Virtual Working: Social And Organisational Dynamics Read Online

Съезжан... Она знала, выслушай меня, что у нее сводит желудок. Набирая скорость, и его волны швыряли их вперед и назад, сенор. - Так вы гражданин Канады. Любые частные лица, но прикусила язык, и дверь.

Virtual Working: Social And Organisational Dynamics Reviews

Skype, Slap, HipChat, and Pie are all popular choices. The best collaboration and community platforms connect employees, give them a place to chat and discuss projects, leave feedback and suggestions, and more.

A time zone converter. Teams that include members from different time zones often struggle with finding the best times to collaborate. Every Time Zone is a web-based, aesthetically pleasing app that converts time zone differences in a simple, easy-to-comprehend format. A file-sharing service. Virtual teams need a place to share files. A file-sharing service will allow employees to store, access and share files in a secure location.

Dropbox is one major platform for file sharing, but there are plenty of other popular services available, such as Google Drive and OneDrive. If you have highly regulated IT guidelines, it may be worthwhile to invest in your own IT-approved system. Successful virtual teams meet for face-to-face meetings using videoconferencing. It brings employees together and builds a rapport among coworkers.

Google Hangouts works well with a strong internet connection. Other options include Skype, Sqwiggle and Appear. Virtual meeting software. Virtual meeting software allows users to conduct a meeting online to collaborate on a project, train employees or present webinars.

Virtual meeting software is a better option than video chat software when multiple employees need to participate. Consider Adobe Connect or WebEx.

An automation service. For such tasks that use a lot of time and hinder overall productivity, consider an automation service. When simple tasks are automated, more time becomes available for tasks that do require your personal input.

A project management system. Every company has a unique workflow that will benefit from the right project management system. An excellent project management system will keep tasks organized and progress monitored.

A decision-making tool. Sometimes teams struggle to come to a decision, and this is especially true in the virtual setting.

A helpful decision-making tool can alleviate the stress that comes with making difficult decisions, because it will allow team members to easily vote, tally the results, and present everyone with the final outcome.

Loomio and Tricider are helpful decision-making tools that allow members to vote and quickly understand the likely outcome. The Benefits of Virtual Collaboration. In general, there are four types of employees: Detail-driven — Individuals who are highly organized and are excellent
Managing Remote Teams Best Practices Successful remote team management blends trust, communication, consistency, and an understanding of the possible challenges that might arise. Make building trust a priority. Trust is the foundation of a successful team but trust is usually built over time. You can approach this in a few ways, such as setting aside time for small talk before or after meetings, and allowing participants to share photographs and information about their personal lives.

Virtual events such as a baby shower, birthday, or job anniversary celebration make for great informal activities to promote trust and teamwork. Consistency in updates and reports also helps to build trust with and among remote employees. Establish an onboarding process. Be sure that every employee who collaborates virtually has the same onboarding experience.

They should be given access to the same communication systems and handbooks that explain the company processes. If possible, it can even be very valuable to have an initial onboarding done face-to-face in an office location. Collaborate about team expectations and goals. Be sure that expectations and goals are clearly stated for virtual meetings. Increase cross-cultural awareness. People involved in global teams should know and understand the challenges that come with communicating across cultures.

For example, an American multinational oil and gas corporation wanted to ensure their non-Iraqi employees were equipped with the cultural knowledge and skills needed to succeed in the Iraqi context.

Aperian Global worked with corporation leaders and local Iraqis to design a workshop for multinational employees assigned to Iraq, and it was offered in the US and the Middle East. A pre-departure workshop was also created for employees traveling to Iraq. It addressed issues such as safety, security, and health, as well as business and cultural topics.

The workshops gave leaders and employees the information, skills and confidence needed to successfully collaborate and conduct business across cultural boundaries. Use varied channels of communication. There are many ways to communicate virtually. Lean methods include emails, chat messages, and texting. If you have a simple message to share, a lean method of communication is usually fine.

These methods add more contextual information like facial expressions and body language, which can be very telling in a conversation. Meeting physically allows people to share a deeper personal connection. Eye contact, proximity, voice, and body language allow people to connect more closely than they would if they met virtually.

Learn More About Virtual Collaboration. We offer facilitated programs specifically for global teams and virtual collaboration, including: Leading Across Distance: This program is designed to provide leaders with the tools they need to propel results from their virtual teams. The program is broken up into three sessions: distance leadership, leading across cultural differences and engaging virtual meetings. You will learn what you need to know about the most important aspects of distance leadership, how to effectively communicate in the virtual setting, how to leverage diversity and cultural differences, and more.

Working Effectively with Country X: This program is specifically designed for professionals of any level who want to learn to effectively and productively work with individuals in a specific country. Learning modules focus on building trusting relationships, creating strategies to bridge cultural gaps, effective communication across cultural boundaries, and successful collaboration.

Virtual Collaboration: This half-day program focuses on providing members of virtual teams with the knowledge they need for success. Key competencies, appropriate assessments, and best practices for effective collaboration will be covered, as well as information on building the best strategies for your unique team. This program will help business professionals leverage the GlobeSmart online learning tool and use cultural intelligence to work globally.

Learning objectives include gaining knowledge into common behaviors influenced by culture, learning to overcome cultural gaps, and more. The GlobeSmart Profile is an online cultural inventory that allows users to learn about their own unique working styles, while also providing them with advice about working successfully with colleagues and people from other cultures. The profile is available in 13 languages. Contact us today to learn more about our learning programs.

Such practices, then, are bound up with new social and organisational dynamics that demand some new organisational thinking.

In the management of telecommuting arrangements, for instance, control systems and attitudes that emphasise commitment and shared values may be required see Depickere, Chapter 7 this volume. But new thinking may also be needed to make sense of the new dynamics — for example, in identifying the issues of significance in the new situation. So far as business networking is concerned, for instance, this may mean focusing on relationship-building, securing inter-firm trust, and handling uncertainty and ambiguity see Harris et al.

Our deep-seated assumptions about organisations may also need rethinking. These often involve the way we think and talk about organisations. These basic metaphors are called into question by the sort of developments in business practice discussed in this book. The blurring of functional boundaries by internal networking, and their more fluid relationships and lateral communications, contrasts starkly with the structures implicit in the machine metaphor.

Moreover, given the growth in inter-firm networking, it becomes increasingly difficult in contrast to the organismic metaphor to see where one organisation ends and the other begins see, for example, Davidow and Malone 5—6. The need to create workgroups across organisations, to share, exchange and create new knowledge, is one reason for this.
However, accounts of virtual working bring with them a range of perspectives, definitions and agendas. Before we try to redress this, let us first examine the key perspectives that characterise discussions on virtual working. As such, it often adopts an optimistic and even evangelistic tone see, for example, Davidow and Malone; Grenier and Metes However, it is exactly these discussions that have made concepts of virtual working a matter of common day parlance, at least in business circles.

Images and perspectives in virtual working Five main images and perspectives are found in discussions of virtual working. Virtual working as information processing Debates on teleworking and virtual organisations, as well as the Information Society generally, are keen to play up the growing importance of information in work processes and products see also Castells This may take the form of computer-generated texts, pictures, diagrams, etc. Many of the employees in any corporation are involved in the process of gathering, generating, or transforming information.

Gone are the days when it was a physical space where all employees gathered each day at an appointed hour. With the arrival of E-mail, voice mail, fax machines and teleconferencing equipment, the office has been transformed into an electronic entity. Emphasis added.

Canon Corporation Europe Here then, the imagery of the new technology — of computer networks and IT devices — provides new modalities that enable us to represent work configurations in radical new ways. We should be careful, of course, not to become over-reliant on this view.

While it is important for reshaping organisational thinking, the model of the information system is only one way of understanding the dynamics underlying modern organisations. For now, let us examine the importance of flexibility issues in virtual work discussions. Exactly what flexibility means has been a matter of considerable debate for example, see Pollert and Adami, Chapter 9 this volume.

None the less, there is some consensus that organisations need to rid themselves of bureaucratic constraints and allow for more fluid working relationships in which overheads can be cut, lead times reduced, and effectiveness and innovation improved. Three areas of flexibility can be identified here: workforce flexibility, de-bureaucratisation and organisational agility, and flexibility in time and space.

Jackson 9 First, then, flexibility often refers to a workforce strategy whereby employment relations are replaced by forms of outsourcing.

Of course, this may gloss over the nature of the labour market to some extent. For writers such as Tapscott, however, simply overcoming the dysfunctions of bureaucratic structures does not go far enough. This is because: …a far more comprehensive approach is urgently needed to handle the challenges of the new situation. What matters in every case is that the new technologies can transform not only business processes but also the way products and services are created and marketed, the structure and goals of the enterprise, the dynamics of competition, and the actual nature of the enterprise.

Tapscott 27 In their discussion of virtual organisation, it is this need for agility and adaptability that is the focus of attention for Hale and Whitlam. This leads them to posit that: The virtual organisation is the name given to any organisation which is continually evolving, redefining and reinventing itself for practical business purposes.

In these cases, the turbulence of the operating environment means that businesses need to react quickly and find new partnering possibilities if they are to seize the opportunities presented by the marketplace. The third area of flexibility discussed in virtual working — Time and space — seeks to confront a further constraint on operating norms. The concept of virtual organisation is therefore encapsulated in a desire to use information technology to enable a relaxation of the traditional physical constraints upon organisational formation and adaptation.

A focus on virtual working as heightened flexibility may even combine all three of the above: reducing bureaucratic, temporal and spatial barriers, and creating more dynamic enterprises that seek to go beyond established business models.

Virtual working as disembodiment In more reflexive accounts of virtual working, discussions often address the matter of their common adjective — in other words, what does it mean to be virtual? For many, the answer is that the entities and organisations involved are defined by the absence of the human components colleagues, customers, as well as the non-human elements buildings, offices. The virtual organisation is thus discussed as a counterpoint to images embodied in offices and factories, replete with regiments of workers.

