

EFFECTIVE MANAGEMENT OF A VIRTUAL WORKFORCE

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DEDICATION PAGE

I would like to dedicate this dissertation to my family, especially to my husband André van der Merwe who always believed in me. Through the years of study he encouraged me to do my best. In times when there was great pressure on me between the work, home and studies he always came to my rescue. Sometimes he took care of the children, made supper and brought me my favourite drink, Rooibos tea. Without the support of my family it would not have been possible to complete my studies.

My family believes: **THERE IS NOTHING THAT MOM CANNOT DO!** This motto kept me going because I could not disappoint them.

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ABSTRACT

The problem is that traditional jobs have been office-based, with close supervision. In the Virtual Office (VO) situation managers have a resistance towards the managing of the workforce because they do not know how to manage virtual workers off-site, workers that they cannot see. They feel that managing virtual workers off-site places a huge burden on them. The biggest difference is the shift in management style from direct control to management of results. The biggest challenge for most organisations is to manage the workforce of the VO.

The objectives of this research project are to determine how managers can manage a virtual workforce, improve communication and control the workforce.

Comprehensive research has been done on the topic VO that includes articles from magazines, newspapers, Internet and textbooks. As sufficient reference resources are not available in South Africa the research was especially based on USA reference resources, due to the reported successful implementation of Virtual Offices in that country.

Managers can effective management a virtual workforce by making use of MBO and not by monitoring activities. They can improve communication with the workforce by staying connected and they can control the workforce through feedback and support.

This research has proved that the paradigm shift in the corporate world of work – any time, anywhere, in real space or in cyberspace is here to stay. Virtual workers and managers working away from the office is now a reality, and will become more common in the future. Companies who wait for the future to allow the VO to effectively take shape may find themselves at a competitive disadvantage. Now is the time for companies to create the conditions for the VO to emerge.

SUMMARY

The problem is that traditional jobs have been office based, with close supervision. In the VO situation managers have a resistance towards managing the workforce because they do not know how to manage virtual workers off-site, workers that they cannot see. The biggest difference is the shift in management style from direct control to management of results.

This research has proved that the paradigm shift in the corporate world of work – any time, anywhere, in real space or in cyberspace – is here to stay. Virtual workers and managers working away from the office is now a reality, and will become more common in the future. Companies who wait for the future to allow the VO to effectively take shape may find themselves at a competitive disadvantage. Now is the time for companies to create the conditions for the VO to emerge.

KEY TERMS DESCRIBING THE TOPIC

Virtual office, Virtual workers, Management by Objective, Communication, Feedback, Control, news workspace, information technology, performance, objectives, goals, support.

GLOSSARY

ACRONYMS

Virtual Office (VO)

Management by Objectives (MBO)

Integrated Services Digital Network (ISDN)

Local Area Network (LAN)

Collective Knowledge Networks CKNs

Information Technology

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CHAPTER 1

INTRODUCTION

1.1 Background

In a traditional office, managers need to administer and coordinate efforts to achieve the goals of the organisation (Odgers & Keeling, 2000:4). If managers want to attain the organisational objectives, they need to combine human resources, material resources and financial resources into a productive system (Odgers & Keeling, 2000:4).

During the last decades all administrative activities were centred in the traditional office where the administration function was performed. Employees worked at their own physical workplace with furniture and equipment provided by their employer. They had to do filing, receive visitors, take telephone calls, type documents, make photocopies, etc. The list is endless.

“A new administrative scenario – the VO – emerged in enterprises, due to the influence of technological development, which drastically changed the traditional office scenario” (Hoffman, 1999:17). The meaning of the word “office” as we understand it today will have a completely different meaning in the future. Organisations will have to adapt to their new environment where Information Technology will play a major role in communication in the organisation. According to Smit & Cronje, (2002:463), “...., modern managers need to appreciate and understand the power of technology and must be able to use it to the best interest of the organisations they work for”.

The manager of the VO needs to “find new ways of working with people at arm’s length” (Smit *et al.*, 2002:36). Knowledge workers will become the main group in the workforce of the VO. Knowledge is very portable and therefore leads to a mobile worker that fits in with the VO. New organisational structures need to be implemented and managers need to learn more about the VO.

1.1.1 The Virtual Office

In the past managers tried to solve workplace problems by downsizing, re-engineering and changing hierarchical structures, but they did not get satisfactory results (Gama, 1999:6). Managers found themselves running into walls, because the change in work processes did not fit into buildings. With technology such as e-mail, e-commerce, Internet, cellphones, etc. the time is finally right for the VO to take shape. Computer networks make it possible for a person to work outside the confined walls of the traditional office. They will be working from a VO – a portable office that allows people to be functional and effective wherever they are, be it in the car, at home, in a hotel lobby or at a client’s office. Companies start spending money on computer networks and other technologies rather than on buildings (Smit *et al.*, 2002:473).

1.1.2 Different models of the VO

According to Liegle & Bodnovich (2004:1), there are three models of virtual organisations:

- Telecommuting companies – these companies have employees who work from their homes. They interact with the workplace via a personal computer connected by a modem to the phone lines.
- Companies that outsource all non-core competencies – outsourced areas might include marketing and sales, human resources, finance and information systems. This type of organisation will only retain those areas which comprise its core competencies.
- Completely virtual companies – “a company without walls that is tightly linked to a large network of suppliers, distributors, retailers and customers, as well as to strategic and joint-venture partners”. Without this network, the company would cease to exist.

1.1.3 Definitions of the VO

The literature study does not agree on a single definition for a VO. Skyrme (2000:21) defines a VO as one “where the physical office is replaced by office services”.

Odgers & Keeling (2000:95), on the other hand, says: “A new form of organisation is evolving that uses information technologies to collapse time and space.” They also mention that “...virtual workers are people that work at home or away from the workplace and have their own computers and data communication devices”.

A virtual organisation is therefore a place where people work by using computer networks to work cooperatively and share knowledge quickly and easily regardless of time, distance and organisational boundaries.

1.1.4 General features of the VO

According to Skyrme (2000:22) the general features of a VO that distinguishes it from the traditional form are the following:

- Operations can be dispersed because of information and communications technology.
- The barriers that virtual workers can experience with time and space can be reduced or can even disappear completely.
- Organisational structures are network-like.
- Employees and associates adopt new patterns of work.
- The locus of knowledge is diffused.

Managers must realise that they need to adapt to changes in the environment to be able to effectively manage the workforce of the VO. This paradigm shift may propel the South African economy into a powerful and productive future (Hoffmann, 1999:59).

1.1.5 The characteristics of the VO in which virtual workers thrive (Athey, 2001:12)

As traditional organisations are not conducive to virtual workers, managers have to create a high performance VO in which virtual workers can thrive. The pace of the VO is going to be so fast that the virtual workers will not always be able to wait for the next layer of approvals. The manager of the VO must become an engaging coach.

A strong vision

Management must guide and encourage virtual workers rather than try to command and control them.

Entrepreneurial drive and empowered employees

If a company creates a less restricted job description that will focus on results rather than tasks, virtual workers will be more willing to take strategic risks and greater responsibility.

A strong cultural identity

Virtual workers that have a strong sense of organisational identity tend to work with a clearer sense of mission than those who do not.

Constructive conflict

As long as individual virtual workers have strong communication skills and are aligned toward common goals there will be constructive conflict.

Results orientation

Virtual workers need to be rewarded for results, not for tasks or work they have accomplished.

Visible trust

Trust in the organisation must operate in three ways:

*Management must trust that all efforts of employees are in the best interest of the organisation. This will happen when people in the organisation share a strong sense of organisation identity and work towards the strategic objectives of the organisation.

*Virtual workers must trust that their efforts will be rewarded by peers and management.

*Trust must be nurtured between organisations, not just within them.

Continuous learning environments

Organisations that make investments in the development of their people, communication and technological skills will achieve better results than those that do not.

Organisations cannot ask virtual workers to start operating in a different way if their incentive system does not reward those efforts.

Some virtual workers need training and coaching in effective collaboration skills. Successful collaboration depends on successful relationships as well as on a common mission and language.

Success is driven by interpersonal factors such as trust, shared norms, values, commitments and expectations (Athey, 2001:12).

In the traditional office all administrative functions were geographically centred, but because of the rapid pace of the development in technology the VO emerged. Information technology will therefore play a vital role in supporting the human resource management needs in the VO (Liegle & Bodnovich, 2004:4).

According to Smit *et al.*, (2003:36), "...these new organisations are different in terms of workforce, structure, technology, quality, and relationships with stakeholders". The VO is a workplace situated any place outside the principal office. The VO has requirements and objectives that are quite distinct from those of the traditional office. In the traditional office the functions of management involve the planning, organising, controlling of all information-related activities and leading or directing people to attain the objectives of the organisation. In the VO ".....managers will have to accept the responsibility that will place new demands on their management skills and the execution of managerial strategies" (Hoffmann,1999:68).

"The fact that knowledge workers will soon become the dominant group in the workforce makes the contemporary manager's job even more challenging" (Smit *et al.*, 2003:36). The production factor has changed from land, labour and raw materials to knowledge. In the VO the workforce owns the production factor namely knowledge, and as knowledge is portable, the workforce will become more mobile.

The changing technological environment has paved the way for the existence of the VO. In many ways the VO in itself is much different from the traditional office and has to be

managed differently. This is where the problem seems to lie. Managers can experience problems to control virtual workers who are dispersed over a large geographical area.

1.2 Problem statement

The problem is that traditional jobs have been office-based, with close supervision. In the VO, managers have a resistance towards the managing of the workforce because they do not know how to manage virtual workers off-site, workers that they cannot see. They feel that managing virtual workers off-site places a huge burden on them. The biggest difference is the shift in management style from direct control to management of results. The biggest challenge for most organisations is to manage the workforce of the VO.

1.3 Objectives

1.3.1 Primary objective

Examining how managers can effectively manage a VO workforce.

1.3.2 Specific objectives

Determining

- how managers can manage the VO workforce.
- how managers can improve communication with the VO workforce.
- how managers can control the VO workforce.

1.4 Research methodology

The research design for the purposes of this dissertation will be that of an exploratory, descriptive study. According to Welman and Kruger (2002:33) a literature study is an approved method of research. The purpose of exploratory research is to determine whether or not a phenomenon exists, and to gain familiarity with such a phenomenon (Welman *et al.*, 2002:33).

Comprehensive research has been done on the topic VO that includes articles from magazines, newspapers, Internet and textbooks. As efficient reference sources are not available in South Africa the research was especially based on USA reference sources, due to the reported successful implementation of VO in that country.

1.5 Limitation of the study

As only limited sources of reference are available in South Africa the research was especially based on USA reference sources, due to the reported successful implementation of Virtual Offices in that country. Therefore the contributions of international expertise will play a major role in this investigation. As managers in South Africa are very resistant to change only a few organisations have implemented the VO on a very small scale. They rather prefer the familiar *status quo*. Managers are the most important factor that can bring a paradigm shift but they resist the major changes they need to make in their management style to adapt to the management of the VO. The inclusion of website information is important for this research as these websites host the most updated information on the topic VO.

1.6 Action plan and progress schedule

The research will be done as follows:

Chapter 1: Introduction

The virtual organisation emerged from the rapid developments in information technology. A brief background is given to show the origin and characteristics of the VO. This changing environment has brought new challenges to managers of the VO.

Chapter 2: Management by Objectives (MBO)

Management by Objectives, as a management tool or technique, can be used in the virtual organisation. It is a system in which specific goals are jointly determined by the virtual worker and the manager, progress towards goals is periodically reviewed, and rewards are given on the basis of that progress. The manager in the VO uses the set goals to motivate virtual workers and not to control them.

Chapter 3: Effective communication

Technological changes have influenced organisational communication in recent years. These technological changes have an impact on the effectiveness of communication between the virtual worker and the manager. Establishing channels of communication is vital for the success of a virtual worker programme. It is important to remember that new technology cannot completely replace the use of older ones. The use of electronic mail has not made face-to-face meetings redundant.

Chapter 4: Feedback and support

One of the basic management techniques that managers often fall short of is giving employees ongoing feedback and support. Regular communication with virtual workers to assess needs, give feedback and discuss problems is very important. Feedback to virtual workers does not have to mean a lot of extra work. A brief voice or e-mail, a quick note in the margin of a report or memo or a short chat when they are at the office will ensure they get the necessary feedback.

Chapter 5: The future of the Virtual Office

The new organisational model will have characteristics that differ significantly from those of the organisations embodied in the bureaucracy. Virtual workers rely on teams, which means that managers must develop their skills as team members and as team leaders. The new model will also make provision for a flatter organisation. Managers will not be able to rely on the authority relationships created by the traditional organisational hierarchy any more. The manager will work with different teams that have different priorities and are motivated by different incentives. The model will consider the features of the virtual organisation and the management challenge it presents in some depth.

Chapter 6: Conclusions and recommendations

The VO is evolving in ways that none of us have expected. The VO emerged because of the rapid development in new technology and therefore all the administrative functions of an organisation are not necessarily geographically centred in one office any more. If managers are to be able to manage the workforce of the VO by objectives/results and not by activities they will have to provide specific, measurable and attainable goals for the virtual workers to meet. The success of the management of the virtual office will be determined by the ability of managers to effectively balance technology and face-to-face communication with the virtual worker. Although control is the fourth step in the management process, it is an important link in the VO as it provides feedback to the first step of the process, namely planning.

1.7. Summary

In the next chapter Management by Objectives (MBO) will be discussed as a system that can be used in the virtual organisation. Here specific performance objectives are jointly set by the virtual worker and the manager, progress towards objectives is continuously reviewed, and rewards are given on the basis of that progress. The paradigm shift of the manager from managing by control to managing by results (MBO) will be discussed. This paradigm shift may propel the South African economy into a powerful and productive future (Hoffmann, 1999:59).

CHAPTER 2

MANAGEMENT BY OBJECTIVES/RESULTS

2.1. Introduction

In this chapter Management by Objectives (MBO) will be discussed as a more indirect and delegative management style or method that will assist virtual workers and managers to establish jointly a set of goals that will serve as the foundation for the development of the virtual worker's work plans.

Several large organisations and SMEs are offering employees alternative working arrangements such as working part of the workweek at home or off-site from the organisation's office. Different terms are used to describe these working arrangements. The terms virtual workers, telecommuters and teleworkers will be used interchangeably. A description of each follows.

Teleworkers, telecommuters or virtual workers

Teleworkers, telecommuters or virtual workers may be working for an organisation but are working from home part of the workweek, or spend most of their working time with clients and rarely work in a corporate office (Lewis, 2000:5).

Telecommuting or telework describes the method of bringing the work to the worker and not the worker to the work. Employees can telecommute or do telework even if the employee's office is at home or at an off-site location, or if the employee only works at the office part of the workweek (Hoffman, 1999:43).

Managing the virtual worker is in many ways the same as managing workers in the traditional office. According to Lamond (2000:103) there is a temptation to label all changes in connection with telework and virtual organisations as "new" and "different". Traditionally the study of management focussed on business management, in other words, the management

of business organisations. The effective management practice is not limited to large organisations, it is equally important to virtual organisations.

In this chapter the researcher will give an overview of the following aspects of MBO in the VO:

- Definition of management
- Analysis of the nature of management according to Fayol
- The role of the manager in relation to the virtual worker
- Qualities the manager should possess
- Definition and characteristics of virtual workers
- The key benefits of effective knowledge networks
- Managing the workforce of the VO
- Management by Objectives, the basis of the system of MBO

2.2 Definition of management

The term “management” is defined in various ways and the nature of management is also variable. Management is undertaken at all levels of the organisation and is not a separate function. Mullins (1999:165) is of the opinion that organisations can only achieve their goals and objectives through the coordinated efforts of the workers in the organisation and it is the task of the manager to oversee that the work is done. According to Drucker (1989:3)

“Management is a practice rather than a science or a profession so there are no precise solutions, and the ultimate test of management is achievement and business performance.”

Explanation: the terms goals and objectives are used interchangeably in different reference materials.

Goals are future expectations of the organisation. It is something the organisation is striving to accomplish in the long term. Goals must provide a clear, engaging sense of direction and specify what is going to be accomplished (Lewis, 2001:479).

Objectives reflect the results that the organisation wants to attain in the short term. The quantity and the quality of the desired results should be specified in order for the manager to select the appropriate course of action (Lewis, 2001:187).

The meaning of the concepts short term and long term will be different for different organisations. It will depend on the kind and size of the organisation.

Goals of the organisation are translated into objectives. Objectives set out more specifically the goals of the organisation, the aims to be achieved and the desired end-results (Mullins, 1999:123).

2.3 Nature of management

One approach, namely to analyse the nature of management and to search for common activities that apply to managers in all organisations, is that of Henri Fayol.

The management functions of Fayol, (Daniels, Lamond & Standen, 2000:104), are:

Planning – examining the future and drawing up the plan of action.

Organising – building up the dual structure, material and human resources, of the undertaking.

Commanding – maintaining activity among the personnel.

Coordinating – binding together, unifying and harmonising all activity and effort.

Controlling – seeing that everything occurs in conformity with established rules and expressed commands.

Referring to the functions of Fayol in relation to virtual workers, Lamond (2000:104) says: “We know that managers will need to plan their work; ensure that the necessary resources are available to them; lead and motivate them; harmonize their activities; and evaluate the outcomes of their efforts and modify their activities accordingly.” Fayol also emphasises that these principles must be flexible and adaptable to changing circumstances. This is why the approach of Fayol can easily be adapted by managers to manage the workers of the VO.

