Conceptual Model of the Role of Virtual Workplaces in Relation of Expatriates’ Mobility and Entrepreneurial Organisations

Vilmantė Kumpikaitė-Valiūniene⁵⁺, Kęstutis Duoba⁶⁺, Jurga Duobienė⁷⁺, Ineta Žičkutė⁸⁺

Abstract

Free labour force mobility among countries increase organisations’ possibility to find the best employees. However, people migration at the same time decrease this possibility to have needed employees in some countries. Such situation influence organisations’ capability to be entrepreneur. We raise the idea that virtual work places could decrease existing problems and to satisfy both parts: organisations to hire needed employee from any country and for person to work in willing organisation in their native countries staying in any place. Therefore the aim of this paper is to present a conceptual theoretical model of the synthesis of expatriates’ mobility and entrepreneurial organisations using virtual workplaces.

Keywords: Mobility; migration; expatriates; virtual workplace; entrepreneurial organisation.

Introduction

Rapidly changing environment fosters changes in personal and social life, herewith, the changes are needed in organisation management. European Union has developed the internal market in which the free movement of goods, services, capital, and people is applied. For people and employees of any organisation it is a perfect possibility to sell their competencies for the best price to any country of EU, so it has caused a huge immigration flow from Eastern countries of European Union to the West one. Organisations have lost advanced professionals and now experience their lack in developing competitive products and services.

* Corresponding author. Tel.: +37061121952.
E-mail address: vilmanė.kumpikaitė@ktu.lt
Entrepreneurial organisations continuously search for new possibilities and unique combinations that are implemented in their production. Activities with innovation as result are applied by proactive, high-skilled employees who usually are open to the opportunities provided by EU free movement policy. Moreover, such employees are highly valued in the market, so they have many possibilities to work worldwide due to their competencies. They appreciate and use these possibilities due to the higher salaries, opportunities to extend their work experience, and usually higher level of life comfort. Leung (2003) noted that entrepreneurial organisations face challenges in attracting and keeping such employees.

Informational technologies are widely used in everyday life for the personal purposes, social interactions, and at the workplace. However, the possibilities provided by these technologies are not in the end of its resources and can provide competitive advantage for the organisations and even regional development in a higher level.

Migration and mobility is analysed by Stulgienë & Daunoriienë (2012), Čiarniene & Kumpikaitė (2008, 2011), Čiarniene al (2009), Kumpikaitė & Žičkutė (2012, 2013), Kumpikaitė & Duoba (2010, 2013) in Lithuania. Researches on virtual workplace are more concentrated in analysis of virtual organisations (Mowshowitz, 2002; Campbell, 1996, 1999; Franke, 1999, 2001; Bauer et al., 2003, Merkevičius, 2012) than of virtual workplaces (Daniels, Lamond, & Standen, 2001). Only few researches of entrepreneurial organisation incorporate such factors like organisational structure (Covin and Slevin, 1989; 1991; Naman and Slevin, 1993; Hornsby et al., 2002; Chen et al., 2005), control or resource systems (Sathe, 1985; Russell, 1999; Kuratko et al., 2005; Ireland et al., 2009) that are most frequently mentioned while others like job design (De Jong et al., 2013) or other technical characteristics of workplace are much less researched. Thus, there are no studies prepared researching expatriates’ mobility and entrepreneurial organisations and the possibility to use virtual workplaces to foster the cooperation between expatriates and entrepreneurial organisations in their native countries.

Thereby, the research problem is how virtual workplace can contribute in fostering the cooperation between expatriates and entrepreneurial organisations in their native countries.

The aim of the paper is to present a conceptual model of the synthesis of expatriates’ mobility and entrepreneurial organisations using virtual workplaces.

Method

For the research of the role of virtual workplace in satisfying the needs of expatriates and entrepreneurial organisation we have selected the person-organisation fit model. This model might be used for combining people and organisations in three ways. According to Kristof (1996), the first way is to provide by one side what the other one needs. The second way describes the situation when both people and organisations share similar fundamental characteristics. The third way involves both previous. In our research we develop the model in regard of the fit of person and organisation needs.

The theoretical analysis of scientific literature was performed in line of main variables of the research, i.e. person, workplace, and organisation. The analysis of person was based on the case of expatriates and factors of their migration. Regarding the workplace we analyse the specifics of virtuality and characteristics of virtual workplace. In case of organisations the analysis is concentrated on entrepreneurial organisations.

Results

Results of virtual workplace contribution in the fit of person and organization in the case of entrepreneurial organisation are presented in this part. Conceptual model of the role of virtual workplace in the relation of expatriates’ mobility and entrepreneurial organisations is developed by the analysis of features of person, organisation, and virtual workplace dimensions as well as identification of interconnection between these dimensions. The conceptual model is presented in Figure 1.
3.1 Personal features

Scientific literature gives various classifications of reasons for mobility/migration. Identification of migration reasons from the side of Person’s dimension could be classified to a certain groups of factors, such as economical, social and personal reasons. These factors are influenced by person’s individual problems in native country, and his/her unsatisfied needs, or opportunities given by another country. The importance of these various factors is different to every person and can change in time.

Economical reasons are the most important and can be divided into three main indicators as level of income, unemployment and inflation rates. Low income, high unemployment level, weak possibility to find a job and increase of prices can lead to social isolation and deficiency. Social reasons include such indicators as income inequality where higher income inequality influences higher emigration rate (Žičkutė, 2012; Skučienė, 2008). Life conditions could be expressed as level of disposable income, housing costs, the risk of poverty and other similar factors. At the same time social security is covered by expenses for health services and their quality, and social benefits. Native environment is a social factor that provides the support for the person by his/her cultural background, language and common understanding. Personal reasons to migrate are connected with need for professional development and opportunity to improve professional skills in the work place, and participation in the highly qualified team and important international projects (VPVI, 2006). Self-esteem could be described in the level of conditions and level of responsibilities in the work place and also as some certain specific factors, typical for highly skilled migrants, as accessibility for opera houses, theatres, museums, et cetera (Liebig, 2003). Moreover, climate preferences are also mentioned among the factors that influence the incentive to migrate (Liebig, 2003).