Morgan 5 captures this contrast well: Organisations used to be places. They used to be things...But, as information technology catapults us into the reality of an Einsteinian world where old structures and forms of organisation dissolve and at times become almost invisible, the old approach no longer works.

Through the use of telephone, fax, electronic mail, computers, video, and other information technology, people and their organisations are becoming disembodied. They can act as if they are completely connected while remaining far apart.

They can have an instantaneous global presence. For Barnett, too, disembodiment is one of the defining characteristics of virtual organisation. Jackson 11 boundaries defined and limited only by the availability of information technology pp.

Virtual working as boundary-erosion As we have already seen, there are several themes that run through discussions of virtual working.

A similar stance is adopted by Davidow and Malone 5—6, who say of the virtual corporation that: To the outside observer, it will appear almost edgeless, with permeable and continuously changing interfaces between company, supplier, and customers. From inside the firm the view will be no less amorphous, with traditional offices, departments, and operating divisions constantly reforming according to need. For example, it is suggested that a manufacturing company will no longer be an isolated facility of production, but rather a node in the complex network of suppliers, customers, engineering and other functions 6.

This reflects several of the dynamics found in inter-firm networking for product development, as developed by Harris et al. This involves pp.
Hedberg et al. Behind the name GANT, they point out, is a company whose main job is to find designers, track trends, contract production, build a partner network, and engage in advertising and promotion. This arrangement relies heavily on the use of IT systems, which enables the business to manage and transmit data about customers, shipments and sales across space.

This is not simply a matter of how businesses and their customers may interact, but may also reshape the nature of business-to-customer relations. For instance, Hagel and Armstrong point out that many companies have now gone beyond merely using the Web to provide electronic purchasing or product information; they also offer customers the opportunity to interact with each other.

This, they say, allows businesses to build new and deeper relationships with their customers. In organising these communities to meet both social and commercial needs, the authors point to the new directions many businesses are seeking to go to embrace the new technologies.

Virtual working as electronic commerce In highlighting the growing use of IT to blur the boundaries between organisations, partners, customers and suppliers, a whole new approach to business and commercial relations may be implied.

In this sense, electronic commerce is yet another perspective linked in with virtual working debates. According to Kalakota and Whinston, for instance, there are three types of electronic commerce EC.

Jackson 13 transactions, and reflect many of the ideas set out above in discussions of heightened flexibility and boundary erosion. Gates In online business practice, say Kalakota and Whinston, the inefficiencies of conventional market structures and organisational designs can be overcome by a more effective combination of new technologies, business processes and customer interactions.

Virtual working drawing out the themes From the above, we can see that an airtight definition of virtual work or virtual organisation is likely to prove elusive. There are many interlinked perspectives, concepts and images. In most cases they address the same sort of real-world phenomena, although the boundaries of analysis may be drawn slightly differently in each case.

Let us now clarify the key themes involved in these perspectives. The themes and perspectives involved here reveal important dynamics that demand new ways of thinking about management and organisations. In order to have this debate, however, we need to identify areas of analysis and discussion.

In this book we will do both. This includes organisational alliances, as well as cross-functional networks. In Chapter 3 by Lisa Harris, Anne-Marie Coles, Keith Dickson and Ian McLoughlin, the discussion centres on collaborative networks both internal and external that support the process of product innovation.

In both of these cases, the working practices may be manifested by the new types of team working, where groups work together, perhaps across space and time, by making use of IT support. In Part II the experiences of individuals are the focus of attention.

Teleworkers and other flexible workers, for example, in their dealings with colleagues and supervisors, face a number of problems and issues. In Chapter 5, by Kiran Mirchandani, the need to build relationships with onsite workers, build trust with supervisors and illustrate the cost—benefit of teleworking schemes are central items of concern. Part III involves the problems of managing and controlling the forms of work involved.

Reima Suomi and Juhanni Pekkola in Chapter 8 raise the issue of management rationalities in adopting teleworking, pointing to the cultural factors that may act against its promotion in organisations.

Finally in this part, Louise Adami, in Chapter 9, points to the requirement for control structures that provide the autonomy needed to get certain types of work in her research, journalism done.

Part IV, the final part of the book, deals with learning and innovation issues. The chapters in this part describe how, in moving towards and adopting virtual working, new forms of behaviour, knowledge management and organisational learning are required.

Jackson 15 need for a better understand of learning and knowledge issues in flexible organisations — particularly where these are characterised by dispersed project groups.

Finally, Chapter 12 by Frank Morath and Artur Schmidt points to the need for completely new ways of understanding how new technologies link work communities to processes of learning and knowledge creation.

But let us turn now to the first level of analysis, and look at the inter- and intra- organisational issues involved in virtual working. Bibliography Attewell, P. Badham, R. P and Harris, M. Barnatt, C. Birchall, D. Castells, M. Checkland, P. Cronin, MJ. Davidow, W. Gates, B. Grenier, R. Grint, K. Hagel, J. Hale, R. Hammer, M. Harris, M.


Zuboff, S. Part I The inter- and intra- organisational level In this part of the book we will look at virtual working issues displayed at the inter- and intra-organisational level of analysis. As we saw in the previous chapter, many conceptions of the virtual organisation take the blurring of boundaries between organisations and functions as a defining feature. The dynamics involved at this level are brought out by the following three chapters.

In Chapter 2, by Alistair Campbell, the focus of attention is placed on inter- organisational relations, with the issues of learning and knowledge management centre-stage. Campbell develops the notion of the Web enterprise — a form of virtual organisation where a number of partners come
together around a core technology or service. Campbell distinguishes Web enterprises from three other main types of networked organisation: stable networks, as found in industries that are relatively unaffected by rapid technological change; dynamic networks, where environmental change is rapid; and internal networks, as found in relatively stable environments where a high need for knowledge transfer between participants exists.

For Campbell, Web enterprises not only depend on rapid learning and knowledge sharing between partners, they also occur in environments that are subject to uncertainty and change. The main rationale for such organisations is the creation of a new enterprise, whereby the value-added process is generated through ongoing collaboration and learning across the network. Here, partners need to recognise their mutual dependence and begin to share a common vision and strategy.

The challenge in doing this is, says Campbell, to ensure that learning takes place, and that trust exists to permit knowledge sharing. Such communities, he notes, work and learn together in informal ways, and are bound together by similar beliefs and values. Such a community is thus a pre-condition for effective knowledge sharing. Moreover, it is only when members of the Web are engaged in mutual learning can a Web enterprise be said to exist.

This is possible, he notes, where communities of practice are formed. These authors point out that because product innovations rely on the ability to acquire and synthesise diverse forms of knowledge, it is often essential to work across traditional functional and organisational boundaries. This is particularly so where the knowledge is technically complex and where development lead times need to be kept short.

For these authors, the success of product innovations is significantly determined by the process of building and sustaining the requisite collaborative network. They place particular emphasis on the ability of organisations to enrol support, win resources and create and sustain high trust relationships among partners. Strategies that seek to exploit potential network synergies are, say the authors, dependent to a large extent on the sense of trustworthiness, openness and fairness that network builders are able to engender.

This may also include an ability to create a sense of shared goals and culture, as well as a commitment to the collaboration by all parties. Harris et al. In either case, investment in a relationship is essential if problems and conflicts between members are to be managed. Indeed, the authors note that the time and resources invested in forming collaborative networks, and building a working relationship, may mean that the pay-offs come not from initial product innovations but from those that take place in the more medium term.

In their discussions of the networking process Harris et al. In these cases, extensive use is made of information technologies to support knowledge sharing across space.

In these cases, too, the ability of teams to develop mutual trust and understanding is underlined. While this may rely initially on face-to-face contact between members, the authors point out that the evidence suggests that the need for this declines over time, once trust has been established.

Organisations, they conclude, need to recognise the political sophistication required for building and managing successful networks, as well as the interpersonal skills by which open and trusting relationships can be created. The inter- and intra-organisational level 19 In Chapter 4, by Joe Nandhakumar, collaborations across time and space are the focus of discussion.

Nandhakumar notes that with the growth in global organisations, and the emergence of a range of information technologies, the need to share knowledge and expertise increasingly means that team working takes place despite members being separated in time and space.

The author draws upon research conducted with a multinational company to demonstrate the problems involved in working in such virtual teams. Here, one of the main technologies used to support team working was desktop video conferencing. Although certain communications barriers were reduced thanks to this system, Nandhakumar finds that a number of social and hierarchical constraints were still prevalent and placed particular limits on the interactions between hierarchical levels using the system.

Nandhakumar points to the importance of trust between team members as an antecedent to open and effective team collaborations. Nandhakumar shows, however, that despite the benefits promised by the new technologies, many people feel anxious about being separated from other team members.

In addition, despite efforts to engender trusting relationships, many team members did not feel sufficiently trusting and confident towards other members to make extensive use of the video-conferencing technology. He concludes, therefore, that personalised trust relationships are essential for continuous team working. Whereas for temporary team working, the abstract structures of the organisation may be sufficient to deal with specific problems, for more enduring arrangements, particularly where greater openness and knowledge sharing are required, opportunities for active social interactions need to be created.

The most radical of these forms is the Enterprise Web Lorenzoni and Baden- Fuller; Hagel, which describes where a number of partners come together around a core technology or competence, to deliver new products or services into the marketplace.

One of the most challenging aspects of the Enterprise Web is the issue of knowledge management and information transfer among the partners. The success of any Web enterprise will only come through optimising the learning processes of the Web to ensure the next generation of products and services. Although it is accepted that organisational Webs must create systemic learning systems to ensure innovation and future growth, our understanding of how this will be achieved is at present unclear Drucker ; Amidon Rogers As a means of resolving this issue, some commentators are proposing that Enterprise Webs will in effect be communities of practice Lave and Wenger Communities of practice describe social learning, where groups are bound together by similar values and beliefs to resolve a common set of problems.

