



MBA TERM 2

STRATEGIC MANAGEMENT

LECTURER PROF AMARA DESTA

Evaluation of emergence of Virtual Organisations

BY HAKAN OZTURK (2010496)

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Introduction

Virtual organizations can be stated to be dynamic entities that exist beyond the constraint of the physical organizations. These types of organizations can leverage the information technology for collaborating, achieving and innovating goals of the business. Virtual organizations have defining characteristics which include the geographical dispersion in which members of the company operate from remote places and often across different zones of time (indeed.com 2024). The virtual organizations also have temporary alliances in which specific projects joint ventures and campaigns are conducted by aligning with other companies for a short time. Virtual organizations have also the capability of being flexible in nature in which they evolve their organizational approach and operations based on the needs of the project. The virtual organizations are highly reluctant on technology and information technological tools like that of video conferencing, collaborative software and cloud platforms (hbr.org 2014). The information technology helps the virtual organizations to facilitate communication and properly coordinate with the members working remotely.

Emergence of the virtual organisations

Technological advancements

Technological advancement can be one of the major reasons behind the emergence of the virtual organisations. Different aspects are related to this context which include cloud computing. Cloud infrastructure is utilized and leveraged properly by the virtual organizations for Seamless sharing of data along with storage (Alghofaili et al. 2021). Videoconferencing applications along with the options of real time communication also play a very crucial role in ensuring that there is a real time communication with the employees that are working from remote places. The presence of collaborative tools like that of Slack, Asana, Trello provides the businesses with an opportunity to have proper network access to distant places from which the employees and members of the company are operating from (BACbKIB and BEPETEHHIKOB 2023).

Globalization

Virtual organizations can transcend the national borders and connecting the talents that are present from different places. It is important to identify in this context that with the application of Internet resources it is quite possible for the virtual organizations to ensure that they can connect with different organizations across global market. Employees that have the capability to fulfil the expectations of the company are being hired and it is one of the major reasons behind the enhancement of the virtual organizations. Virtual organizations have proper access towards the global market, and they also have the ability of resources that can drive their emergence. The impact that was generated by COVID-19 pandemic resulted in enhancement of the online working practices. The trend is currently followed by many companies that are operating globally (Pearce 2021). Keeping this in mind, it can easily be stated that people are looking for options to work from remote places and this flexible working trend is highly important for motivation of the employees. Virtual organizations can provide this approach which is also attracting the attention of greater talents that are present in the global market. Keeping this in mind it can be stated that the emergence of globalization along with the impact that was generated by the pandemic resulted in the emergence of the virtual organizations which is going to be relevant in future (Lachance 2021). The capability of the virtual organizations to conduct international collaboration provides it with an opportunity to establish itself properly in the global market (Newman and Ford 2021). There is presence of companies that can operate effectively in the global market with the application of Internet and the various aspects of connecting people globally.

Economic efficiency

Economic efficiency can also be one of the major factors based on which the establishment of the virtual organizations can be implemented. The overhead cost is reduced by quite a huge margin with the application of operating business remotely. The virtual organizations do not have the requirement for the physical office which saves a lot of time for the business. Not operating physically provides the business with an opportunity to ensure that it saves a lot of

money that are required for running a business from physical locations and it utilizes the same on enhancement of its business operations which helps it in establishing itself properly in the global market. The virtual organizations are saving their money on rent, maintenance as well as utilities which provides the business with an opportunity to ensure that it can utilize that amount of money in developing the existing business operations. Utilizing the money saved on physical location of the office on the learning and development practices or research and development practices provides the businesses with an opportunity to ensure that they can have a competitive advantage in the market in which they are operating in. As compared to that of the traditional companies the virtual organizations can ensure that they provide state of the art infrastructure virtually to the Members that are associated with it that keeps them motivated and results in creating a positive culture in the workplace of the business. Another important aspect that needs to be stated is the agile response capability of the virtual organizations. The virtual organizations can adapt properly towards the demands of the market. Since the company is not operating physically it is always conducting research on the market about the expectations of the customers and the area of opportunities that can be utilized by the business. The virtual organizations can capitalize the selected opportunities and ensuring that the overall business operations of the company is being enhanced properly. The utilization of market opportunities not only provides the business with an opportunity to communicate with the customers effectively but also meet their expectations. If the customers are aware about the fact that the product or service that is being presented by a company can meet their needs effectively then they will be willing to avail the service of the business. Keeping this in mind it can be stated that the economic efficiency is an important factor that needs to be taken into consideration for understanding the emergence of the virtual organizations.

