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**A grounded theory analysis of networking capabilities in
virtual organizing**

by

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Abstract

A grounded theory analysis of networking capabilities in virtual organizing

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The use of the Internet by web-based organizations impacts on all aspects of their business activities. The continuous evolution of e-commerce technologies enables web-based business (consisting of virtual supply chain partners) to integrate its manufacturing operations and to gain competitive advantage through entire virtual supply chains. Although the interplay of e-commerce and virtual supply chain cooperation is not clear when considering supply chain forecasting, planning, scheduling, execution and after-service, the potential for virtual coordination of business activities by means of e-commerce technologies is growing in importance.

In this regard, networking capabilities that enable virtual organizing activities in the virtual value chain network are of particular importance to web-based organizations. The research investigated this using a grounded theory approach.

The Grounded Theory analysis consisted of three phases. First, following a comprehensive review of the relevant literature, a set of particularly relevant articles was identified to provide the basic data from which to develop a first, preliminary framework or theory. This framework was subsequently refined to produce a concluding framework, using data collected during interviews with representatives of six different web-based businesses. Finally, the concluding framework or theory was validated by applying it to a particular case.

The concluding framework contains twelve networking capabilities, adding three to the nine identified in the preliminary framework. The conceptual



framework with theoretical description of relationships between identified networking capabilities clarify the use of networking capabilities with virtual organizing in a virtual value network of organizations.

An interpretation of the concluding framework, based on Actor-Network Theory, shows how the entrepreneur can leverage the inter-relationships between the networking capabilities to enable more effective and efficient virtual organizing. In particular, it shows how the entrepreneur can utilize knowledge and skills related to the identified networking capabilities to build and maintain a stable and eventually institutionalized network of partners. Finally, using the results of this interpretation of the grounded theory, the entrepreneurial process was defined in which the role of information technology as well as the role of the entrepreneur in establishing and maintaining the virtual value network was described.



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I declare that

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organizing**

is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

J F Koekemoer



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