

## **VIRTUAL ORGANISATIONS<sup>1</sup>: EMPLOYEE COMPETENCY AND MANAGERIAL ISSUES**

**MIRJANA RADOVIC-MARKOVIC \***

**ABSTRACT:** *New technologies have led to a new information and knowledge based economy. In this context, technology has changed the work environment, where organisations have become increasingly complex and competitive. Namely, the technologically induced a “virtual” environment has resulted in the adoption of new organisational structures and work skills and practices. On the one hand, the workplace increasingly requires employee to work in teams, collaborating across companies, communities, and continents. These changes and the new organisational structures have also made an impact on role of managers and their management styles, on the other hand. In line with this, there a very rich collection of thinking and empirical research findings on the subject. The goal of our research was to recognize the importance of certain factors in motivating employees in organisations by managers . The other purpose was to investigate the job related motivation factors among senior and junior employees as well as explore issues in the workplace that may affect work demoralization. Furthermore, we explored the relationship between employees motivation and their competences. We also contributed to the topic in our research project-book with the new model of competency. Furthermore ,we expect that our methodology will be implemented in practice. However, it should be also a good basis for further improvements in this area.*

**KEY WORDS:** *virtual organisation, management, competency, skills, motivation.*

### **1. INTRODUCTION**

Ever since the concept of virtual organisations emerged in 1960s, a large number of studies have been carried out to explore the organisational business processes and the methods of their execution. The literature review suggests us that should approach the topic through the lens of knowledge, motivation, and

---

<sup>1</sup> POSITION PAPER

Read more about research in publication, VIRTUAL ORGANISATION AND MOTIVATIONAL BUSINESS MANAGEMENT / Mirjana Radović Marković ... [et al.]. - Maribor : Alma Mater Europea - Evropski center ; Beograd: Institute of Economic Sciences, 2014, ISBN 978-961-93493-7-3 (Alma Mater Europea - Evropski center)

\* *Prof., Ph.D., Featuring fellow of WAAS*

communication skills. Therefore in our book-project are covered the topics as: communication, motivation, organisational structure, workplace behaviors, virtual teams, organisational culture and diversity, organisational change and learning organisation, and more.

According to our opinion, virtual companies are temporary organisations that continually develop, are redefined and renovated for a practical business purpose and in accordance with the business needs adjusted to the market demand. They create networks with other virtual companies, depending on the competencies of their virtual teams, thus forming a business chain. Generally speaking, every member of virtual organisations contributes with their core competencies. One who initiates virtual organisations forming determines the most appropriate business processes complementary with the business skills of various firms. The synergy effect resulting from the combination of all the core competencies allows for setting up a company that will satisfy the clients' requirements in a flexible manner.

The most competent people to help conduct research and development processes can be found at virtual universities. The role itself of a virtual university, apart from the educative role it plays in a modern society, is seen in the cooperation with a virtual organizations. A detailed analysis of the modalities of cooperation between the university and the company. Earlier analyses of the modalities of cooperation between the university and the companies were mostly focused upon patenting, licensing and forming incubator firms; however, it was proved that the role of such modalities in the cooperation between the university and the industry is of minor value in comparison with collaboration on publishing, organizing conferences and informal interactions in the domain of working together on projects.

Monitoring performance and enforcing procedures and rules among dispersed people can be very expensive and difficult, due to the lack of co-location. Shared goals among employees and the company as a whole, trust amongst each other, and employee motivation are key ingredients for successful progress. Organisational identification should positively address these key ingredients for successful progress, and it should eliminate the need for expensive monitoring and supervision systems.

Organisations today make a much more diverse working environment than they used to for generations. With such a vast array of age, gender and educational differences, it is no longer possible to motivate all employees with the same incentives. In line with this, the knowledge of different methods used to motivate workers is essential in retaining good employees and attracting new ones. However, there is little documented evidence of which specific factors are those that make an impact on increasing the motivation of employees as well as how they are ranked as regards their importance.

## **2. METHODOLOGY**

In our book--project, we attempted to build on and innovate the model set by the scientist Hyeongon (2009) in order to simplify it and make it more universally applicable. This research, unlike most, is different in terms of methodology. It focuses on individual competencies, whereas the literature dealing with more social networks.