2.4 The role of the manager

Mitzberg's theories can also be considered for virtual workers (Daniels *et al.*, 2000:104).

The role of the manager in relation to virtual workers is:

Managers will still need to carry out ceremonial activities (welcomes, farewells, etc.).

They will need to carry out managerial activities involving subordinates.

They will engage in activities involving outsiders.

They will handle mail and they will receive mail.

They will forward mail to the organisation for information purposes.

They will manage the information flow to subordinates.

They will engage in strategy sessions involving initiation or design of improvement projects.

They will be involved in budgeting.

They will be involved in contract and labour negotiations.

Research into both approaches indicated that it is not the manager's roles and responsibilities that have changed from the traditional office to the VO. It is rather the way these roles and responsibilities are enacted that may change.

Managing the VO is a "management style" on its own. This means that virtual working is one of the number of flexible working practices which have grown in the past few years and require a manager with certain qualities.

2.5 Qualities of managers

Lamond refers to a report of the University of Michigan (Bolletino *et al.*, 1997:1) on teleworking that contains the following set of recommendations with regard to the qualities that should be possessed by the managers of virtual workers:

They should have very good supervisory and communication skills.

They should be able to define clearly specified tasks and expectations.

They should review work performance against pre-established objectives.

They should trust their employees as they cannot physically supervise them.

They should be result orientated.

The management of the virtual workers represents a particular approach and managers need certain characteristics. Virtual workers in their turn, need to have certain characteristics to be able to work off-site, therefore the profile of the virtual worker will be discussed next.

2.6 Virtual workers

Virtual workers will be doing the same job in nearly the same way, and working full-time or part-time from any place, be it at home, in a car, in a hotel lobby, etc. These virtual workers will not be confined to the walls of a traditional office. The virtual worker will remain an employee and will have all the same terms of employment as the traditional worker.

2.6.1 Characteristics of virtual workers

Virtual workers do not fit in with traditional organisational paradigms. Virtual workers are usually self-initiated and self-directed and although they cannot always be controlled, they need to be supported from the top. Virtual workers generally share the following characteristics (Athey, 2001:10):

2.6.1.1 Focussed

For virtual workers to be effective their efforts must always link back to the strategic goals and value proposition of the organisation. They must know their role in fulfilling organisational objectives. Virtual workers must have strong leadership and communication strategies so that they can clearly understand the core values and imperatives of the organisations they represent. If individual workers and management understand the common goals they can set clear, compelling and easy-to-grasp objectives. They can then prioritise and align their collaborative efforts towards those goals.

2.6.1.2 Voluntary

People who voluntarily engage in telecommuting are generally more motivated to contribute their knowledge and experience towards the project or organisation, especially when their effort is recognised and rewarded by the organisation. Highly motivated individuals usually achieve higher performance and tend to share their learning experience more voluntarily.

2.6.1.3 Non-hierarchical

Rigid hierarchies, through which authority and positioning are exercised by individuals, can oppose innovation, risk-taking and the free flow of ideas. The value of virtual workers to achieve their goals is that they are free to think innovatively and to react to ideas.

2.6.1.4 Cohesive

Virtual workers must attain a shared sense of identity with the organisation if they are to drive results. If virtual workers can identify and have a feeling of belonging to a group or organisation they will have a shared sense of purpose.

Virtual workers will sometimes need to work with others in a group or collaborative networks when they are engaged in a project. There are certain benefits for the virtual worker and the organisation.

2.6.2 The key benefits of effective knowledge networks

The benefits that the organisation will gain from virtual workers working in collaborative networks will depend on the foundation of the organisation currently in place (Athey, 2001:10). Organisations whose cultures are already strategically aligned and steeped in trusting relationships are likely to realise significant returns. Organisations that do not have these organisational attributes may find that they can invest better by creating the strategic and cultural foundation necessary for success.

The following are key benefits of collaborative networks:

2.6.2.1 Accelerated knowledge transfer

Virtual workers working in communities can easily locate and communicate with experts to assist them with the task at hand. Organisational knowledge can now be more effectively shared and applied in the organisation.

2.6.2.2 Productivity

Virtual workers can work more productively because they have easier access to relevant knowledge. They can also make better decisions more quickly because they spend less time looking for information and more time applying it.

2.6.2.3 Creativity

If enthusiastic, self-motivated people come together you will get innovative outcomes to achieve a common goal.

2.6.2.4 Asset optimisation

Many organisations encourage virtual workers to cut costs. If virtual workers work in collaborative networks it will help the organisation to minimise the costs associated with finding, organising and leveraging knowledge. Companies that are successful in enabling virtual workers to work in collaborative networks are those that help virtual workers to work more effectively and not only concentrate on cost cutting as the only goal in mind.

To achieve these benefits, companies cannot simply push new technologies onto the virtual worker; they must rather focus on the key business functions most closely linked to the organisation's core values to determine if virtual workers can or may work in collaborative networks.

Managers who are going to manage virtual workers must remember that the virtual workers are going to have more than enough data to challenge decisions made by senior management and the pace of work is going to be so fast that they will not wait for approval from the next layer of management. Virtual workers will participate more in decision making, and if work has been delegated to them they need to have the authority to make decisions. Therefore they need a more participatory and delegative management style such as MBO.

2.7 Managing the workforce of the VO

Technology brought positive changes to organisations but also changed the position of the manager. Traditionally the worksite was located close to a source of skilled labour and

employees were near their direct head. Managers could observe the work being done by employees and could easily communicate with employees face-to-face. With the emergence of the new organisation the virtual office employees do not work in the confined space of the office but at a remote site by using a computer linked to the central office (Robbin & Decenze, 2001:51).

The traditional face-to-face management in the VO has been removed and therefore the need for managers to “control” the work of employees needs to be changed. Managers and executives usually have the fear that they will not know if the virtual workers are working if they cannot watch over them while they are at work. The simple rule is that remote management is not much different from managing people on-site (Montero, 2004:1). It involves basic management skills that include setting goals, assessing progress, giving regular feedback, and managing by results. (In this dissertation the terms, results and objectives, will be used inter-changeably.) Managers have reported that their overall management skills have increased as a result.

You cannot be sure that employees are really working every minute you see them in the office either. Managers can easily confuse activities with accomplishments (Motero, 2004:1). Managers can feel that those who worked reduced hours, even if they worked efficiently, would not be promoted because they were not sufficiently committed. The long hours culture in many organisations makes full-time work difficult to define. Virtual workers cannot be measured on the hours worked but should be measured on results and the attainment of established goals, because those are the only issues which can be objectively measured in any event (Cooper *et al.*, 2002:306).

The ultimate responsibility of managers is to attain the goals of the organisation by reaching the highest possible output with the lowest possible input of resources. Due to the lack of physical presence during telework, more indirect and delegative management will be adequate for virtual workers (Kondrat, Hertel & Schmook 2003:61). An example of such a delegative concept is MBO. MBO is often recommended as a management concept suitable for virtual workers (Smit *et al.*, 2003:144). MBO is based on the belief that if employees and managers participate jointly in converting broad organisational goals into more specific individual goals it will have an impact on employees’ motivation. In other words, MBO is

based on the belief that you are motivated to perform more efficiently in an organisation if you participate in selecting your own personal goals (Smit *et al.*, 2003:145).

2.8 Management by Objectives

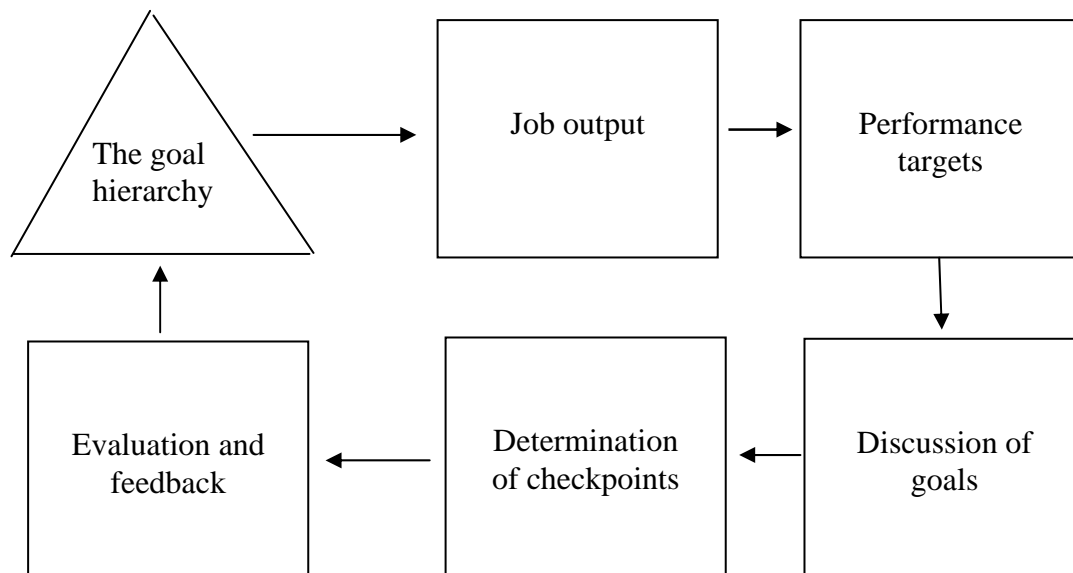
MBO is a phrase used to describe a style or system of management which attempts to relate organisational goals to individual performance and development through the involvement of all levels of management (Mullins, 1999:220). It refers to the setting of goals at the individual level. MBO practice, in contrast with traditional management, is that it involves the worker in the setting of objectives. “MBO can be summarised as a group of management techniques with an emphasis on three components: setting of goals, participation, and feedback about task fulfilment” (Konradt *et al.*, 2003:61).

Although the concept of MBO is not so popular any more, many of its processes and practices have remained useful and popular. The most popular one is the development of the concept of two-way objective setting. Workers agree on the objectives in the process of appraisal or performance review. MBO will remain a good proactive mechanism to be used within the processes of planning and control (Winning, 2003:1).

MBO is used as a planning technique and is based on the belief that the joint participation of workers and managers in translating broad organisational goals into more specific individual goals has a positive impact on employee motivation (Smit *et al.*, 2003:144 – 145).

“The importance of objectives or goals in management can best be seen by showing how MBO works in practice” (Smit *et al.*, 2003:145). Smit *et al.*, (2003:145) illustrates the process of MBO in Figure 2.1 as follows:

Figure 2.1: Process of MBO



The process of MBO can only be successful if it starts at the top of the organisation and has the support of top management. Management and employees should be educated about MBO and their role in it. Everyone must know that they have accepted it and should therefore be committed to it (Smit *et al.*, 2003:146).

2.8.1 The basis of the system of MBO according to Mullins (1999:220):

One particular participative approach to the activities involved in planning, organising, direction and control is MBO. MBO is a phrase used to describe a management style which attempts to relate the goals of the VO to the individual performance of the virtual workers. The underlying basis of a system of MBO is:

- the setting of objectives and targets.
- participation by individual managers in agreeing with unit objectives and criteria of performance; and
- the continual review and appraisal of results.

MBO was introduced by Drucker in 1954. It has been set forth for every area where performance and results directly and vitally affect the survival and prosperity of the organisation. MBO may be used to appraise and reward performance, to improve performance and to motivate workers.

The system of MBO can be applied to virtual workers. Instead of the virtual workers being told exactly how to do their work they are given tasks or projects that have to be completed and specific results that need to be achieved. The objectives and goals are not imposed by the manager but they are set and agreed to by managers and virtual workers. Virtual workers are free to work at their own pace and also have freedom of action. They have to decide on the best way to achieve the goals and objectives. The manager will measure their performance according to the accomplishment of the goals and objectives and not how employees follow the instructions of the manager to complete a task.

2.8.2 Most managers have already managed by objectives in some form or other (Mullins 1999:220) by:

- setting goals or objectives
- action-planning to work on objectives
- corrective actions
- periodic reviews and performance appraisals

Virtual workers will be more comfortable if they divide the objectives into smaller parts and review them more frequently.

If the manager sets objectives and gives performance feedback, he needs to keep the following in mind:

- If employees can participate in setting objectives they will accept more of the manager's observations and feedback.
- It is important to set specific objectives and not general ones. It will clarify exactly what is expected of the employee.

- Discuss how an employee can improve his work rather than spending too much time on the downside of his work. Employees will respond much better to positive feedback than to criticism.

2.8.3 Measuring performance

There is no way for a manager to know whether all office workers are working at a given time. They think that if they walk up and down the desks of their subordinates this will motivate them. The manager's perception is that if all the employees are in one location with him all the time, they will produce the best results.

Close supervision is not necessarily good supervision (Cisco Systems, 2000:1). If a manager wants to manage the workforce of the virtual office at a distance, there must be objective standards of measurement to evaluate progress, give performance feedback, and set time schedules.

MBO is to bring subordinates and their supervisors together to agree on certain goals that need to be achieved. The goal setting starts with the manager and the subordinate discussing the output for which the subordinate is responsible. The key performance areas (areas identified by top management as crucial in the attainment of the organisation's mission) as well as the key performance indicators should be discussed to ensure that both parties know exactly the task output of the subordinate. The superior and the subordinate have to meet to discuss potential performance targets. The superior and the subordinate need to agree on a set of goals jointly developed by them, to which both will be committed. Superiors need to ensure that the goals are attainable and that the goals will fit in with the goals set by the organisation (Smit *et al.*, 2003:146).

Workers need to set targets for their own objectives, commit themselves to attain these targets and evaluate themselves on how they have met these objectives (Keeling, 2000:37). The supervisor needs to give feedback to the employees as to how they have reached their goals. Employees need to discuss the problems they have experienced. New goals need to be set if deviations occurred. Managers need to do regular evaluation of performance, goals and expectations in order to detect problems or weaknesses early (Parry Aftab Esq., 2004:1).

Before we can review the objectives that need to be set for the workforce of the VO, they should be clearly defined, with measurable output such as completed reports or written codes (Smart Valley Telecommuting Guide: 2000:1). These tasks can be measured in quantity and in time-to-complete. As stated before, measuring productivity and performance is the same for on-site and off-site workers. If your company has a good measuring output system this system can also apply to people working at home. Managers must measure individual work and group work because individual workers can lose touch with co-workers.

2.8.4 Goal setting

“Goals or objectives are the starting point of the management process and can be defined as a particular future state of things to be achieved by an organisation or as a particular function or project of the organisation” (Smit *et al.*, 2003:147).

Organisations today help their employees to set performance objectives in an effort to achieve organisational goals (Robbins & Decenzo, 2001:86). MBO is therefore a system in which specific performance objectives are jointly determined by subordinates and their superiors. Instead of using goals to control, MBO uses them to motivate (Robbins & Decenzo, 2001:86).

2.8.4.1 Focus areas

Goal setting refers to a central aspect in work motivation (Konradt *et al.*, 2003:64). According to Smit *et al.*, (2003:142) goal setting/formulation is a crucial step in the planning process. Goals form a hierarchy in an organisation – from broad goals set at the top of the organisation right down the hierarchy to specific goals for the individuals in the organisation. Managers and employees must focus on the same end result, therefore the goals need to be aligned. The focus areas are derived from the mission statement of the organisation.

If goals are defined clearly effective control is possible and deviation from the goals can be detected immediately and rectified to ensure that the organisation remains on course (Smit *et al.*, 2003:135), “...concrete and well-defined tasks may lead to a clearer understanding of the necessary activities for all co-workers, resulting in a better coordination of activities and less redundancy in task fulfilment” (Konradt *et al.*, 2003:64).

A mission statement that is well written should provide guidelines in terms of key performance guidelines for key performance areas. Key performance areas are usually identified as crucial in the attainment of the organisation's mission.

Strategic goals of the organisation, guided by the mission statement, will focus on the following areas (Smit *et al.*, 2003:139 - 140):

- **Profitability**

Phrases in a mission statement that deal with one or more financial indices can be translated into measurable strategic goals, such as return on equity or earnings per share.

- **Productivity**

Productivity of employees can be a focus area of strategic goals, for example productivity in terms of sales per employee.

- **Employees**

A phrase in the mission statement in connection with employees and managers can be very vague. This phrase can be translated into measurable strategic goals such as employee development as well as employee relations.

- **Innovation**

The word "innovation" becomes a focus area when formulating strategic goals, especially if the development of new services or products is essential in the organisation.

- **Competitive position**

Total sales or market shares can be used by organisations as focus areas. A typical strategic goal in this area could be "to increase our market share by two percent within the next two years".

- **Social responsibility**

The statement "to be socially responsible" can be very vague and lends itself to different interpretations. The statement needs to be more specific and measurable such as "to spend at

least one percent of our annual turnover on upgrading schools in the areas in which we operate”.

- **Safety, health and environment**

The health of managers and employees is a major concern for top management. Strategic goals should therefore be formulated that address these issues.

By focussing on the same areas, all departments and individual workers can work towards the same end result – the realisation of the organisation’s mission.

If managers understand the nature of goals, their hierarchy and areas of focus they will be able to formulate goals for the virtual workers that focus on the mission of the organisation. These goals need to meet certain specifications in order to fulfil their managerial purpose. If the goals meet these specifications they should be easily understood and implemented.

2.8.4.2 Specifications for goal setting

Goals need to meet certain specifications to meet the purposes of management. The specifications are (Smit *et al.*, 2003:142 – 143):

- **Specificity**

For goals to be specific, they must indicate what they are related to, the time frame for accomplishing them, and the results that are desired.

