



## WORKBOOK 09

# HR management in virtual organisations

| Contents |  | Pages |
|----------|--|-------|
| 9.1      | Learning outcomes                                | 1     |
| 9.2      | Key concepts                                     | 1     |
| 9.3      | Introduction                                     | 2     |
| 9.4      | The virtual organisation and workplace           | 2     |
| 9.5      | HR management practices in virtual organisations | 4     |
| 9.6      | Summary  | 5     |
| 9.7      | Self-assessment                                  | 5     |

### 9.1 LEARNING OUTCOMES



Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to:

- define the concept of virtual organisation
- identify and explain three forms of virtual work arrangements
- discuss the characteristics which truly identify a virtual team
- differentiate between the various virtual teams
- discuss technology within a virtual team
- discuss the role of the HR professional within the virtual organisation
- discuss training and development within a virtual organisation
- discuss issues relating to a number of HR practices within the virtual work environment
- distinguish between traditional and virtual organisations

### 9.2 KEY CONCEPTS



A number of key concepts are listed at the end of chapter 15 of your prescribed book.

Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

- Telecommuting
- Virtual teams
- Virtual workplace
- Virtual organisation

### 9.3 INTRODUCTION

The 21st century has brought with it tremendous changes in technology. We can now contact someone from halfway across the globe within a matter of seconds. Data is available literally at our fingertips, some cellphones have e-mail and internet facilities and we can even phone friends and relatives abroad via the internet. The information technology revolution touches each one of us and the office environment has not been left out. Virtual teams, telecommuting and even virtual organisations are the new buzzwords in the 21st century workplace. Let's now look at the virtual organisation as an entity.

### 9.4 THE VIRTUAL ORGANISATION AND WORKPLACE

In a traditional employment relationship within the organisation's normal operation, employees report to work in an office building. This means that they are office bound and are expected to report for work and leave the office building at a specific time. The employment relationship may require the employee to have frequent face-to-face interaction with the supervisor or line manager. Virtual organisations differ from traditional organisations in that they have partners, a core business, flexible working arrangements and are linked with partners or teams via technology.



**Study** sections 15.1 and 15.2 in chapter 15 of the prescribed book.



#### Activity 9.1

Read this scenario and then answer the questions that follow.

Thabelo is a software developer. He works as an independent contractor, developing software for whoever contracts him to do so. Most of the companies who contract his services are situated in Johannesburg and Cape Town, while Thabelo lives and works in Hout Bay. For the past three years he has also been involved in a joint venture with Pat and Raman. They are developing a new, interactive computer game and plan to launch it on the market in October, ready for the festive season. Pat is stationed in Scotland and Raman lives and works in Mumbai. They meet three times a year to discuss issues that cannot be resolved over the telephone and internet, have a monthly conference telephone call and communicate daily via e-mail, Skype and video conferencing when needed.

- Is this an example of a virtual team, a virtual organisation or both? Substantiate your answer.
- Why did Thabelo, Pat and Raman decide to work in this way instead of the traditional, office-bound way?



#### Feedback

This is an example of both a virtual team and a virtual organisation. Thabelo, Pat and Raman are a

virtual team, who are dispersed geographically and whose contact is mostly via e-mail, Skype, video conferencing and telephones. They also form a virtual organisation. A virtual organisation is technology-driven and project-based, with partners involved in a core business activity. There are different types of teams in virtual organisations, such as service teams, project teams and process teams. Working in this way creates flexibility and is more cost-efficient. It also allows organisations to utilise human resources that are geographically dispersed, and in this way organisations have access to the best talent, irrespective of where the people live. In summary, a virtual organisation must have partners, a core business, flexibility and capacity to connect all of the partners. It has a focus on teams and is perceived by those working either internally or externally as an organisation.

A virtual workplace involves employees working far away from their colleagues and managers. Let's look at three forms of virtual work arrangements: telecommuting, frontline and cyberlink.



**Study** section 15.2 in chapter 15 of the prescribed book.



### Activity 9.2

- Read the case study at the end of chapter 15 in the prescribed book and answer questions 1-4 at the end of the case study.
- What is the difference between a frontline and cyberlink work arrangement?
- Briefly explain the characteristics of virtual teams and provide the factors that promote the success of these teams.



### Feedback

To answer the questions in the case study, consult the following sections in the prescribed book:

- Section 15.2 in chapter 15 of the prescribed book on the virtual workplace with subsections on telecommuting, implementing telecommuting, benefits of telecommuting and skills needed for telecommuting.
  - Amy's work involved a traditional office-bound company. A telecommuting virtual working arrangement with her employer was decided on, which meant the sales representatives would no longer have offices. In addition, the company provided a company car, cellphone, laptop and internet access to do her work.
  - Think about what you learnt in HRM1501. Can you remember learning about motivation? Self-motivation is one of skills an employee needs to work in virtual organisations.
  - Peter is unlikely to be successful as a telecommuter as specific characteristics and skills are not evident. He also lacks direction and doesn't seem to understand the purpose of telecommuting.
  - You could have referred to any of the advantages for the employee and employer in the prescribed book, benefits of telecommuting.
- Frontline models involve moving employees out of the main office of the organisation to mobile

offices and customer locations which may contribute to better service delivery to customers. On the other hand, in cyberlink models a team of employees, customers or suppliers and/or producers form to manage work corroboratively and are linked to the same process in a virtual space. These groups work together face-to-face and in cyberspace to realise a product or service goal.

