Introduction

Organisation is a loosely used term, wherein some include behavior of people while others include the total system of social and cultural relationships. It is believed that good people can make an organization structure work. But we will agree that good people will be more effective when their roles and relations are clearly defined.

In simple words, an organization means…

1. as a noun
   - an institution
   - a structure
   - a group of people (human structure)

2. as a verb
   - to organize (process for creating the organization)

What ties these people together?

- Formal relationship of authority & responsibility
- Processes
- Work culture
- Teams & reporting channels

Over the last couple of decades, we have seen a major shift from an industrial economy to an information economy. This has led to an enormous increase in competitiveness among companies, and new technologies are needed to help capitalize on the information economy. Some such efforts are discussed in brief in subsequent paragraphs.

Recent trends in organisation structures

The ‘true’ information revolution is only just emerging as technology strips away traditional product stages to provide a more integrated view.

1. Virtual Organisation…..

Literally speaking, virtual means “what appears but is not”. The virtual organisation (VO) is viewed as an organisation consisting of independent partners, who try to combine their strengths, skills, resources, risks and finance in order to produce ideas or a product. Members of the VO are often geographically dispersed and communicate with the help of information technology.

The concept of Virtual Organisation emerged about 10-15 years ago, but many of the practices of virtual organizations can be traced back to at least four decades. The strong motivation for the formation of VO’s in industry is the need to reduce costs. The economic idea is that costs can be saved if partners with complementary expertise work together towards some common objective. In particular, the infrastructure costs of a small unit are likely to be much lower in total than the corresponding cost to a large organisation. There are number of key features that can be said to be implicit in the idea of Virtual Organizations.
Features of Virtual Organisation:

- Low cost
- Dependence on Information technology
- Voluntary commitment
- Flatter structure
- Less employees in a place, less complications
- Outsourced work, less responsibility
- Flexibility of operations
- More like professional partnership
- Co-operation based on trust & IT

Its members will inevitably be geographically dispersed, and will have responsibilities on behalf of their employer institute as well as on behalf of the VO. Membership is also likely to be dynamic, with members joining and leaving when their roles begin and end, rather than remaining members for the whole duration of the project around which the VO is established. Some aspects of the VO are similar to those of a more traditional working organization, but there are other aspects, such a a flatter hierarchy and a voluntary commitment, that are more peculiar to the VO. It is being recognized that the dependence on IT tools is one of the main characteristics of a VO, but it has also been argued that since VO’s existed in practice before the IT revolution, the reliance on IT is not a defining characteristic.

2. Virtual Enterprise....

A Virtual Enterprise (VE) is a temporary alliance of enterprises that come together to share skills or core competencies and resources in order to better respond to business opportunities, and whose cooperation is supported by computer networks. It is a manifestation of Collaborative Networks and a particular case of Virtual Organization. “…a temporary network that exists through telematic networks and aims to share skills, resources, costs and benefits to achieve one or more projects answering to the market opportunities for products and services” (Pallet).

Features of Virtual Enterprises...

- Boundary crossing
- Complementary core competencies
- Geographical dispersion
- Complementary nature of th partners
- Participant equality
- Extensive use of information and communication technology
- Temporary
- No creation of a new legal entity

Virtual Enterprises (VE) are a new & major trend in the cooperative business, or B2B scenario. Virtual Enterprises allow businesses to specialize and be flexible within their environments. In the past, this business model has been applied to outsourcing and supply chains, as well as temporary consortia. Due to the fact that the formation of Virtual
Enterprises is an intricate process, a new form of technological support has been developed. The most ambitious of the support systems actually intends to automate part of the creation process, as well as the operation of these enterprises (Cardoso & Oliveira, 2005).

Need for Virtual Organization was felt due to developments like…

- Telecommuting
- Tele-meeting
- Group telephonic classes
- Just-in-time organization modules
- E-mail, voicemail, paging
- Website to collect & gather data
- Project management software
- Groupware software-collaboration & tracking software

However, these structures of organizations are not devoid of shortcomings. They have their own share of problems which cannot be overlooked.

Problems of Virtual Organizations…

- No sense of organizational belongingness
- Low Organizational commitment
- Productivity hampered
- Job satisfaction reduces with time
- Motivation slackens
- Accountability is low & loose
- Training is difficult to coordinate & conduct
- Knowledge development is difficult

Boundary less organizations…

Jack Welch of General Electric (GE) coined the phrase “The Boundary less Organization”. He believed, and has been proven correct, that GE would be much more effective if the cultural, geographical and organizational barriers that separated the employees become more permeable. He put emphasis on the boundaries’ ability to enable business, rather than get in its way.

In the next era of the Information age, we will expect to have information from multiple parts of the enterprise at our fingertips, all integrated to suit our specific needs, instantly available, across geographies, time zones and organizational structures. In order to achieve that and to enable the information age to realize its full potential, we need to allow for what The Open Group calls “Boundary less Information Flow” - a continuous secure stream of information seamlessly flowing within and among enterprises, across permeable boundaries.

The boundary less organization school does not advocate the complete elimination of vertical positions. Rather, it emphasizes the creation of “healthy hierarchies”. Since the industrial revolution, hierarchies designed around the virtues of size, role clarity, specialization, and control have generally been successful. Boundary less theory states that today, however, similarly designed hierarchies are cumbersome and incompatible with the new virtues of speed, flexibility, integration, and innovation.
In organizations with unhealthy hierarchies where vertical boundaries are too strong, observable status (e.g. rank or position) carries more privilege and authority than less observable but more important qualities such as knowledge, expertise, and experience. A boundary less organization strives to give authority to those with the appropriate knowledge, expertise, and experience to handle a situation, not to the employee with the highest rank. The military is a classic example of a vertically rigid organization, and it follows from the premises of boundary less thinking that the authoritarian style of the military is not a good organizational model for companies.

**Features of boundary less organization…**
- No defined design
- No vertical limits of boundaries
- Eliminates chain of command
- Limitless spans of control
- Depts.. replaced with functional teams
- Heavily relies on IT

**Advantages…**
- Eliminates vertical hierarchies
- Greater regard for teamwork, empowerment
- Readiness to embrace IT in operations
- Work from uniform mobile workstation
- Specialized work

**Disadvantages…**
- Horizontal boundaries exist in the org structure
- Emphasis is no hiring more specialists than generalist
- Compromises physical contact & its associated advantages

**Organic model…**

This model of new age organization is a combination of traditional hierarchical structure and the flat, matrix structure. It emphasizes specialist teams for various projects rather than departmental type of organization. This form is most prevalent in the IT sector where a project is handled by a team of specialists, who are at par, coordinated by a team leader who also acts a link between the team and management and aided by a team consultant.

**Features of Organic Model…**
- Flat
- Uses cross-hierarchical & functional team
- Comprehensive info networks
- Limited formalization

This model is gaining increasing popularity in other sectors as well where such teams for specific tasks can be set up.
Summary…..

Thus we can see that the information revolution has not only transformed the methods of production but also the frameworks within which the people work and their interrelationships. An organization which responds to the changing trends will not only survive in this fiercely competitive global economy but also excel. The focus is shifting to functional specializations than generalists.

When Peter Drucker wrote in October 1999, ” The truly revolutionary impact of the information revolution is just beginning to be felt,” he recognized that its real impact was not in terms of information at all. Just as the Industrial Revolution, in its first half century, merely mechanized the process of producing goods that had been there all along, so the Information Revolution, since the introduction of the first computers, has only improved processes that already existed.

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