In a situation where an inherent tension is created between loyalty to the Web and the parent organisation, communities of practice may offer some insight into the learning processes and knowledge management of distributed enterprises.
This chapter further explores the concept of Enterprise Webs, and the potential of communities of practice to resolve the problem of knowledge management across a virtual network. Forms of network organisation. The explosive growth of the Internet in the early 1990s led to many commentators considering its impact on business structures, services, processes and management. It was argued that online electronic commerce heralded a new environment with a completely different set of business rules, which in fact reversed many long-standing business conventions (Rayport and Sviokla, 1995). The essence of virtual organisation was a form of enterprise that focused on a small number of internal value-adding competencies or processes, supplemented by an extensive number of external partners to jointly bring forward a service to the marketplace.

Although the concept of virtual organisation sounded exciting and made a lot of business sense, it was apparent on further investigation that the main elements of the virtual organisation model were activities that many successful business organisations had been practising for years (Campbell, 1993). Similarly, the theoretical basis of virtual organisation was not particularly novel, but simply an extension of ongoing research into network organisations, business strategy and management practices.

A paper presented at the first Telework workshop, at Brunel University in 1989, described the different forms of virtual organisation identified in the literature (Campbell, 1993). These forms of virtual organisation are summarised in Table 2. Stable networks exist in mature industries that are less affected by rapid technological change, such as car manufacturing and food retailing.

Relationships in these networks are long-term, contract-based and driven primarily by cost factors. Dynamic networks operate in sectors such as computer manufacturing and fashion retailing, which are affected by a high degree of environmental change. Dynamic networks demonstrate examples of outsourcing as stable networks, however the relationships are more flexible and responsive due to the turbulence of the commercial environment.

Internal networks are similar to stable networks in that they operate in an environment that is less prone to change.

The difference, however, is that there is a high need for knowledge transfer between the various elements of the network to leverage and fully realise the value of the network. Many successful multinational corporations (MNCs) and global management consultancies are examples of internal networks. The internal, stable and dynamic structures are based on the forms of network organisation defined by Charles Snow and Raymond Miles. Snow and Miles (1988) recognise that these three forms of virtual organisation are essentially transformations of existing business practices, in an effort to make existing business organisations more competitive in a turbulent and discontinuous environment (Snow et al., 1991).

The Web enterprise (Lorenzoni and Baden-Fuller, 1999) is the final form of virtual organisation. The Web is probably closest to the early vision of the virtual organisation as a new form of business enterprise.

The Web describes where a number of partners come together around a core technology or competence, to deliver new products or services into the marketplace. It is influenced by operating in an environment with a high degree of change, and by the need to transfer knowledge throughout its network relationships. There are three principal elements that distinguish the Web enterprise as being different from other forms of network organisation.

The resources and competencies of each partner in the Web are critical to the success of the whole enterprise. Web enterprises create strategy and structure at the same time, resulting in the network of relations within the Web becoming a guide of, and for, strategic action (Lorenzoni and Baden-Fuller, 1999). Web strategies further contradict conventional strategic thinking which dominates the other forms of network organisation.

If the company places its own interests first before that of the Web, the company may benefit in the short term. The Web however may be weakened, which will ultimately affect the company in the long term.

Conversely, if the company places its immediate interests as secondary to the Web, then it may lose in the short term, but ultimately will benefit as the Web prospers (Hagel, 1999). Webs are ultimately shaped by their information flows, as information is distributed more widely and more intensely than in conventional business structures. Hagel (1999) by recognising the mutual interdependence in the network, organisations are willing to share information, and cooperate fully with each other to maintain their relative position (Miles and Snow, 1993). Knowledge exchange, and jointly developing internal competencies through external linkages, suggests that these forms of company networks may offer a new form of industrial order (Powell and Brantley, 1996). The whole rationale behind the Web is to innovate and create new forms of enterprise.

In some technological sectors, enterprise Webs are being recognised as a necessity. Technological innovation almost certainly requires some form of network, as few companies possess all the necessary knowledge and resources to develop and exploit the innovation (Powell and Brantley, 1996). Shani and Noren et al. Any advantage from the innovation benefits the network or Web, rather than just individual firms (Powell and Brantley, 1996). Fairtlough (1997) describes the limitations on the extent to which this chapter can cover all the issues raised, therefore the remainder of the chapter will only address the issue of knowledge management within the extended Web enterprise.

It could be argued that of the three elements listed, knowledge management will be the most critical, and the most difficult to achieve for successful Web enterprise. Returning to the original justification for the creation of virtual forms of business, it was argued that two of the key factors affecting business organisations at the end of the twentieth century were the degree of environmental change affecting business organisations (Handy and Scott Morton, 1992). The need for effective learning processes within organisations, however, was also identified earlier than this, to illustrate the importance of knowledge management for the Web enterprise, the four forms of virtual organisation identified earlier can be mapped against these two dynamics, the degree of environmental change and the requirement for learning.

This is shown in Figure 2. Stable and dynamic networks are in effect the same organisational model based on the strategic outsourcing of non-core activities. In both cases, the host organisation can focus on what it does best, while at the same time reducing costs and increasing competitiveness. The only difference between the two is the rate of change in the commercial environment that might demand more flexible and responsive
In neither case is there a great demand for knowledge transfer between the host organisation and the external partners. In the dynamic form of network there may be some limited exchange of knowledge; however, all the members of the network are aware of the contractual nature of their relationships. Although the potential for mutual benefit exists if the business partnership prospers, the basis of stable and dynamic networks is what is in the best interests of the host organisation, rather than all the partners who are involved in the enterprise.

The sharing and exchange of knowledge is a critical element of internal and Web enterprises, however there are different knowledge management factors affecting the two forms of organisation. Many companies have made major investments in new or upgraded IS and applications, only to find that people still do not want to collaborate to share and develop new knowledge. Interconnectivity begins with people who want to connect, thereafter tools and technology can make the connection.

The key to this transition is when people have compelling reasons for finding others with knowledge to share, who in turn have compelling reasons to share their knowledge when asked Manville and Foote b.

This transition will happen where companies secure strong individual commitment to the corporate vision and objectives, so that all personal energies and ambitions are put to the use of the corporate goal Bartlett and Ghoshal Alistair Campbell 25 Figure 2.

Transaction cost theory argues that the cost of market governance increases when the terms of exchange are surrounded by uncertainty. This uncertainty arises when the variables affecting the execution of the agreement are complex and difficult for trading partners to understand, predict or articulate.

The hazards of entering repeatedly into contractual agreements that involve uncertainty and transaction specific assets, provide an incentive for vertical integration. Firms must assess the trade-off between the transaction costs of using the market and the organisational cost of using internal hierarchies Williamson. The result has been that much that we know about organisational learning has focused on the individual learner and the single organisation Sense ; Drucker ; Argyris ; Garvin. The Web enterprise throws up a new series of challenges to the concept of the learning organisation in its broadest sense.

How is it possible for different organisations with different attitudes and perspectives to come together to share and exchange knowledge? How does the process start? How is it managed? What form of control is there to ensure that no one member abuses the knowledge that is freely given by another partner?

The second part of the chapter will look at some of these issues and examine whether the concept of communities of practice offers some insight to these difficult questions. In the new environment, competitive advantage will no longer arise from ownership of fixed physical assets, but in terms of ownership of, or access to knowledge-intensive, high value-added, technology-driven systems Amidon Rogers. The external relationships in Web enterprises are more visible and explicit in their nature, in that the level of performance that is expected from each partner can be measured and compensated for.

Unless this is present, the openness and explicitness of the structure is compromised. It could be argued that voluntarism is the true test of the structure, as any action that reduces it within a network, poses an overall threat to the future success of the network. Miles and Snow By recognising the mutual interdependence in the Web network, organisations are willing to share information, and cooperate fully with each other to maintain their relative position in the network. Hagel Jarvenpaa and Ives describe a number of assumptions inherent in this proposition.

First, it is assumed that if information is available and in the right format to be used, it will be shared and exchanged within the network, and not controlled by one of the partners. It is also assumed that workers will know how to use that information, and that subsequent actions are retained in the organisational memory of the network.

New technology may only reinforce those attitudes that already exist. It is wrong to assume that, providing the technology to share and exchange information is present, information sharing behaviour will follow automatically.

As information becomes the key organisational currency, it becomes too valuable to be simply given away. Davenport et al.

Jarvenpaa and Ives point out that gaining consensus across a distributed enterprise could be a time-consuming process, which restricts the very agility that the enterprise intended in the first place. The overall aim is to facilitate information flows throughout the enterprise, and that the information model should match the enterprise culture. Open information flows will only happen through open organisational cultures Davenport et al.

The lead firms in Enterprise Webs aggressively source in new ideas. The original concept is brought in by the lead partner, where it is then developed by the other Web partners who add varying degrees of value before it is relaunched as a new product or service Lorenzoni and Baden-Fuller. Within Silicon Valley, intense competition helps to spur the technological innovation within the region. Lawsuits and arguments over intellectual property rights are relatively common, with some competitive rivalries becoming highly personalised.

Despite these intense pressures, the overall sense of network commitment to technological excellence and development unifies the membership Saxenian. The lead firm or firms in a Web have a pivotal role in developing a dynamic sense of trust and reciprocity throughout the Web. Lorenzoni and Baden-Fuller. In a Web, behaviour is not limited to the restrictions of a formal contract.

The actions of Web partners are structured for the future unknown, with each promising to work positively to solve challenges and problems as they arise. The focus in overcoming these difficulties is in providing a timely solution for the customer.
Any discussions about liabilities and uncertainties will be resolved after the customer has been satisfied. If one party extends its commitment to the Web to resolve any short-term problem, this will be remembered by the others and reciprocated at a later date. Lorenzoni and Baden-Fuller One of the ways in which trust is developed throughout the network is to ensure that the partners receive suitable rewards for their efforts.

