changes meant that DIGISERV had to make concomitant changes to its HRM practices of hiring, training, rewards and performance management, particularly for the client-facing and cross-functional product development teams. It needed to move away from a standards-based HRM practice used in the supply-led business model to develop expert communication, negotiation and selling skills, invest in domain-specific knowledge, technical skills, and propose solutions for solving business and sales problems. Additionally, a new set of cultural capabilities that focused on business values of *open-mindedness, experimentation, trust, autonomy, cross-functional knowledge-sharing* and *risk-taking* and sensing and disseminating knowledge from internal and external sources allowed the core team the much needed freedom and autonomy, such as offering discounts and incentives to clients to secure new business accounts. This is an important finding because the Indian business and cultural context are susceptible to price and value.

As a first generation family-owned business, this ability to experiment and access autonomy was enabled by the founder of DIGISERV and was consistently confirmed by all senior leaders and employees about how the leader enabled and set the tone for exploration and seeking new learning and knowledge through the above opportunity-enhancing practices and values (Boxall et al., 2016). A slight change in the focus of HRM practices, work design and managerial processes to enable its transition from a technology and product superiority mindset to offer customized solutions was seen in the formal and informal training and skills development noted above and was supported by appropriate intrinsic and extrinsic rewards structures and performance management that inspired people to excel towards the new model.

4.1.4. New value capture

High levels of relational selling in the new business model resulted in changes to the hiring

mix, smaller and agile workforce, registering greater (half a billion) segmented and opt-in users, a client base of 2500+ and the capacity to deliver over 250 billion digital transactions per annum, across all services and solutions, such as enterprise communication (audio, text, SMS and video content); social and rich media solutions; new proprietary and customized applications development; and standalone or platform-based solutions. These new sales and technology-enabled resources were organized and embedded to allow easy collecting information from its existing clients through feedback mechanisms that led to the development of new proprietary and customized applications to enable value capture. Additionally, this renewed multi-channel, demand-led and solutions-focused business model required investment in higher-order skills of negotiation and influence as well as their accumalted leveraging domain-specific knowledge for extracting value from their clients.

4.2. Cultural capabilities

In the thematic map, the concepts of *values, saying, understand, doing* were explored as they were central to the idea of building a cultural value system where alignment with the business values, senior managers and clients' expectations was critical. It is essential to keep in mind that a broad section of the Indian cultural system imbues the customer's Gandhian values is like a God and helps pays bills and thus, must be respected at all times. It is not surprising to see in this medium-to-large EMMNE embrace the above ideology quite effectively, relative to some of the vast Indian Business Houses such as the Tata, Birlas, Ambanis and Mahindras, where upholding and disseminating these value systems can be challenging. So, in our view, firm size and organizational life cycle matters in implementing such an approach.

4.2.1. Building learning and market orientation

The business questioned existing norms to engage in higher-order learning from both within and external feedback and knowledge gained from its clients (Baker & Sinkula, 1999;

Sinkula et al., 1997). Extensive data and information sharing were evident within and between client-facing teams that enabled deeper learning (Jaworski & Kohli, 1993; Sinkula et al., 1997). Further, targeted training and working on established software development and workflow methodologies (Malik et al., 2012), DIGISERV successfully embedded new learning through a culture of market-based organizational learning (Sinkula et al., 1997). Changes in learning from the client perspective required restructuring its learning processes:

> *...on the media side, the entire organization now had to structure [the] information in that way. Basically, capture that information and then ...you know how important the customer is. ...that has to be mapped and need to be delivered .... If it's something which is not specified and the customer didn't want it, then we work on that. We also look into how to make it as generous as possible. The customer doesn't spend anything. You want the information you want, you can respond to him back with whatever he needs. So, I've started to think like the customer. I'm more going and offering a solution on how the business should be communicating technically, through platforms to the customer, but I'm going and telling him that your customer wants this or that. So going and understanding what he wants.* Product Line 2 Leader

The above changes were gradually percolating down to employees as client-facing teams delivered solutions to clients' specifications:

> *Exactly. They'll feel more committed, more secure, and once they are secure, they'll definitely pass on the same information and the culture down the line. Okay, see I am secure, then see once you are secure enough, then only you'll, your voice will carry that message down the line. ...So when that thing is there down the line, then definitely person will feel okay...*Business Development Manager

This enabled greater sharing of knowledge and information between cross-functional teams.