- **Flexibility**

Organisations operate in a turbulent environment and need to be flexible. Modification of goals is sometimes needed. “Flexibility is often achieved at the expense of specificity” (Smit *et al.*, 2003:142). If organisations do not change their goals when conditions change on which the goals were based it can result in unfair judgments of managers and virtual workers for not attaining their goals.

- **Measurability**

Goals should be stated in terms that can be evaluated or quantified objectively. The reason why goals should be measurable is that the manager can have control.

- **Attainability**

Goals must be set so that they provide a challenge for managers and virtual workers, but they must be realistic and attainable. Virtual workers will perform at their best when goals are set at a motivating level. The goals will be on a level high enough to challenge but not so high that the virtual worker will become frustrated and not so low that it can be too easily reached.

- **Congruency**

“Congruency means that the attainment of one goal should not preclude the attainment of another” (Smit *et al.*, 2003:143).

- **Acceptability**

Goals must be consistent with the managers’ perceptions and preferences. Managers must have an input in the goal formulation process at all levels. The needs and values of employees must be taken into account when formulating acceptable goals.

2.8.4.3 Time frame of goals

Different goals in an organisation have different time frames namely:

- short run: very specific
- intermediate: slightly less specific – the organisation will plan to achieve them within the next three years.
- long run: – will take more than three (3) years to accomplish.

“The time frame implies a degree of specificity within the goals” (Smit *et al.*, 2003:141).

2.8.4.4 The process of goal setting

In some organisations, the board of directors sets the goals, in other words, the goals are set centrally. This process of goal setting has advantages and disadvantages. The major disadvantage for virtual workers is that managers who set the goals may know little about the opportunities and problems they, the workers, face. Virtual workers may also resist directives coming from above if they do not understand the reasons for the goals.

Decentralised goal setting is a better option for virtual workers. Once agreement has been reached on the goals, whether proposed from the bottom or imposed from the top, there should be commitment at all levels to provide the resources to achieve the results (Smit *et al.*, 2003:144). Participation in goal setting is an important component of MBO. Employees must be included in the process of goal setting and the selection of reasonable and appropriate means and methods (Konradt *et al.*, 2003:64). Virtual workers have expertise knowledge on the operational level and they will appreciate that they are involved in the goal-setting process and thus may be more motivated to contribute to the jointly developed goal (Konradt *et al.*, 2003:64).

The virtual workers will need motivation to meet the goals timely. Motivation is the willingness of an employee to achieve organisational goals (Smit *et al.*, 2003:144). If the virtual workers perceive that their interests are linked to the interests of the organisation they will be motivated to achieve the organisation's goals. Motivation is not the only factor that influences work performance. "Performance is determined by motivation (goal or desire) and ability (training, knowledge and skills) as well as the opportunity to perform" (Smit *et al.*, 2003:345). Abraham Maslow's theory of individual motivation is the most familiar. "Maslow's hierarchy of needs theory is based on two important assumptions:

- People always want more, and their needs depend on what they already have.
- People's needs are arranged in order of importance" (Smit *et al.*, 2003:347).

Maslow's theory can be applied to MBO of the virtual worker. If the virtual worker has attained a goal he will move on to the next goal. Maslow's theory can also be applied by managers to virtual workers by providing for the physiological and security needs of their employees. They can include virtual workers in groups and teams to satisfy their social needs, and they can create working environments where the higher-order needs (esteem and self-actualisation needs) of the virtual workers can be satisfied.

2.8.4.5 Technique for goal setting

According to Smit *et al.*, (2003:144), MBO can be used to achieve the integration of individual and organisational goals. It is believed that if an individual worker is part of the

process to translate the broad organisational goals into more specific individual goals it will have an impact on employee motivation.

2.8.4.6 How do you set employee objectives?

Virtual workers must have a clear understanding of what they are attempting to accomplish. “Setting objectives is a skill that every manager needs to perfect” (Robbins & Decenzo, 2001:88). According to Robbins & Decenzo, (2001:88-89) the following are guidelines:

- **Identify an employee’s key job tasks**

The manager first needs to determine what the employees must accomplish. Their job description is a good starting point.

- **Establish specific and challenging goals for each key task**

The manager must first identify the level of performance expected of each employee. The target and deadlines of each goal need to be set. Deadlines need to be set realistically.

- **Allow the employee to actively participate**

Employees need to give their input when goals are set because then they will be more likely to accept them.

- **Prioritise goals**

If the manager sets more than one goal for the employee, he needs to rank the goals in order of importance. Goals must be rated according to difficulty and importance. Managers can give credit to employees for attempting difficult goals even if they did not fully achieve them.

- **Build in feedback mechanisms to assess goal progress**

If managers give regular feedback to employees they will know if their level of effort is sufficient to attain the goal.

- **Link rewards to goal attainment**

Management can link rewards to the achievements of goals. The ways in which virtual workers and managers relate to one another when setting goals jointly will determine the results they achieve. The interpersonal factors that will drive success are shaped by trust,

shared norms, value, commitments and expectations. At some level, the virtual organisation either has a culture grounded in trust – or it does not. If it does not, virtual workers in a virtual organisation will not stand much of a chance.

2.8.5 Management of workforce based on trust

Management of the workforce is based on trust. Trust is the core for the management of the workforce of the VO (Athey, 2000:2). If the company does not have a culture grounded in trust virtual workers will stand no chance of success. You have to trust your employees to do their work, even if you are not in the same location as they are. The employees must, on the other hand, trust you to delegate the work and to give them guidance as to how the work must be done. “Supervisors will have to realise that telework will place new emphasis on empowerment of the employee, mutual trust and a new challenge to maintain teleworkers as an integral part of the administrative function” (Hoffmann, 1999:70). The success of the virtual work arrangement depends on trust that virtual workers will fulfil their obligations and behave predictably (Cooper and Ronald, 2002:209). If there is a lack of trust it can undermine all the precautions that have been taken to ensure the effective management of the virtual workforce.

Except for trust the organisation needs to take action to ensure that the virtual workers’ efforts will be respected, reciprocated and rewarded. Employees need to be praised for work well done and penalties need to be enforced for poor achievements. A VO is not recommended for people where the trust factor is absent.

According to Athey (2000:12) the value of trust has been heightened today. Management must trust virtual workers who work more flexible hours with fewer guidelines. As virtual organisations increasingly become the norm, organisations depend more on outsourcing and partnerships.

“The ethos of trust – between leaders and their colleagues and employees and among workers themselves – is the glue that holds everything together in the new economy” (Garten, 2001:124 as quoted by Athey, 2000:20).

The new economy brings changes to the environment of the organisation and may seriously disrupt the once harmonious relationship between managers and employees. Managers must make the changes to the organisation's systems, strategy and structure.

Next to be discussed is why managers resist the changes they have to make to manage the virtual workers.

2.8.6 Managing resistance

As traditional jobs have been office based it is a natural reaction of managers to resist telecommuting. Managers feel that they lose control over their employees if they do not have close contact with them. They feel that the management of employees off-site places a huge burden on them.

Change brings out emotional reaction because of the uncertainty involved. According to Smit *et al.*, (2003:224-225) reasons for resistance to change are:

- **Threatened self-interest**

People resist change if they think it will cause them to lose something of value. The following is a list of personal interests or goals which, when threatened, will provoke resistance:

- power over organisational resources
- money in the form of current or future income
- prestige and respect from other employees, friends and family
- convenience, as far as personal effort is concerned
- security in personal power, prestige or income
- professional competence, including respect from peers for knowledge and technical proficiency.

- **Uncertainty**

Uncertainty can sometimes be bigger than self-interest. People can become uncertain about losing their jobs, relocating or undergoing training.

- **Lack of trust and misunderstanding**

When management proposes change people will still resist it if they do not understand the purpose. If there is a lack of trust such a situation can occur.

- **Different perceptions**

Different perceptions of what the benefits of the proposed change will be can occur when information on the change is not properly disseminated.

- **Low tolerance for change**

“People resist change because they fear they will not be able to develop the new competencies necessary to perform well” (Smit *et al.*, 2003:225).

- **General reasons**

- People want to stay with the old way of doing things because it is comfortable and easy.
- The timing may not be right and then people will resist change.
- If the change is sudden, unexpected or extreme, people may resist.

2.8.7 What if the virtual worker does not perform?

Up to this point the MBO focussed on performance management to ensure a productive workforce. What if a virtual worker does not perform in a satisfactory manner? The manager needs to find reasons for a virtual worker’s poor performance (Robbins & Decenzo, 2001: 201 – 202).

Reasons why virtual workers do not meet their performance goals:

- The virtual worker can be mismatched for the work (he does not have the necessary skills to work independently).
- The virtual worker does not have adequate training.

If the problem is not associated with the abilities of the virtual workers but with their desire to do the work, it becomes a discipline problem. The manager can either try to do

counselling and, if necessary, can take disciplinary action such as verbal and written warnings, suspension, and even termination.

Although the absence of a “normal” office environment changes the work of managing people, it does not eliminate the need for doing so effectively. MBO offers managers a clearer understanding of their tasks and work role. Managers will have less resistance to manage virtual workers if high quality MBO is implemented. Establishing reporting and communication channels could enhance contact and support (Daniels, 2000:107) that will also minimise resistance.

2.9 Summary

In some of the reference books MBO is also called Performance Management. The question is if MBO is an appraisal approach too. MBO, however, is a mechanism for appraising performance. According to Robbins & Decenzo, (2001:201) “...it is the preferred method for assessing managers and professional employees”. The virtual workers will be evaluated by how well they accomplished a specific set of goals that have been determined and that are critical in the successful completion of their work. MBO’s popularity is that it focuses on end goals. MBO allows managers to choose the best path for achieving their goals because MBO emphasises ends rather than means.

In the study of MBO it is confirmed that MBO can effectively increase employee performance if it is used to motivate employees rather than control them. In this dissertation the focus was on MBO but with further research the results of MBR can be studied to determine its influence on the effective management of a virtual workforce.

For virtual workers and virtual organisations to be effective, their joint efforts must clearly be linked back to the strategic goals of the organisation. This requires strong communication strategies so that the members clearly understand the core values and imperatives of the organisation they represent. To fulfil the organisational objectives continuous communication between virtual workers and managers is essential.

In the next chapter ways will be discussed to improve the communication between virtual workers and managers.

CHAPTER 3

COMMUNICATION

3.1 Introduction

Communication is the process through which managers coordinate, lead and influence the virtual workers. Managerial success in the VO is determined by the ability of managers to communicate effectively with the virtual worker. All the traditional communication activities such as reading, listening, managing and interpreting information, serving clients, writing and the use of symbolic gestures become more complicated with the integration of technology.

Communication can only take place if there is a sender (a person who transmits the message) and a receiver (a person who receives the message). Effective communication will take place if the sender (manager) and the receiver (the virtual worker) have the same understanding of the message. It does not matter whether it is one-way or two-way communication.

The ways of communication in the VO (Flagstaff, 2000:133):

- One-way communication is when the manager (sender) communicates the message to the virtual worker (receiver), the virtual worker (receiver) understands the message and makes notes of it. The process is then completed.
- Two-way communication is when the manager (sender) communicates the message, the virtual worker (receiver) receives it, but the virtual worker (receiver) needs to respond to the message. The process can continue with the manager (sender) and the virtual worker (receiver) in alternative roles, giving feedback to one another. Most of the conversations and business correspondence in the virtual office are examples of two-way communication.
- Non-verbal communication is through facial expressions, eye contact, body language and tone of voice. The impact of face-to-face communication comes from non-verbal elements. Communication experts, for example, point out that in face-to-face

communication, 55 percent of what we communicate is in our body language, 38 percent in how we speak, and 7 percent in what we say. Non-verbal communication can be far more revealing of the content of a message than the words used because only 10 to 20 percent of what we communicate on the phone is based on what we say – 80 to 90 percent is in how we say it. As the manager and the virtual worker communicate more over the telephone and cellphone and less face-to-face it is important that they take note of the fact that how they communicate with one another is far more important than what they say.

Many factors such as skills, attitudes, knowledge and social cultural systems can influence effective communication in the VO. Communication in the VO is therefore a complicated and dynamic process.

In this chapter the researcher will be looking at the issues regarding communication in the VO:

- The different ways in which the manager and the virtual worker can communicate.
- The process of communication including the sender, the message, the channel, noise barriers and the receiver. Managers need to understand the process of communication in order to improve the quality of communication.
- The reasons why managers communicate.
- How social contact and interpersonal support can have an influence on the success of MBO.
- Effective organisational communication in the VO, including intra-personal communication, interpersonal communication and organisational communication.
- The barriers that prevent high-quality communication. Concerns such as intra-personal and interpersonal communication, technological factors, information overload and cross-cultural diversity all have the potential to interfere and lead to misunderstandings.
- How managers can become better communicators. Factors will be discussed on how the sender encodes and transmits the message, and how the receiver decodes the message and decides if feedback is necessary.
- The impact of information technology on the communication process.
- The managerial implications of incorporating technology.

- The methods of communication in the VO, which form the most important part of the chapter. The manager needs to discuss certain aspects with the virtual worker beforehand to improve communication between the manager and the virtual worker. The manager of the VO also needs to create communication guidelines.
- Finally, as a conclusion, the researcher will focus on ways in which managers can achieve communication competency by improving their feedback.

3.2 What is communication in the VO?

Effective communication in the VO becomes more of a challenge because organisations become more global, employees become more diverse, and technology becomes more complex.

“Communication is essential to management because it encompasses all aspects of an organisation and pervades organisational activity; it is the process by which things get done in organisations” (Lewis *et al.*, 2001:383).

Communication is the exchange of messages (Flagstaff, 2000:133). Messages can be verbal, using spoken or written words, or they can be non-verbal, using symbols, gestures, expressions and body language. There are different ways of communication between the manager of the virtual office and the virtual worker.

3.3 The process of communication

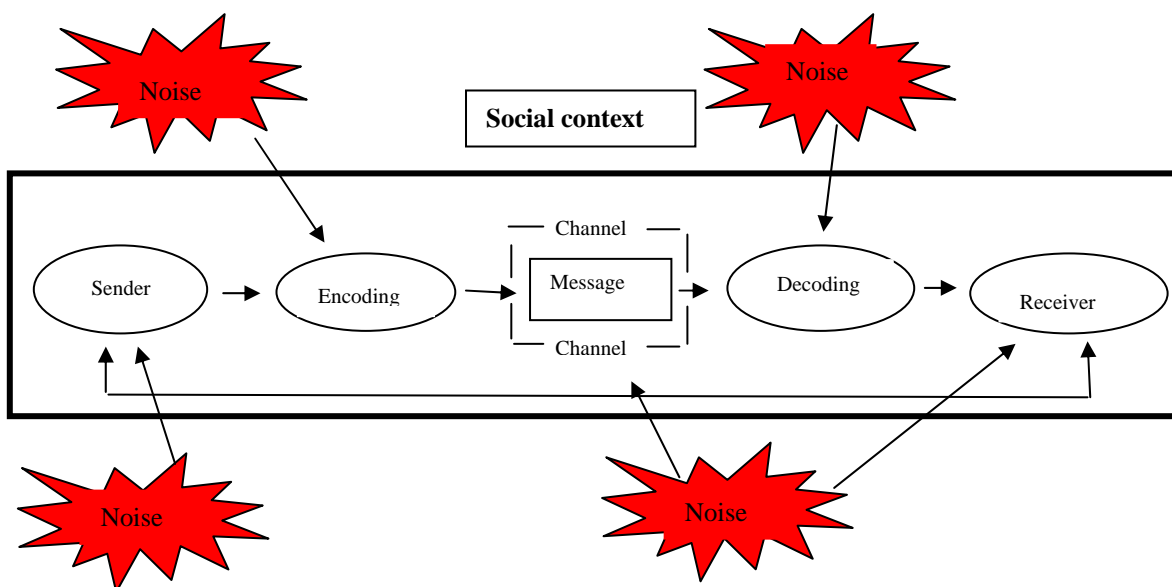
If managers want to improve the quality of communication in the VO, they must understand how the process of communication works. The communication process will begin when a manager or virtual worker has an idea or concept and wishes to make that information known to the other. The process of communication can be described as follows (Lewis *et al.*, 2001:383):

- Communication in the VO is a process in which the senders, messages, channels and receivers do not remain constant or static.

- Communication in the VO is complex. Even two or more persons working on a virtual project or team involve variables. The virtual worker's previous experience, the individual and the task at hand can have an impact on communication.
- Communication is symbolic. Virtual workers use a variety of arbitrary words and signs to convey a message to others.

The manager and the virtual worker use a variety of arbitrary words and signs to convey meaning to those with whom they communicate. While there is some agreement about the meaning of most of their words and signs, meanings change over time.

Figure 3.1. Basic Elements in the Communication Process (Adapted from Lewis (2001:385))



Sender

The sender (manager) will start with the communication process by encoding the meaning and sending the message through a channel. The encoding process will translate the sender's (manager's) ideas into a systematic set of symbols or a language expressing the communicator's purpose. Encoding now has the function to provide a form in which ideas and purposes can be expressed as a message. The sender's (manager's) vocabulary, language and knowledge play an important role in the sender's (manager's) ability to encode. A

manager needs to learn to encode meanings in a form that can be understood by a variety of recipients (virtual workers).

The manager (sender) may want to convey to the virtual worker (receiver) the objectives of the organisation as described in Chapter 2. The manager (sender) will then initiate the communication. In the virtual organisation the sender can be the manager who has information needs or desires, and has a reason to communicate these needs or desires to a virtual worker or workers.

