Perception of VO Reliability

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INTRODUCTION

This article puts forward a thesis on the effectiveness of virtual organizations for profit, along with a preliminary test and discussion. In all likelihood, effectiveness is strongly influenced by ethical features stemming from universal values (see Damon, 2004; Küng, 2002; Seligman 2004). It is widely believed that the main problem in virtual organizations concerning ethics is reliability and its psychological equivalent—trust, both within the organization and among its electorate.

BACKGROUND

According to various studies, reliability and trust are major business success factors. The issue of trust in virtual organizations was first approached in an article by Handy in the "Harvard Business Review" (1995), and subsequently put to a test by empirical studies. The issue is multifaceted. The theoretical and empirical approaches differ from each other and the possibility of synthesis lies far ahead.

Generally speaking, trust in virtual organizations is fragile and temporary. Trust is reinforced by multiply determing factors. For example, one can expect electorate to have trust in virtual organizations when organization members themselves take the risk of trusting their coworkers and when they have the knowledge of control procedures governing their commercial partners (Tan & Thoen, 2002; Wallace, 1999). Because in the near future trust will remain the decisive factor for success or failure of e-businesses, it is very important for Internet companies to act in a way that engenders such trust amongs those who use their services. Efforts to increase the security of ecommerce systems and trustworthy behaviour of online retailers will prove to be of advantage for both consumers and companies engaging in ecommerce (Grabner-Kraeuter, 2002). According to various authors, trust in virtual organizations is built rather by procedures than by personal ties (see Clases, Bachmann, & Wehner, 2003). This hypothesis is further reinforced by Block (2001) who wrote on "cyberslacking." Block did not reflect specifically on the morality of cyberslacking, but he did relate it to the issue of productivity improvement. Speaking generally, whilst there is seldom one solution to problems of organizasions beacuse situation vary so much, trust is always an important issue.

ELECTORATE'S PERCEPTION OF RELIABILITY: A PILOT STUDY

Following various empirical data, the general assumption is that a virtual organization is an organization where small and medium enterprises can enter the global market and compete against even big and renowned companies (see Kisielnicki 2002, 2003). However, in spite of the possible benefits, virtual organizations are still approached with apprehension both by their employees and clients. A pilot study in Poland was conducted between 1999-2000 and in 2005, where the fears concerning business activities, which were undertaken within virtual organizations, as well as the sources of those fears, were analyzed. The authors studied real and potential electorates of virtual organizations using a trial group comprised of working students from Polish universities, MBA students and postgraduate students representing various categories: suppliers, potential employees, bank employees, investors, state administration employees, and business students (n = 1110).

In the first stage, the respondents assessed virtual organization reliability as compared to a traditional (non-virtual) organization. They were asked for direct assessment of the virtual organizations and a declaration as to whether they would enter into professional relations with one of them. The respondents decisively judged virtual organizations to be less reliable than

traditional ones. Radical views were held especially by respondents who had no contact with virtual organizations--to an extent their views stemmed from the "fear of the unknown."

According to Miller and Weckert (2000), the greatest threat to an organization, especially to a virtual one, is the possibility of combining new technologies and using them to monitor their employees. Overall, the participants justified their opinions stating that such an organization may act unethically.

The second stage was quasi-projective. Working students (n = 211) of various faculties were asked to express their fears which needed to be dispelled before they would join a virtual company--using as an example a case described earlier by Kisielnicki (2003). Free narratives of the respondents were analyzed (qualitatively and quantitatively, including a cluster analysis), categories of statements were obtained and confirmed by the central role played of a virtual organizations' reliability. The study group of participants stated that reliability of organizations involved the legality of a venture and the matter of a payment. The result was a model of what would constitute effective cooperation with the virtual organization. The model consisted of three related elements: ethics, law, and payment and these elements seemed to be universally expected also for traditional organizations. In conclusion it may be said that one of the crucial anxieties mentioned by respondents was organizations' reliability, and what follows—trust.

FUTURE TRENDS

Currently in the business world, success largely depends on autocratic and absolute power held by managers. In virtual **org**anizations, managers are even more powerful as they can monitor internal communication of the employees inside the company during their whole working time (Hoopes, 2003, 2004). According to various studies, the previously mentioned are the major factors destructing trust at work (see Ramo, 2004). The use of monitoring technology may be ethically acceptable if the people subjected to it are finally involved to seeing it up (see Alder, 1998). The individuals' right to privacy should be respected as well as the legitimate requirements of the employer to monitor the performance of their employees. This is especially true in the field of communication and transmitting data referring to clients within an organization (see Miller et al., 2000).

The authors believe that building trust in a virtual organization applies to the non-specific corporate cults concept (Arnott 2000). From mentioned above research findings a good way to achieve effectiveness built on trust is to pay attention to task fulfillment. In addition there needs to be monitoring to identify the optimum level of functioning of the new dimensions within the organizational culture, proposed by Arnott. For example: sacrifice for the organization, charismatic leadership, and separation from other activities. Empirical evaluation of the previously mentioned optimum level of organizational culture is a subject for further research.

CONCLUSION

If sufficient care is taken trust, as the crutial point of ethics in organizations, may even develop better in virtual organizations than in traditional ones. The risk of trusting employees must be undertaken because it translates so strongly into a virtual organizations success or failure. It is important to remember that trust in the work place is a temporary phenomenon. As such it goes better with the type of work performed by a virtual organization rather than traditional ones (see Ramo, 2004).

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