Chapter XVIII
The Entrepreneurial Constitution of High-Tech Work Environments

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Abstract

The information highway is a tool of the individual.
(Gates, 1995, pp. 166–167)

ABSTRACT

In recent years, business practice has shown an interest in virtuality and virtual organizations as one of the responses to global-organizational development and company restructuring. High-tech environments demand continued innovations. The rational, authoritarian, bureaucratic organizations characterizing industrial and production-oriented companies are being rapidly replaced by the new, boundaryless, flexible, and high-technology-driven environments. Entrepreneurs respond to global opportunities, find partners, and build cross-border communication networks to link corporate processes and create empowered workplaces. A distinctive feature of these processes is the reliance on free-floating cybertrust where each partner is involved in decision-making processes and in building capabilities in continuously changing international markets. This chapter reflects on how contemporary entrepreneurs benefit from the high technology, virtuality, and cyber-culture of the modern organization. The findings draw attention to the technology-driven opportunism within virtual media and the role of entrepreneur within human–computer interaction. The chapter seeks to demystify views about organizations as virtual domains.

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THE VIRTUAL ORGANIZATION

The global economy has created the virtual organization as a new form of organizing and entrepreneuring (Aggestam, 2003). Metaphors such as “borderless world” and “global village” extol interdependencies among countries and organizations employing business environments facilitated by high-technological improvements, which provide easier cross-border communications. The pursuit of a new entrepreneurial approach in the global world has made the existing bureaucratic and hierarchical structures of businesses outmoded, and there is a need to adapt to the constant emergence of new information and communication technologies. Progress in the new global economy is marked by confrontation with rapid technological development and change processes and emphasizes the abilities of actors to take advantage of entrepreneurial opportunities.

The term “virtual” originates from the Latin word virtus and concerns “proficiency, manliness” (Scholz, 1997). But for all that the term carries connotations of unreality, a virtual resource is very much real. Virtuality is the general term for discerning the unreal in terms of a familiar physical (real) resource or space, that is, a “real society or real person” with other virtual landscapes that do not exist within the same physical reality (Jordan, 1999).

The term “virtual organization” refers to a new and evolving organizational form where the boundaries are not easily detected and where the founding entrepreneurs are concerned with business efficiency and effectiveness. The virtual organization has many different facets and depictions. The notion of virtuality was first used within in formation and communication technology where the issue of virtual memory—memory created by software—became crucial. The fascination with the virtual organization has been sustained over two decades and started when Moshowitz (1986) used the term for the first time. Since then, the virtual organization has been referred to as the “virtual company” (Goldman & Nagel, 1993), “virtual factory” (Upton & McAfee, 1996), “virtual enterprise” (Hardwick, Spooner, Rando, & Morris, 1996), “virtual workplace” (Pruitt & Barent, 1991), and “virtual Web” (Goldman, Nagel, & Preiss, 1995).

The virtual organization provides a new means and new resources for entrepreneurial activities with its relatively low cost, ease of use, and broad diffusion. It also helps to overcome barriers in interorganizational communications among firms. One example of the virtual organization is the temporary cooperative model of the “virtual corporation,” that is, a model derived and used in virtual Web communication that exists only for a certain project or task and is time-limited. Byrne (1993) pointed to technology as playing a central role in the development of the virtual corporation. Teams of people in different companies work together concurrently rather than sequentially via computer networks in real time. An example of such virtual cooperation might be international accounting and auditing companies. Virtual corporations tend to exercise great flexibility of action and provide close collaborations among partners concerning specific professional and business tasks. The partners are focused on a limited set of topics and problems and their solutions. Their knowledge is “action-centric,” that is, focused on relating cooperatively.

There has been a long debate about what constitutes a virtual organization. Some writers, such as Gerlach and Hamilton (2000), have argued that the virtual organization is based on cyber-technology that enables working practices, sharing desks, groupware, telecommunicating, and the empowerment of virtual teams and individuals.

In the virtual organization, communicating partners become part of a system of, for example, shifting responsibilities for work-practices, clarifying fuzzy distinctions between suppliers
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