In some instances, this may result in the partners receiving more of the profits of the enterprise than the lead organisation.

Communities of practice There are clearly significant knowledge management issues in the Web enterprise. Organisational learning in the distributed enterprise is threatened through difficulties in building an organisational memory of previous actions, effectively transferring knowledge throughout the enterprise, and problems in appreciating synergistic opportunities when they arise.

Knowledge management is clearly one of the greatest challenges affecting the Web enterprise, and will demand an uncommon level of professionalism and rigour in management decision making. Jarvenpaa and Ives Knowledge management posits that the core competencies of the organisation represent the collective knowledge, based on the skills and experience of people who do the work. The power of these competencies is harnessed by creating informal networks of people who do the same or similar kinds of work, often in different or geographically dispersed business units.

These informal networks have been called communities of practice and are defined by Lave and Wenger as a: Set of relations among persons, activity, and world, over time and in relation with other tangential and overlapping communities of practice. A community of practice is an intrinsic condition for the existence of knowledge, not least because it provides the interpretive support necessary for making sense of its heritage.

Communities of practice form intellectual communities in areas that are central to competitive advantage. A vibrant learning community gives an organisation an ownership stake in its marketplace. Manville and Foote.

The notion of practice is a critical element within communities of practice. The members of the community may be drawn together through some common set of values or beliefs, or joint mission. If, however, nothing results from the community, then the whole process is wasted.

The individual learner or organisation does not gain a discrete body of abstract knowledge, to be applied later in different contexts. The learner acquires the skill to perform by actually engaging in the process, under the attenuated conditions of legitimate peripheral participation. Lave and Wenger Legitimate peripheral participation sees learning as a process within a framework of participation, rather than individual minds.

The learner becomes an insider, learning to function within a community. The central issue in learning is becoming a practitioner, rather than learning about practice. Brown and Duguid. The different perspectives of the community members mediate the process of learning, and it is the community, or at least those participating in the learning context, who learn under this definition. Peripherality is an important concept in the learning process within communities.

It is a dynamic term that suggests an opening or a way of gaining access to sources, through increasing involvement. Learners need legitimate access to the periphery of communication electronic mail, informal meetings, stories, etc. The periphery becomes not only an important site of learning, but also a place where innovation occurs. Brown and Duguid. Lave and Wenger The learning curriculum of the community is that which may be learned by newcomers who have legitimate peripheral access, and this learning activity appears to have a characteristic pattern. A learning curriculum consists of situated opportunities for the improvisational development of new practice. The learning curriculum differs from a teaching curriculum through seeing learning resources, in everyday practice, from the perspective of learners.

A teaching curriculum, on the other hand, is developed to instruct newcomers to the community, not all members. Learners, as peripheral participants, develop a perspective of the purpose of the whole enterprise and what there is to be learned. The learning process and the curriculum are not specified as a set of canonical practices; it is an improvised process whereby the learning and the curriculum unfold in opportunities for engagement in practice. Lave and Wenger Communities of practice recognise that learning, transformation and change are elements of the same system, and that managing the status quo is as complex as managing change.

Change is an important attribute of any community, as communities of practice are necessarily engaged in the process of generating their own future. Lave and Wenger The theory behind communities of practice was initially developed to help understand the process of individual learning. There are, however, elements of the theory that appear pertinent to the issue of knowledge management within Web enterprises.

Communities of practice exist solely so that all members of the community can learn. The Web form of enterprise exists for precisely the same reason. If the members of the Web are not engaged in mutual learning, then the Web as such does not exist. The participants are simply involved in standard commercial relationships that exist in all forms of inter-enterprise alliance.

Learning in the community of practice occurs through participation. Members must be actively involved in the Web for learning to occur. Passive membership of a Web cannot occur. The learning process is for all members of the Web, not simply to pass on an existing body of knowledge to new members of the community.

This holistic nature of learning involving all members of the community recognises the dynamic nature of the knowledge base, and the automatic need for change within and among the community members. The active process of learning represents an ongoing part of the membership and duties within the Web.

Participation in learning is also peripheral. This recognises that there is no natural centre or boundary to the Web. Simply being part of the Web is
sufficient for the learning processes to occur. The theory also suggests that being on the periphery is a naturally desirable position. Being on the periphery of a community or a number of different communities is often where innovation occurs, and that ultimately is why the Web enterprise exists.

Innovation is what produces the next generation of products and services, and wealth creation. Conclusions: This chapter has tried to develop further our understanding of the virtual business organisation, in particular the Web enterprise and the critical role of knowledge management in this form of organisation.

The internal, stable and network forms of virtual organisation, discussed earlier, arose through conventional organisational structures being reconfigured to handle the complexity of delivering services to individual customers. Defining concrete examples of any new organisational form are elusive and may ultimately prove counterproductive. Seeing organisational change in terms of perspectives rather than structures is far more valid in capturing the essence of the environmental change affecting companies. The Web enterprise can therefore be seen as a series of value-adding processes and capabilities, rather than a structure of functional units.

One of these capabilities is clearly the ability to create and manage a distributed knowledge base that is accessed by all the members of the enterprise.

Conventional theories of organisational learning do not fully explain how learning will occur and be managed in a distributed enterprise involving numerous independent partners. A brief overview of communities of practice suggest that there is merit in further examining how this theory of individual and organisational learning can be applied to manage the process of learning in the extended Web enterprise.

Communities of practice recognise the systemic nature of commerce, where many of the real benefits are realised. This perspective is often ignored through focusing on the operational efficiencies of individual firms. Networks require the cooperation and commitment of all the network members, which may be complicated further by the complex business relationships that exist between some members for example, see Harris et al. The effective operation of the network is therefore affected by a number of variables including social, political and economic factors. Judging the operation of electronic networks solely on the effectiveness by which they handle internal and external transactions, may not provide a rich enough picture.

The communication networks that link organisations will do more than simply act as a conduit for commercial transactions. They will act as the platform that allows new forms of enterprise to appear. Communication networks will allow the different organisations to share and exchange knowledge, and to build up a collective knowledge base.


Williamson, O. These are often found, for example, in the form of cross-functional and project-based teams whose activities increasingly transcend and cut across not only internal organisational boundaries but external ones too. There is evidence that this way of working is becoming increasingly widespread as a means of facilitating new product development, because such networking allows acquisition and synthesis of particular forms of knowledge across traditional internal and external organisational boundaries.

Networking in relation to new product development is also a particularly interesting area of investigation because the innovation networks that arise — whether they are substantially mediated through electronic means or not — frequently seek to transcend spatial and temporal boundaries. In particular, such networking is frequently predicated on a desire to reduce product development lead times and integrate dispersed expertise into the development process. This chapter draws upon data emerging from a study of four case study networks.

The research forms part of a major ongoing international research project that is examining collaborative networking in three European countries — UK, Germany and Denmark and it is data from the UK project which is referred to here. Of particular concern to the research programme is the manner in which new product development collaborations are built and sustained over time. Rationalist approaches such as that of Porter view product innovation as a relatively unproblematic and straightforward aspect of corporate behaviour.

Our perspective suggests, however, that this process is a more complex, longitudinal, dynamic, messy and uncertain activity, dependent for success, inter alia, on a high level of political sophistication on the part of organisational actors seeking to manage the development processes.

Indeed, it is this network-building activity which is crucial to the successful implementation of any networking strategy.

This highlights an interesting paradox resulting from the development of innovation networks. On the one hand, they can be understood as an effort to reduce and spread risks involved in developing new products in uncertain and rapidly changing markets.

However, on the other hand, such behaviour exposes the organisation to new risks and uncertainties associated with the complexities of forging collaborative relationships and potentially radical organisational arrangements that may arise.

Thus while being a source of risk reduction, innovation networks may expose collaborators to new sources of vulnerability associated with building and managing network relationships and organisational forms. These issues are considered in the next section. We then consider what we see as
the crucial issues of network building and the politics of trust.

Networking is generally regarded as a process through which firms can develop both technological and managerial competence and such activities appear to be increasingly common in innovative firms. The role of such linkages has been highlighted in the literature as a specific factor in the success of new product development, in terms of the effectiveness of alliances within the firm Moenart and Caeldries; Dougherty and Hardy; Tidd et al.

A firm may have an explicit networking strategy, together with a formal system of accessing network partners; it may choose to network in a more implicit, or informal fashion, or it may combine both methods.

Various types of external networking relationships relevant to the innovation process have been identified, with a number of attempts made to classify them see, for example, Freeman. Lundgren claimed that while external networks can be restrictive and constrain innovative activity, they also provide opportunities to forge new technological links with other firms involved in the development of related technologies.

Campbell, Chapter 2 in this volume. Emphasis has been placed on the value of informal information exchange networks von Hippel, and also the involvement of research and development staff in professional communities through which they gain access to new technical knowledge Rappa and Debackere In other words, belonging to a network of firms in order to develop new products implies that the innovation strategy of the members also includes emphasis upon the process of networking in order to find, join and participate fully in the activities of the network itself.

The type of networking favoured by a particular firm has implications for innovation success, as it will affect access to ideas about possibilities for future product development, and offer opportunities to become a partner in closer relations concerned with specific innovations. The influence of specific local, regional and national settings, together with other factors in the business environment such as sector, industrial relations and propensity to innovate, also have a role in shaping network dynamics.

But the scenario of organic structures which enables matching with changing external conditions is also problematic, and does not appear to reflect organisational experience any more than the classical viewpoints that it displaced. Second, the boundary between the external environment and the organisation is taken as relatively clear and distinct. Finally, it is assumed that the achievement of optimum fit between the external environment and internal organisational forms is a stable and sustainable configuration.

At the same time, boundaries between the organisation and its environment are becoming increasingly blurred. Both Aoki and DeBresson and Arnesse note the growth of inter-organisational forms of innovation such as networking and strategic alliances, especially in terms of risk-reduction strategies in increasingly unstable global markets.