- c. There are three types of virtual teams: project, service and process teams (see page 589 for more detail). Virtual teams must work interdependently, possess strong communication skills, be motivated and energetic and committed to working together. Their success depends on training of team members, planning and management of task and projects, use of technology and a climate of cooperation, collaboration, trust and accountability.

Technology plays a vital role in realising the potential of working flexibly. Virtual teams rely heavily on technology and the correct infrastructure. Technology forms a large part of managing and empowering a virtual team. HR professionals should be informed of what technologies are offered and used by remote employees and must train managers on how to manage virtual teams (see the HR in Practice “A profile of a successful telecommuting employee” and “Virtual tips and tools” in the prescribed book.)

## 9.5 HR MANAGEMENT PRACTICES IN VIRTUAL ORGANISATIONS



**Study** section 15.3 in chapter 15 of the prescribed book.

Read the scenario about Thabelo again in activity 9.2 and then answer these questions:

- a. If they were to appoint more staff, for example people responsible for handling the marketing and distribution of their product, they would have to implement HR policies and procedures. How would the virtual environment in which they function influence the work of the HR department?
- b. Briefly explain the role of the HR professional in a virtual organisation.



### Feedback

To answer the questions in this activity, consult section 15.3 in the prescribed book.

- a. Virtual organisations follow a team-based approach to HR. This influences the way employees are managed and thus also the HR practices and principles that will be applied. Staffing practices will concentrate on the characteristics of people who will perform well in a fluid, ever-changing environment; training and development will concentrate on knowledge sharing, and performance monitoring, appraisal and feedback will have to take place over long distances. This complicates an already complicated HR activity. New approaches to compensation such as broadbanding and person-based systems will be more appropriate in the virtual organisation.
- b. The HR professional plays the roles of coach, architect, designer/deliverer, facilitator and leader to add value and contribute to the virtual organisation’s capacity to be competitive. The HR professional needs to be aware of different sets of expectations from both the employees and employer when fulfilling these roles. You could have referred to the roles of the HR professional (see pages sections 15.3.2 and 15.3.3 of the prescribed textbook) for a detailed explanation of these roles.

Think about what you learnt in HRM1501 (see in [Additional study material](#)). Again, job analysis is the most basic building block of HR management. In examining the components of job analysis and how they apply to virtual organisations, it is important to evaluate the following phases of the process: participation, methods of data collection and types of data and level of analysis (see section 15.3.3 of the

prescribed textbook). Transition from working in the office daily to having a remote role can create some challenges for both the manager as well as the employee. Proper training is essential to building a strong virtual team. T&D methods believed to be most effective for employees in virtual organisations include e-learning, job experience, action learning and relationships with mentors, coaches and peers. E-learning involves use of the internet, electronic media and information and communication technologies (ICT) to conduct training online. E-learning has a major impact on HR and training, although advantages and disadvantages need to be considered (see table 15.2 in the prescribed textbook).

## 9.6 SUMMARY

In this unit we considered the impact of the management of employees within a virtual organisation and you learnt about different forms of virtual work arrangements. Virtual work arrangements are arrangements that allow employees with unique skills to work remotely from their colleagues and managers. We highlighted the advantages and disadvantages for both the organisation and the employees in implementing these types of arrangements. HR professionals play a critical role in leading the transformation of the HR function within an organisation from a traditional to a virtual organisation.

## 9.7 SELF-ASSESSMENT



The self-assessment questions consist of multiple-choice and written questions. To access the multiple-choice questions, visit the self-assessment workbook 09 tab on [myUnisa](#) and begin your assessment.

### Question 1

Telecommuting is one of the forms of virtual work arrangements. Discuss this concept by giving a brief description of it and explaining how such a work arrangement can be implemented. Also consider why an organisation would use this kind of work arrangement.

### Question 2

HR professionals will have to play five different roles in the virtual organisation. Identify and briefly explain these roles and discuss the ways in which the professionals can fulfil these roles.



### **Feedback**

### Question 1

You will find the answer to this question in "The virtual workplace" in chapter 15 of the prescribed book.

Telecommuting is when people work away from the office, for example at home. Elaborate on this description, then explain the six obvious issues that organisations must keep in mind when implementing a telecommuting work arrangement. Lastly, you can explain the advantages of telecommuting.

### Question 2

The answer to this question is in "The role of the HR professional and HR practices in virtual organisations" in chapter 15 of the prescribed book and section 9.5 of this workbook. The question is easy to answer: simply explain the theory discussed in the table by referring to each of the five HR roles in the virtual organisation.