Message and channel

The result of encoding is the message. Encoding takes place when a manager translates the information on the organisation's goals into a series of symbols for communication (Smit *et al.*, 2003:369). The symbols that can be used by managers in this case can be words or pictures. Information can be transferred from one person to another only through representation or symbols, therefore encoding is necessary.

The sender (manager) has to select a channel for transmitting the message. Likewise the manager of the VO, explaining the objectives of the virtual organisation to the virtual worker, can choose one of the following channels: oral, non-verbal or written. The manager can also choose a one-to-one, face-to-face situation, as individual goals will have to be set for each virtual worker.

Noise barriers

Noise can be described as any factor that disturbs, confuses or otherwise interferes with the transmission of the communication message (Smit *et al.*, 2003:369). Noise can be internal or external. If the virtual worker referred to in Chapter 2 experiences discomfort such as stress, exhaustion, a dislike for the manager or even hunger, this internal noise may disturb or confuse the message. External noise, such as the ringing of the phone or the photocopy machine may also disturb the message. Noise is especially troublesome in the encoding or decoding stage. As noise can interfere with the understanding of the message, managers should attempt to restrict the noise to a level that permits effective communication.

Receiver

The receiver, a virtual worker or a team of virtual workers, must make sense of the information received. The receiver can be one virtual worker as in the case of the manager discussing the organisation's objectives with the virtual worker or it can be a team of virtual workers, such as when a memorandum is addressed to all the members of the specific network team. **Decoding** involves the translation of received messages into interpreted meanings. This is a two-step process. The virtual worker must first perceive the message, and then interpret it. As the virtual workforce is more diverse, managers are challenged to **decode** messages accurately. The virtual worker will interpret the message based on past experience, personal assessment of the symbols and gestures used, expectations and culture. This process is not always successful.

The receiver, the virtual worker, has to decide whether feedback to the sender, the manager, is necessary. The virtual workers, in discussing with the manager the organisation's objectives, may decide to give the manager feedback if they do not agree on the individual goals set for them. At this point the roles of the sender (manager) and the receiver (virtual worker) change, as the virtual worker now becomes the sender, and the manager the receiver.

In the virtual organisation there are formal and informal communication networks. In these communication networks there will always be a sender and a receiver. Effective communication in an organisation, especially in the VO, is essential as the manager and the virtual workers are not regularly in contact with each other.

The reason why managers must communicate with the virtual workers will now be discussed.

3.4 Why managers communicate

According to Lewis *et al.*, (2001:392), the reason why managers communicate is to motivate, inform and control. If managers use communication to motivate they will try to influence the virtual worker to work towards the accomplishment of organisational goals. Managers will also use communication to give virtual workers the information they need to perform tasks, and virtual workers will use communication again to inform managers about their progress towards meeting their goals.

Managers also use communication to satisfy social needs. The non-task-oriented and emotional interactions that occur in an organisation every day can be satisfied through social communication. If virtual workers are at the office they need to talk about football games, weather, politics, etc. with their colleagues. Although social communication will not have a direct influence on the performance of the VO it will have an influence on how virtual workers feel about their working conditions and how connected they are with others at work.

3.5 Social contact and interpersonal support

Social contact and interpersonal support are two aspects that have an influence on the success of MBO as discussed in Chapter 2. Social isolation is commonly related to virtual workers. Emotional support from family and friends can help virtual workers but they also need support from their colleagues and managers to help them solve work-related problems. Establishing reporting and communication channels could enhance contact and support (Daniels, 2000:107). One way of doing this is to look for ways to increase interaction with and between virtual workers. Organisational Communication is the social glue that ties virtual workers and the organisation together.

3.6 Organisational communication

Effective communication can give a VO a competitive edge. VOs in which communication systems are effective are likely to be more successful than those in which they are not. Managerial communication in the virtual office occurs in three forms (Smit *et al.*, 2003:370):

3.6.1 Intra-personal communication

Intra-personal communication takes place when the virtual manager receives, processes and transmits information to himself.

3.6.2 Interpersonal communication

Interpersonal communication is when messages are transmitted directly between two or more people (the manager and the virtual worker), or on a person-to-person basis.

3.6.2.1 Categories of interpersonal communication

Managers communicate with virtual workers in a variety of ways. Managers use different types of interpersonal communication. Interpersonal communication can be organised in four types: oral, written, non-verbal and technological (Lewis *et al.*, 2001:387).

- **Oral communication**

Managers prefer oral communication with virtual workers. That includes all forms of spoken information such as face-to-face and telephone because it permits immediate feedback. As oral communication with virtual workers is not always possible, managers have to look at other forms of communication.

- **Written communication**

Written communication includes letters, memos, policy manuals, report forms and other documents used to share information. In many cases written communication is important as managers can use it as a reference or it provides an official document for the VO.

- **Non-verbal communication**

Non-verbal communication consists of messages that are non-language responses. Most managers recognise that communication has a non-verbal component but most of the time they underestimate its importance. Non-verbal communication may contain hidden messages (such as eye contact, appearance and facial expressions).

- **Technological communication**

Faxes, teleconferences, the World Wide Web, electronic message systems and other types of technological communication provide opportunities to virtual workers to communicate with anyone, anywhere, any time of the day or the night.

Technological communication is continuously changing and influences the way managers communicate. Network computers create an easy way to store, access and communicate information.

3.6.3 Organisational communication

Information is transferred between different departments or virtual teams in the same organisation or between organisations.

3.6.3.1 Organisational communication networks

In the VO there are two primary organisational communication networks (Smit *et al.*, 2003:371):

- **Formal communication network**

The chain of command will follow the hierarchical structure of the VO. Organisational communication flows in four directions: downwards, upwards, horizontally and laterally.

The purpose of downward communication is to provide virtual workers with information of the organisation such as goals and policies. This takes place when the manager discusses the goals with the virtual worker. The main function of upward communication is to inform the manager about what is happening at the lower level (virtual worker). The virtual worker will convey the information of the customer to the manager of the VO. Horizontal communication occurs between people on the same level of the hierarchy and it ensures improved coordination of the work being done. Virtual workers working in a group together convey information about the project to each other. Lateral communication takes place between people at different levels of the hierarchy and is designed to provide information, coordination or assistance to both parties. Lateral communication in the VO will take place if the manager and the virtual worker discuss the details of the project in order to share knowledge. The manager can also grant approval and encourage the virtual worker. Lateral communication may help relieve the communication burden between the manager and the virtual worker and also reduces inaccuracy by putting relevant people that are working on a project in direct contact with each other.

- **Informal communication**

Communication in the VO is informal when it is not official. It is commonly called “the grapevine”. Whether managers view the grapevine as an asset or a liability, they must understand it. Since it is always present, speedy, and largely accurate, managers should use the grapevine to transmit information.

Virtual workers usually have the need for technology to “replace the water cooler” (informal communication) (Liegle & Bodnovich, 2004:4). The technologies that allow such informal communication are, for example, electronic bulletin boards, electronic newsgroups and videoconferencing.

Earlier in the chapter it was stated that successful communication results when the message is received and conveys the exact meaning that the sender intended. Managers and workers previously experienced that this did not happen.

In the next section the barriers that prevent successful communication in the virtual office will be discussed.

3.7 Barriers for effective communication

Communication barriers can prevent the understanding of a message, whether the message is being transmitted along formal or informal lines.

Information barriers common to a typical VO:

3.7.1 Intra-personal factors

The most common communication barrier is that different people have different perceptions. These differences could be the result of different backgrounds, experiences, values, etc. “Perception can be defined as the process in which individuals arrange and interpret sensory impressions in order to make sense of their environment” (Smit *et al.*, 2003:373). During communication people tend to see and hear only what they are emotionally prepared to see and hear. People tend to seek out and select favourable messages and ignore unpleasant ones.

This barrier to effective communication is known as selective perception (Smit *et al.*, 2003:373).

3.7.2 Interpersonal factors

The relationship between the manager and the virtual worker is often based on the way they treat each other. As the manager and the virtual worker interact, the feelings that arise either limit or encourage the content and frequency of their communications and the method of their communication (Smit *et al.*, 2003:374).

Trust between the manager and the virtual worker plays a major role in the effectiveness of organisational communication. Honesty and openness are prerequisites for effective communication (Smit *et al.*, 2003:374).

The accuracy of communication between the manager and the virtual worker is directly related to how similar they perceive themselves to be. Difficulties may arise when a virtual worker of one religion, ethnic group, gender, or even region is managed by a person of a different religion, ethnic group, etc.

3.7.3 Technological factors

Organisational communication has been influenced by technological changes in recent years. In exchanging messages over long distances we have moved from messengers to telegraphy, telephone, voice mail and electronic mail (Smit *et al.*, 2003:377). Managers and workers must remember that the introduction of new technologies does not replace the use of older ones.

Differences in individual perception of virtual workers are usually related to language differences. For a message to be properly communicated, the words must have the same meaning for the sender and the receiver.

The use of an incorrect communication medium may also be a barrier to effective communication. In the organisation three basic kinds of communication media can be used, namely written, oral and multimedia. Oral media include telephone conversations, face-to-face discussions, lectures and videoconferences. Written media include faxes, newsletters,

electronic mail, etc. Multimedia transmissions include written/oral, written/visual and written/oral/visual media. If managers want to apply one of the abovementioned media to a certain situation they need to be aware of the comparative effectiveness (Smit *et al.*, 2003:377).

3.7.4 Information overload

Information overload is when virtual workers receive so much information that they are overwhelmed by it. Virtual workers frequently complain of information overload. The demands of keeping up with phone calls, e-mail, faxes, meetings and professional reading create an onslaught of data that is nearly impossible to process (Lewis *et al.*, 2001:395).

If virtual workers experience an overload of information they will select out, ignore, pass over, or forget information. This can have an effect on communication and the result is that information can get lost (Lewis *et al.*, 2001:395).

Virtual workers must develop systems and implement them for dealing with information overload. There is no need for virtual workers to know everything. What is important is to know how to find the correct information in a systematic way. Without a system, information overload can lead to (Lewis *et al.*, 2001:395):

- failing to process or ignoring some of the information
- processing the information incorrectly
- delaying the processing of information until the information overload abates
- searching for people to help process some of the information
- lowering the quality of information processing
- withdrawing from the information flow.

3.7.5 Cross-cultural diversity

Communication, as an exchange of meaning, is bounded by culture (Lewis *et al.*, 2001:393). A message that has been sent by a manager must be encoded in a form that the virtual worker will recognise, but the symbols and language used for encoding depend on cultural background, which varies from person to person. Virtual workers from different cultures may encode and decode their messages differently; they have different behaviours, styles and

ways of looking at things. This can lead to barriers to effective communication. Difficulties may arise between virtual workers who are from different national cultures (Lewis *et al.*, 2001:393). The biggest problem in cross-cultural communication is **ethnocentrism**, or the tendency to consider one's own culture and its values as being superior to those of others. This attitude can be disadvantageous when conducting business with people from different cultures, especially when virtual workers are working in a group that are dispersed over a wide geographical area.

Managers must be aware of the communication barriers discussed above to deal with them effectively. In the following section, strategies will be discussed to overcome these barriers.

3.8 How managers can become better communicators

Managers should strive constantly to become better communicators. They need to be aware of the strategies for overcoming communication barriers during each step of the communication process (Smit *et al.*, 2003:378). As virtual workers and managers do not communicate regularly face-to-face they need to take extra precautions to make communication successful.

3.8.1 The sender encodes the message and selects the channel

When the senders (managers) want to transmit a message, they must use their own perception to translate and compile the message so that it makes sense to the receiver (virtual worker). To overcome perception barriers, the message that has been communicated must be analysed in terms of its tone and content. Intonation and facial expression may influence the tone of the message. The senders (managers) first have to decide exactly what has to be achieved before they formulate the content. In formulating the message, choice of words is important. The message must be kept simple and specific to prevent information overload. The manager must communicate within the virtual worker's framework of experience, keeping the message concise and the objectives clear. Before the manager conveys the message, careful thought should be given to selecting the most effective channel. If managers wish to give feedback to the virtual worker for work done on a project they can use e-mail, telephone or face-to-face communication.

3.8.2 The sender transmits the message

When the managers have selected the appropriate channel, they will transmit the message through that specific channel to the virtual worker. The biggest barrier at this stage in the communication process is noise. Noise is anything that interferes with the transmission of the message. Noise that can disturb the message between the manager and the virtual worker can be traffic noise, family noise, lobby noise, etc. Virtual workers can keep noise levels to a minimum by taking the following into consideration:

- If virtual workers are working from home and need to work on a project, they can wait until the children are at school and the house is quiet.
- Virtual workers must switch off the television or radio if it interferes with the communication process.
- If the virtual workers are working in public places and need to communicate with the manager or co-workers, they must ensure that the noise level of people surrounding them, equipment and traffic is limited. If this is not possible, they can rather suggest that they will contact the person at a later stage.
- Virtual workers who are working on a project with important or classified information must remember not to discuss this project in public over the cellphone.

3.8.3 The receiver decodes the message and decides if feedback is needed

After the receiver has decoded the message, he will decide whether feedback is necessary. Virtual workers and managers must remember that common barriers to effective communication at this stage in the communication process are trust and credibility, differences in communication skills, and emotional factors. Overcoming individual differences in communication skills requires effective feedback. It is essential that if the manager wants to give feedback to the virtual worker he will follow up to test whether the message that he received has been interpreted correctly. This can be done by asking questions and motivating the receiver to respond.

Internet technologies and their implications have a growing influence on the communication between the virtual workers and their managers.

3.9 The impact of Information communication technology (ICT) on the communication process

The greatest impact of technology on communication lies in the quality of information it makes available. More information is not necessarily better information or even relevant information. Managers often fail to build face-to-face relationships so the personal touch in managing is lost.

As VOs are evolving, organisations need to have a management culture that will embrace computers for almost every task, then long-distance operations will work. Organisations will not be limited to concrete walls or physical space but will be defined by collaborative networks linking hundreds, thousands, or even tens of thousands of people (Flagstaff, 2000:94).

Virtual workers must have computer and data communication devices. They will dial into the organisation's database and become an extension of the organisation, connected by computers, fax machines and other technologies. These widely scattered virtual workers can serve a customer as if they are at the head office (Flagstaff, 2000:94).

Virtual organisations need to restructure around information technology. Information technology consists of computing, combined with telecommunication and networking. All workers must know how to use electronic information and communication technologies to manipulate data with computers and related equipment. Workers today must be able to locate, assess and apply information rather than remembering it.

Technological changes have an impact on effective communication as well as on the amount of information available (Smit *et al.*, 2003:377). It is important to note that the introduction of new technology cannot replace the old methods of communication. The use of electronic mail cannot make face-to-face meetings redundant (Smit *et al.*, 2003:377) but the impact of information technology has certain managerial implications.

3.10 Managerial implications

Most managers only now realise that the ways in which they incorporate technology into the virtual workplace have a significant impact on their success or failure (Lewis *et al.*, 2001:596). Used correctly, technology can have a positive influence on the management of the virtual workers.

Successful managers of the future will be those who:

- understand the importance of quality information that is obtained in a reasonable time.
- set up information systems capable of providing quality information that is both timely and complete.
- are able to use that information in the decision-making process of the organisation to their advantage.
- are well versed in the latest technological innovations for information gathering, processing and disseminating.
- are aware of the impact of information technology on management efficiency, organisational social relationships, and organisational structure.
- are aware of the limitations of computer-based information systems.

The main benefit of technology on communication is the vast amount of information that can be processed and distributed more easily through various methods of communication.

3.11 Methods of communication in the VO

Communication is a major challenge for managers to manage virtual workers. Many managers have to learn new communication methods to prevent virtual workers from feeling isolated. It is important that managers do not rely only on e-mail, which is one-way communication. Managers should learn how to conduct effective video- conferencing, and balance e-mail, voice mail and face-to-face communication. Managers must begin with some ground rules so that all virtual workers understand the method of communication and what is expected during those communication sessions.

The following are communication methods that a manager can use to communicate with virtual workers:

3.11.1 Internet

“The Internet is a loosely configured, rapidly growing web of thousands of corporate, educational and research computer networks around the world” (Smit *et al.*, 2003:180). The Internet makes use of thousands of computers linked by thousands of different paths to send messages instead of routing messages through central computers. Each message sent bears an address code that speeds it towards its destination. Information on the Internet is available to almost everyone. It offers unlimited communication opportunities. One disadvantage of communication through the Internet is the limited privacy of information sent over it.

3.11.2 Electronic mail

Electronic mail (e-mail) is a computer-based system that allows individuals to exchange and store messages through computerised text-processing and communication networks (Lewis *et al.*, 2001:615). Most virtual workers prefer sending e-mail because it is fast and does not require any movement. E-mail is a mixed blessing. It does promote efficiency, in that it carries a sense of urgency, so it helps expedite communication with managers, team workers, customers, etc. On the other hand it is difficult to screen e-mails the way you can screen phone calls or letters because it is so easy to reach people directly (Odgers & Keeling, 2000:139). Virtual workers need to take into consideration that e-mail is a medium that uses only text and offers no visual or non-verbal clues. It is important that virtual workers working in a group or a team need to develop an e-mail protocol among them to minimise the chances of misunderstanding when they use this tool.

3.11.2.1 Guidelines for improving communication via e-mail (Odgers & Keeling, 2000:140)

- **Topics.** Virtual workers must decide beforehand which topics are appropriate for e-mail and which are not. Some topics need to be addressed in person or over the telephone.
- **Frequency.** If virtual workers are working on a project as a team they must decide how frequently members of the team should use e-mail.

