What Are the Characteristics of Virtual Organisation?

Characteristics of virtual organizations:

A virtual organization is a temporary or permanent coalition of geographically dispersed individuals, groups, organizational units or entire organizations that pool resources, capabilities and information to achieve common objectives.

Virtual organizations are spatially dispersed. They can be formed across country borders throughout the world. Virtual organizations exist for specific purposes, e.g., to implement a long-term marketing strategy, to launch a new ground-breaking product or the achieve some scientific goal. These organizations quickly deliver products/services that are innovative and customized.

All sensitive information in a virtual organization is stored centrally and backed up, rather than saved in paper format. However, there is easy, e-mail or Web-based access to centralized data for geographically dispersed members of the organization. This is secure e-mail and /or Web-based access to the members to manage, share, and collaborate on business.

The membership and structure of a virtual organization evolve over time. Members of virtual organizations can switch from one project to another. In general, members have shared responsibilities, shared control, shared leadership, shared access to computing resources and services, and shared loyalty.

Resources, services and people with virtual organizations can be single or multi-institutional, homogeneous or heterogeneous. Such organization exhibits a unifying property because it is constituted from different organizational entities that create an effect of a single organization.

Virtuality is a matter of degree rather than a categorical property of an organization. Organizations can choose to virtualize their different parts, like production core, front end or back end.

The presence of information technology infrastructure is a necessary but not sufficient condition for a virtual organization formation. Examples of IT that can be used are e-mail, electronic file transfer, telephone, fax, screen sharing applications, video conferencing, groupware tools, project management applications etc.