The reason for this is the fact that it is generally neglected personal competence, which is of great importance in the selection and formation of virtual teams. Accordingly, in defining formula to calculate the personal competencies, we have taken into account various factors that are important for its measurement.

This study pays special attention to the level of education as a key determinant of the increase in motivation among the employees, both on the individual and on the organisational levels. The aim of this research was to point to the need that the organisation should educate and develop its employees in order to motivate them to implement their knowledge at their workplace towards their own well being and the prosperity of the organisation they are employed with.

### **3. KEY FINDING**

Our central research finding is that, in the context of the proposed new model dedicated to virtual teams and skills competencies measurement that a competent virtual team can be assembled. The method of assessing the employee competency at a virtual university is proposed in order that the team leader and team members should be assessed. The proposed model offers a ranking list of most competent persons.

Since the project manager has to display the traits of a leader and the ability to recruit competent collaborators in forming a virtual team, it is necessary that he/she should establish their competencies. Candidate knowledge assessment (within a broader evaluation of their independent work concerning personal competence) as well as that of time relevance of publications in a quantitative domain was performed using this model. These quantitative ratings helped us assess candidates for projects in a more unbiased manner. The novelty is also that the project financiers themselves can value the types of publications according to the criterion they favour. The rating of collaboration competency within the social network helps obtain a more objective assessment in selecting prospective team members with a high degree of knowledge and cooperability. The employee with maximum knowledge required for the project, one that can ensure a high degree of collaboration through a social network is appointed project manager. On the basis of these results a competent virtual team can be assembled, capable of effectively solving the tasks set before them.

However, we can find competent workers but with little incentive and motivation. The process of motivating others often falls on the manager. Managers are often responsible for motivating others in a variety of ways and instances. For example, today's work force is comprised of a large percentage of baby boomers not yet ready to retire. Jobs are not available to younger workers and moving up the career ladder takes longer when they eventually do find positions. The older employees are rooted in their careers, making it difficult for younger workers to be successful. In contrast, once the large number of baby boomers begins vacating their roles, younger workers will not be able to fill the void. These two distinct scenarios would both represent a challenge to a manager; motivating a young employee that has few job choices and faces a long climb up the career ladder and motivating a young employee with a multitude of choices and opportunities. We found that the level of education (competency) and its effects on boosting the employees' motivation to contribute to

their organisation through new ideas and improvements of the organisation's business were neglected. Conclusions will be drawn from the hypothesis and analysis of answers to the questionnaires. The hypothesis, which states that each generation have different work expectations what make an impact on the collision of different generations in the workforce (Ron Zemke's theory) was accepted. The results show that employees in all generations agree on the importance of motivation for employee performance. However, research showed that work as an incentive for one generation may not necessarily motivate another. An example of this is the generational differences that can be seen in employees in today's organisations.

While it is clear that when dealing with employees from different generations, different motivational techniques will prove more effective, it should also be noted that it is important to tailor these techniques to the individual employee as well. Just as factors that have affected members of each generation will have an impact on an individual, so will the unique environment in which they were brought up and any formative experiences they have been through. It is very important for managers take this into consideration when determining the best approach to motivating their employees. It is necessary for them to get to know their workers on an individual basis, and then decide which techniques will best build upon each employee's own strengths and weaknesses.

#### **4. CONCLUSION**

Managing a virtual organisation is not like managing any other organisation; there is a different skill set involved. To start with there are certain factors that help a leader at being effective and successful at establishing a virtual organisation. First, there are some basic managerial steps that need to be followed to create a successful environment. Develop trust among employees. This means that employees must feel that we are fair leaders, meaning work is divided fairly and employees are evaluated fairly. A new evaluation and reward system should be created. Rewarding employees based on teamwork and data sharing will help in creating a successful virtual environment.

Application of the method of assessing the employee competency exceeds the framework of virtual team competence defining. It can be implemented by prospective project financiers, research institutes, ministries and others. In addition to formulating the original model, the authors propose that a database of experts should be formed on the basis of the keywords from their publications. Therefore it deserves serious consideration by anyone interested in the future of organisations in terms of digitalization and fast changes in business environment. Furthermore, for the organisational theorists, managers, students and others, this project-book can serve as a reference source.