- **Urgency.** It is vital for virtual workers to define the term urgent or ASAP (as soon as possible).
- **Participation.** The team or group of virtual workers must decide who must receive certain e-mails. Does every team member need to be a recipient of every e-mail?
- **Time of day.** Managers and virtual workers must decide on the most appropriate time for sending e-mails.

3.11.2.2 Reasons for the popularity of e-mails

Internet offers the manager unlimited communication methods. E-mail has become very popular with managers for the following reasons (Smith *et al.*, 2003:380):

- The time that managers need to wait for responses on information is limited because information can be sent, returned and recalled in moments.
- E-mail is relatively inexpensive.
- It increases productivity because paperwork is limited, something that is required in the communication network in the traditional office.

3.11.3 Teleconferencing/Videoconferencing

“An umbrella term referring to technologies that use live video to unite widely dispersed company operations” (Lewis *et al.*, 2001:615). Teleconferencing saves travel costs, though it is not always possible to teleconference when more sensitive issues need to be discussed and require human presence (Lewis, 2000:4).

3.11.4 Telephone answering machines (voice mail)

Voice mail is a sophisticated, computerised telephone answering system that digitises incoming spoken messages, stores them in the recipient’s voice mailbox, and then reconverts them into spoken form when retrieved.

3.11.4.1 General rules for the leaving of voice mail messages

(Odgers & Keeling, 2000:140)

- Virtual workers must remember that whatever type of medium they use, a business message should be professional, and therefore it should be clear and courteous. It does

not matter whether the virtual workers are working from home or at the office, these rules must always be followed.

- If the virtual worker is dealing with extremely sensitive information, it is better to deliver the message face-to-face, or at least by telephone conversation, in order for both parties to be able to ask questions. In this way no misunderstanding can develop.
- Voice mail is never totally private or secure. Never leave a message that would prove embarrassing to you, others, or your organisation if it is heard by the wrong person.
- It is important for the virtual worker to find out how the manager or customers prefer to communicate and use that medium. It is important that virtual workers prepare their messages so that it will please the recipient/manager.

3.11.5 Facsimile machines

The fax machine can transmit and receive documents over regular telephone lines. The sending machine digitises and transmits the document (text, graphics, signatures) over the telephone line to the receiving machine, which then reproduces a copy or facsimile of the document.

3.11.6 Face-to-face meetings

Virtual workers and managers need to discuss work-related issues face-to-face from time to time. Meetings have always offered the most obvious way to network with others in the organisation. Meetings are also an integral part of the virtual team. The purpose of meetings is (Montero, 2000:2):

- sharing information
- keeping up to date with what is going on
- making decisions
- reporting on progress
- brainstorming and exploring ideas
- planning and providing alternatives.

If the manager sets up a meeting with virtual workers he must remember that their time is precious. The manager needs to be prepared for the meeting. The manager can follow the

following steps to effectively manage face-to-face meetings with virtual workers (Odgers & Keeling, 2000:142):

Before the meeting:

- The manager must have a clear purpose in mind about why he wants to meet with the virtual workers.
- The manager needs to prepare a written agenda and distribute copies to the virtual workers.

During the meeting

- The manager must make sure that the meeting starts on time.
- Cover the important matters first.
- Invite the right virtual workers to the meeting. If key people will be absent, try to reschedule the meeting.
- The virtual workers and managers must plan their presentation before the meeting. Define problems and identify possible solutions ahead of time.
- The meeting must be conducted in a professional manner.
- End the meeting on time. Remember that some of the virtual workers may have other important meetings to attend.

After the meeting

- Distribute copies of the minutes.
- Follow up on decisions made.
- Evaluate the need for regular scheduled meetings with virtual workers.

A big stumbling block for managers can be to keep track of all the virtual workers' schedules. If managers can manage their schedules effectively through time management and use available technology and tools properly, then these will not become issues ((Montero, 2000:2).

“Face-to-face” meetings with managers and virtual workers are important. Managers can use technology to set up meetings through teleconferencing, videoconferencing, groupware and web conferencing. Virtual workers can then participate in the meeting but they do not need

to travel and waste valuable time. This will give virtual workers the chance to speak directly with other virtual workers in a team. These meetings should be carefully planned in advance to make maximum use of time. Although there are differences between conference-call meetings and in-house meetings, there are also certain similarities. Technology vendors promise that virtual meetings are as effective as those conducted in person, but many experts disagree (Alverson, 2001:20). For virtual workers to be most effective, they need occasional opportunities to meet face-to-face. When they meet face-to-face it allows them to share deeper knowledge and build mutual trust. There is ample evidence that telecommuting is less effective without some face-to-face encounters. The manager is responsible for the success of these meetings.

If managers need face-to-face meetings they have to set meetings when virtual workers are in the office. Managers can also schedule regular meetings (e.g. every second Friday). This will make it easier for virtual workers to plan their schedules around the planned dates.

Even with all the different methods of communication the process can sometimes be unsuccessful. Managers need to define certain aspects of the work agreement with the virtual workers to improve the communication process.

3.12 Conclusion

3.12.1 Improving communication

The effective management of the workforce of the VO involves the management of communication, personality, work design, implicit or psychological contacts and line management (Daniels *et al.*, 2000:6). If the manager manages these systems effectively the employees will be more motivated and committed and their performance and quality of work will improve.

Communication is one of the most important factors for a successful VO programme. Virtual workers do not have the same opportunities for socialisation as traditional workers. Communication and decision making are part of the virtual worker's socialising process.

The following aspects need to be communicated with the virtual worker beforehand (Montero, 2004:1):

- Define working hours – set expectations of what hours employees need to be available. Develop the balance between being in touch and being pestered.
- Timeliness of communication – set a time when managers and on-site workers can get in touch with virtual workers if necessary.
- Set a schedule for voice and e-mail checking and responding. It can be hourly, twice a day or what works for you and the needs of the organisation. When the schedule is clearly defined everyone can rest assured that their messages will be received and responded to.
- Keep virtual workers connected by regular scheduled phone calls; include them in social events, informal information and memos.

Virtual workers who have been used to busy work environments can experience a sense of isolation and demotivation when they are cut off from face-to-face interaction, cross-pollination of ideas and even office gossip. Managers need to set certain guidelines for communication between the virtual workers and the office.

3.12.2 Creating communication guidelines

Managers should begin the “virtual work” process by outlining standard communication practices for the team:

- They must decide which communication channels to use – e-mail, telephone or written reports and also when to use them.
- They must give guidelines to virtual workers on how they must use these channels – such as when to include all team members in a message, or how to indicate that a message needs a reply or not.
- They must inform virtual workers about what is acceptable and unacceptable usage for each channel.

3.13 Summary

Communication is an integral part of all management functions of the VO. The manager encodes a message, selects a communication channel and transmits the message. The virtual worker decodes the message and decides if feedback is necessary. In the VO this process is very volatile because the manager and the virtual worker do not communicate face-to-face every day. In the VO managerial communication occurs in three forms, i.e. intra-personal, interpersonal and organisational communication. Managers of the VO also use different types of interpersonal communication, but the one most frequently used is technological communication.

The organisational communication network consists of a formal and an informal network. Virtual workers also have a need for informal communication and they usually replace the water cooler communication with bulletin boards, newsgroups and videoconferencing. Whether messages are sent through formal or informal networks, communication barriers can prevent understanding. These barriers can be categorised as intra-personal, interpersonal and technological.

Managers of the VO must constantly strive to become better communicators as they are not always in contact with the virtual workers. They sometimes work with workers over a large geographical area and with different cultural backgrounds. Strategies for overcoming communication barriers in the VO as well as the impact of information technology on the communication process must be kept in mind by managers.

Different technological communication methods of the VO have been described and one can see that most of these management techniques and strategies are the same things that good managers have been doing in the traditional office for years. The main difference is that managers need to look at different ways to enhance communication in the VO as they do not have face-to-face communication with the virtual worker every day.

Another important way to improve the relationship with virtual workers is to be sure that they are included in feedback and praise. Managers give feedback and praise to their employees in a very informal way. Virtual workers do not have the opportunity to communicate with

the manager every day and therefore extra effort is required from the manager to provide feedback and praise.

The technique of effective feedback and support from the manager to the virtual worker will be discussed in the next chapter.

CHAPTER 4

FEEDBACK AND CONTROL

4.1 Introduction

The objective of feedback in the VO is to ensure that the goals of the organisation are met. Feedback and support are the management techniques that virtual managers often neglect because many managers and executives, in the traditional office, give feedback and praise to their employees in a very informal way. The role of informal communication is altered in a VO because virtual workers and managers do not always have direct contact and communication with one another. Often feedback and support come to mind when managers see their employees in the office. Virtual workers, on the other hand, do not have as many opportunities to get feedback. Extra efforts are therefore required from both virtual workers and managers to provide it. This can be done through telephone and cellphone calls, e-mails, faxes and videoconferencing at hours during which the virtual worker must be available for feedback. Through this regular feedback managers can keep in touch with virtual workers and create an environment of informal exchange of information. In order for the manager to adequately assess and evaluate the work carried out, a high level of commitment and availability to communicate is required (Lewis, 2000:16).

The process of feedback in the VO is to verify if the initial set objectives, time lines and deadlines are met by the virtual worker. Through this process of feedback, communication becomes a two-way process for the virtual worker and the manager because feedback can be given, either to the benefit of the virtual worker, or in an attempt to satisfy a personal need of the manager.

Virtual workers and managers do not always encourage or cultivate useful feedback because they want to protect themselves from being hurt. Managers must be able to give feedback and they must remember that virtual workers do not have to agree with all the feedback. An attitude of feedback receptiveness is vital to the development of communication in the VO (Lewis *et al.*, 2002:403).

Mullins (1999:644) defines feedback as “ ... the extent to which work activities result in direct and clear information on the effectiveness of job performance”.

Smit *et al.*, (2001:362) defines feedback as follows: “This means the extent to which the worker receives direct and clear feedback on the effectiveness of his or her performance. This dimension is important in terms of correcting deviations and pointing out errors.”

In this chapter the researcher will give an overview of the following aspects of feedback and control in the VO:

- The basic kinds of feedback in the VO.
- Feedback as a method of control in the VO and the link between planning and controlling.
- Reasons why control in the VO is important.
- The process of control which is for managers to ensure that all the resources are meaningfully deployed so that the mission and goals of the VO can be attained.
- MBO as a control system during the feedback process and the five essential elements in a management control system.
- The importance of feedback on the progress of the work of virtual workers.
- The principles of feedback by the manager to virtual workers.
- The communication barriers that prevent accurate communication during the feedback process.
- How to overcome barriers to effective communication. Questions will be raised such as: Why must managers and virtual workers listen actively? Why must managers constrain emotions during feedback? Why the emphasis on non-verbal cues?
- Steps to develop performance feedback skills.
- As a conclusion the researcher will discuss the upcoming of a new organisational model that has characteristics that differ substantially from those embodied in the bureaucracy.

4.2 What is feedback in the VO

Feedback in the VO can be seen as a threat to virtual workers and managers. Managers usually have difficulties to give feedback and virtual workers, on the other hand, believe that they do not get enough feedback from their managers on how they perform.

Information technology plays a vital role in supporting the human resource management needs in the VO. Since managers may no longer be able to directly observe virtual workers, Information Technology (IT) can support compensation activities by providing result-oriented feedback (Liegle, 1997:1).

Feedback methods in the VO are different from feedback methods in the traditional office, because virtual workers and managers are not confined to the walls of the traditional office. Virtual workers and managers must review their communication methods and determine what communications media and technologies are most appropriate for different feedbacks (Skyrme, 1999:133).

The following feedback methods can be used by virtual workers and managers:

- E-mail for most routine feedback. E-mail and other on-line technologies require even more attention to ensure that feedback is effective. Since e-mail is not simultaneous, there is no immediate opportunity to check how well your recipient has understood your message.
- Colour-coded Microsoft Word or Netscape documents can be used for monthly individual progress reports to show weekly progress on individual tasks at a glance.
- Regular face-to-face meetings should be scheduled between managers and virtual workers to assess needs, give feedback and discuss problems. This is an excellent opportunity to discuss the initially agreed upon scope of work to be done. Virtual managers must also remember that technology cannot replace the chemistry of personal feedback.
- Telephone and cellphone calls for immediate feedback or for problem solving.
- Virtual workers can use videoconferencing if they are dispersed over a large geographical area.
- If hard copies need to be approved, virtual workers can make use of the fax machine or e-mail.
- Virtual workers also need access to corporate file servers and mainframe services via a remote network node connection to give accurate, relevant and timely feedback. These facilities allow virtual workers to connect to all the files they normally need,

access the client-server database system and give feedback to co-workers or managers (Hoffmann, 1999:91).

- Virtual workers can, on the other hand, receive mail or feedback from co-workers or managers through their laptops/computers that are connected to Integrated Services Digital Network (ISDN) routers that allow on-demand connections to the corporate Local Area Network (LAN). This link makes it possible to connect to the corporate system and to transfer e-mail faster than via the mail hub system.
- Powerful networks and sophisticated telecom systems provide the technology logistics for virtual workers to have easy access to perform their work and to give feedback to co-workers and managers.

Through the feedback that the managers receive from virtual workers they can highlight deviations from the planned standard of performance (Hoffmann, 1999:91).

Feedback has the effect of focussing the attention on the task that needs to be done. On the other hand, feedback has a normative function in self-regulation. If performance meets or exceeds the standard, performance is maintained. If feedback is negative, performance has to be adjusted. Finally, feedback serves as a basis for positive (e.g. pride and a sense of self-efficacy) as well as negative reactions (e.g. disappointment, shame) (Konradt *et al.*, 2003:64). Good communication in the VO is fundamental to effective feedback.

4.3 Basic kinds of feedback

Communication and feedback in the VO are important if managers want to reach corporate goals and motivate virtual workers (Odgers & Keeling, 2000:134). If the virtual worker receives feedback it can be verbal and non-verbal responses from the manager who wants to communicate further with the original sender (virtual worker) or another person (virtual group member).

Managers can use the intrinsic or the augmented kind of feedback to satisfy the need of the virtual worker for positive feedback.

There are two basic kinds of feedback: intrinsic and augmented (Mullins, 1995:854).

- **Intrinsic feedback** is the usual visual reaction that occurs with a response. The perception of the virtual worker towards a management style of the manager in a given situation and the reaction of the virtual worker.
- **Augmented feedback** may be concurrent or terminal, and may occur while the virtual worker is performing the work or it can be after the performance.

The frequency, details and timing of each illustrate the differences between the two – for example, how virtual workers react during continuous, interim reviews as part of a system of MBO, compared to the reaction of the virtual worker during an annual performance appraisal interview. Augmented feedback will be more intense than and not as frequent as intrinsic feedback.

Feedback as part of control, which is the fourth function in the management process, is important to ensure that the organisational goals will be attained.

4.4 Feedback as a method of control

Although the VO offers many benefits such as greater flexibility, increased employee participation and reduced travel time, many managers oppose the VO because of the reduction or absence of direct managerial control (Liegle & Bodnovich, 2004:1). This is a natural reaction considering that, traditionally, work has been office based. Some managers feel a loss of control when their employees are not in close contact.

During feedback the VO managers use control procedures to ensure that they are progressing towards their goals and that their resources are being used productively. The term “control” implies that things are under control, they are proceeding as they should, according to plan. On the other hand, if things get out of control, they become unmanageable and the problems arising from this situation may be difficult to deal with. According to the VO the term “control” has a specific meaning, namely the process whereby management ensures that the actual activities fit in with the predetermined goals and planned activities set in coordinance with the virtual worker (Smit *et al.*, 2003:390).

Control is the fourth of the four major management functions (planning, organising, leading and control) of the VO. While the need for control is evident in all organisations, virtual offices have particularly challenging and unique control needs. Maintaining control over virtual workers dispersed over a wide area can be far more problematic than maintaining control over office workers under the manager's direct supervision. Thus, control mechanisms must often be specifically designed to meet the challenges of the VO (Lewis *et al.*, 2001:503).

Developments in information technology have had a profound and positive effect on the control of the VO. The essence of control in the VO is rooted in information. One of the basic steps in the control process of the VO involves the gathering of information via information technology by managers on the actual performance of the virtual workers and then comparing it with pre-set standards and performance. Virtual workers then need feedback from the managers. Managers and virtual workers can get critical control and feedback information to each other in a more timely fashion. Technology allows management to make the proper control responses more quickly, and finally disseminate the information on those decisions more quickly so that the negative consequences associated with management of the virtual workers can be minimised.

The manager of the VO can formulate the plans, design the structures and motivate the virtual workers to attain their goals, but this does not ensure that the activities will proceed according to plan and that the goals will be realised. An effective virtual manager is therefore someone who follows up the planned activities, sees to it that the things that need to be done by the virtual worker are in fact carried out, and sees to it that the predetermined goals are reached (Smit *et al.*, 2003:390).

Control in the VO, as in a traditional office environment, is therefore the regulatory task of management in that it correlates the action of virtual workers with the plans set by managers and the virtual workers. The control task of virtual managers is to determine whether or not virtual workers have deviated from the set plans and to determine if managers need to take steps to prevent or to rectify errors. In the control process of the VO, management endeavours to make planning and performance coincide. Managers of the VO formulate

plans and use the control process to monitor the progress of these plans (Smit *et al.*, 2003:391).