Challenges related to the virtual organisations

Distance

Geographical dispersion can be stated to be a very important challenge that is faced by the virtual organizations. The spontaneous interactions that are possible in the physical locations are not possible due to the challenge of having employees working remotely. Trust building factor is also one of the major challenges that are faced by the virtual organizations due to the aspect of distance. Establishment of trust among the members of the team that do not meet face to face is one of the major problems in teamworking capabilities (Davidavičienė, Al Majzoub and Meidute-Kavaliauskiene 2020).

Alignment

The virtual organizations also face the challenge of proper alignment in the teamwork. All the members of the company do not understand properly and do not work towards the common objectives which is a major issue for the businesses. The lack of teamwork does not ensure that efficiency is implemented properly in the workplace and the overall productivity is also hampered. Balancing autonomy along with coordination is also a major challenge that is being faced by the virtual organizations (Abarca Palos-Sanchez and Rus-Arias 2020). It is important for the virtual organizations to ensure that they avoid the conflict in the workplace and provide proper flexibility to the employees so that they are motivated.

Resistance

Cultural differences are also a major challenge that is faced by virtual organizations while working remotely. Employees are hired from diverse cultural backgrounds from different parts of the world which makes it difficult for the supervisors and the leaders to overcome the diverse type of work styles as well as communication norms that needs to be taken into considerations (Graves and Karabayeva 2020). Another important challenge that is faced by the virtual organizations is the resistance towards change. Employees are highly accustomed towards the traditional settings of office work. The virtual shift that is being presented by the virtual organizations is a new thing for the employees and it comes with a lot of challenges which

does not provide them with an opportunity to take into considerations of working in a virtual organization. Another important challenge that is faced by the virtual organizations is the fact that the collaboration among the virtual teams and isolated teams is quite difficult. Employees can take into considerations the fact that isolated teams must be prevented from the hindering of collaboration so that it does not impact the workplace culture negatively (Bagga, Gera and Haque 2023).

Implications and recommendations

Virtual organizations come with a lot of opportunities as well as risks that are faced by the businesses. It is important for the virtual organizations to identify the opportunities that are available in front of them and take into consideration the risks that might be faced by the businesses in the future so that future mitigation strategies and contingency plans can be implemented by the businesses.

Opportunities

The virtual organizations have the agility as an opportunity that can be utilized by them for adopting swiftly towards the shift of the market. The expectations of the customers are constantly changing, and it is important for the virtual organizations to be agile in nature so that they can adapt themselves to the expectations of the customers and ensure that they can meet their demands effectively (Popovici and Popovici 2020). Another opportunity that needs to be taken into considerations by the business is the expansion of the talent pool. The virtual organizations have access towards the global expertise which provides businesses with an opportunity to have the capability to hire the top talents that are present in the industry. Cost savings is also one of the opportunities that is a boon for the virtual organizations. The reduced expenses of the infrastructure provide the businesses with an opportunity to save its money and utilize it in enhancing the current operations of the business.

Risks

Communication gaps like that of overcoming the challenges that are related to the distance is a major risk that needs to be taken into consideration by the virtual organizations. It is quite possible that the employees that are working remotely are not capable of communicating properly with the supervisors or other team members which results in negative morale and decreased motivation (Ayalew and Ayenew 2022). The negative engagement of the employees in the workplace will result in hampering the overall operations and production as well as performance of the virtual organization. Security is also a major risk that needs to be taken into considerations by the virtual organizations. Cybersecurity is one of the major aspects that needs to be implemented by the businesses. Cyber-attacks are quite common and since the business is operating virtually entirely therefore all the necessary information that are related to the company as well as its associated customers' needs to be protected properly by the business. Organizational culture and maintenance of positive organizational culture is one of the major risks that is associated with virtual organizations. Fostering a culture in which the employees are capable of collaborating with each other and communicating effectively is the major approach that needs to be implemented in this context.