4.2.2. New values for a new business model

Employees aligned with the organization's new focus and the sub-division and its business leaders' vision and value alignment expectations to deliver on its new business model. The infusion of a new value system that supported learning (Nasution & Mavondo, 2008) and clarified expectations emerged. Recognizing employee effort and contributions created an inclusive work culture where employees felt cared for, trusted and had freedom and autonomy to support their actions. In recent research, interpersonal trust has been identified in medium to large firms from emerging markets as a critical enabler of knowledge sharing and individual and unit-level performance (Lee et al., 2020). DIGISERV developed an environment of trust in its values-based approach, focusing on *love, truthfulness*, and *effort*.

> *…we are a company who really, really, really recognize the effort that you put in. We do not actually consider what the output is. We would never say that a person is not performing if he is putting [in] the effort. We recognize, and we realize that he is putting [in] the effort. If he is not putting [in] the effort, it's a different case altogether. …There has to be love. There has to be the truthfulness where we actually will not … what we say, don't appreciate anyone if we see that person is really not true to himself or to others or if he is not, say, behaving nicely to others. We really care a lot about this. So these are our basic values - love, truthfulness and effort.* HR Manager

The above values and supporting HR training systems (Wright & Kehoe, 2008) were geared to embedding the new values at DIGISERV. In addition, investments in its developing a motivational culture focused on high involvement that enabled new knowledge creation.

> *Because they have this basic understanding [of] what need to be done, how need to be done, and what is the right way, right, what will work and what will not work. So I always put my personal effort into trainees so that they are trained in the way of DIGISERV,*

which brings value to the system. Like Jack Welch would say…, that the fundamental thing for, you know, people need to align to the values of the company. Culture and value alignment is very important [for DIGISERV also]. HR Leader

4.2.3. Cultural transformation for building trust, flexibility and agility

Changes to DIGISERV's commitment to learning, sensing, and disseminating critical information within the teams and embedding new values to guide employee behaviours to apply new ways of doing things led to developing a trusting work environment.

If he's a rock star and if he's not aligned with the values of the culture, then that's a problem. …And which makes a lot of sense because, you know, unless people are aligned to that they will make mistakes. You cannot trust, trust is something …when you trust but only when the other person will be able to reciprocate …that trust ….only then he is aligned to your way of thinking. So, only hire people who are aligned to your way of thinking and promote those people. HR Manager

The new cultural environment was seeping through and was open and less formal. It allowed flexibility and responsiveness to change.

…So it has to come from the people, you know? We should not be just forcing. We should first know that's how our culture is. Everything that we do, all the new processes and policies that we are trying to introduce, you are trying to draft all the processes and policies. … but we really do not have that structured kind of …Very informal, yeah. There are always exceptions. Okay, you get approval from him and then it's done. Then we want that we are very strict also, but we still want … there are some rules. There are some protocols that have to be followed. HR Leader

4.3. Relational capabilities

As mentioned earlier, the changes to an organization's culture and HRM infrastructure

ensured that client-facing teams could communicate and share information much more freely and effectively through targeted training programs and proposed new and integrated digital media solutions. This required the HR infrastructure to make changes to its hiring and training practices (ability-enhancing practices) as well as motivation and opportunity-enhancing practices (Appelbaum et al., 2000; Blumberg & Pringle, 1982; Wright & Kehoe, 2008) to smoothen the transition of DIGISERV to its new business model.

4.3.1. Ability-enhancing HRM practices

Employees were aligned to improve their communication quality through new trained and development programs (Wright & Kehoe, 2008), especially for client-facing resources:

Particularly, the [work] area realized that they [new hires] would not come from colleges where they could communicate really well. ... They need training in the education part... in writing skills .... So those are the areas where they need it. Even at the mid-manager level, they want it for them. ...so, what happens if you are a subject matter [expert] and then you are not a good communicator? This is what we find the gap here. And if you are a good communicator, then you do not know the subject [matter] well. ... [So,] Train the trainer program, yes [is needed]. HR Manager

The team engaging with external communication also needed new skills and a performance mandate for coordinating and communicating the information to product development teams.

... function is broken down as if you ... the coordination team will always be separate to sales and business, and the communication always happens close to functional. Everybody is in the loop, and we discuss it over meetings. We discuss it over reviews. We discuss it [with]... all of us. So we provide these advanced training to a batch or portion of employees and they accordingly further pass on that information to get other person trained at that level. So there's a lot of focus on communication because we communicate

a lot with the clients also. So meeting the function heads, understanding from them what is it that people need. They all said that maybe we need more than the technology part. We need that people are more into the communication, more into the educational part and more into the ...what do we say, the enthusiasm. It is there but still, you know, more enthusiasm, so we can have some programs. BD Manager

4.3.2. Motivation-enhancing HRM practices

Behavioral training and rewards were offered to employees to realize their discretionary effort and full motivated performance (Malik et al., 2018; Wright & Kehoe, 2008).

