

Chapter XLI

Semi Virtual Workplaces in German Financial Service Enterprises

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ABSTRACT

In this chapter we will present semi virtual workplace (SVWP) concepts in the German financial sector (FS) industry. We give a short introduction into the problem and an overview of the German FS market and its recent developments under European Community (EC) legislation. In the next sections we present three German FS companies that apply successfully semi virtual workplace concepts, followed by detailed descriptions of two semi virtual concepts: strict alternating use of a workplace by two employees (every other day an employee is in his home office) and the concept of the business club, where the employees choose daily their workplace out of a workplace pool when they work on-site. In the last section we compare the concepts and draw conclusion. Further we outline our future research.

INTRODUCTION

In the need to keep pace with competitors, enterprises have to find new ways of saving costs and speeding up their business processes (Igbaria, 1998, p. 5). Syler and Schwager (2000) cite Christie and Levary (1998, p. 1699):

Organizations today must constantly adapt to the ever-changing, fiercely competitive business environment not only to be successful but also to survive. There is a host of external and internal forces that make constant change almost a necessity. Rapid changes in customers' tastes and

needs, incredible advancements in technology, phenomenal growth in the internationalization of businesses, volatile capital markets, varying employee attitudes, and changing customer demographics are all part of the fluid scenario.

In the same paper, Syler and Schwager (2000, p. 1699) argue that "it (i.e., the virtual organization) is not an organization, but rather it is a strategy for organizing the elements of the value chain or a characteristic of an organizational approach."

As we can learn from their research, there is a great variety of definitions of virtual organizations, virtual teams, virtual enterprises, and

virtual workplaces. An excellent overview of literature concerned with these terms can be found in Syler and Schwager (2000) and Li (2004).

Virtual workplaces are a promising concept which arose in last decade of the 20th Century. As Christie and Levary (1998) stated, there are three major reasons for the installment of virtual workplaces: saving costs, gaining flexibility, and speeding up processes. But what can these goals achieve using virtual workplaces?

Cascio (2000, p. 81) lists the common benefits of virtual workplaces (VWP) as follows:

- reduced real estate expenses (see also O'Connel, 1996, p. 1),
- increased productivity,
- higher profits,
- improved customer service,
- access to global markets, and
- environmental benefits.

Cascio (2000, p. 82) names also the risks of virtual workplaces:

- set up and maintenance costs,
- loss of cost efficiencies,
- cultural issues,
- feelings of isolation, and
- lack of trust.

O'Connel (1996, p. 2) addresses one more major problem of VWPs: "Overcoming the resistance of middle managers, on the other hand, is a tougher challenge. As new demands are placed on the remote manager, the corner office becomes a thing of the past."

Besides the technical aspects, the psychological, sociological, and managerial problems are the most important ones (see Riemer & Klein, 2003; Townsend, DeMarie, & Hendrickson, 2000). In order to overcome these latter problems, semi virtual workplaces (SVWPs) may be the answer.

In this chapter, we deal with SVWPs and other new types of workplaces in the German Financial

Sector (FS) industry. Fritz, Narasimhan, and Rhee (1998, p. 2) call that type of workplace design "part time telecommuting" if the virtual workplace is at home. We call these work places "semi virtual work places (SVWPs)," as they are designed in a way that the employee spends a part of his work time on site and another part off site elsewhere, maybe at home.

THE FINANCIAL SERVICES MARKET IN GERMANY IN BRIEF

Overview

This section gives an overview of the German financial services market in order to improve the background understanding of the problems presented in Chapter 3 and concepts presented in Chapters 4 and 5. The German financial services market is unique in Europe: There are 92,080 enterprises active in this market (Pohle, 2004) with a total of 472,200 employees. Compared to the other European nations, this figure is more than 10 times higher compared, for example, to the UK with a similar population.

The financial service (FS) market in Germany is represented by banking companies, insurance companies, and building societies. In addition, there are brokers, agents, and service enterprises, which supply the FS companies with IT services and more. According to their ownership (see Table 1), German financial service companies are subdivided into

- private, mainly owned by shareholders,
- cooperatives, and
- owned by municipal authorities and state owned.

Each category has its own characteristics and problems, partly due to EC legislation. Due to the enforcement of competition and deregulation by the EC commission, mainly the cooperatives

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