Many other analysts have introduced the concept of networking as an essential aspect of a successful innovation strategy. For example, Vergragt et al. Ford and Thomas go so far as to suggest that a new product development strategy is now inevitably a networking strategy. They consider suppliers, subcontractors, partners and distributors as possible major network participants, although this list is not definitive.

Hislop et al. Findings such as these show that in a number of industry sectors network organisational forms have emerged in response to the new complexity and rate of product innovation required by external environments. Van Rossum and Hicks claim that over time this also supports the emergence of collaborative networks for new product development, comprising loosely coupled and autonomous organisational units both internal and external to the firm.

In these circumstances boundaries within and between organisations become blurred, and resource flows between different network elements are based upon contractual mechanisms or even informal exchanges.

### About Virtual Working: Social And Organisational Dynamics Writer

The hazards of entering repeatedly into contractual agreements that involve uncertainty and transaction specific assets, provide an incentive for vertical integration. Firms must assess the trade-off between the transaction costs of using the market and the organisational cost of using internal hierarchies Williamson The result has been that much that we know about organisational learning has focused on the individual learner and the single organisation Senge; Drucker; Argyris; Garvin The Web enterprise throws up a new series of challenges to the concept of the learning organisation in its broadest sense.

How is it possible for different organisations with different attitudes and perspectives to come together to share and exchange knowledge? How does the process start? How is it managed?

What form of control is there to ensure that no one member abuses the knowledge that is freely given by another partner? The second part of the chapter will look at some of these issues and examine whether the concept of communities of practice offers some insight to these difficult questions. In the new environment, competitive advantage will no longer arise from ownership of fixed physical assets, but in terms of ownership of, or access to knowledge-intensive, high value-added, technology-driven systems Amidon Rogers The external relationships in Web enterprises are more visible and explicit in their nature, in that the level of performance that is expected from each participant can be measured and compensated for.

Unless this is present, the openness and explicitness of the structure is compromised. It could be argued that voluntarism is the true test of the structure, as any action that reduces it within a network, poses an overall threat to the future success of the network Miles and Snow By recognising the mutual interdependence in the Web network, organisations are willing to share information, and cooperate fully with each other to maintain their relative position in the network Hagel Jarvenpaa and Ives describe a number of assumptions inherent in this proposition.
First, it is assumed that if information is available and in the right format to be used, it will be shared and exchanged within the network, and not controlled by one of the partners.

It is also assumed that workers will know how to use that information, and that subsequent actions are retained in the organisational memory of the network. New technology may only reinforce those attitudes that already exist. It is wrong to assume that, providing the technology to share and exchange information is present, information sharing behaviour will follow automatically. As information becomes the key organisational currency, it becomes too valuable to be simply given away.

Davenport et al. Jarvenpaa and Ives point out that gaining consensus across a distributed enterprise could be a time-consuming process, which restricts the very agility that the enterprise intended in the first place. The overall aim is to facilitate information flows throughout the enterprise, and that the information model should match the enterprise culture. Open information flows will only happen through open organisational cultures Davenport et al.

The lead firms in Enterprise Webs aggressively source in new ideas. The original concept is brought in by the lead partner, where it is then developed by the other Web partners who add varying degrees of value before it is relaunched as a new product or service Lorenzoni and Baden-Fuller. Within Silicon Valley, intense competition helps to spur the technological innovation within the region.

Lawsuits and arguments over intellectual property rights are relatively common, with some competitive rivalries becoming highly personalised. Despite these intense pressures, the overall sense of network commitment to technological excellence and development unifies the membership. Saxenian The lead firm or firms in a Web have a pivotal role in developing a dynamic sense of trust and reciprocity throughout the Web Lorenzoni and Baden-Fuller. One of the ways in which trust is developed throughout the network is to ensure that the partners receive suitable rewards for their efforts.

In some instances, this may result in the partners receiving more of the profits of the enterprise than the lead organisation. Communities of practice are clearly significant knowledge management issues in the Web enterprise.

Organisational learning in the distributed enterprise is threatened through difficulties in building an organisational memory of previous actions, effectively transferring knowledge throughout the enterprise, and problems in appreciating synergistic opportunities when they arise.

Knowledge management is clearly one of the greatest challenges affecting the Web enterprise, and will demand an uncommon level of professionalism and rigour in management decision making. Jarvenpaa and Ives Knowledge management posits that the core competencies of the organisation represent the collective knowledge, based on the skills and experience of people who do the work.

The notion of practice is a critical element within communities of practice. The members of the community may be drawn together through some common set of values or beliefs, or joint mission. If, however, nothing results from the community, then the whole process is wasted. The individual or organisation does not gain a discrete body of abstract knowledge, to be applied later in different contexts.

A community of practice is an intrinsic condition for the existence of knowledge, not least because it provides the interpretive support necessary for making sense of its heritage.

Communities of practice form intellectual communities in areas that are central to competitive advantage. A vibrant learning community gives an organisation an ownership stake in its marketplace. Manville and Foote a.

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Change is an important attribute of any community, as communities of practice are necessarily engaged in the process of generating their own future Lave and Wenger The theory behind communities of practice was initially developed to help understand the process of individual learning.

There are, however, elements of the theory that appear pertinent to the issue of knowledge management within Web enterprises. Communities of practice exist solely so that all members of the community can learn. The Web form of enterprise exists for precisely the same reason. If the members of the Web are not engaged in mutual learning, then the Web as such does not exist.

The participants are simply involved in standard commercial relationships that exist in all forms of inter-enterprise alliance. Learning in the community of practice occurs through participation. Members must be actively involved in the Web for learning to occur. Passive membership of a Web cannot occur.

The learning process is for all members of the Web, not simply to pass on an existing body of knowledge to new members of the community. This holistic nature of learning involving all members of the community recognises the dynamic nature of the knowledge base, and the automatic need for change within and among the community members.

The active process of learning represents an ongoing part of the membership and duties within the Web. Participation in learning is also peripheral. This recognises that there is no natural centre or boundary to the Web. Simply being part of the Web is sufficient for the learning processes to occur. The theory also suggests that being on the periphery is a naturally desirable position.

Being on the periphery of a community or a number of different communities is often where innovation occurs, and that ultimately is why the Web enterprise exists. Innovation is what produces the next generation of products and services, and wealth creation.

Conclusions This chapter has tried to develop further our understanding of the virtual business organisation, in particular the Web enterprise and the critical role of knowledge management in this form of organisation.

The internal, stable and network forms of virtual organisation, discussed earlier, arose through conventional organisational structures being reconfigured to handle the complexity of delivering services to individual customers. Defining concrete examples of any new organisational form are elusive and may ultimately prove counterproductive.

Seeing organisational change in terms of perspectives rather than structures is far more valid in capturing the essence of the environmental change affecting companies Nohria and Berkley The Web enterprise can therefore be seen as a series of value-adding processes and capabilities, rather than a structure of functional units.

One of these capabilities is clearly the ability to create and manage a distributed knowledge base that is accessed by all the members of the enterprise. Conventional theories of organisational learning do not fully explain how learning will occur and be managed in a distributed enterprise involving numerous independent partners.

A brief overview of communities of practice suggest that there is merit in further examining how this theory of individual and organisational learning can be applied to the process of learning in the extended Web enterprise.

Communities of practice recognise the systemic nature of commerce, where many of the real benefits are realised Mukhopadhyay et al. This perspective is often ignored through focusing on the operational efficiencies of individual firms. Networks require the cooperation and commitment of all the network members, which may be complicated further by the complex business relationships that exist between some members for example, see Harris et al.

The effective operation of the network is therefore affected by a number of variables including social, political and economic factors Premkumar and Ramamurthy Judging the operation of electronic networks solely on the effectiveness by which they handle internal and external transactions, may not provide a rich enough picture. The communication networks that link organisations will do more than simply act as a conduit for commercial transactions.

They will act as the platform that allows new forms of enterprise to appear. Communication networks will allow the different organisations to share and exchange knowledge, and to build up a collective knowledge base. Out of this knowledge base will come the forms of innovation that will set the enterprise apart from its competitors. The ultimate aim of this networked enterprise will be to deliver new forms of value to customers and clients.


Mukhopadhyay, T. Nohria, N. Noren, L. Powell, W. Premkumar, G. Rai, A. Rayport, J. Saxonian, A. Scott Morton, M. Senge, P. Shan, W. Snow, C. Williamson, O. These are often found, for example, in the form of cross-functional and project-based teams whose activities increasingly transcend and cut across not only internal organisational boundaries but external ones too.
There is evidence that this way of working is becoming increasingly widespread as a means of facilitating new product development, because such networking allows acquisition and synthesis of particular forms of knowledge across traditional internal and external organisational boundaries. Networking in relation to new product development is also a particularly interesting area of investigation because the innovation networks that arise — whether they are substantially mediated through electronic means or not — frequently seek to transcend spatial and temporal boundaries.

In particular, such networking is frequently predicated on a desire to reduce product development lead times and integrate dispersed expertise into the development process. This chapter draws upon data emerging from a study of four case study networks. The research forms part of a major ongoing international research project that is examining collaborative networking in three European countries UK, Germany and Denmark and it is data from the UK project which is referred to here.

Of particular concern to the research programme is the manner in which new product development collaborations are built and sustained over time. Rationalist approaches such as that of Porter view product innovation as a relatively unproblematic and straightforward aspect of corporate behaviour.

Our perspective suggests, however, that this process is a more complex, longitudinal, dynamic, messy and uncertain activity, dependent for success, inter alia, on a high level of political sophistication on the part of organisational actors seeking to manage the development processes.

Indeed, it is this network-building activity which is crucial to the successful implementation of any networking strategy. This highlights an interesting paradox resulting from the development of innovation networks. On the one hand, they can be understood as an effort to reduce and spread risks involved in developing new products in uncertain and rapidly changing markets.