3.2 Virtual workplace

Daniels, Lamond, & Standen, (2001) have presented a framework to help understand the nature of virtual workplace. This framework consists of five variables: location (home based, remote office, client’s office, non-office environment), ICT usage (high, low), knowledge intensity (high, low), intra-organisational contacts (high,
low) and inter-organisational contacts (high, low). This framework indicates research on virtual workplace should take into account its multi-dimensional nature and that virtual workplace practices can differ by degree on these five facets of virtual workplace. This entails developing methods to assess the level of each component of virtual workplace.

3.3 Organisational features

The theoretical analysis of entrepreneurial organisations in respect of their demands has delivered organisational features that can be summarised into three groups, i.e. (a) structure-related (Covin & Slevin; 1989; Nilles, 1998; Hill et al. 1998; Sine et al., 2006; Brigham et al., 2007; O'Neil et al., 2009; Johl et al., 2010), (b) process-related (Leung, 2003; Brigham et al., 2007; Zou and Ghauri, 2010; Freeman et al., 2013), and (c) result-related (Zahra, 1991; Baden-Fuller, 1995; Kickul & Gundry, 2001; Hsueh & Tu, 2004; O'Neil et al., 2009; Bilton & Cummings, 2010; Santa et al., 2011).

Structure-related organisational features include organisational structure, organisational tenure, job autonomy, and job complexity. Covin & Slevin (1989) Sine et al. (2006) state the importance of organisational structure to the financial performance. Regarding organisational tenure, Nilles (1998) noted that for successful virtual work arrangements employees must possess the skills and experience to complete tasks independently. Virtual workplace ensures greater job autonomy and it is crucial for organisations (O'Neil et al., 2009; Johl et al., 2010) while O'Neil et al. (2009) notes the tendency to the lower job complexity was revealed in using virtual work, but further research is needed to confirm it due to the possible individual differences.

Process-related organisational features consist of decision making style, multitasking, and networking. Brigham et al. (2007) found out that intuitive managers experience higher satisfaction in less structured work environments, than analytic, but it was vice versa in more structured work environments while the results were opposite in regarding of intention to exit the organisation. According to Leung (2003), multitasking in organisations provides the possibility to share core competences among different tasks and complete them faster. Networking is familiar to born-globals who knowledge is accumulated in domestic and foreign markets (Zou and Ghauri, 2010) and can be shared with organisations.

Result-related organisational features are tied with innovations and costs-saving. Environmental pressure forces entrepreneurial organisations to innovate due to technological and scientific development (Bilton & Cummings, 2010). Innovations are also related to the organisational performance, including profitability (Zahra, 1991; Hsueh & Tu, 2004), while virtual work has a possibility to minimise the time, energy, and cost that relates to the costs saving need of any organisation (O'Neil et al., 2009). A combination of costs saving possibility and innovations that increase profitability ensures a higher financial performance of organisation.

The developed conceptual model reveals the role and the importance of virtual workplace in balancing expatriates needs with the demands of entrepreneurial organisations. Informational technologies are so widely used in everyday life that entrepreneurial organisations must to use this possibility for engaging the competencies of expatriates. Moreover, expatriates can gain from the possibility to work virtually in entrepreneurial organisations in their native countries through fostering the regional development, working on interesting native projects, sharing international experience and competences, and at the same time staying in their resident countries working on other tasks.

Discussion/Conclusions

This paper provides just conceptual model of the role of virtual workplace in the relation of expatriates’ mobility and entrepreneurial organisations. It connects three dimensions: 1) person with his/her needs, 2) organisation and its features to be entrepreneurial and 3) those both sides connecting virtual place with its characteristics.

Personal dimension is classified to a certain extent for decision to migrate into economical, social and personal reasons increased from the side of economical, social, and personal problems in native country, unsatisfied needs, or possibilities that are provided by another country. The results of analysis showed that personal dimension is influenced mostly by such economical indicators as income level, unemployment, and inflation, by social factors
as income inequality, life conditions, social security, and native environment, and by personal features as professional development, self-esteem, and climate preferences.

Virtual workplace is described by five variables, i.e., location, ICT usage, knowledge intensity, intra-organisational contacts, and inter-organisational contacts. Such operationalization of virtual workplace provides its multi-dimensional nature. Moreover, virtual workplace practices can differ by degree on these five facets of virtual workplace and may have influence on the effective fit of expatriates needs and demands of entrepreneurial organisations.

Theoretical analysis of entrepreneurial organisations in respect of their demands revealed three groups of organisational features. Structure-related features include organisational structure, organisational tenure, job autonomy, and job complexity. Decision making style, multitasking, and networking are distinguished as process-related organisational features. Innovations and costs-saving indicators are characterised as result-related organisational features.

This model could help solving problem how virtual workplace can contribute in fostering the cooperation between expatriates and entrepreneurial organisations in the age of countries without boarders and free movement of people. Summarising, we can see that organisations seek to find needed expatriates to be successful, when, at the same time people are moving to other organisations and countries because of unsatisfied their needs. However, this given conceptual model should be analysed deeper and developed in more details in order to highlight and to check the proposed idea. It needs empirical studies and analysis and this will be future steps of this scientific work.

References