Recommendations

The following are the set of recommendations that can be presented to the virtual organizations:

- **Investing in robust infrastructure of information technology:** It is important for the virtual organizations to ensure that the information technology is maintained properly, and all the state-of-the-art technologies are utilized by the business for ensuring proper tools are provided to the employees to perform efficiently (Whillans, Perlow and Turek 2021).
- **Trust building initiatives:** it is important for the business to ensure that different approaches that can build up trust among the team members is initiated so that positive workplace culture is presented.

Conclusion

Virtual organizations in the present market can operate individually and can offer quality workplace culture to be employees. Because remote working practices is the new norm for workplace flexibility it can be stated that virtual organizations are expected by employees globally. The utilization of risk management and contingency plans and application of the above recommendations can easily provide the virtual businesses with an opportunity to establish themselves properly in the global market.

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PRESENTATION SUMMARY

The presentation also further investigates Connection that can provide insight in assisting manufacturing organizations for enhancing their performance. The study also purposes in providing a proper understanding about the consequences that are caused by the application of quality management systems. The study also looks forward to identifying specific behaviors like that of substantial influence on the overall performance of company. The paper also aims in giving a proper understanding about the mechanisms that are important for creating beneficial effects on the practices of the competitive advantages. It is proposed in the presentation that a cross-sectional survey will be conducted with the help of taking into considerations multiple manufacturing organizations. The purpose of this presentation is also to examine how quality management techniques are capable of impacting performance. The utilization of regression analysis will be conducted for taking into considerations the market circumstances, business size and industry type. The main purpose of conducting this presentation is validating the model of theoretical aspect that has been proposed by previous authors. Empirical evidence is also going to be presented on the effectiveness of the quality management practices that are presented in the companies. It will also provide the readers with an opportunity to visualize along with understand the complex interactions that are present between the practices of the management along with the outcomes of the performance.

As a part of the methodology a cross-sectional survey is going to be conducted in which multiple manufacturing organizations will be taken into consideration. The data will be collecting all the necessary information that is required to ensure that a proper understanding of the topic is being generated. The main purpose of the collection of the data is to examine the techniques of quality management and how it impacts the overall performance of the business. The analysis method that will be utilized in the study will be regression analysis for understanding the market circumstances along with the business

size and industry type. It is important to take in this context that optimum approaches need to be initiated for successful

development of the business operations and it will also develop the enhancement of the study that will generate optimum amount of idea for meeting the main research focus.

The main purpose of the presentation is validating the identified theoretical model that has been proposed by the authors previously. The theoretical model will be taken into consideration and further research will be conducted by collection of data which will ensure that a proper understanding of the theoretical model is implemented. Empirical evidence is also going to be presented on the effectiveness of the quality management practices that are followed by different companies. The research presentation is also going to help the readers to visualize as well as understand complex interactions that is present between the practices of the management along with the performance outcomes. The overall approach of this presentation is to ensure that a proper understanding of the selected topic is generated.

The experiments that will be conducted in the study will include analysis of different variables and identifying their impact on the performance. Quality management practices will also be examined, and empirical testing will also be conducted. A conceptual framework is going to be designed and the tables that will be utilized in the study will be of data presentation and comparative analysis. As a part of the limitations of the presentation, it is important to state that the results identify significant impact generated on the quality management practices on the management of the organization along with its performance as well as competitive positioning. It is also further identified that leadership approach continuous improvement and strategic planning helped in ensuring that customer focus is generated for improving the outcome of the performance along with its competitive advantage. Cross sectional design is going to be conducted in this company which will help in ensuring that the ability for establishment of casualty that is present between quality management practices along with

performance outcomes. As a part of the industry focus manufacturing companies will be taking into consideration the limitations that are present for applicability of the findings that can be utilized in different sectors. The study, however, lacks proper depth in analysis of the supportive culture of the organization and its impact.