Since the last 6-7 months, we are working on the behavioral training, mainly with the motivational aspect...we have rewards and recognition [program]. We have quarterly recognition programs. We recognize the star of the quarter, and recognize [the] debutante, ...and then the collaborator who works outside the team and all that. Then we do team service awards, which is once a year. We recognize people who have completed 10 years, 5 years and 3 years. HR Manager

In addition to developing a supportive rewards program, DIGISERV's performance management system is aligned to its new business needs (Malik et al., 2018).

We are using two approaches in our performance management. ... an evaluation form. ...main responsibilities needs to be mentioned ...who knows what actually the person is doing.... then the individual who is going to be appraised will assess ...self-evaluation... Then, person, reporting manager needs to fill in what actually person has done, where are the gaps area, what are the new findings and how a person has done overall and what, ...the person would like to be in the coming year. HR Manager

4.3.3. Opportunity-enhancing HRM practices

Employees overall satisfaction, commitment and trust with the environment increases when

they have the autonomy to apply their knowledge and skills in a motivated and supporting manner (Applebaum et al., 2000; Wright & Kehoe, 2008). For example, the frequency and quality of communication between employees and clients helped build trust among them.

Yes. And communication creates that trust. I have clearly and always seen that when you communicate, and you communicate well, that creates trust. So, for example, I was a small brand, and we were all a very small brand. People didn't know about us, and it was almost impossible to work with people. ...So I set up a simple rule for them, I said, "Well, you are open to go. We are a small brand. Tomorrow if you get a better job, go. We don't' mind. But my expectation is very simple for you. When you go, you should go for a very good brand, where I will be very proud of you that you have gone. ..."...Yes, you have [the] support, and you have trust as well. You are trusted to do it, right? ... But I set up an environment where because it basically was a trusting environment, right, so there was trust on each of that..., we are going to do right things, right. And I demanded [the] right thing, right. And I expect them to do the best possible job. And that's it. So it becomes an environment for people, because they are given time to learn, and they were given time to innovate to find out the best possible solutions. Product Leader -Line 2

However, trust is a double-edged sword, and not all managers can manage without controls:

See basically trust without control doesn't work. Control has to be there, you know, even if you trust unconditionally. You know when you, see the good thing about trust is when you trust people, then you can let certain control go right. That is the fun of having trust, right. I trust you so then I don't have to look after you day-by-day. So it's like, you know, trusting is one thing, but then you will control. Fundamental and core control has to be there whatever you do, and it doesn't happen. Product Leader -Line 1

With trust comes the freedom to perform and application of key knowledge and skills:

So we give all kinds of liberty, all kinds of freedom. We would not come and impose anything on you. We would not be bothering you again and again, "What are you doing? What time are you coming? What time are you going for tea, food," Go, wherever you want, whatever. Business Development Manager

It is not surprising to see higher levels of relationship quality outcomes of satisfaction, trust and commitment at employee and client levels.

Everybody, and then that is what really work us on a faster rate because we are able to basically when we deliver the customer's requirement we may be a little late, right, but [the] customer was more than happy, okay, because he is getting more than what he wanted. And then we have something to give to other customers also. Because people were much more satisfied with their work and for a very small brand, in fact, a non-existent brand also, they are willing to work because they know there is a huge amount of learning which we can learn. Continuous improvement happened through customer feedback, inputs and others. So whatever it is we have a relatively small company, everybody talks about it, so we take the feedback. Product Leader -Line 2

5. Discussion

Finidngs from DIGISERV highlights the role cultural (Argyris & Schön, 1974, 1978; Sinkula et al. 1997; Malik et al., 2012) and relational capabilities (Appelbaum et al., 2000; Malik et al., 2020a) play in undertaking successful business model innovation (Malik et al., 2018), but they also helped achieve strong relationship quality outcomes of commitment, trust, and satisfaction through these capabilities' strength (Lee et al., 2020; Morgan & Hunt, 1994). The presence of employee trust, commitment and satisfaction are essential for successful B2B relationships, so the data also indicates that this holds within an Indian digital media EMMNE context (Kingshott & Pecotich, 2007; Malik et al., 2018). Both capabilities enabled

the successful delivery of its new core value proposition of a solutions-focused model. Our research confirms earlier work that focused on the role of HRM practices in increasing employees' knowledge sharing behaviours (Gast et al., 2019) and promoting entrepreneurial orientation for undertaking innovation through a high-commitment HRM approach (Chang, Wang, & Cui, 2019). In line with prior research that focused on ability- and motivation-enhancing strategies through investments in the selection, service training and rewards in achieving a successful servitization strategy and transition (Fliess & Lexutt, 2019), our study found the evidence of not just these two paths but also the third path, opportunity-enhancing practices as critical to develop both cultural and relational capabilities (Boxall et al., 2016).

