

Aspect of Improved Scalability and Growth Potential in Virtual Organisation

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Abstract

The researcher has discussed the aspect of scalability and growth potential improvement for the virtual organisation. The organisation has used various types of technology such as information and communication technology, artificial intelligence and others to show how the technologies have affected scalability and growth potential for the virtual organisation. The researcher has also shown factors such as communication skills, work ethics differences, usage of various technology through the market's demand and others that are highly effective in the virtual organisation. The findings and discussion emphasises on corporate entrepreneurship along with innovation incurred through ICT where many managers have agreed that scalability and organisational performance can be improved through ICT innovation.

Keywords

Information and communication technology, Scalability and growth potential, Technology, virtual organization.

INTRODUCTION

Scalability and growth potential are the important elements for virtual organisation. The article will point out scalability along with growth performance within virtual organisations. Scalability is the ability to grow a system such as Information and communication technology (ICT) to meet the business needs of an organisation as well as a virtual organisation.

Problems statement

Virtual organisations such as *Nike, Puma, Dell computers* have faced many problems to improve the scalability and growth potential. As an example, the CEO of Nike has

apologised to the company's employees for the culture of the workplace [3]. Due to the poor workplace and the inappropriate behaviour, many of the executives have left the company in the past few months. The company's CEO has denoted problems which have come in the past few months. Many employees of the organisation have left the company because of the uncomfortable working atmosphere of the company [3]. The CEO of the mentioned company has taken responsibility for changing the culture of the corporation. The employee related issues have a negative impact on improving the scalability and potential growth for the virtual organisation.

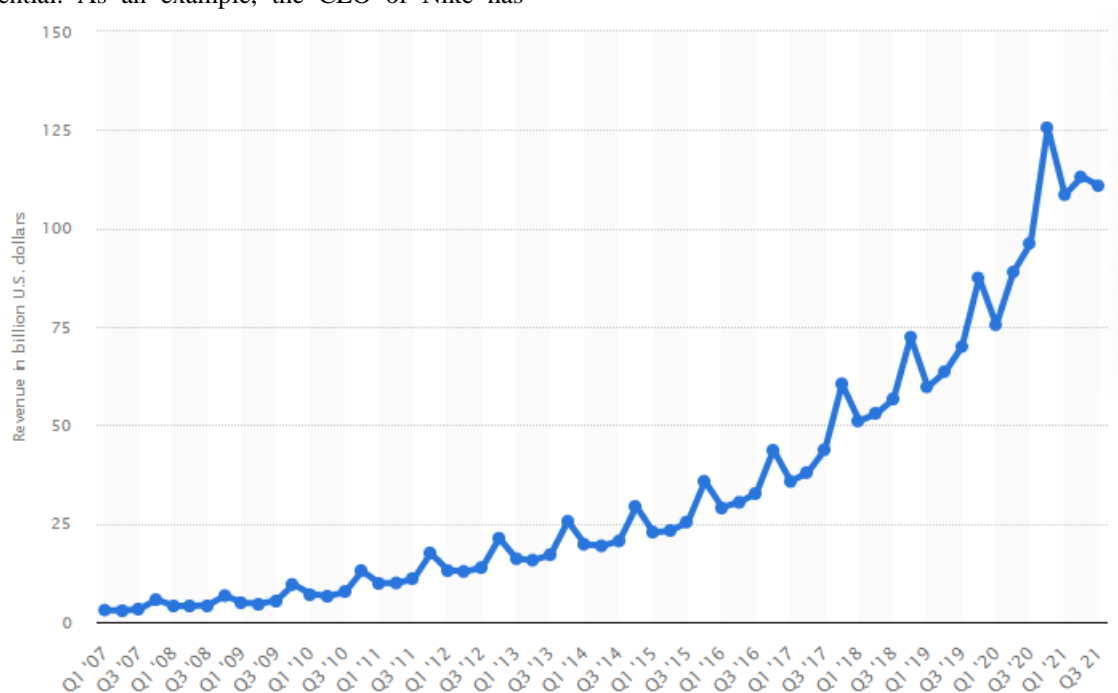


Fig. 1: Decrease of net revenue in third quarter of 2021
(Source: Statista, 2021)

On the other hand, in the present-time, Amazon has lost many customers as well as many Amazon users who have cancelled prime membership after the space trip of Jeff Bezos [9]. Amazon has faced a decrease in *third quarter of 2021* to around 110.81 billion U.S. dollars that concretises the fact that slowly in 2021 [7]. Loss of prime membership means loss of customers that can affect the growth of this virtual organisation in the current period.

