

Academic Essay

Bureaucratic Businesses and Virtual Businesses of the Online Age

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As the world comes to the end of another calendar year, opportunities and breakthroughs for improved technologies continue flooding the desks and labs of technical and electrical engineers, scientists and the like.

According to Lisa Kimball (1997), author of *Managing Virtual Teams*: "New technology requires us to rethink these dynamics because we don't have the option to use familiar approaches. It gives us an opening to change the way we manage the people and work process in general" (p. 2). More than ever before, consumers are shopping online and changing the way their daily tasks are completed – tasks such as bill paying and education and business meetings – by completing them in a virtual environment. The intent of this paper is to explore the methods of a virtual business – such as www.amazon.com - and the methods of a traditional business with brick and mortar in a geographical locale.

As one of the most famous international virtual retail stores, Amazon has never had a physical shop. Browsing is done at the click of a mouse and questions are asked and answered via phone, instant messaging (or "chat") and/or e-mail. Amazon is known as an international American electronic commerce company, headquartered in Seattle, WA. Founded on July 5, 1994 and launched in 1995, Amazon started as a bookstore. Jeff Bezos, the founder, called it "regret minimization framework" (pg. 1) which described his efforts to fend off any regrets for not participating in the booming internet business sooner.

As of October 2014, Amazon.com is the largest of its kind. According to Les Pang, Ph.D. (2001), author of *Understanding Virtual Organizations*:

“Companies are rapidly moving away from self-contained, vertically integrated organizations to virtual entities that rely on business partners to fulfill major parts of their supply chains. This means a company will outsource any part of its operations to companies that can more efficiently, reliably and cost-effectively implement the work” (p. 6).

The core technology that keeps Amazon lucrative is Linux-based. As of 2005, Amazon had the world’s three largest Linux databases. But why is there a need for such an astronomical system? Amazon has developed a customer base of around 30 million people. The domain – www.amazon.com – attracted 615 million visitors annually by 2008 (twice the number of Wal-Mart) and 65 million customers to the website per month. (p. 1) According to Don Tapscott and Anthony D. Williams, authors of *Wikinomics*: “Smart companies are encouraging, rather than fighting, the heaving growth of massive online communities – many of which emerged from the fringes of the Web to attract tens of millions of participants overnight” (pg. 1).

Due to the number of people seeking access to Amazon’s website, Linux-based technology is needed and necessary. Linux is a computer operating system assembled under the model of free and open-source software development and distribution. As of June 2013, more than 95% of the world’s fastest supercomputers run some variant of Linux, including all the 44 fastest. Linux is an example of free and open-source software collaboration. (p. 3)

Working teams are a vital part of the success of any organization – especially for the complex workings of a company like Amazon.com described above. Leadership in virtual teams, however, is different from traditional teams in two main ways: virtual team leadership takes a lot more exertion and in virtual teams, there is a greater concentration of mutual leadership. The opportunity for an employee’s growth and to have a leadership position is greater in a virtual team than a traditional one because of the bureaucratic and hierarchal makeup of most current companies; that makeup was developed during an industrious time when people had to be in the same place to work together. Not surprisingly, that makeup is changing in today’s day and age.

The technology of today’s businesses allows the alternation of our

organizational arrangements in order to meet the fast changing orders of the business world. Virtual teams and networks of teams provide new answers to organization difficulties. Organizations are beginning to be more focused on the professional personnel system rather than the old-fashioned pyramid. The need to get products and services implemented into society as quickly as possible (so as to let them be utilized before they lose their relevancy) is critical.

According to MSG Experts, authors of the article "Virtual Teams vs. Traditional Teams," speed is essential. They say: "In the current hypercompetitive and fast-paced times, many innovations become obsolete before they could leave R&D labs and see the sun. Therefore organizations are vying for faster turnaround time to widen their markets and customer base. This calls for constant improvements in their working methodologies. With the growing sophistication in Information and Communication Technologies (ICT), many organizations are exploring the virtual platform to bring together the diverse talents and expertise, available across the globe to build world-class teams." (p. 1)

MSG Experts define the differences between the two types of teams as well. They say: "Quite simply, a team is a group of individuals working together to achieve a common pre-defined goal. While the traditional teams, also known as conventional or co-located or collocated teams, consist of individuals working in physical proximity, the virtual teams refers to a group of individuals who are separated by physical distance but are united by a shared goal." (p. 1)

The other components about the differences between the two types of teams are the method in which they are assembled and worked. Again, MSG Experts, authors of "Virtual Teams vs. Traditional Teams", say: "members of virtual teams rely solely on electronic communication and collaboration technology to facilitate interactions among them. Also the cultural boundaries and time zones differences add to its complex nature. For a virtual team the challenges experienced by a traditional team increases manifold. Some of the key differences between traditional and virtual teams are as following: Selection of Team Members, Organization Structure, Leadership Style, Knowledge Exchange & Decision-taking, Relationship Building [and] Psychological

Contract.” (p. 1)

With the needs of globalization and the addition of culturally diverse virtual teams, cross-cultural and technological handling is becoming a more challenging endeavor. Virtual teams will become more and more important as organizations begin to increasingly rely on them to carry out and implement important projects.

Electronic communication within a team can mold the way people perform their business-related tasks as much as they can influence the way people communicate and collaborate worldwide. Undoubtedly, businesses are focusing on new ways to work across borders. Electronic communication is not just a means-to-an-end with a simple tool(s); instead, the communication needs to be integrated and aligned with team design, behavior, and the processes of collaborating and communicating. While electronic communication is essential in the interaction and knowledge-sharing processes for geographically dispersed personnel, it is and can only be as successful and efficient as those using it.

Business for Amazon.com continues to boil over with success and profit. It is easy to assume that www.amazon.com is successfully attracting peoples' attention and keeping customers who promise to come back...and come back with referrals! Amazon.com must be doing something right! After all: "it is much easier for a potential customer to close an internet browser, than to hop back into his or her car to drive away – there is no guilt of wasting gas or time". (pg. 1). If www.amazon.com were making errors, individual and personal internet browsers on computers everywhere would have closed a long time ago!

In conclusion, a physical business with brick and mortar in a geographical locale is not necessarily more successful than a virtual company – just like Amazon has proved. Virtual organizations have just enough opportunity to be as successful and lucrative as companies which physically stand today. After all, browsers are continuing to stay open with the click of a mouse.

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