However, on the other hand, such behaviour exposes the organisation to new risks and uncertainties associated with the complexities of forging collaborative relationships and potentially radical organisational arrangements that may arise.

Thus while being a source of risk reduction, innovation networks may expose collaborators to new sources of vulnerability associated with building and managing network relationships and organisational forms. These issues are considered in the next section.

We then consider what we see as the crucial issues of network building and the politics of trust. Networking is generally regarded as a process through which firms can develop both technological and managerial competence and such activities appear to be increasingly common in innovative firms.

The role of such linkages has been highlighted in the literature as a specific factor in the success of new product development, in terms of the effectiveness of alliances within the firm Moenart and Caebriere, Dougherty and Hardy; Tidd et al.

A firm may have an explicit networking strategy, together with a formal system of accessing network partners; it may choose to network in a more implicit, or informal fashion, or it may combine both methods.

Various types of external networking relationships relevant to the innovation process have been identified, with a number of attempts made to classify them, for example, Freeman Lundgren claimed that while external networks can be restrictive and constrain innovative activity, they also provide opportunities to forge new technological links with other firms involved in the development of related technologies.

Campbell, Chapter 2 in this volume. Emphasis has been placed on the value of informal information exchange networks von Hippel, and also the involvement of research and development staff in professional communities through which they gain access to new technical knowledge Rappa and Debackere. In other words, belonging to a network of firms in order to develop new products implies that the innovation strategy of the members also includes emphasis upon the process of networking in order to find, join and participate fully in the activities of the network itself.

The type of networking favoured by a particular firm has implications for innovation success, as it will affect access to ideas about possibilities for future product development, and offer opportunities to become a partner in closer relations concerned with specific innovations.

The influence of specific local, regional and national settings, together with other factors in the business environment such as sector, industrial relations and propensity to innovate, also have a role in shaping network dynamics.

But the scenario of organic structures which enables matching with changing external conditions is also problematic, and does not appear to reflect organisational experience any more than the classical viewpoints that it displaced. Second, the boundary between the external environment and the organisation is taken as relatively clear and distinct. Finally, it is assumed that the achievement of optimum fit between the external environment and internal organisational forms is a stable and sustainable configuration.

At the same time, boundaries between the organisation and its environment are becoming increasingly blurred. Both Aoki and DeBresson and Amesse note the growth of inter-organisational forms of innovation such as networking and strategic alliances, especially in terms of risk-reduction strategies in increasingly unstable global markets. Many other analysts have introduced the concept of networking as an essential aspect of a successful innovation strategy.

For example, Vergragt et al. Ford and Thomas go so far as to suggest that a new product development strategy is now inevitably a networking strategy. They consider suppliers, subcontractors, partners and distributors as possible major network participants, although this list is not definitive. Hislop et al.

Findings such as these show that in a number of industry sectors network organisational forms have emerged in response to the new complexity and rate of product innovation required by external environments. Van Rossum and Hicks claim that over time this also supports the emergence of
collaborative networks for new product development, comprising loosely coupled and autonomous organisational units both internal and external to the firm.

In these circumstances boundaries within and between organisations become blurred, and resource flows between different network elements are based upon contractual mechanisms or even informal exchanges. Bringing the focus of analysis of innovation strategy from macro-considerations to the level of specific firms highlights the particular factors affecting network design and implementation in individual cases. While networking strategies are becoming increasingly common, it is by no means clear how such intentions are translated into practice in organisational terms.

For example, crucial issues highlighted by a move to networking are likely to be the appropriateness of the internal organisation of a firm, the managerial expertise that is used to formulate strategy, and the ability to harness external sources of technological expertise.

Morgan notes how firms participating in a network for the first time face a double challenge of managing their own organisational change while at the same time adapting to changes taking place within the broader network environment.

Developing a strategy for innovation can therefore be regarded as a much more complex process than is suggested by the rationalist approach noted at the beginning of this chapter. The innovation process may be profoundly affected by change external to the firm, and depend on success in network building as much as on technological competence. The issue of partner choice is pertinent to building networks, and management actions such as enrolling support, winning resources, gaining legitimacy, trust building and so forth will be important means through which collaboration is brought about and network strategies implemented.

Another factor crucial to consideration of the process of network building is the means by which new products are selected for development within a network. As Firth and Narayanam found, firms appear to make very clear distinctions between the type of new product development suitable for internal development and those suitable for collaboration with external partners.

Dodgson notes that loss of vital technological knowledge is one of the risks faced by a firm when entering an external collaboration. These people are prepared to spend time building up working relationships with their counterparts based on trust that could be drawn upon if problems arose in the future.

Hagedoorn and Schakenraad also note how successful networking requires considerable energy and resources extending well beyond the signing of the original agreement. Lane demonstrates that differing approaches to organisational design and management style are significant sources of variation in relationships within networks. It is, therefore, important to investigate the dynamics of the network-building process. Such a study must incorporate many complex facets such as inter-personal relationships, the manner in which the politics of different stakeholder interests are manifested and managed, methods of knowledge transfer and such like, all of which can affect both the nature and eventual outcome of the network.

The crucial role of inter-personal negotiations in building successful innovative teams is also identified by Anderson et al. In addition, management issues such as communication, control and development of trust are factors that existing research has shown to be critical in network formation see for example Hakansson; Hagedoorn; Dickson et al.

Indeed, our perception is that the vulnerability of networking as an innovation strategy makes such expertise crucial if the potential for disruption and disturbance that it involves are to be effectively managed. Network builders, we would suggest, will need to confront and resolve issues arising from the political interactions and conflicts arising between the different interest groups involved if network collaborations are to be built and sustained over time.

The significance of attending to the process agenda is being illustrated in one of our case studies. The participating firms in the network are united by the need to address a common threat to their livelihood. This means that concerns over confidentiality are given a lower priority, and to a large degree are mitigated by the agreement of all parties to the strict terms of a formal networking agreement arranged by the network broker.

In this case it appears that the role of the broker as network builder is vital to the ultimate success of the business venture being undertaken by the network members. Participants in another of the case study networks also place great reliance upon formal networking agreements and active management of the network relationships. This strategy is justified by the long time span of typical projects in the industry defence electronics, which means that an alliance can extend over different stages of the business cycle and cover a number of management changes within the partner firms.

This case also illustrates the need for active management of inter-firm relationships well beyond the signing of any formal collaboration agreements see Hagedoorn and Schakenraad. The managing director of one of the firms involved in the network stressed the value of negotiating a deal that is fair to each firm, both in terms of the financial return and the amount of development work required.

In other words, if properly managed, synergy can be created within the network that renders it greater than the sum of the parts. Effective management of the relationship is therefore a critical issue. For example, it was agreed that profits from the sale of products developed as part of a network would be shared among the participants. This gives an incentive to the partner firms to pass on subsequent technical improvements that will enhance the product they have developed together, because it is in the interests of both parties to maximise customer satisfaction and hence generate more sales over the longer term.

Such a strategy attempts to formalise and quantify the synergy that the partners seek by working together, while at the same time reinforcing the advantages in a more subliminal way. The crucial point of this particular story in the context of network building is that a positive payback from the networking is not expected to be seen immediately, or indeed at any time during the first project.
This is because of the degree of effort that has to be made by all the parties to overcome the obstacles encountered when working together. If the relationship breaks down in the early stages, or even after completion of the first project, the effort will not have been worthwhile. By acknowledging and acting upon the need to work on the relationship building process over a long period, the evidence we are gathering from the two cases mentioned in this section illustrates to us the crucial importance of interpersonal and political skills when managing collaborative relationships over the length of time necessary for them to become profitable.

Managing networks: the politics of trust The maintenance of inter-organisational trust has been identified as a pertinent network management issue by Lewicki and Bunker Blomqvist shows how firms that are using a strategy of networking to gain access to external technologies and expertise must accept a certain visibility within the network.

This demands that attention be paid to maintaining and promoting a trustworthy reputation for good business practice. The onus is also on collaborating firms to develop and protect good levels of trust between the network participants in the project. The development of trust is one area that can bring into focus the relationship between internal and external networks, as there is no guarantee that good external relationships will be reflected in good internal relationships or vice versa.

He characterises low-trust situations by opportunistic relationships, close supervision, the discouragement of information exchange and internal power struggles, and high trust relationships by commitment and identification with the organisation. Bruce et al. This is because trust is difficult to establish, and talking to competitors does not come naturally for UK firms. Kreiger shows that developing relationships built upon trust is a crucial aspect of network building, although he recognises that the issue may affect different parts of the organisation in different ways, with associated implications for management.

Kay and Wilman focus on the role of trust between internal departments involved in innovation, while others have investigated the consequences of low trust in external networks see, for example, Lorenz; Buckley and Casson Dodgson shows that low levels of trust in external relationships are regarded as a problem to be managed and controlled, while not necessarily preventing the development of working links with other organisations.

He notes that high-trust situations are deemed more crucial for networks where there is a high level of specialised knowledge to share. If trust is regarded as a problem to be overcome in inter-firm relationships, it must be recognised as one with many aspects. Zucker identifies a number of areas in which the process of trust building takes place. Trust, however, is partly a manufactured component of the image and reputation of the firm.

Miell and Duck show that inter-firm collaborations can develop much stronger bonds if the relationship is tested through satisfactory resolution of particular difficulties, but this process may be interpreted as undesirable in a commercial situation if the team involved have their individual institutional loyalties tested. The above discussion also highlights the length of time necessary for trust to be built up between network participants. In what can be regarded as a direct reflection of this finding, Buckley and Casson noted that distrust may be in evidence in short-term inter-firm collaborative networks.

As a result of being held to ransom in this way, the electronics firm was reluctant to build a long term relationship with its partner and therefore did not make use of its services again. Evidence exists to support the theory that firms can attain significant long-term benefits by participating in specific networking projects. For example, Dickson et al. This finding is supported by Cohen and Levinthal and Lyles who show that such firms go through a process of learning over time based on technological, managerial and organisational change.