Aim and objectives

The research study has shown the aspect of growth and potential growth potential improvement in the virtual organisation. The research objectives will be as follows:

- To understand concept of the scalability in virtual organisation
- To analyse the factors which are affecting growth and scalability potential within the virtual organisation
- To evaluate the effect of improvement scalability and growth potential for virtual organisation

LITERATURE REVIEW

Concept of scalability in virtual organisation

Scalability is the *identification of a business strategy* describing the ability of an organisation to grow without causing any *damage to available resources*. [11] opined that word scalability has included an organisation's fundamental business model that offers the organisation's potential for growth. It enhances the ability of a virtual company to earn more without incurring unreasonable costs or loss of efficiency. [8] argued that *cloud scalability* refers to usage of cloud computing to *increase and decrease resources of information technology (IT)* within an organisation. Storage of data, networking and others can be scaled through cloud scaling. The devices having internet connectivity such as computers, tablets and others can manage IT resources.

Factors affecting scalability and growth potential within virtual organisation

In a virtual organisation, the main factor is communication which is responsible for the organisation's efficiency and also organisation's survival. According to [2], a virtual organisation has various employees from home and host countries working virtually despite many challenges such as *language barriers* and *various time zones*. The virtual organisation has faced many issues that have affected the improvement of scalability as well as growth potential. The factors are summarised below:

Communication skills is the most common factor to improve the scalability and growth potential for a virtual organisation. [5] stated that various types of digital tools such as slide presentation software, cell phone apps and others have helped remote teams to stay connected. But due to lack of face-to-face interaction communication can be hampered. For the improvement of an organisation, *text-based communication* such as *lack of body language,*

text and email messages and others received by employees increase miscommunication. Personal coordination is the biggest issue to improve the scalability and potential growth for the virtual organisation. The virtual organisation's employees have felt isolated and that can affect the team unity. A lack of togetherness between the team members and also a lack of face-to-face connection has led to miscommunication.

Differences of work ethics is another issue that has been faced by many employees in the virtual organisation. Some employees of the organisation have worked so hard, but many employees have not worked properly or delayed responses in a virtual setting. Transparency, integrity, trustworthiness, respect, and others build employee relations to increase scalability and ensure organisational growth. The customers have developed various types of innovative ideas to work something new for the organisation, where they have worked. Due to have various work ethics, the employees have not worked together and it also has affected the organisation.

Uses technology through the market trends is another issue that employees encounter within virtual organisations. Wan *et al.* (2020) stated that technologies such as *artificial intelligence (AI), information and communication technology (ICT)* have been used to manage customer, product manufacturing, product development and others. For the growth of virtual organisation, ICT is highly important for the organisation. *ICT has developed connections among individuals' working through electronic tools, and are working in physically dispersed workplaces and also not tied to particular workplace.* The organisation is also known as a social network in which the vertical and horizontal barriers have been removed. In the virtual organisation, *ICT has been used in customers scaling operation, product development and also helps in exchanging information between employees, suppliers, distributors* and others. AI has been helpful in *making digital predictions* and also *testing of the product* before investing real time on resources to further experiments the product.

Effect of improvement of scalability and growth potential for virtual organisation

Scalability as well as growth potential are essential for the growth of virtual organisation. The scalability for the virtual organisation has dealt with virtual means of improving and increasing servers' work pressure. [1] opined that for many virtual organisations, cloud computing has offered the advantages of scalability, allowing the employees to alter IT developments as per customer needs. The scalability of cloud computing has kept focus on business growth with the organisation's infrastructure. There are some benefits that are affecting the scalability in cloud computing in the virtual organisation.

Now-a-days, in society, virtual organisation's cloud computing services have worked on data storage, where storage is an essential part of the infrastructure of Information technology. [4] argued that many virtual companies have used cloud computing to scale their data storage plans to suit

the availability requirements of employees without costing the company capital. virtual organisations have made the investment in physical servers to connect the organisation’s network to cloud storage additionally. There are some customers who cannot avail the products and services online, therefore, virtual organisations may face a decrease of scalability in the form of a decrease in profit, sales, and revenue in the competitive market. Through the help of cloud computing scalability, the virtual organisation has scaled up the power of organisation’s infrastructure.

MATERIALS AND METHOD

The researcher has found the survey and data collection method regarding the relationship between *innovation with ICT* and also *corporate entrepreneurship* to enhance scalability and also growth within virtual organisation. In this study, five Likert scales have been used such as *strongly disagree, disagree* and others. In this research study, the researcher has surveyed over 64% of male, with the age

25-35years. The study also has included 27% of middle managers and 26% of senior managers [12]. The researcher has prepared **450 questionnaires** for the data collection through the survey. 18 non-respondents have been relieved as they have been busy with work schedules so they have not completed the questionnaires. In the method of survey, the researcher has found **42% of respondents have worked in financial services, 10% of respondents belonged to the technological sector** and others. 84% of responding companies have above 50 employees. Virtual organisations in various sectors have been using ICT, AI and others and also using the innovation process and also looking for opportunities to grow scalability in respect of gaining customers.

