VIRTUAL ORGANIZATION

This new form of organization, i.e., 'virtual organization' emerged in 1990 and is also known as digital organization, network organization or modular organization. Simply speaking, a virtual organization is a network of cooperation made possible by, what is called ICT, i.e. Information and Communication Technology, which is flexible and comes to meet the dynamics of the market.

Alternatively speaking, the virtual organization is a social network in which all the horizontal and vertical boundaries are removed. In this sense, it is a boundary less organization. It consists of individual's working out of physically dispersed work places, or even individuals working from mobile devices and not tied to any particular workspace. The ICT is the backbone of virtual organization.

It is the ICT that coordinates the activities, combines the workers' skills and resources with an objective to achieve the common goal set by a virtual organization. Managers in these organizations coordinate and control external relations with the help of computer network links. The virtual form of organization is increasing in India also. Nike, Reebok, Puma, Dell Computers, HLL, etc., are the prominent companies working virtually.

While considering the issue of flexibility, organizations may have several options like flexi-time, part-time work, job-sharing, and home-based working. Here, one of the most important issues involved is attaining flexibility to respond to changes – both internal and external – is determining the extent of control or the amount of autonomy the virtual organizations will impose on their members.

This is because of the paradox of flexibility itself. That is: while an organization must possess some procedures that enhance its flexibility to avoid the state of rigidity, on the one hand, and simultaneously also have some stability to avoid chaos, on the other.

Characteristics:
A virtual organization has the following characteristics:
1. Flat organization

2. Dynamic

3. Informal communication

4. Power flexibility

5. Multi-disciplinary (virtual) teams

6. Vague organizational boundaries

7. Goal orientation

8. Customer orientation

9. Home-work

10. Absence of apparent structure

11. Sharing of information

12. Staffed by knowledge workers.

In fact, this list of the characteristics of virtual organization is not an exhaustive one but illustrative only. One can add more characteristics to this list.

Types of virtual organizations:

Telecommuters:
These companies have employees who work from their homes. They interact with the workplace via personal computers connected with a modem to the phone lines. Examples of companies using some form of telecommuting are Dow Chemicals, Xerox, Coherent Technologies Inc., etc.

Outsourcing Employees/Competencies:
These companies are characterised by the outsourcing of all/most core competencies. Areas for outsourcing include marketing and sales, human resources, finance, research and development, engineering, manufacturing, information system, etc. In such case, virtual organization does its own on one or two core areas of competence but with excellence. For example, Nike performs in product design and marketing very well and relies on outsources for information technology as a means for maintaining inter-organizational coordination.

Completely Virtual:
These companies metaphorically described as companies without walls that are tightly linked to a large network of suppliers, distributors, retailers and customers as well as to strategic and joint venture partners. Atlanta Committee for the Olympic Games (ACOG) in 1996 and the development efforts of the PC by the IBM are the examples of completely virtual organizations. Now, these above types of virtual organizations are summarized in the following Table 34.1.

Table 34.1: Spectrum of Virtuality

Types	Least virtual	Most virtual
Telecommuters	Core Corp. with virtual outsourcing	Completely Virtual
Employees Completely virtual	Combination of employees Virtual employees, outsourcing, (Virtual offce, virtual production)	Virtual employees and/or Participants in a completely virtual organization

- *Mobile* **Working:**
  This type of virtual organization specifies to the mobile employees working in an environment in which mobile devices such as cell phones, laptops, e-mail wireless devices, pagers and laptops are required.
- *Hot Desking:*
  In these type of virtual organizations, fixed desks assigned to all or few employees is removed. When they arrives, they are accredited a computer workstation through which they can access their documents, files, applications and e-mails. This type of arrangement is suitable for the companies in which members spend a huge amount of time on the customer workplaces.
- *Hoteling:*
  This type of organization is similar to the hot desking. Hot desk in this system is provided by the client or customers to the virtual organization employees.
- *Telecentres:*
  These type of virtual organizations are placed for the employees generally not available in the telecommuter's home. It is mostly placed in the associations outside of the major cities and provide space and equipment there.