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During feedback of virtual workers to managers the control system informs management of one on the following (Smit *et al.*, 2003:391):

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- Activities are proceeding according to plan – the existing plan should continue.
- Things are not proceeding according to plan – the manager and the virtual worker need to adjust the plan.
- The situation has changed – the manager and the virtual worker must devise a new plan.

4.4.1 Types of control

Management can implement control before an activity commences, while the activity is going on, or after the activity has been completed.

4.4.1.1 Feedforward control

Feedforward control prevents anticipated problems because it takes place in advance of the actual activity. The key to feedforward control, therefore, is taking managerial action before a problem occurs. Through feedforward control management can prevent problems rather than having to cure them later. Feedforward control can only be effective if timely and accurate information is given and often this information is difficult to develop.

4.4.1.2 Concurrent control

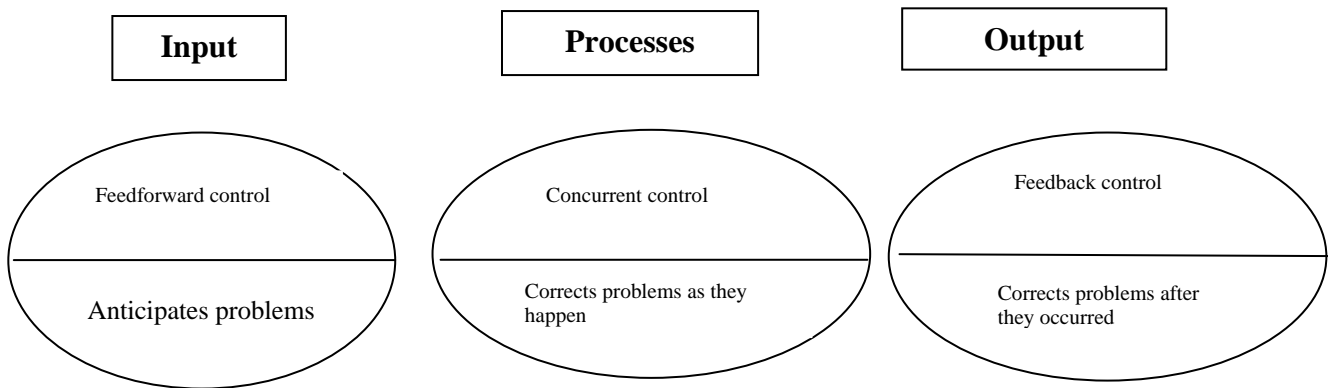
Concurrent control takes place while an activity is in progress. When control is in place while the work is being done, management can correct problems before they become too costly. The best-known form of concurrent control is direct supervision. This type of control will not be possible for the VO as managers do not have direct control over the virtual workers.

4.4.1.3 Feedback control

Feedback control takes place after the action (Robbins & Decenzo, 2001:420). The disadvantage of this type of control is that by the time the manager has the information, the

damage has already been done. For the VO, feedback is the only viable type of control available.

Figure 4.1 Types of control (Adapted from Robbins & Decenzo, 2001:420).



For many activities feedback is the only viable type of control available. Feedback has two advantages over feedforward and concurrent control (Robbins & Decenzo, 2001:420):

- Feedback provides managers with meaningful information on how effective their planning effort was. Feedback that indicates variance between standard and actual performance is evidence that planning was generally on target. If the deviations are big, managers can use feedback information to make new, more effective plans.
- Feedback control can enhance the virtual worker's motivation. The virtual workers want information on how well they have performed; feedback control can provide virtual workers with this information.

Control is the fourth step in the management process and is an important link in the cycle of the process.

4.4.2 Feedback on progress of work of virtual workers

The virtual workers' progress needs to be measured periodically. If objectives/goals are set for a one-year period, it may be a good idea for virtual workers and managers to meet on a more regular basis to discuss progress to date. During these meetings the virtual workers' progress will not only be monitored but opportunities can be created to adjust goals that have become unrealistic in the light of changing conditions or environmental changes. At the end

of the predetermined performance period, the manager should meet with the virtual workers to review the degree of goal attainment. The meeting should focus on goal analysis and a discussion of the results actually achieved. The managers can give feedback to the virtual workers on their progress by e-mail, videoconferencing, face-to-face communication and meetings when virtual workers are available.

Regular meetings should be scheduled between managers and virtual workers to assess needs, give feedback and discuss problems. Managers can use this opportunity to discuss the initially agreed upon scope and work to be done, time lines and deadlines. Managers in the traditional office will give employees feedback and praise in a very informal way. But virtual workers are not always in contact with their managers, so extra effort is required to provide it.

There are quick ways of letting virtual workers know how they are doing:

- quick voice or e-mail,
- a note in the margin of a report or memo,
- a short conversation when they are in the office.

(Montero, 2004:3)

Managers need to apply certain principles when they give feedback to virtual workers to ensure that they will experience the feedback positively.

4.5 The importance of control

The VO needs a control process because the best of plans may go wrong. A control process is necessary in the VO for the following reasons (Smit *et al.*, 2003:392):

- Control is exercised to ensure that all activities of the VO are in accordance with the VO's goals.
- Control is applied to ensure that the VO is deployed in such a way that it reaches its goals.
- Control usually results in better quality work by virtual workers.
- Control enables management to cope with the environmental change in which the VO exists and the uncertainty created by it. If the VO is to reach its goals according to plan, control is necessary. Because of the variables to which a VO is exposed in the turbulent

contemporary business environment, it is seldom able to realise its goals strictly according to plan.

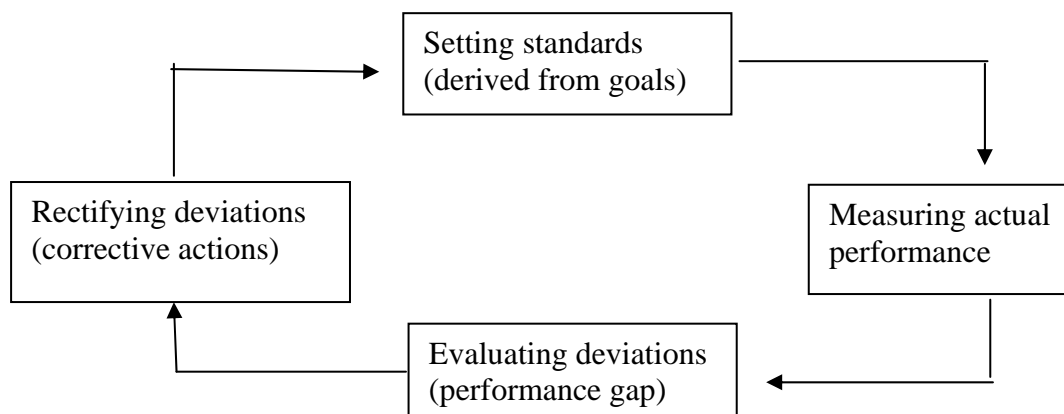
- The complexity of the VO is another factor. The greater the number of virtual workers who join a VO, the greater the need for coordination, the greater the chance of error, and the greater the need for control.
- Competition is a significant fact. Globalisation is responsible for fierce competition in international markets.
- Control can help to minimise costs and limit accumulation of errors.
- Control facilitates delegation and teamwork. Managers often fear that virtual workers will not carry out the task properly and therefore they are afraid to delegate certain tasks.

An overview of the control process will be given now that will help to clarify the importance of control.

4.6 The control process

Control is, more specifically, the process in which management ensures that all the resources are meaningfully deployed so that the mission and goals of the VO can be attained. The process includes setting standards for the virtual workers against which actual performance can be measured, evaluating any deviation that might occur and taking steps to rectify such deviations.

Figure 4.2 The control process (Smit et al., 2003:393 – 396):



Step 1: Establishing standards of performance

Establishing standards of performance for the virtual workers at strategic points is the first step in the control process.

If control entails the replanning and reallocation of resources, it is often difficult to distinguish between the two management activities of planning and control. A performance standard is a projection of expected or planned performance that virtual managers expect from virtual workers. Over a period of time, the difference between planned and actual performance is monitored to compare actual performance with the projected standard.

To make the control process possible and meaningful for the VO, performance standards set for virtual workers should be realistic, attainable and measurable, so that there is no doubt about whether the actual performance needs the standard or not. Performance standards enable management to distinguish between acceptable and unacceptable performance and to keep abreast of the strategy and plans.

Managers of the VO must remember that it is important for virtual workers to understand exactly what should happen and what is required of them. This requires that managers specify objectives clearly, particularly key activities, and give some measurable attribute (Mullins, 1999:772).

Step 2: Measuring actual performance

Managers and virtual workers must have good communication to continuously report on actual performance because it is an ongoing activity. The complexity of reporting in the VO is a function of the type and number of variables (activities) that should be measured and monitored. Variables over which virtual workers have no control should be quantifiable to make meaningful comparison possible. To observe the performance of the virtual worker, reporting should be absolutely reliable. The data that virtual workers submit to managers must be accurate in order for control to be effective.

An important aspect of observation, measurement and reporting on the VO's activities is how much information should be fed back, and to whom. In a fairly small organisation,

operations management is usually fully informed and normally this is not a problem. However, with a VO where information on progress of activities is wide spread the issue of control becomes increasingly important. Electronic mail, voice mail, fax and videoconferences are all effective ways to gather and spread information fast despite virtual workers' divergent schedules and locations. These technologies minimise telephone lag and allow participants to respond at a distance and at a time that is convenient for them (Odgers & Keeling, 2000:39). It is here that the principle of control by exception comes into play. This means that only important or exceptional differences between actual and planned performances are communicated between the virtual worker and the manager, and virtual workers will deal with less significant deviations on their own. Minimum time should elapse between performance and its measurement so that deviations can be identified and rectified as soon as possible. Feedback should relate to both the desired end-results and the means designed to achieve them (Mullins, 1999:772).

Step 3: Evaluating deviations

Determining if performance matches standards entails the evaluation of the difference between actual performance and pre-determined standards.

The manager in the VO needs to know why a standard is merely equalled, and not exceeded, or why the virtual worker has done considerably better than the standard. The latter could be due to changes in the business environment, or the original goals could have been poorly formulated. The nature and scope of deviations may have various causes. It is impossible to make generalisations about the causes of disparities between actual performance and the standard set. All the variables that could possibly be responsible for the deviation should be identified.

The point has now been reached where it is necessary to make decisions about future actions and this leads to the final step in control.

Step 4: Taking corrective action

Corrective actions are taken to ensure that differences do not recur in the future.

If actual performance does not match the performance standard, management has three options:

- Actual performance can be improved to attain the standard, for example by training and development.
- The strategy can be revised to attain the performance standards.
- The performance standards can be lowered or raised to make them more realistic in the light of prevailing circumstances.

The nature of management is moving away from getting results by close control of the workforce to more supportive management.

MBO as a control system in the feedback process will now be discussed.

4.7 MBO as a control system during the feedback process

The concept of MBO is closely related to the general principles of a management control system, as can be seen in the following table:

Table 4.1 MBO as a control system (Adapted from Mullins 1999:789)

Activities in MBO	Management control system
Agree what you expect of me	Planning what is desired Specification of objectives and targets
Give me an opportunity to perform Let me know how I am getting on	Establishing defined standards of performance Monitoring and reviewing actual performance Controlling information and feedback
Give me guidance where I need it	Comparing actual performance against planned targets What can be done to improve performance?
Reward me according to my contribution	Recognition of achievement
Control, review and adjust	Taking corrective action

MBO can be applied as a modern and effective method of control (See Table 4.1). MBO can be used in a positive and constructive way to provide a control system related to performance. If MBO is not implemented in a spirit of trust then the virtual worker can see it as a control mechanism and it may result in reduced levels of performance.

Virtual workers need to get feedback on their progress from managers on a continuous basis to ensure that they will meet their goals.

4.8 Principles for giving feedback

Managers must observe the following five principles of giving feedback (Lewis *et al.*, 2001:403):

- Feedback must be specific and not general. Managers must give applicable examples where necessary.
- Give feedback when the virtual worker is ready to accept it and is available.
- Focus feedback on behaviour that can be changed rather than on the person.
- Use descriptive information when giving feedback.
- Avoid feedback using evaluative inferences about motive, intent or feelings.

To help to build the relationship between on-site workers and virtual workers the managers can occasionally give virtual workers a pat on the back at a staff meeting to let on-site workers know that the virtual workers are also carrying their load. This will help to minimise any possible resentment that on-site employees might feel towards virtual workers and their work arrangements.

During the feedback process managers and virtual workers can both have certain communication “filters” that can influence effective communication.

4.9 Barriers that have an influence on the feedback process

Both managers and virtual workers have communication “filters” or barriers through which feedback must be received, therefore total and accurate feedback can be very difficult to achieve. Odgers & Keeling (2000:135) give the following examples of filters or barriers that cause virtual workers and managers to misunderstand each other during the feedback process:

- **Do not listen or do not want to listen**

Virtual workers who receive feedback from their managers via telephone or cell-phone can be distracted by other physical activities or noises around them and then they do not listen with attention.
- **Do not understand the “language of feelings”**

Virtual workers who are not in contact with their managers every day do not always understand the “feelings” that the managers want to convey to them.
- **Do not say enough, or may not be given the chance to say enough**

If feedback is given by managers via cellphone they may not give enough details because of the delay or the costs involved and virtual workers may not have the chance to respond.
- **Get mixed up in definitions**

Managers often assume that the virtual workers understand what they say.
- **Face-to-face meetings**

If the virtual workers and managers do not meet face-to-face they cannot indicate to the other person that the message was understood and that it is not necessary to continue the dialogue.
- **Cultural differences**

If managers give feedback to virtual workers working or living in another country the feedback can be misinterpreted because of differences in culture.
- **Too fast feedback**

Managers can give their feedback too fast because they presume the virtual workers understand the language/jargon of the office.
- **Ask questions during feedback**

Virtual workers can generally be unwilling to ask questions if they feel the feedback was negative, or they do not ask questions because they think they understood the feedback.
- **Personality feedback**

Virtual workers and managers can experience personality conflicts or differences.
- **Non-verbal messages**

If managers give feedback to virtual workers they can easily jump to conclusions because they cannot read the non-verbal messages.

Managers and the virtual workers will need to find the right balance between keeping each other updated and not burden each other with too much feedback. Managers must outline their expectations for how often they want to receive feedback from the virtual worker and how detailed those feedbacks must be to be able to overcome communication barriers.

Managers and virtual workers can overcome certain communication barriers that will make communication effective during the feedback process.

4.9.1 Overcoming barriers to effective feedback in the VO

Communication problems can be directly attributed to misunderstanding and inaccuracies. This can easily occur in the VO. Managers and virtual workers can minimise these problems if they give feedback more frequently. If the manager wants to overcome barriers to effective communication with the virtual worker he needs to (Robbins & Decenzo, 2001:383):

- use feedback – the accuracy of what has been communicated must be checked. If managers gave feedback via an e-mail or videoconferencing, managers must ensure that virtual workers understood the feedback. A message via e-mail can be understood incorrectly because there are no non-verbal clues such as facial expressions to convey the right message.
- simplify language – use words that will be understood by virtual workers.
- listen actively/read with attention – first listen to/read the full meaning of the message before premature judgments or interpretations are made, or thinking about what you are going to say/write in response.
- constrain emotions – if emotions are running high, do not communicate until you have calmed down.
- watch non-verbal cues during face-to-face meetings or videoconferencing with virtual workers. Managers must remember that virtual workers do not know the body language of the manager as well as that of full-time employees.

Feedback should include more than *yes* and *no* answers. Managers can ask the virtual worker a set of questions about a message in order to determine whether the message was received as intended. Managers can also ask virtual workers to restate the message in their own words. If managers hear what was intended, understanding and accuracy should be enhanced.

Feedback also includes subtler methods than direct questioning or the summarising of messages.

It is not always necessary to convey feedback in words. Actions may speak louder than words. When managers conduct meetings with virtual workers, giving them feedback on the attainment of their goals, the managers can watch their eyes and look for other non-verbal clues to establish whether they are getting the message.

4.9.1.1 Why must managers and virtual workers listen actively?

Many managers are poor listeners. Listening is often more tiring than talking. It demands intellectual effort. Unlike hearing, active listening demands total concentration. Active listening by the manager is enhanced by empathy with the virtual worker – the manager should place himself in the virtual worker's position. Virtual workers usually differ in attitudes, interests, needs and expectations; empathy by the manager makes it easier to understand the actual content of a message sent by the virtual worker. The goal of active listening by the managers is to improve their ability to receive the full meaning of communication without having it distorted by premature judgements or interpretations.

4.9.1.2 Why must managers constrain emotions during feedback?

It is not always possible for managers to communicate in a fully rational manner. Emotions can severely cloud and distort the transfer of meaning.

4.9.1.3 Why the emphasis on non-verbal cues?

Non-verbal messages carry a great deal of weight. The virtual workers must watch their non-verbal cues to ensure effective feedback and to ensure that they convey the desired message.

Managers need to develop their feedback skills when they use feedback control to address performance issues.