Other studies of innovative ventures also identify such learning issues as crucial factors in inter-firm innovation success see, for example, Schill et al.

We would suggest that one of the key learning processes is that concerned with identifying who to trust and who not to trust; categories whose membership is unlikely to be fixed for the duration of any collaborative relationship.

In one of our case study networks, the development of trust between the members over time allowed learning to occur through a process of communication and shared problem solving that would previously have been impossible.

The legal safeguards incorporated into a formal network model sowed the seeds for the establishment of a degree of trust, which then led to further informal networking between members in both related and entirely new contexts. As a direct result of their successful involvement in the network, one of the partner organisations has since set up a new network of local firms designed to use the shared resources of participants to improve the competitiveness of businesses in an entirely different industry context.

Networks as virtual organisations Lyles noted that the extent of learning and adaptation within a network over time can, in some cases, overcome initial problems in cross-boundary linkages.

Recent advances in communications technologies have had a significant and positive impact on the viability of these entities in practice, in particular in relation to their capacity to transcend constraints of time and space in the way in which the network interacts.

One of our case studies relates to an organisation drawn from three very different types of firm that have come together to develop data analysis tools for retail industry suppliers. The network consists of a major computer hardware manufacturer, a data broking firm, and an IT consultancy.

The make-up of the new product development team is governed by the particular skills required rather than geographical location or company affiliation of the staff, who are physically located throughout Europe. The need for face-to-face contact has reduced over time as trust has been developed among the team members and they have learned how to work together effectively. Structure and discipline are enforced on the team by rigorous project management techniques that include detailed documentation of requirements and transparent communication of responsibilities.
Specific guidelines of the output required and the deadlines to be met by the different teams are written down, in order that everyone working on the project is aware of what is expected of them. Suitably embroiled in a web of virtual formality, the team members are then left to manage their time and resources as they see fit in accordance with the goals set.

As a result of this strategy, the inter-organisational project team developed its own specific culture and way of doing business that transcended specific company affiliations. The focus of management is now upon the team unit rather than on the employees of a particular organisation. In a market characterised by chronic shortages of labour, financial incentives are offered to newcomers who encourage suitable erstwhile colleagues to join them.

Conclusion This chapter has drawn upon the early findings emerging from a major ongoing research project on building collaboration in new product development.

However, while this offers a potential means of reducing uncertainty and risk, it is our contention that such collaborative networking also brings with it new problems. This arises from the inherent vulnerability of the network-building process as attempts are made to forge new and novel links within and between organisations.

Such developments highlight the skills and competencies of network builders as they engage with the content, control and especially process agendas of creating and sustaining collaborative relationships which cut across existing organisational boundaries and may even support new organisational forms. We have sought to emphasise the importance of such activities to the longevity of network forms of organisation.

It can be concluded that an explicit approach to network building, in terms of the significant effort required over a long time period to manage relationships and build trust, will be a function of the political sophistication of network management in the firms studied. In the context of new product development, therefore, the existence of technical capability is merely the starting point. Bibliography Aoki, A. Anderson, N. Lisa Harris et al. Blomqvist, K.


Kogut, B. Kreiger, E. Lane, C. Lawton Smith, H. Lewicki, R. Lorenz, E. Lundgren, A. Lundvall, B. Lyles, M. Miell, D.

Moenart, R. Pfeffer, J. Psano, G. Porter, M. Rappa, M. Sako, M. Schill, R. Steward, F. Szarka, J. Tidd, J. Vergragt, P. Van Rossum, W. Von Hippel, E. Zucker, L. Within global organisations virtual teamworking involves collaboration and teamwork between a geographically and temporally separated workforce Hammer and Champy; Lipmanick and Stamps Such collaboration may also extend outside the organisational boundary, with partners in joint ventures and contractors who are in various locations.

Emerging information and communication technologies such as groupware, Internet and desktop video conferencing systems are seen by global organisations as facilitating such collaboration and enable the workforce to share knowledge and expertise Orlikowski; Lipmanick and Stamps While virtual teamworking is seen as potentially necessary for global organisations, many authors e. However little is understood on how the loss of physical proximity in virtual teamworking affects trust relationships among participants.

This chapter describes the findings of a field study carried out in a large multinational company, which examines various forms of interactions enacted by the use of information technology in virtual teamworking and discusses the consequences of the absence of collocation in virtual teams on trust relationships.

The chapter argues that personalised trust relationships established through face-to-face interactions and socialisation are essential for continuous virtual teamworking. The use of information and communication technologies appears to be inadequate for establishing and reproducing such trust relationships.

Trust relationships may also be based on the abstract structures of organisations for temporary virtual teams. Such impersonalised trust relationships are not psychologically rewarding for individuals. Joe Nandhakumar 47 Trust relationships In recent years, the role of trust in organisations has gained increasing attention from management researchers e. Kramer and Tyler; Rousseau et al. The notion of trust is often seen by researchers as the most difficult concept to handle in empirical research because of the diverse definitions of trust used in each discipline and the multitude of functions it performs in the society Misztal He argues that with globalisation and the restructuring interactions across undefined spans of time—space, trust which is traditionally secured by community, tradition and kinship is increasingly vested in abstract capacities characteristic of modern institutions.

He sees basic trust as our confidence in the continuity of personal identity together with the building of trust in others ontological security. The routines of everyday life and predictability of social order contributes to such basic trust. Sociologists claim that trust performs a multitude of functions. For example, it can be a silent background, sustaining a smooth-running of cooperative relations Misztal It can help individuals to reconcile their own interests with those of others.

Trust is therefore seen as fundamental for all aspects of social life. Jones and George Research study The findings discussed here are part of a larger study that investigated virtual teamworking in a large multinational company Xeon 1.

Research approach The research approach adopted in this study is interpretive Schwandt involving a collection of detailed, qualitative data on virtual teamworking practices in a specific context. Prasad argues that the researcher can understand the social situation only through appreciating the meaning they hold for people in a given cultural context.
The study employed ethnographic techniques Van Maanen such as observation of participants in their context, social contact and unstructured and semi-structured interviews with virtual teamworkers, during — Within each team, the interviewees were identified by following their social network.

The author also spent time interacting with team members and observing the actual practices of virtual teamworking by being with participants at Xeon. Documents have also been examined, including documentation on benchmarking, training manuals and internet-based support documents and also documents on frequently asked questions. Detailed field notes were maintained during the study period to record observations and events during each visit.

Most of the interviews were recorded and transcribed. The focus of this research is to derive theoretical interpretations from data Glaser and Strauss, rather than to test theory against data as is traditionally the case. During the analysis, the interview and field notes were read several times, and coded systematically to identify key issues and concepts. These initial issues and concepts were analysed and aggregated to articulate a set of common or recurring themes.

Extracts from the interviews are used as examples in this chapter to illustrate the incidence, which led to the development of some of our interpretations. Research site Xeon is a large multinational company with operations in over 70 countries.

During management of the virtual teamwork project was taken over by a newly formed knowledge management team. By the end of, virtual teamworking had also spread to senior executives at Xeon. Users were trained to work with VTPC and to develop skills on virtual teamworking. Joe Nandhakumar 49 Research findings The discussion of results highlights various forms of interaction enacted by the use of information technology at Xeon and the effects of loss of proximity on trust relationships among the virtual teamworkers.

A senior participant from the construction team noted: We had a number of locations with people…and that is always a communication problem…the first experience we had [with VTPC] was the added dimension in communication.

One way the new forms of interaction took place within the team was through on-line sharing of documents such as contractual documents, presentations, planning documents, engineering drawings.

For example, contractors from the construction site and other managers in other locations were able to work on the same document held in a central repository in the headquarters. Through such on-line interactions enabled by the use of VTPC, senior managers extended their authority over subordinates, for example, by making their presence more visible in the remote sites. The interactions with senior managers also enabled junior participants to reinforce their relationship with powerful figures by allowing them to participate in their meeting.

The participation of senior managers in virtual team meetings enabled the team members to draw on resources of authority to legitimise their activities. One of the participants explained; [VTPC] allows more senior people to be able to look in, if you like, more junior meetings a week.

Specialist consultants from Xeon and from contracting companies often interacted using VTPC to deal with problems on remote sites, without having all the specialists permanently located on those sites.

Many of such alliances were therefore formed temporarily and when needed to resolve problems. For example, a participant noted: Like you have a shoal of fish swim around an object, they [experts] swim together [with project team members] in perfect unison then they split and rejoin.

Any attempts by junior employees to interact with senior managers were marked by the imbalance of authority between them.

Many sought to overcome such imbalance of authority relationships through various mechanisms. For example, one of the junior managers explained that he reduced the size of images of other participants appearing on the VTPC by resizing the windows. He suggested: …make important people smaller and make yourself bigger on screen, so that it helps the balance.

The knowledge management team tried to address the effects of cultural norms and value systems on limiting interactions through the training programme. This involved training on how to establish the first contact with other experts and appropriate use of body language in VTPC-mediated interactions to help users to overcome the limitations imposed by technology and cultural norms. The findings indicated, however, that the norms and value systems were resistant to transformation, at least in the short term.

Social constraints such as the strong hierarchical norms continuously limited interactions across different organisational levels. The participants however used the VTPC in ways that were not originally intended.

By not having to physically go to their clients to deal with their problem, the experts were able to get back to the contract work at Xeon after the video-conferencing session. Formation of trust relationships We now explore how the absence of collocation has affected trust relationships at Xeon. VTPC technology was continually reshaped and redesigned by the members of the knowledge management team — who were also early adopters of the technology — and other users at Xeon.

My observation indicated that many temporary virtual teams formed to solve specific problems often exhibited behaviour that presupposed trust. Many of these teams often depended on an elaborate body of collective knowledge and diverse skills for solving problems; however, they had no history of working together. With the finite life span of the team, the participants had little time to share experience or reciprocal disclosure, which was traditionally seen as sources of trust relationships between participants.