LEARNING ORGANIZATION

A learning organization is the term given to an organization which facilitates the learning of its employees so that the organization can continuously transforms itself. Learning organization develops as a result of the pressures which are being faced by the organizations these days for enabling them to remain competitive in the present day business environment. The learning organization concept was coined through the work and research of **Peter Senge** and his colleagues.

The concept of learning organization is increasingly relevant given the increasing complexity and uncertainty of the organizational environment. In the words of Senge: "The rate at which organizations learn may become the only sustainable source of competitive advantage".

People have found the idea of a learning organization to be inspiring, yet difficult to implement. It frequently involves deep change in the mind sets of employees as well as the culture of the organization and the society. Such change does not occur overnight.

Definitions of learning organization

- Peter Senge has defined the learning organization as the organization " …organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together".

- Learning organization can also be defined as an "Organization with an ingrained philosophy for anticipating, reacting and responding to change, complexity and uncertainty."

- McGill and his colleagues had defined the learning organization as "a company that can respond to new information by altering the very "programming" by which information is processed and evaluated."

- A learning organization is one that is able to change its behaviours and mind-sets as a result of experience. This may sound like an obvious statement, yet many organizations refuse to acknowledge certain truths or facts and repeat dysfunctional behaviours over and again.

- A learning organization is an organization that actively creates, captures, transfers, and mobilizes knowledge to enable it to adapt to a changing environment.

An organization needs to learn to survive and prosper in changing and uncertain environment. It needs its managers to make right decisions through skill and sound judgment. Successful decision-making requires the organization to improve its capability of learning new behaviours over a period of time. This learning in the organization is a fighting process in the face of swift pace of change. In this battle managers are responsible for increasing the awareness and the ability of the organizational employees to comprehend and manage the organization and its environment.

However, most managers know how to ensure the organizational learning, but fail to understand how to make their organization a learning organization.

The role of a leader in the learning organization is that of a designer, teacher, and steward who can build shared vision and challenge prevailing mental models. He is responsible for

building in which the employees are continually expanding their capabilities to shape their future — that is, leaders are responsible for learning.

The basic rationale for a learning organization is that in situations of rapid change only those that are flexible, adaptive and productive will excel. For this to happen, it is argued, the organization needs to 'discover how to tap employee's commitment and capacity to learn at all levels'

The learning organization aims to bring new ideas, debate issues, introduce innovative methods and offer case studies to others.

A learning organization learns from the experiences rather than being bound by its past experiences. In the learning organization, the ability of the organization and its managers is not measured by what it knows (that is the product of learning), but rather by how it learns — the process of learning. Management practices encourage, recognize, and reward with openness, systemic thinking, creativity, a sense of efficacy, and empathy.

While all the employees have the capacity to learn, the structures in which they have to function are often not conducive to reflection and engagement. Furthermore, the employees may lack the tools and guiding ideas to make sense of the situations they face. Hence the learning organization which is always aspiring for success in its operation is to create a future that requires a fundamental shift of mind among its employees.

The dimension that distinguishes a learning organization from more traditional organizations is the mastery of certain basic disciplines or 'component technologies'. The **five main characteristics** that Peter Senge had identified are said to be converging to innovate a learning organization. These are (i) Systems thinking, (ii) Personal mastery, (iii) Mental models, (iv) Building shared vision, and (v) Team learning.

Systems thinking

The idea of the learning organization developed from a body of work called systems thinking. This is a conceptual framework that allows people to study businesses as bounded objects. Learning organization uses this method of thinking when assessing the organization and

has information systems that measure the performance of the organization as a whole and of its various components. Systems – thinking states that all the characteristics must be apparent at once in an organization for it to be a learning organization. If some of these characteristics are missing then the organization falls short of its goal. However some believes that the characteristics of a learning organization are factors that are gradually acquired, rather than developed simultaneously. Systems – thinking is the conceptual cornerstone of a learning organization. It is the discipline that integrates all the employees of the organization, fusing them into a coherent body of theory and practice. Systems thinking ability to comprehend and address the whole and to examine the interrelationship between the parts provides for both the incentive and the means to integrate various disciplines in the organization.