A distinctive contribution to the literature on digital media, family-owned EMMNEs is the role played by organisational values and HRM practices and how collectively these support the development of cultural and relational capabilities. The configuration of these two capabilities in a family-owned, first-generation, digital media EMMNE is even more profound as first generation entreprenuers have limited access to financial resources and expertise, so DIGISERV's founder relied more on personal resources and individual agency to create a values-based social context through a combination of cultural and relational capabilities that enabled employees to engage in continuous learning from their internal and external environment and given the culture and values of *open-mindedness* (Malik et al., 2012; Sinkula et al., 1997)*, trust, knolewdge-sharing* and *risk-taking* (Lee et al., 2020; Malik et al., 2018) and development of ability, motivation and opportunity enhancing practices (Appelbaum et al., 2000; Malik et al., 2020a), DIGISERV was able to successfully engage in its BMI. These configurations of capabilities and their arrangement and execution in an EM family-owned EMMNE context, is the distinctive contribution our study offers.

6. Conclusion, implications and limitations

Overall, this paper develops a theoretical basis for understanding how EMMNEs undertake

BMI in emerging knowledge intensive industries such as digital media firms. Our theoretical framework contribuites to the literature on dynamic capabilities and business model innovation by incorporating the role of intangible resources (cultural and relational capabilities) employed by first-generation, family-owned EMMNEs who have relatively lesser access to other and more traditional financial resources and networks that MNEs have. We also found that the path to internationalization of these EMMNEs was not in developed markets, but it was in other EMs (Middle East and Indonesia). This could be indicative of limited social capital and some similarities in the institutional make-up in these countries.

Our research offers several managerial and theoretical implications. For example, by investing in all the three paths of AMO enabling practices, leaders and managers can create an HRM function that can provide a social and relational context for employees to deliver on change, new business model value propositions and deal effectively with the cultural and regulatory pressures typical in an emerging market (Boxall et al., 2016). Additionally, the business should invest in client-facing teams and develop a culture that supports freedom and autonomy for providing customized solutions (Malik et al., 2018). Moreover, investment in a strong cultural program that values truthfulness, love and recognizing effort over outcomes is critical for enabling change and overcoming context-specific challenges.

Further, leaders and managers must invest in and develop sensitivity to new values –a clear leader and client mindset to identify clients' pain points through a well-developed cultural and relational approach to yield better relationship quality outcomes. Theoretically, there is value to be realized from designing a differentiated set of HRM practices for different employee groups such as client-facing, leadership and operations. This study is not without limitations: it cannot be generalized to a broader population of EMMNEs worldwide. Instead, it aims for analytic generalization to the theories concerning the evidence found. Further study is needed to uncover additional factors in diverse industry and B2B contexts and

employ a combination of longitudinal case design and incorporate matched data on relationship quality from all contracting parties. The cross-sectional case design has its limitations and further research could consider longitudinal and ex-post facto designs to validate the findings our research. Other research EMMME settings should be explored to further confirma and extend the findings from this research. Qualitative comparative design can further strengthen the findings to accommodate for rival findings.