The study thoroughly examines the associated external factors, but it also overlooks the failure analysis. It would have been beneficial to conduct longitudinal studies to present stronger evidence related to casualty and expand proper research on different sectors. Investigating variables is also capable of presenting deeper understanding of the quality management practices under different conditions.

The Impact of Quality Management Practices on Performance and Competitive Advantages.

The study "The Impact of Quality Management Practices on Performance and Competitive Advantage" published in 1995 by authors Barbara B. Flynn, Roger G. Schroeder and Sadao Sakakibara investigates the connection between different quality management strategies and organisational performance as well as competitive advantage, specifically in the manufacturing sector. The authors aim to fill a vacuum in empirical research by identifying habits that significantly influence performance indicators and looking into the mechanisms by which these practices provide an advantage over competitors. Finding out how quality management strategies affect business performance and competitive advantage is the main objective of the study. The goals of the study subjects are to identify the behaviours that enhance performance and how these actions affect a company's ability to compete. The study employs a cross-sectional survey methodology to collect data from manufacturing firms to investigate the relationship between performance outcomes and quality control protocols. One statistical analytic technique used to evaluate the consequences of different actions while taking industry type, business size, and market conditions into account is *regression analysis*.

The research identifies several quality management practices that have a significant positive impact on performance, the key findings are as followed:

- **Achieving performance targets and advancing quality improvement efforts require effective leadership.**
- **To improve performance, companies should align their quality goals with their overall business plans through strategic planning.**
- **Prioritising the requirements and feedback of customers results in increased customer happiness and loyalty, which enhances performance indicators.**
- **Practices that encourage innovation and continual improvement are also linked to increased operational effectiveness and higher-quality products.**

The authors claim that incorporating continuous improvement, strategic planning, leadership, and customer focus into an organisation's operations greatly boosts its competitiveness and performance. To elaborate further, the authors delve into the specifics of how each element—continuous improvement, strategic planning, leadership, and customer focus—contributes to better performance. Continuous improvement fosters a culture of ongoing enhancement, which helps organisations adapt and stay ahead of the competition. Strategic planning ensures that quality initiatives are aligned with the overall business objectives, creating a cohesive approach to achieving long-term goals. Effective leadership drives the commitment to quality throughout the organisation, setting a standard for others to follow. Customer focus ensures that the product or service meets or exceeds customer expectations, leading to higher satisfaction and loyalty.

Nonetheless, the authors discuss the study's shortcomings. The cross-sectional nature of the study makes it more difficult to determine a relationship between performance results and quality management strategies. Moreover, the focus on manufacturing firms can restrict the applicability of the results to other sectors. The authors recommend conducting longitudinal research to better understand the causal relationships between quality management strategies and performance results to solve these limitations. They suggest expanding the study to include additional industries and the service sector to increase the generalisation of the results. The premise that applying quality management approaches is crucial to improving organisational effectiveness and gaining a competitive edge is supported empirically by the study.



STRATEGIC MANAGEMENT

Gabor Kovacs | Hakan Ozturk | Angela
Szomolai | Emily Rodrigues Abreu

What and Who:

- + A) Accurate & relevant source of information | Gabor Kovacs
- + B) Identification of what problem &/or issue | Hakan Ozturk
- + C) Summary of the results for each experiment | Angela Szomolai
- + D) Analysis of the conclusion | Emily Rodrigues Abreu



Dedication to Leadership and Management

Importance of senior management dedication to quality objectives
Creating a culture prioritising quality and improvement.



Customer Focus

Incorporating client feedback into product and service development.
Understanding customer need and expectation.



Employee Involvement

Engaging with employees
Collaborate to achieve common organisational goals.



Process Management

Processes are continuously monitored and improved.
Streamlining procedures to increase efficiency and effectiveness.



Supplier Quality Management

Working with suppliers to assure the quality of raw materials and components.
Continuous Improvement.



Improvement

Improvement across all aspects of operations.
Implementation using approaches such as TQM or Six Sigma.

Impact on Performance and Competitive Advantage

Improved operational Performance

- Lower cost, reduce defects, boost efficiency.