Such trust relationships were therefore more abstract forms, based on legitimacy and guarantees of expectations, which were reinforced and reproduced by previous interactions with different participants. The team members at Xeon, however, did not want to rely only on such
impersonalised trust; rather they actively sought to establish personalised trust relationships for continuous teamworking.

They deliberately cultivated face-to-face relationships to establish personalised trust. Such reflections revealed that participants perceived the trust based on abstract systems as not providing emotional satisfaction and sought to establish trust relationships through face-to-face encounters.

Even if such personal relationships were established, in the absence of collocation the team members might have found it difficult to maintain them. The participants saw such involvement as helping to develop attitudes towards the other reflecting the other as a trustworthy party.

In addition to being psychologically rewarding for the participants, establishing personalised trust relationships was also seen as helping to maintain the relationships and positive expectations. For example, one of the participants expressed: If I need to get real alignment of vision I would definitely go to that person... anything that is going to raise emotion — it seems totally natural for me to go and be there... any strong emotional feedback where I need assurance that people are really getting it they understand the issue.

This indicated that the use of VTPC, however, was seen as inadequate for maintaining and reproducing trust relationships. In fact there were high levels of anxiety among the virtual teamworkers, especially among those who were stationed in remote locations and relied exclusively on VTPC technology for their interactions with other members.

It was classic... instead of going to my base office which was in [x], I would go to [y] because I knew the boss was going to be there for a start... but then there was the deep scare that if the [VTPC] broke down I will be where the action is. This led to unpredictability of the continuity of their routine interactions and meetings. The participants therefore had a constant fear of isolation.

In the absence of a shared daily working life together with the rest of the team, remote members found it hard to develop positive attitudes towards others and felt uneasy about the activities of the rest of the team. It was therefore difficult to maintain trust relationships in this situation. This particular virtual team was therefore gradually transformed towards a collocated team. The inadequate conditions for maintaining mutual trust relationships among the virtual members in remote locations also led participants to look for ways of keeping formal records of every exchange.

Participants raised concerns about the limitations of VTPC to maintain records or minutes of what was said during virtual meetings. The lack of mutual trust also limited informal exchange between dispersed team members by using VTPC. Participants were unable to secure trust in abstract structures of Xeon for informal interactions, as they were able to do so in task-based temporary teams.

He further stated that: We even toyed with the idea of randomly reconnecting two people once a day. Almost a lottery. We decided not to do that in the end. Summary of findings The above discussion indicates that various forms of interactions were enacted among the geographically dispersed team members with the use of VTPC.

The team members sought to interact on-line using the technology. The on-line participation of senior managers in virtual team meetings enabled the junior participants to draw on resources of authority to legitimise their activities.

This also enabled stretching of formal authority relations across geographical boundaries. This phase is usually short in duration, perhaps a meeting or two. Once group members feel sufficiently safe and included, they tend to enter the storming phase. Participants focus less on keeping their guard up as they shed social facades, becoming more authentic and more argumentative.

Group members begin to explore their power and influence, and they often stake out their territory by differentiating themselves from the other group members rather than seeking common ground. Discussions can become heated as participants raise contending points of view and values, or argue over how tasks should be done and who is assigned to them. It is not unusual for group members to become defensive, competitive, or jealous.

They may even take sides and begin to form cliques within the group. Questioning and resisting direction from the leader is also quite common. Who designed this project in the first place? Why do I have to listen to you? In many cases, the group gets stuck in the storming phase. There are several steps you can take to avoid getting stuck in the storming phase of group development.

Try the following if you feel the group process you are involved in is not progressing. Once group members discover that they can be authentic and that the group is capable of handling differences without resolving, they are ready to enter the next stage, norming.

Finding themselves more cohesive and cooperative, participants find it easy to establish their own ground rules or norms and define their operating procedures and goals. The group tends to make big decisions, while subgroups or individuals handle the smaller decisions. Hopefully, at this point the group is more open and respectful toward each other, and members ask each other for both help and feedback.

They may even begin to form friendships and share more personal information with each other. At this point, the leader should become more of a facilitator by stepping back and letting the group assume more responsibility for its goal.

Galvanised by a sense of shared vision and a feeling of unity, the group is ready to go into high gear. Members are more interdependent, individuality and differences are respected, and group members feel themselves to be part of a greater entity. At the performing stage, participants are not only getting the work done, but they also pay greater attention to how they are doing it. Do we have suitable means for addressing differences that arise so we can preempt destructive conflicts?

Are we relating to and communicating with each other in ways that enhance group dynamics and help us achieve our goals? How can I further develop as a person to become more effective?

Group leaders can finally move into coaching roles and help members grow in skill and leadership. Just as groups form, so do they end. For
example, many groups or teams formed in a business context are project oriented and therefore are temporary in nature. Alternatively, a working group may dissolve due to an organizational restructuring.

Just as when we graduate from school or leave home for the first time, these endings can be bittersweet, with group members feeling a combination of victory, grief, and insecurity about what is coming next. For those who like routine and bond closely with fellow group members, this transition can be particularly challenging.

Group leaders and members alike should be sensitive to handling these endings respectfully and compassionately. What did we learn? As you may have noted, the five-stage model we have just reviewed is a linear process. According to the model, a group progresses to the performing stage, at which point it finds itself in an ongoing, smooth-sailing situation until the group dissolves. In reality, subsequent researchers, most notably Joy H. Karriker, have found that the life of a group is much more dynamic and cyclical in nature.

For example, a group may operate in the performing stage for several months. Then, because of a disruption, such as a competing emerging technology that changes the rules of the game or the introduction of a new CEO, the group may move back into the storming phase before returning to performing.

Ideally, any regression in the linear group progression will ultimately result in a higher level of functioning. The concept of punctuated equilibrium was first proposed in by paleontologists Niles Eldredge and Stephen Jay Gould, who both believed that evolution occurred in rapid, radical spurts rather than gradually over time.

Identifying numerous examples of this pattern in social behavior, Gersick found that the concept applied to organizational change. She proposed that groups remain fairly static, maintaining a certain equilibrium for long periods of time.

Change during these periods is incremental, largely due to the resistance to change that arises when systems take root and processes become institutionalized. In this model, revolutionary change occurs in brief, punctuated bursts, generally catalyzed by a crisis or problem that breaks through the systemic inertia and shakes up the deep organizational structures in place.

At this point, the organization or group has the opportunity to learn and create new structures that are better aligned with current realities. Whether the group does this is not guaranteed. For organizations and groups who understand that disruption, conflict, and chaos are inevitable in the life of a social system, these disruptions represent opportunities for innovation and creativity. Cohesion can be thought of as a kind of social glue. It refers to the degree of camaraderie within the group.

Cohesive groups are those in which members are attached to each other and act as one unit. Members of cohesive groups tend to have the following characteristics: They have a collective identity; they experience a moral bond and a desire to remain part of the group; they share a sense of purpose, working together on a meaningful task or cause; and they establish a structured pattern of communication.

As you might imagine, there are many benefits in creating a cohesive group. Members are generally more personally satisfied and feel greater self-confidence and self-esteem when in a group where they feel they belong. For many, membership in such a group can be a buffer against stress, which can improve mental and physical well-being.

In addition, members can draw on the strength of the group to persevere through challenging situations that might otherwise be too hard to tackle alone. Keep in mind that groups can have too much cohesion. Because members can come to value belonging over all else, an internal pressure to conform may arise, causing some members to modify their behavior to adhere to group norms.

Members may become conflict avoidant, focusing more on trying to please each other so as not to be ostracized. In some cases, members might censor themselves to maintain the party line. As such, there is a superficial sense of harmony and less diversity of thought. Members attempting to make a change may even be criticized or undermined by other members, who perceive this as a threat to the status quo.

The painful possibility of being marginalized can keep many members in line with the majority. The more strongly members identify with the group, the easier it is to see outsiders as inferior, or enemies in extreme cases, which can lead to increased insularity. This form of prejudice can have a downward spiral effect. Not only is the group not getting corrective feedback from within its own confines, it is also closing itself off from input and a cross-fertilization of ideas from the outside.

In such an environment, groups can easily adopt extreme ideas that will not be challenged. Denial increases as problems are ignored and failures are blamed on external factors. With limited, often biased, information and no internal or external opposition, groups like these can make disastrous decisions. Groupthink is a group pressure phenomenon that increases the risk of the group making flawed decisions by allowing reductions in mental efficiency, reality testing, and moral judgment.

Groupthink is most common in highly cohesive groups. Cohesive groups can go awry in much milder ways. For example, group members can value their social interactions so much that they have fun together but spend little time on accomplishing their assigned task. In addition, research shows that cohesion leads to acceptance of group norms.

Groups with high task commitment do well, but imagine a group where the norms are to work as little as possible? Social loafing refers to the tendency of individuals to put in less effort when working in a group context. This phenomenon, also known as the Ringelmann effect, was first noted by French agricultural engineer Max Ringelmann in In one study, he had people pull on a rope individually and in groups.

Why do people work less hard when they are working with other people? Observations show that as the size of the group grows, this effect becomes larger as well. Research also shows that perceptions of fairness are related to less social loafing.
Therefore, teams that are deemed as more fair should also see less social loafing. Groups may be either formal or informal. Groups go through developmental stages much like individuals do. The forming-storming-norming-performing-adjourning model is useful in prescribing stages that groups should pay attention to as they develop.

The punctuated-equilibrium model of group development argues that groups often move forward during bursts of change after long periods without change. Groups that are similar, stable, small, supportive, and satisfied tend to be more cohesive than groups that are not. Cohesion can help support group performance if the group values task completion. Too much cohesion can also be a concern for groups. Social loafing increases as groups become larger. When collective efficacy is high, groups tend to perform better.


Identify examples of the punctuated equilibrium model.

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