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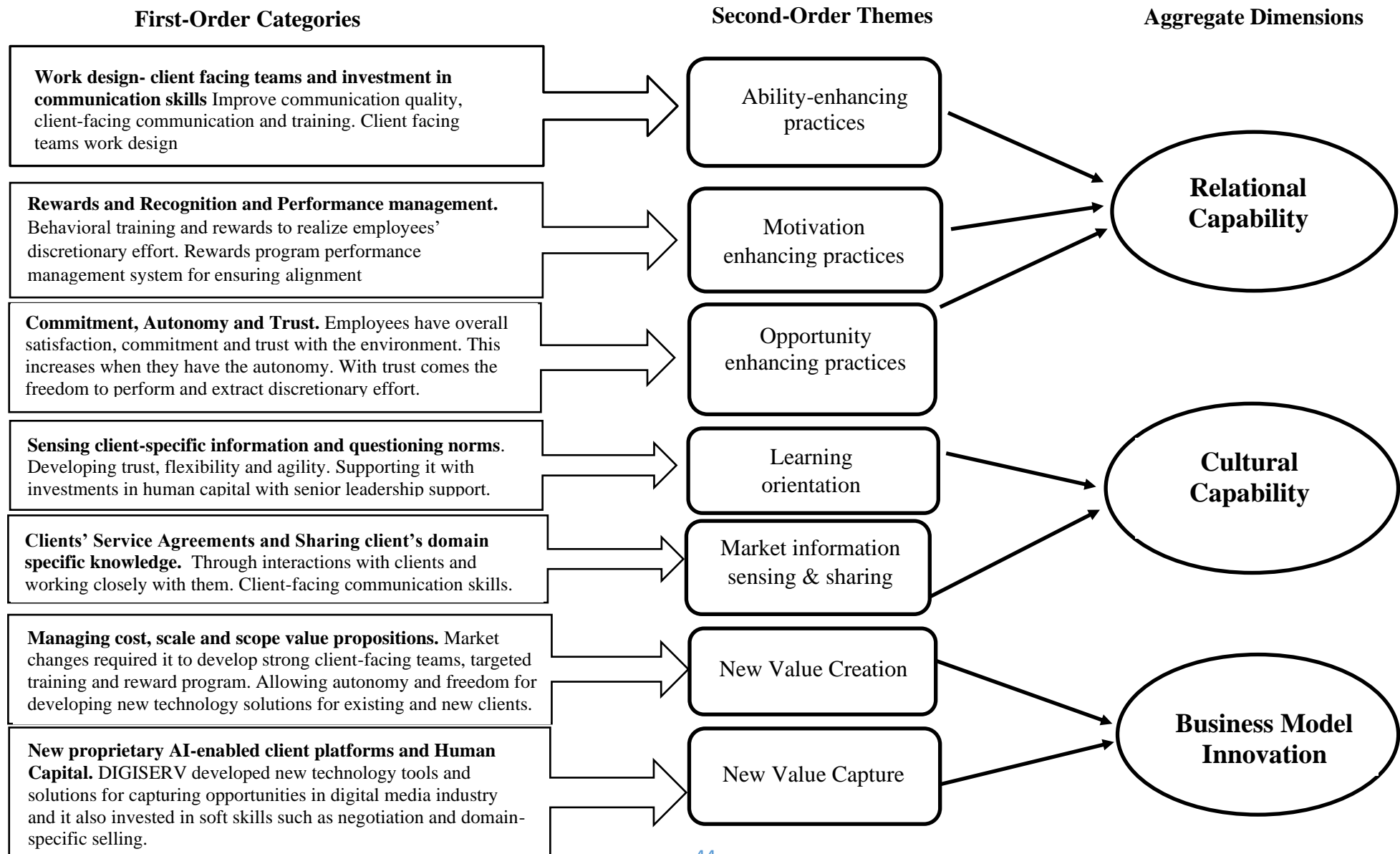Zittoun, T. (2017). Modalities of generalization through single case studies. *Integrative*

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Figure 1: Mapping the relationships between concepts within and across themes

Figure 2: Data structure

First-Order Categories	Second-Order Themes	Aggregate Dimensions

Work design- client facing teams and investment in communication skills Improve communication quality, client-facing communication and training. Client facing teams work design

→ Ability-enhancing practices

Rewards and Recognition and Performance management. Behavioral training and rewards to realize employees' discretionary effort. Rewards program performance management system for ensuring alignment

→ Motivation enhancing practices

Commitment, Autonomy and Trust. Employees have overall satisfaction, commitment and trust with the environment. This increases when they have the autonomy. With trust comes the freedom to perform and extract discretionary effort.

→ Opportunity enhancing practices

⟹ **Relational Capability**

Sensing client-specific information and questioning norms. Developing trust, flexibility and agility. Supporting it with investments in human capital with senior leadership support.

→ Learning orientation

Clients' Service Agreements and Sharing client's domain specific knowledge. Through interactions with clients and working closely with them. Client-facing communication skills.

→ Market information sensing & sharing

⟹ **Cultural Capability**

Managing cost, scale and scope value propositions. Market changes required it to develop strong client-facing teams, targeted training and reward program. Allowing autonomy and freedom for developing new technology solutions for existing and new clients.

→ New Value Creation

New proprietary AI-enabled client platforms and Human Capital. DIGISERV developed new technology tools and solutions for capturing opportunities in digital media industry and it also invested in soft skills such as negotiation and domain-specific selling.

→ New Value Capture

⟹ **Business Model Innovation**

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Figure 3. Conceptual Model – Business Model Innovation through HRM, Relational and Cultural Capabilities

HRM PRACTICES

Values-based social context
and
HRM practices shapes
Key capabilities

Cultural Capabilities

Learning Orientation,

Knowledge sharing &

Market and client

orientation

Relational Capabilities
Ability-enhancing

Motivation-enhancing

Opportunity-enhancing

Business Model Innovation

New Value Creation

New Value Capture