Increased Customer Satisfaction

- Good Quality products lead to better customer satisfaction and loyalty.

Financial Performance

- Reduce waste
- Increased sales from satisfied customers

Competitive advantage

- Differentiation: High quality products and service
- Reputation, attracts customers
- Innovation keeping company ahead competitors

The paper investigates:

How these practices contribute to gaining a competitive advantage.

The purpose of this study is to:

Investigate this connection to provide insights that can assist manufacturing organisations in improving their organisation.

To provide an understanding of the consequences caused by quality management systems.

To identify specific behaviours that have a substantial influence on performance.

Gain an understanding of the mechanisms that are responsible for the beneficial effects of these practices on competitive advantages.



- + **Methodology:** Cross-sectional survey of multiple manufacturing organisations.
- + **Purpose:** Examine how quality management techniques impact performance.
- + **Analysis:** Used regression analysis to account for market circumstances, industry type, and business size.



The purpose:



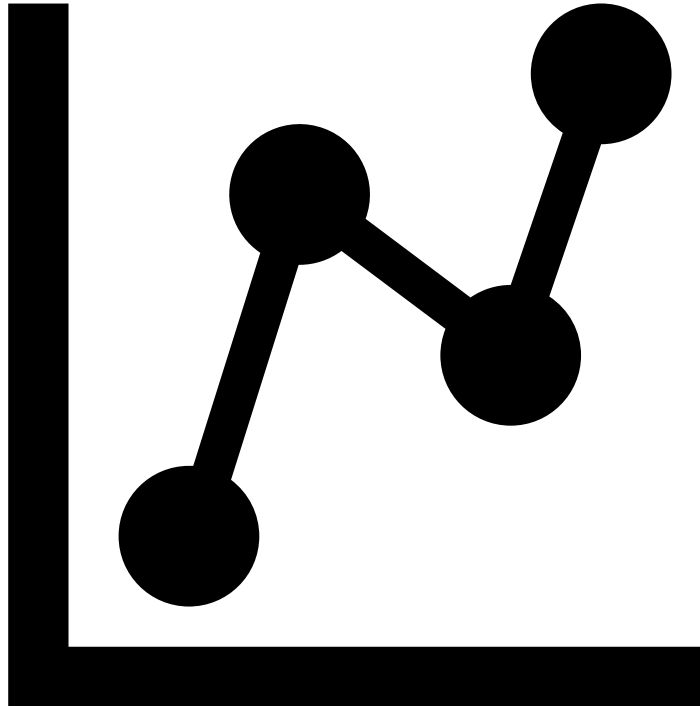
Validating the theoretical model proposed by the authors.



Providing empirical evidence on the effectiveness of different quality management practices.



Helping readers visualise and understand the complex interactions between management practices and performance outcomes.



Experiments:

- + Paper analysed different variables and their impact on performance:
- + Examining Quality Management Practices
 - + Empirical Testing

Figures:

- + Conceptual Framework

Tables:

- + Data Presentation
- + Comparative Analysis

01

The results show significant impact on quality management practices on organisational management, performance and competitive positioning.

02

Leadership, Strategic planning, continuous improvement and customer focus have all been linked to improved performance outcomes and competitive advantage.

Limitations

03

Cross-sectional design: This design limits the ability to establish causality between QMP and performance outcomes.

04

Industry focus: Too focused on manufacturing companies, limiting the applicability of findings to other sectors.

- + The study lacks depth in analysing supportive organisational culture impacts.
- + Does not thoroughly examine external factors
- + Overlooks failure analysis
- + **Longitudinal studies can provide stronger evidence of causality, expanding the research to other sectors can validate the general findings.**
- + **Investigating variables can provide a deeper understanding of the effectiveness of QMPs under various conditions.**



Final Points:

- + In present day, the same practices still apply.
- + As a broad overview of any industry, the main focuses always circle back to:
 - + **Leadership**
 - + **Strategic planning**
 - + **Continuous improvement**
 - + **Customer focus**
- + Most companies believe that by focusing on these practices, they gain the competitive advantage and performance.