4.10 Developing performance feedback skills

4.10.1 Steps in the performance feedback skills (Robbins & Decenzo, 2001: 433)

- Managers must schedule the feedback session in advance with the virtual workers and they must be prepared. One of the biggest mistakes managers can make is to treat feedback control lightly. They cannot simply call in the virtual workers and give feedback that is not well organised. It will serve little purpose to both sides. They must identify the issues that need to be addressed and cite specific examples to reinforce what they are saying. They must set aside time for the meeting with the virtual workers, as these workers are not always at the office. They must ensure that the feedback will be done in private and that there will be no interruptions.
- Managers must put the virtual workers at ease. Regardless of how managers feel about feedback, they must create a supportive climate for the virtual workers. They must recognise that giving and getting feedback can be an emotional event, even if the feedback is positive. By putting the virtual workers at ease, managers can establish a supportive environment in which understanding can take place.
- Managers must make sure that the virtual workers know the purpose of the feedback session. If managers clarify what they are going to do, it will set the appropriate stage for what is to come.
- Managers must focus on specific rather than on general work behaviour. General statements are vague and provide little useful information – especially if the feedback is an attempt to rectify a problem.
- Managers must keep comments impersonal and work related. Feedback should be descriptive rather than judgmental or evaluative, especially when managers give negative feedback. No matter how upset managers are, they have to keep the feedback work related and never criticise the virtual worker personally for an inappropriate action. Managers censure work-related behaviour, not the person.

- Support feedback with hard data. Managers must tell the virtual workers how they came to the conclusion about their performance. Hard data help the virtual workers to identify with specific kinds of behaviour. Managers must identify the tasks or projects that were done correctly and provide a detailed critique. If managers need to criticise, they must state as the basis of their conclusion that a good project was not completed.
- Managers must direct the negative feedback towards the work-related behaviour of the virtual worker. Negative feedback should be directed towards work-related behaviour about which the virtual workers can do something. Indicate what they can do to improve their situation. This practice will help managers to take the sting out of the criticism and offer guidance to the virtual worker who understands the problem but does not know how to solve it.
- Managers must give virtual workers the chance to speak. They must get the virtual workers' perception of what they are saying, especially when addressing a problem. They need to be empathetic. Maybe there is something that has contributed to the issue. Letting the virtual workers speak involves the virtual workers in the process and might just provide information to managers of which they were unaware.
- Ensure that the virtual workers have a clear and full understanding of the feedback. Feedback must be concise and complete enough for the virtual workers to understand clearly and fully what the managers have said. With consistent active listening techniques, managers must let the virtual workers rephrase the content of their feedback to check whether they fully captured the meaning.
- Managers must then give details for a future plan of action. Performing does not stop simply because feedback occurred. Good performance must be reinforced, and new performance goals should be set for the virtual worker. However, when there are performance deficiencies, managers must devote time to help virtual workers develop a detailed, step-by-step plan to rectify the situation. This plan includes what has to be done, when, and how managers will monitor the activities. Managers must offer whatever

assistance they can to help the virtual workers, but they must make it clear that it is the virtual workers, and not the managers, who have to rectify the situation.

Control systems tend to operate in a negative way, but managers can use control to motivate virtual workers to improve their performance.

4.11 Summary

The cycle of control has now been completed and corrective actions become the starting point of the next cycle. Managers must be aware that there must be a balance between control and trust. Too much control can let virtual workers feel that their freedom and their initiative are curbed by managers who are constantly checking up on them. It is important for virtual managers to maintain a healthy balance between measures and people.

Managers of the VO are challenged to manage organisations that are different from the hierarchical organisations that they managed a few years ago. The new organisation model has characteristics that differ substantially from those embodied in the bureaucracy and is effective at operating in an increasingly global economy.

In the last chapter the future of the virtual office will be discussed.

CHAPTER 5

THE FUTURE OF THE VIRTUAL OFFICE

5.1 Introduction

The virtual office is evolving in ways that none of us ever expected. “The one-year projection is easy: continued growth along the same lines as we see today, with what has become the typical 10 – 15% annual growth in the number of virtual workers and an increasing diversity in the types of employers and job types involved” (Gordon, 2004:2).

For the next five years it is more difficult to make a projection. “..... it will morph into a much broader concept of remote access”. In five years we will see a continued evolution of business models and organisational structures. The new organisation (virtual organisation) with cultural diversity will find the concept of telecommuting and flexible work in general to be second nature to them (Gordon, 2004:1).

The situation ten years from now is actually impossible to predict. With the rapid changes in technology the majority of employers may tell their employees: “Work where you work best.” The distance between the home of the virtual worker and the office will not really be an issue (Gordon, 2004:1).

Part of the rapidly changing environment that managers face is the globalisation of business. Management is no longer constrained by national borders because the world has become a global village. To be effective in this unbounded world, managers need to adapt to cultures, systems and techniques that are different from their own.

Kevin Rawnsley, chief executive of Regus SA said that not everybody can work from a virtual office; some virtual workers discover that home may actually not be the best alternative workplace. Workers can also experience difficulty to establish family and business boundaries.

Virtual workers who have been used to busy work environments often experience a strong sense of isolation and demotivation when they are cut off from face-to-face interaction, exchanging of ideas and even the office gossip of their colleagues.

Virtual working does not imply that every employee will prefer this alternative style of work and that every employer will take up the challenge of implementing it. Technology may facilitate paradigm shifts in human behaviour, but it will not change human nature. Although IT plays a major role in virtual working, face-to-face communication should still be regarded as the most important communication method (Hoffmann, 1999:155).

In this chapter the researcher will give an overview of the following aspects of the future of the VO:

- How organisations can set up a virtual office and the need to manage virtual workers and oversee their activities so that they can be mobile. Virtual workers and managers must also look at aspects such as the environmental and social implications of virtual working.
- Virtual organisations of the future are a version of the network design. Developments in IT enable organisations to move towards this kind of organisation. Open systems enable organisations to extend their networks to external networks and then they can also form part of the global networks.
- The new workspace solutions assist virtual workers who require a dedicated office but not a full-time desk, or virtual workers who share an office with other companies. The new technology gives virtual workers out-of-office mobility, and unutilised office space is becoming very costly for organisations.
- Traditional organisational structures must be transformed to accommodate Collective Knowledge Networks (CKNs).
- There is an in-depth look at the future of virtual working.
- As a conclusion the researcher will argue that virtual working is a reality, that the workforce is changing and that companies that do not change along with the trend may find themselves at a competitive disadvantage.

5.2 Setting up a virtual office

Organisations interested in investing in virtual working should first measure the readiness of the organisation for this work style. It is advisable that they first start with a pilot programme. Executives must remember that not all employees are necessarily suited for virtual working and that knowledge workers tend to be better candidates. Organisations must supply training for managers and virtual workers, otherwise virtual working may be subject to possible failure and negative experiences (Hoffmann, 1999:156).

Organisations that are going to implement virtual working should first take time to contemplate how they would prefer their business to operate. Executives of the organisation must do strategic planning, do sales analysis and product and service development and then see how IT can facilitate these operations more effectively. They must also do research on how IT can be involved in marketing and ordering strategies, competitors and after-sales service to customers (Hoffmann, 1999:159).

5.2.1 Managing virtual workers

Before virtual working programmes are set up, team managers should meet with executive supervisors to establish working parameters for virtual workers. Moses (2000:1-2) gives the following parameters:

- Schedules and deadlines need to be set for projects, including ongoing step-by-step development benchmarks.
- Establishment of specific tasks for individual workers within the team, including management, core workers and virtual workers.
- Setting up communication channels between management and team members. If projects are complex, coordination between team members is crucial. Coordination involves much more than simply setting up in-house contacts for virtual workers. It may require establishing channels for extensive information sharing, assigning responsibilities for setting task priorities, establishing authority for evaluation of tasks and determining responsibility for reporting to management.
- Reporting schedules must be set up. Managers must be able to co-ordinate the work of virtual workers, core staff and other virtual workers that form part of the group.

This puts a unique burden on management, and requires conscientious attention from virtual workers to make sure that all feedback and reports are timely.

- Weekly or biweekly conference calls between team members should be considered. This will help to maintain team cohesion, and give individual virtual workers the chance to speak directly with all team members at the same time.
- Since time lines of information transfer are important for team success, virtual workers must check e-mails and voice mail frequently throughout the day.
- Managers need to establish performance guidelines for telecommuters and give regular feedback on work performance.
- Often, team projects involving virtual workers may arouse personal issues between core workers and virtual workers. Some of the core workers may feel that virtual workers receive “special” treatment because they are allowed to work at home. Managers, again, may feel that their authority is challenged by virtual workers who are working off-site. Executives should be aware of the possibility of such issues, and deal with them before they disrupt the progress of a project.

5.2.2 Approaching current employers about virtual working

The number one reason for organisations to adopt virtual working is that employees will approach their managers with a request to become virtual workers who can work away from the traditional office. Because the programme often starts from the bottom up, it is essential to have a carefully planned work arrangement between the employees and management (Alverson, 1998:5).

Before the employees approach management there are two main things to consider:

- Is the current position suitable for an employee to become a virtual worker? If the position involves independent work that can benefit from being away from the office, then some of the work can be done outside the walls of a traditional office. The employee might not be suitable to become a virtual worker if most of his/her work entails face-to-face contact or access to information that is only available in the office.
- Would the employee be a good virtual worker? Some employees have certain traits that will help them to be more successful working away from the office. Virtual workers who

are successful are usually self-starters who do not need somebody to manage them. They need to be organised individuals with good time-management skills (Montero, 2004:1).

5.2.3 The mobility of virtual workers

Virtual workers need to be mobile to be productive. Three key areas of the virtual worker's work style need to be examined in order to have true workplace flexibility. An analysis of communication, information and collaboration needs has to be done first. The needs in each of these three areas will determine the level of mobility that virtual workers need to work efficiently from any location.

Communication is the basic level of mobility. Almost everyone working away from the office has a need to communicate via phone, fax or e-mail with a central office or core workers in order to remain productive (Montero, 2004:6).

Although technology has made communicating and staying connected easier than ever, it is one of the most common stumbling blocks for managers, virtual workers and organisations. Virtual workers and managers must realise that there is more to communication than just having the right technology in place. Communication is not just about the technology.

Information is the next level of mobility. It is critical for virtual workers or organisations to be able to have remote access to company data, programs and other resources to allow work to take place away from the office. This need for information requires a higher degree of connectivity (Montero, 2004:18).

When it comes to the virtual worker's information needs the primary concern is with access to files, data and research. Virtual workers working in remote locations do not always have access to their files or cannot take their data with them when they are away from the office. There are various options to make use of, such as a laptop computer, burning them to a CD or using one of the USB Flash Drives that have become so popular. With all the new technology it is amazing how flexible virtual workers can be.

Collaboration is the highest level of mobility. Collaboration with other virtual workers, core workers or group members is required to achieve business objectives. This is the highest

level of work mobility as it requires effective virtual teamwork to keep everyone connected and on the same page (Montero, 2004:28).

Virtual workers of the future will have to work in collaboration networks. There are different services that virtual workers can use to come into contact with other group members such as instant messaging, conference calls, net-meeting, videoconferencing, etc. If virtual workers work with teams or groups a lot they may want to consider a web-based virtual office. A web-based virtual office, or intranet, is an ideal online communication tool for businesses, departments, groups and teams. These password-protected websites can serve as a secure, online virtual office and central location to share documents and contacts, hold conferences, track appointments, and have discussions online. They are the perfect tool to keep in touch and get everyone on the same page.

It is important for virtual workers to meet, but they must consider the type of work to be discussed. If there are sensitive issues, or if it is a first meeting for a new team, it might be best to meet face-to-face. If, on the other hand, they want to brainstorm, discuss ideas, or work on and edit a group report or document, there may be ways to do that without all the wasted time and money of everyone commuting to a central location for the meeting.

This needs-analysis is an essential step in developing a mobile work strategy for the future that will allow virtual workers and organisations to work effectively in any environment.

The three key areas of **communication**, **information** and **collaboration** must be investigated by virtual workers of the future to determine what equipment and services they will need to be able to work successfully (Montero, 2004:36).

Virtual workers of the future will have to learn how to use these mobile tools effectively.

5.2.4 Virtual working in relation to environment and social implications

Virtual workers must not only rely on organisational support to become virtual workers; they must also realise the importance of family support as they are going to work from home. The following suggestions by Hoffmann (1999:161-162) may assist prospective virtual workers to gain the support of family and friends in order to contribute to successful virtual working:

- Get family opinion on the subject.
- Establish rules for the VO arrangement that will create boundaries for family and friends.
- Keep in mind that virtual working can fail.
- Constantly reinforce the fact that you are working.
- Make family and friends aware of working hours.
- Always refer to the work site as the “office”.
- Establish rules regarding interruptions.
- When interrupted by personal calls, answer the door with some work in the hand.
- Dress professionally.
- Confront problems in an assertive manner.
- Answer the telephone professionally.
- Attend to less serious family problems after hours.
- Establish a household routine that includes all family members.
- Plan virtual workdays meticulously.
- Stay in touch with the corporate office, the manager and the clients.
- Make critical information accessible to others.

5.3 The Virtual Organisation of the future

The virtual organisation is a version of the network design. Developments in information technology enable organisations to move towards this kind of organisation. Open systems enable organisations to extend their networks to external networks of suppliers, consumers, etc. They can also form global networks, which permit both real-time communication and access to electronically stored information anywhere in the world. In virtual organisations, any individual, team or department can communicate and share information with any other individual, team or department. Future Virtual Organisations must explore the following strategies that seek to enhance their intellectual assets to compete more effectively:

5.3.1 Collaborative Knowledge Networks (CKNs)

In many large organisations executives try to exert more and more control over the organisations they lead. This reaction may not only be ineffective, it may also be

counterproductive. An effective strategy for responding to the ever-growing market is to relinquish some of the control and enable employees to work in virtual communities. These informal communities are increasing very fast. In simple terms, communities of practice are groups of people working together outside conventional organisational structures, but “informally bound together by shared expertise and passion for a joint enterprise” (Gretchko, *et al.*, 2001:3)

CKNs help organisations to bring together the right people, with the right skills and knowledge, at the right time.

5.3.2 Knowledge workers working as virtual workers

“Knowledge is different from all other resources. It makes itself constantly obsolete, so today’s advanced knowledge is tomorrow’s ignorance” (Murdock, *et al.*, 2003:72).

Resources become mobile through knowledge. Knowledge workers own the means of production unlike manual workers in manufacturing. Usually knowledge workers such as scientists, lawyers and teachers are in possession of a degree. They can also be office workers working with company knowledge on a daily basis. These workers carry the knowledge in their heads and therefore take it with them. As a result, knowledge workers cannot be “managed” in the traditional sense of the word. Knowledge workers identify themselves by their own knowledge rather than by the organisation that pays them.

“Every existing society, even the most individualistic one, takes two things for granted even if only subconsciously. These are that organisations outlive workers and that most people stay put. But today the opposite is true. Knowledge workers outlive organisations, and they are mobile. The need to manage oneself is therefore creating a revolution in human affairs” (Drucker, 1999:1).

“If an organisation did not have a management culture that embraced computers for almost every task, then this long distance operation would not work” (Murdock *et al.*, 2003:94).

5.3.3 Collaborative networks

With collaborative networks the organisation can draw on vital resources, regardless of where they are located physically and regardless of who “owns” them. The organisation can deliver a better product of a higher quality (Murdock *et al.*, 2003:94).

These collaborative networks become more popular because the organisation can form and dissolve relationships.

5.3.4 Virtual teams

A virtual team is a group of individuals who collaborate through various forms of information technology while being in different locations in a country or globally. In a virtual team, a member’s primary interaction is through some combination of electronic communication systems (Cascio, 1998:1). Virtual teams can work across organisational boundaries because management wants to attract the best experts or consultants to work on a certain project. These team members can work in any place, at any time because they are connected through technology. Virtual teams tend to be more task orientated, especially where the members have not met personally. Members of the virtual team may experience less satisfaction from the group interaction process than members of face-to-face teams (Smit *et al.*, 2003:338).

Members of the virtual team may never “meet” in the traditional sense. Such an arrangement provides several advantages (Cascio, 2000:1):

- It saves time and travel expenses, and eliminates lack of access to experts.
- Teams can be organised whether or not members are in reasonable proximity to each other.
- The VO can use outside consultants without incurring expenses for travel, lodging and downtime.
- Virtual teams allow firms to expand their potential labour markets, enabling them to hire and retain the best people regardless of their physical location.
- Virtual workers can accommodate both their personal and their professional lives.
- Dynamic team membership allows people to move from one project to another.
- Virtual workers can be assigned to multiple, concurrent teams.

- Team communications and work reports are available online to facilitate swift responses to the demands of the global market.

The major disadvantages of virtual teams are the lack of physical interaction with its associated verbal and non-verbal cues, and the synergies that often accompany face-to-face communication. Despite these drawbacks, virtual teams are growing in popularity.

5.3.5 Business centres

Business centres provide office space to virtual workers who would like to save money on hiring office space and buying expensive office furniture and equipment. Virtual workers can hire office space in the business centre and are then relieved of the responsibility of having to manage the day-to-day running of an office. Business centres offer great flexibility in terms of the ability to upsize, downsize or relocate the office to the needs of the virtual worker. It can even create a virtual corporate “presence”, with a personalised answering, mail and fax service, and the expedient use of meeting rooms on a daily or hourly basis.

Working as a virtual worker outside the traditional office, using mobile data and telecommunication can be difficult. It may be very difficult to get customers and suppliers to take a worker seriously if he works from home. It may be difficult to establish family and business boundaries. The virtual worker will probably also try to manage more at home than in the company’s office (Rawnsley, 1999:1).

Setting up a home office can be a costly exercise. Voice mail, faxes, photocopies, e-mail and even videoconferencing facilities are now regarded as standard business tools. Large capital outlay is still required to provide them, often for just one or two people to use.