## REFLECTION ACTIVITY

Reflect on your learning while working through this unit. Complete the following self-assessment checklist to determine your understanding of this unit and whether you have mastered the learning outcomes:

| Learning outcomes  | Yes | No |
|--|-----|----|
| Can I define the concept of virtual organisation?  |     |    |
| Can I identify and explain the three forms of virtual work arrangements?                       |     |    |
| Can I discuss the characteristics which truly identify a virtual team?                         |     |    |
| Can I differentiate between the various virtual teams?   |     |    |
| Am I able to discuss technology within a virtual team?   |     |    |
| Am I able to discuss the role of the HR professional within the virtual organisation?          |     |    |
| Can I discuss training and development within a virtual organisation?                          |     |    |
| Can I discuss issues relating to a number of HR practices within the virtual work environment? |     |    |
| Can I distinguish between the traditional and virtual organisation?                            |     |    |

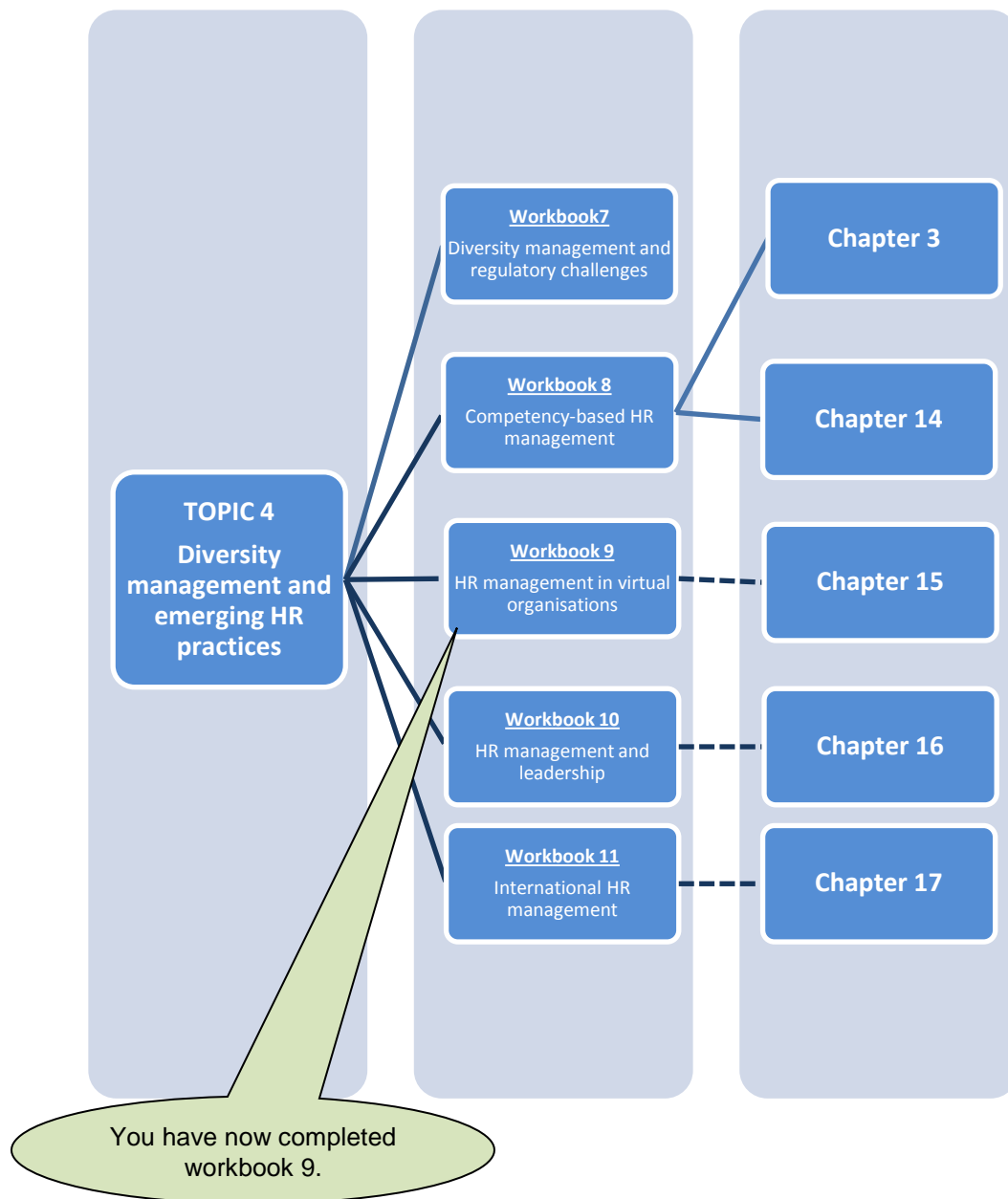


## Feedback

### GUIDELINES FOR COMPLETING THE REFLECTION ACTIVITY

- If you answered yes to all of the questions in the checklist, you are now ready to move on to the next workbook.
- If you answered no to any of the questions in the checklist, work through the specific sections again.

It is very important that you achieve all the learning outcomes of this module as they guide your learning process in this module.



Now that you have successfully completed workbook 09 and all the activities, you can go on to workbook 10.

## BIBLIOGRAPHY

Wärnich, S, Botha, J & Grobler, PA. 2006. *MNH202C workbook - Human Resource Management*. Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa*. 5th edition. London: Cengage Learning.