Personal mastery

Organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning. But without it no organizational learning occurs. Personal mastery is the discipline of continually clarifying and deepening employee's personal vision, of focusing their energies, of developing patience, and of seeing reality objectively. It goes beyond competence and skills, although it involves them.

The commitment by an individual to the process of learning is known as personal mastery. Individual learning is acquired through employee's training, development and continuous self-improvement, however learning cannot be forced upon an individual who is not receptive to learning. A learning organization has been described as the sum of individual learning, but there must be mechanisms for individual learning to be transferred into organizational learning.

People with a high level of personal mastery live in a continual learning mode. People with a high level of personal mastery are acutely aware of their ignorance, their incompetence, and their growth areas. They are always deeply self-confident.

Mental models

Mental models are 'deeply ingrained assumptions, generalizations, or even pictures and images that influence how we understand the world and how we take action'.

The assumptions held by individuals and organizations are called mental models. To become a learning organization, these models must be challenged. Organizations tend to have 'memories' which preserve certain behaviours, norms and values. In creating a learning environment it is important to replace confrontational attitudes with an open culture that promotes inquiry and trust. To achieve this, the learning organization needs mechanisms for locating and assessing organizational theories of action. Unwanted values need to be discarded by the process called 'unlearning'.

The discipline of mental models starts with turning the mirror inward; learning to unearth our internal pictures of the world, to bring them to the surface and hold them rigorously to scrutiny.

If the organization is to develop a capacity to work with mental models then it is necessary for the employees to learn new skills and develop new orientations. For this there need to be institutional changes in order to foster such change. There need to have openness in the organization. It also involved seeking to distribute organizational responsibly far more widely while retaining coordination and control.

Building shared vision

If any one idea about leadership that has inspired organizations for thousands of years, is the capacity to hold a share picture of the future the organizations seek to create. Such a vision has the power to be uplifting – and to encourage experimentation and innovation. Crucially, it is argued, it can also foster a sense of the long-term vision, something that is fundamental

The development of a shared vision is important in motivating the employees to learn, as it creates a common identity that provides focus and energy for learning. The most successful visions normally build on the individual visions of the employees at all levels of the organization. The creation of a shared vision can be hindered by traditional structures where the organizational vision is imposed from above. Therefore, a learning organization tends to have flat, decentralized organizational structure. The shared vision is often to succeed against a

competitor for which there can be transitory goals. However there should also be long term goals that are intrinsic within the organization.

Team learning

The accumulation of individual learning constitutes team learning. The benefit of team or shared learning is that the employees grow more quickly and the problem solving capacity of the organization is improved through better access to knowledge and expertise. A learning organization has structures that facilitate team learning with features such as boundary crossing and openness. Team learning requires individuals to engage in dialogue and discussion. Therefore team members must develop open communication, shared meaning, and shared understanding. A learning organization typically has excellent knowledge management structures, allowing creation, acquisition, dissemination, and implementation of this knowledge in the organization.

Team learning is viewed as 'the process of aligning and developing the capacities of a team to create the results its members truly desire. It builds on personal mastery and shared vision – but these are not enough. Employees need to be able to act together. When teams learn together then not only there are good results for the organization but the team members also grow more rapidly which could not have happened otherwise.

Benefits of a learning organization

A learning organization does not rely on passive or ad hoc process in the hope that organizational learning will take place through serendipity or as a by-product of normal work. A learning organization actively promotes, facilitates, and rewards collective learning. The main benefits of a learning organization are as follows.

- Maintaining levels of innovation and remaining competitive
- Being better placed to respond to external pressures
- Having the knowledge to better link resources to customer needs
- Improving quality of outputs at all the levels

- Improving the corporate image of the organization by becoming more people oriented
- Increasing the pace of change within the organization