For the virtual workers who need a structured, professional work environment but still want their independence, ready-made offices are the cost-effective answer. The virtual worker can hire a fully serviced and fully equipped office, meetings rooms, catering and videoconferencing facilities, reception, personalised telephone answering and secretarial support services for a fraction of what it would cost to find, set up, staff and maintain a traditional office. Business centres help to improve productivity as managers are relieved of

the responsibility of having to manage the day-to-day of running an office (Rawnsley, 1999:1).

5.4 New workspace solutions for virtual workers

Regus SA has developed exciting, efficient and cost-effective solutions. The on-demand serviced offices for virtual workers are there to enable them to optimise costs while maximising workplace utility by an increasingly mobile workforce. Virtual workers usually require a dedicated office but not a full-time desk, or virtual workers share an office with other companies. New technology such as the fast-growing cellular market enables significant out-of-office mobility, without the risk of high levels of under- or unutilised office infrastructure unless provision is made for a flexible office response. The following new workspace solutions are available:

5.4.1 Shared office

It is cost-effective for self-employed virtual workers, small companies or companies starting a business; they share an open-plan office with other companies while benefiting from their own individual workstation.

5.4.2 Part-time office

This is for companies which require a local market presence but not a full-time office; this solution allows them to use an office for 80 hours a month.

5.4.3 Hot desking

Hot desking is a dedicated office in which virtual workers optimise costs by sharing a workstation with colleagues. This can increase desk utilisation to 100 percent by placing multiple users in succession at a single desk.

5.4.4 Network access

This is the world's first membership programme with Regus that gives business travellers unlimited access to business lounges and furnished and equipped offices and meeting rooms when away from their primary office. The concept was developed following international

workplace studies, which revealed that executives plan to increase the number of hours they work outside their traditional workspace.

5.5 Transformation of traditional organisational structures

In order to understand the organisational structure of the virtual office we must first take a look at the traditional organisational structure. In the traditional organisation the management hierarchy depicted on organisational charts as a pyramid was a formal diagram that showed how work was divided and, most importantly, who reported to whom. Managers existed at various levels in the organisational hierarchy. Small organisations might have only one layer of management, whereas large organisations could have several. Relatively larger organisations could have three levels of managers: first-line managers, middle managers, and top-level managers. The skills required of managers at different levels of the organisation hierarchy varied just as their work responsibilities varied. This familiar organisational structure that worked so well a century ago has become self-destructive today. The role of managers has changed drastically over the last few years because of accelerating environmental and organisational changes.

In an effort to be more responsive to the challenges of the VO, many VOs have moved away from traditional hierarchical organisational structures. Virtual companies are moving towards decentralised and team-based work environments to improve their responsiveness. A flatter hierarchy may be needed in areas where technologies can be deployed to provide consistent real-time information and decision-making abilities. As virtual workers' work draws them into networks of alliances, they often find it difficult to know who knows what. CKNs provide the transparency they need to first determine who knows what, and then to draw experts into their communities until knowledge can be transferred and applied (Athey, 2001:4). CKNs are groups of people working together outside conventional organisational structures, but "informally bound together by shared expertise and passion for a joint enterprise" (Athey, 2001:1). They are also non-hierarchical; members earn their right to participate by bringing along relevant expertise and knowledge. They are also not easily controlled.

Many VOs reduce middle-management costs and foster teamwork throughout the organisation. In most cases, the team-orientated culture that results leads to better

organisational performance. In future, the middle-management function will be performed by managers who are prepared to be team leaders for CKNs. Their primary responsibility will be to empower others to do whatever is needed to achieve the goals of the team. This new breed of middle-managers may carry the title of coach, facilitator, sponsor or team leader, rather than that of manager (Lewis, 2000:24).

5.6 The IBM case

If organisations consider adopting a virtual office, they turn to companies like IBM, whose programme has been looked at as a model for several years. It is called the “mobility initiative” and was implemented at IBM in the early 90s. In 1994, IBM reduced its total office space by 22 million square feet, the equivalent of the space in eight Empire State Buildings. IBM saved \$70 million in real estate expenses that year in one of the regions alone. Tina Facos-Casolo, programme manager at IBM, served on the “cross-functional” mobile implementation team as real estate and site operations technical supporter. She said their programme was successful because they took all their employees’ opinions into account from the top down, and because of the company’s strong commitment to educating people on the subject. IBM currently publishes national mobility guides that cover such topics as setting up phone lines and handling technical issues for their 40 000 employees who are currently “mobile”. The company also furnishes employees with the equipment to work at home.

Since IBM created the mobility initiative, they have created a win-win situation for their customers, IBM and employees. Virtual workers are happier with the flexibility, but they are also happy having more time to spend with their families and less time to commute, and they often give some of their extra time back to IBM. IBM allowed virtual workers to tailor to their individual work style, because they realised that work is not from 8 to 5; it happens around the clock. Virtual workers usually put in 60 hours a week handling conference calls, managing employees and scheduling appearances at national conventions. The most successful companies are the ones who leverage technology to make this work and provide flexibility to virtual workers and improve their bottom line.

Indeed, the workforce is changing, and companies that do not change along with the trend may find themselves at a competitive disadvantage. The best workers will go to the companies with the most flexible work environment (Alverson, 1998:5).

5.7 Benefits and disadvantages of the VO

5.7.1 Benefits of the VO (Cascio 2000:2):

- **Reduced real estate expenses.** VOs can eliminate offices for all employees except those who truly need them.
- **Increased productivity.** IBM studies show gains of 15 to 40 percent in productivity.
- **Improved customer service.** Virtual workers usually spend more face-to-face time with customers if they do not have permanent offices.
- **Access to global markets.** Experts can be recruited for a certain project. Using virtual work arrangements, virtual organisations are able to traverse national boundaries.
- **Environmental benefits.** With virtual work arrangements commuting mileage can be reduced drastically.

5.7.2 Potential disadvantages of the VO (Cascio, 2000:3):

- **Setup and maintenance costs.** To equip mobile or home offices can be costly. Decision makers need to consider the incremental costs associated with setting up and maintaining virtual workplaces.
- **Loss of cost-effectiveness.** When expensive equipment or services are concentrated in one location, multiple users can access them. If the same equipment or services are distributed across locations, cost-effectiveness may be lost.
- **Cultural issues.** VOs operating in the global market often have to transfer their business policies and cultures to work with dispersed business teams across collaborating organisations, geography and cultures. This can lead to potential clashes between business and national cultures, which, in turn, can undermine the entire alliance.
- **Feelings of isolation.** Some level of social interaction with supervisors and co-workers is essential in almost all professions. Without it, workers feel isolated and

out of the loop with respect to crucial communication and contact with decision makers who can make or break their careers.

- **Lack of trust.** A key ingredient to the success of virtual work arrangements is the trust that one's co-workers will fulfil their obligations and behave predictably. Lack of trust can undermine every other precaution taken to ensure successful virtual work arrangements, such as careful selection of employees to work in the virtual environment.

5.8 Summary

Virtual workplaces, in which virtual workers operate away from each other and from managers, are a reality, and will become even more common in the future. There are sound business reasons for establishing VOs, but their advantages may be offset by such factors as setup and maintenance costs, loss of cost efficiencies, cultural clashes, isolation and lack of trust. If managers want to be effective in a VO they need to do two things well: shift from a focus on time to a focus on results; and recognise that VOs need better supervisory skills among existing managers. Taking these steps can lead to improvements in productivity, profits and customer services.

It is important, when a company wants to start with a VO, that all departments will accept and support the concept of the virtual work arrangement. Broad support alone is not enough, however, to guarantee success. The VO managers must set and enforce ground rules for communication, and implement MBO to oversee all activities. Communication is a major challenge for managers implementing a virtual work environment. Many managers have to learn new communication skills to prevent team members from feeling isolated and not being part of a larger group (Cascio, 2000:8). It is important not to rely solely on e-mail, which is one-way communication. Managers should learn how to conduct effective audio meetings, and to balance e-mail, voice mail, videoconferencing and face-to-face communication.

The challenges of managing a virtual workplace will escalate in scope. It is now up to management to make the decision to trust virtual workers and move towards the VO.

In the last chapter conclusions and recommendations on the VO will be given.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

The researcher found that the VO emerged because of the rapid development in new technology and broad electronic networks. Other issues which have contributed to the phenomenon are:

- the rising level of computer literacy;
- the flattening of the hierarchy within the last decade in most organisational structures;
- the empowerment of the employee in the workplace;
- cost-reduction by organisations (office space); and
- the global, highly competitive and fast-changing work environment

The VO is a new way of working that enables virtual workers to work outside the walls of the traditional office.

In the VO all the administrative functions of an organisation are not necessarily geographically centred in one office. The VO is where people work by using computer networks to work cooperatively and share knowledge quickly and easily regardless of time, distance and organisational boundaries (Atley, 2000:10).

In the VO the production factor has changed from land, labour and raw materials to knowledge. The virtual workers now own the production factor, namely knowledge, and because knowledge is portable the virtual workers will become more and more mobile. The manager's tasks become more challenging because knowledge workers are becoming the dominant group in the workforce of the VO (Atley, 2000:10).

As traditional work has always been office-based, with close supervision, managers have a resistance towards the managing of the workforce of the VO because they do not know how to manage virtual workers off-site. It became clear that managers do not have to feel that managing virtual workers off-site will place a huge burden on them.

The differences in managing the VO are the following:

- Managers have to change their management style from direct control to management of results.
- Managers have to change from face-to-face communication to more electronic communication.
- Managers have to give virtual workers ongoing feedback and support to ensure that the objectives of the organisation are met.

In this chapter the researcher will give recommendations on the following aspects of the future of the VO:

- Managers can manage the workforce by making use of MBO to attain the goals of the organisation.
- Managers have to stay connected with virtual workers to be able to communicate effectively.
- Managers have to give regular feedback and support to virtual workers.
- Guidelines will be given that managers can apply to manage the virtual workforce.

6.2 Recommendations

6.2.1 Managers can manage the workforce by making use of MBO and not by monitoring activities

The traditional face-to-face management and the need for managers to “control” the work of employees will change in the VO and will be replaced by MBO. MBO is a more indirect and delegative management style or method that will assist virtual workers and managers to establish jointly a set of goals that will serve as foundation for the development of the virtual worker’s work plans (Mullins, 1999:220).

In the virtual working environment the three most important principles will be to define, facilitate and encourage performance. While these principles are important to follow in conventional working environments, they will be even more imperative in virtual working environments.

For managers to be able to manage the workforce of the VO by objectives/results and not by activities they will have to provide specific, measurable and attainable goals for the virtual workers to meet. These goals can include reports completed, number of calls made, number of support issues resolved and any other appropriate measures of work productivity. However, for MBO in the virtual environment to be successful, the manager will not tell virtual workers exactly how to do their work but will give them tasks or projects that have to be completed in a given time and specific results that need to be achieved (Smit *et al.*, 2003:146).

The objectives and goals will not be set by the managers, they will be set and agreed to by managers and virtual workers jointly. Virtual workers will then be free to work at their own time and pace. They will decide on the best way to achieve the goals and objectives. The manager will measure their performance according to the goals and objectives they have achieved and not according to how virtual workers can follow instructions to complete a task (Smit *et al.*, 2003:143).

Managers will use MBO to effectively increase virtual workers' performance by motivating the virtual workers rather than by controlling them. This will require strong communication skills between managers and virtual workers so that everyone will clearly understand the organisational objectives that have to be met.

MBO in the VO will refer to the setting of goals at the virtual workers' level. MBO in contrast with traditional management practices is that it involves the virtual worker in the objective setting.

6.2.2 Managers can improve communication with the workforce by staying connected

The success of the management of the virtual office will be determined by the ability of managers to communicate effectively with the virtual worker. All the traditional communication activities such as reading, listening, managing and interpreting information, serving clients, writing and the use of symbolic gestures become more complicated with the integration of technology (Flagstaff, 2000:133).

Managers will improve their communication with virtual workers by staying connected. Managers will have to choose the right tools such as phone, fax or e-mail to stay connected and they will have to learn how to integrate these tools in the way they communicate with the virtual workers. When virtual managers have achieved the best use of these communication tools, they will discover a greater flexibility that allows seamless communication from anywhere with the virtual worker. The increased flexibility will improve the productivity of the virtual worker (Flagstaff, 2000:94).

If managers and virtual workers have chosen the right tools to communicate they will also have to commit themselves to master the usage of the tools. Sometimes virtual workers buy cellphones, laptops and software, but they barely know how to use these tools effectively. Today there are many ways to learn this. They can read manuals, attend workshops or teleseminars, or find someone to provide them with one-on-one personal coaching.

When it comes to communication in the virtual office the managers and the virtual workers will decide how often the three main tools of communication, phone (voice), fax, and e-mail, will be used. It will depend on the work style of the manager and the virtual worker and also on the type of project they will be working on. Sometimes they will use one of these tools more often than the others. Managers and virtual workers will realise that there is more to communication than just having the right technology in place.

Effective communication in the VO will become more of a challenge because organisations become more global, employees become more diverse, and technology becomes more

complex. The most obvious way to ensure proper communication with virtual workers will be to define working hours. The manager and virtual workers will decide beforehand what hours they need to be available to prevent confusion and to ensure timely communication (Montero, 2004:1).

An area of poor communication between the manager, co-workers and virtual workers will be the timeliness of communication. A solution to this problem will be to create a set schedule for voice and e-mail checking and responding. This can be hourly, twice a day or whatever will work for the manager and the virtual worker. By having this schedule clearly defined everyone can rest assured knowing that their messages will be received and responded to.

There are many ways in which managers can ensure that virtual workers will stay “connected” and feel part of the core workers. Managers will have to remember that they can not only rely on e-mail, which is a one-way communication, to communicate with virtual workers. They will sometimes have to have face-to-face meetings with the virtual workers. Managers will have to learn how to conduct effective videoconferencing, and balance e-mail, voice mail and face-to-face communication. Since facial expressions and body language cues are not always available during the communication, virtual workers will have to compensate with other forms of communication in order to understand each other. Managers must communicate with all virtual team members and not only with a few. This will ensure that all members are accounted for and are equal contributors to the team (Alverson, 2001:20).

Managers will have to put in more effort to give feedback to virtual workers. The objectives of feedback in the VO will be to ensure that the goals of the organisation are met. Regular feedback will be necessary to replace the hallway conversations, networking and the daily stimulation of a traditional office environment. A high level of commitment and availability to communicate will be required so that the manager can assess and evaluate the work of the virtual worker.

Managers can set up guidelines for effective communication in the VO but the virtual workers themselves will have the responsibility to provide accurate, timely information.

6.2.3 Managers can control the workforce through feedback and support

A VO will need a culture grounded on trust. If it does not, VOs will not stand much of a chance. Managers in a VO will have to be aware that there must be a balance between control and trust. The control process will narrow the gap between planned performance and actual performance by setting performance standards against which the performance of the virtual worker will be measured and deviations rectified. Virtual workers will feel that their freedom and initiative have been violated if managers are constantly going to try to control when and how they are doing their work and see if they are reaching their objectives or targets. It will be important for the virtual manager to maintain a healthy balance between measure and people. Control in the VO will be at its best when virtual workers are able to work in a largely self-directed environment that requires self-motivation and self-discipline.

Another basic management technique that managers will have to review and enforce again, is giving virtual workers ongoing feedback and support. Virtual workers believe they do not get enough feedback from managers on how they are performing. Managers of the VO will have to schedule regular meetings with virtual workers to assess their needs, give feedback and discuss the problems that occurred since the last meeting. During this meeting managers and virtual workers can discuss the initially agreed upon scope of work, time schedules and deadlines (Robbins & Decenzo, 2001:433).

Managers will not only have to give feedback to virtual workers, but they will also have to praise them. In the traditional office managers and executives gave feedback and praise to their employees in a very informal way. Virtual workers do not have direct contact with the manager every day, therefore managers will have to find new ways of giving feedback. Managers can give virtual workers feedback and praise through a brief voice or e-mail, a note in the margin of a report, a telephone call or a short meeting when the virtual worker is in the office.

Although control is the fourth step in the management process, it is an important link in the VO as it provides feedback to the first step of the process, namely planning. When managers in the VO know how successfully the work has been executed by the virtual worker and the extent to which the goals have been reached, they will be able to continue with the next cycle of planning, organising, leading and controlling.

6.3 Summary

The management of virtual workers became a reality because information can be shared instantly and inexpensively among virtual workers and managers who are at different locations. Managers do not need to be in the same location as virtual workers to be able to manage them or to reach the objectives of the organisation.

Managers of the VO can apply the following guidelines to manage virtual workers:

- Managers have to manage the virtual workers' results or objectives obtained and not their activities. Because managers do not have direct control over virtual workers they can implement MBO as a control system to determine if virtual workers have reached the set objectives.
- Managers have to change their communication style from face-to-face communication to more electronic communication. Managers of the VO have to outline standard communication practices to improve communication between the virtual worker and the core office.
- Managers need to know that virtual workers need more feedback and support as they do not have contact with the office every day. Managers and virtual workers need to know that the virtual workers are going to meet their objectives on the target date and time.

This research has proved that the paradigm shift in the corporate world of work – any time, anywhere, in real space or in cyberspace is here to stay. Virtual workers and managers working away from the office is now a reality, and will become more common in the future. Companies who wait for the future to allow the VO to effectively take shape may find themselves at a competitive disadvantage. Now is the time for companies to create the conditions for the VO to emerge.

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