FINDINGS AND DISCUSSION

Scalability and growth potential through incorporating innovation of ICT

Construct	Items	Factor Loadings	Cronbach
Information Technology Use	IT integration in work processes	0.854	0.867
	Use IT and IS capabilities	0.835	
	Frequent user of organization’s IT and IS	0.816	
	Experiment with new IT	0.843	
	First to use new IT	0.832	
	Receptive to new IT	0.715	
Innovation	Pursuit of novel knowledge	0.693	0.837
	Search for latest technology	0.748	
	Investigation in various directions	0.743	
	Exploration of new areas	0.702	
	Discovery	0.747	
	Breakthrough improvements	0.69	
	High RandD spending in industry	0.656	
	High RandD spending in company	0.707	
Corporate Entrepreneurship	Introduced new products and services over the past three years	0.79	0.881
	Dramatic changes in products and service mix over the past three years	0.843	
	Emphasis on major innovations in products and services over the past three years	0.786	
	Tendency for high risk projects over the past three years	0.752	
Organizational Performance	High efficiency levels in operations	0.839	0.907
	Productivity is high	0.828	
	Performance better than rivals	0.652	
	Organization's market constantly growing	0.653	
	Customers are satisfied	0.777	
	Overall, Company performance is high and improving	0.798	

Fig. 2: Reliability scores and factors of usage of ICT technology
(Source: Influenced by Yunis *et al.* 2017)

The researcher has collected the survey results and found the Cronbach value based on the usage of *ICT, innovation, corporate entrepreneurship, organisational performance* and also corporate entrepreneurship. Use of *information technology (IT)* where integration of IT in different work processes, management of information through *Information*

system (IS), innovation while exploring different areas of product development, corporate entrepreneurship to identify risks of product within virtual organisation will increase scalability and enhance organisational growth. [6] opined that by using information and communication technology, **Cronbach’s value related with reliability and validity of**

data is 0.867, which means the *internal consistency is good* where value is greater than alpha that is $\alpha > 0.8$. On the other hand, organisational performance's Cronbach value is 0.907, which indicates the research study's internal consistency is excellent in the case of $\alpha > 0.9$.

Improvement through corporate entrepreneurship within virtual organisation

Relationship	Mediator
ICT USE – Innovation – Performance	Innovation
ICT Use-Corporate Entrepreneurship -Performance	Corporate Entrepreneurship
Innovation – Corporate Entrepreneurship – Performance	Corporate Entrepreneurship

Fig. 3: Mediators factors

(Source: Influenced by Yunis *et al.* 2017)

In the above table the researcher has shown the relationship among ICT USE, innovation and organisation's performance, where the mediator has been innovation. On the other hand, the researcher has shown improvement among ICT Use, corporate entrepreneurship and the organisation's performance's importance, where the mediator has been corporate entrepreneurship. According to [12], in the research study, the researcher has applied the *Sobel test* that determines effect of an independent variable upon dependent variable. The mediation effects of corporate entrepreneurship and innovation have been tested for the study significance. The results have shown that the indirect effect of mediation of innovation in the use of ICT and preformation's relation is highly reliable to ensure scalability and improve business growth of the virtual organisation.

Innovation has been incorporated within new product development and corporate entrepreneurship is managed in case of management of prices, product quality and others that will eventually help in business growth of the virtual organisation. [12] argued that the result has shown that corporate entrepreneurship and innovation have a high mediation effect on the use of ICT and performance relationships. The other p-value is 0.00114036, respect of the relationships among ICT Use, corporate entrepreneurship and performance indicating probability of alternate hypothesis as a part of improving corporate entrepreneurship, there can be other factors to improve condition of virtual organisation.

CONCLUSION

In the above research study, the researcher has shown the aspect of scalability and growth potential improvement in virtual organisation. The researcher has focused on the importance, controlling factors of the scalability and growth potential for the virtual organisation. In this study, the researcher has identified many issues such as various work ethics, low communication skills, use of modern technology as per the market demand and others that have been faced by

the employees of the virtual organisation. Now-a-days, in society the scalability of cloud computing is highly related to the growth of virtual organisation. In this study, the researcher has used the technique of survey and data collection for the data analysis. As the study result, the researcher has found results based on the technology of information and communication of scalability and growth potential through incorporating innovation and also improvement by the help of ICT, corporate entrepreneurship and innovation. The study result has shown the relationships between various elements and has found the mediator based on that element.

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