VIRTUAL ORGANIZATIONS, INVISIBILITY AND SOCIAL IMPACT

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Introduction

Drawing on the emerging genre of social science fiction this article presents a critical examination of the collusion between neo-liberal and post-modern thought and the practicalities, or otherwise, of designing virtual organizations. It should be valuable to those people, interested in moving organizations towards greater social responsibility, especially those concerned with the relationship between the visible and invisible aspects of organization.

Virtual organisation

In recent years, business practice, management, organization studies and other sociological and business-related discourses have exhibited a fascination with virtuality in the guise of the virtual organization as the only response to the emergence of chaotic global competition.

This consciousness of virtuality exhibits a common narrative. Given the presumed death of Marxism and Socialism, political economy no longer seemed capable of establishing a plausible response to global capitalism. Nor did it seem capable of grasping the emerging possibilities for human transcendence. Instead, this vacuum has been taken over by neo-liberalism - with its fiction of the triumph of flexible, global capitalism that has sloughed off all earthly, physical constraints and post modernism - with its fantasy that global, technological capitalism is about fragmentation, multiple identities, images and surfaces.

The iron cage of the rational, hierarchical, authoritarian organization, representative of the previous physicalized era of industrial capitalism, is replaced by the new, benign, boundary-less, flexible, networked, information and communication technology-driven, empowering, virtual organization.

Virtual consciousness directs us towards accepting and critiquing an in-substantial, elusive organizational form in terms that are themselves equally elusive and impractical. It keeps us from questioning who benefits from virtual organizations - something which is addressed here through the search for a non-epochal, anti-utopian and demystified view of virtual organizations.

Neo-liberal fictions

Gerlach and Hamilton (2000) propose that the genre of business management writing, especially business-restructuring literature and the science-fiction genre, converge to the point that they are “linked discourses, sharing a commitment to science and technology” (Gerlach and Hamilton, 2000: 461).

Gerlach and Hamilton’s (2000) approach concentrates on how three, central science-fiction concerns - the virtual organization,

the cyborg employee and the cybernetic culture - are treated in the business literature.

In the business-restructuring literature, virtual organizations are framed as being revolutionary - unencumbered by the material constraints of other organizations.

Gerlach and Hamilton (2000) only make limited reference to academic analysis of business restructuring. Instead, they review best-selling texts published between 1990 and 1995 on business restructuring. They focus on a number of exemplar texts from familiar writers such as Senge (1994); Peters (1994); Hammer (1996); Hamel and Prahalad (1994); Gouillart and Kelly (1995) and Drucker (1993).

Barnatt (1995), Davidow and Malone (1992) and Zuboff (1988) are cited as the key texts on virtual organizations. Virtual organizations are characterized by a flow of information, permeable internal and external boundaries, shifting work responsibilities, shifting lines of authority, the blurring of distinctions between the organization and its customers and suppliers and work practices which are more about communication and information than any material structure.

Gerlach and Hamilton (2000) consider this genre as largely prescriptive, providing instrumental solutions regarding business efficiency and effectiveness. They (Gerlach and Hamilton 2000) also notice that these prescriptions are suggested as being suitable for other non-business organizations and social institutions. This confirms the fundamental, large-scale, social engineering inherent in these proposals. This means that the business- restructuring literature is not simply about increasing profitability but about "imaging a different kind of society…structured along a flexible market model" (Gerlach and Hamilton, 2000: 462). They consider that it both reflects and reproduces a neo-liberal political agenda.

Zuboff (1998) conveys how information systems become the text by which one views the processes of an organization. In virtual organizations, workers become part of this information system. Virtual workers are "informated," suggesting they should be managed in the same manner as databanks, profit margins and inventories.

The fundamental problem of business organizations is reframed from survival and profitability to 'constantly reproducing the organization by systematically re-defining and re-imagining the very nature of organization as an informational process" (Gerlach and Hamilton, 2000: 468). Once virtual organizations re-define organizations as technological systems, or merely information flows in cyberspace, it becomes much easier to achieve constant reproduction and change for "human relations, bureaucratic rules, company traditions, office filing cabinets and other materially-ground traces of organization cease to be direct objects of management" (Gerlach and Hamilton, 2000: 468). The focus of management is no longer the human element but the manipulation of organizational virtual texts or information flows which have no precise physical location.

Both science-fiction and the business-restructuring literatures reduce technological determinism to the impact of communication and information technology. Fortunately, as Csicsery-Ronay (1991) emphasizes, science-fiction writers are also notable for their serious, passionate concern

about their social responsibility to imagine better futures.

However, the business-restructuring literature closes the plausibility and ethical gaps between the possibility and desirability of technology-driven, social transformation evident in the science-fiction literature.

The business-restructuring literature denies the possibility of dissent. History-based, negative analysis of technology is ignored and technological and market change is rendered normal and rational. The future is upon us and one has to be ready to play one's part or be swept aside. Organizational restructuring has to anticipate the quickening pace of technology-led environmental change. Gerlach and Hamilton (2000) support Kellner's (1995) observation that this pre-emptive reductionism makes it very difficult to maintain a social theory or consciousness that illuminates the present by providing critical visions from the past.

Post modern fantasies

Gerlach and Hamilton's (2000) analysis of the neo-liberal fictions of virtuality and how these constrain futures may be extended into the post-modern fantasies evident in the contemporary fascination with virtual organizations. Post modernity shares an interest in making some form of emphatic rupture with the past, especially past social and economic systems and structures which reinforced human fragilities.

Furthermore, as Alvesson and Skoldberg (2000) locate in their analysis of Lyotard (1984), the post-modern is susceptible to virtual consciousness as the emerging free, perfect, global markets seem to leave space for the post-modern interest in difference, identity, media, image and transforming technology and where there is no longer any worthwhile opposition.

Social-Science Fiction, demonstrates that the post-modern does help us understand the dangers of these de-physicalized, virtual organizations. The post-modern allows us to understand the extension of surveillance into the image and electronic simulation of surveillance (Foucault, 1979) into virtual organizations and allows us to understand how our consciousness may be distracted if not submerged by surface, image and desire (Baudrillard, 1983). However, as Alvesson and Skoldberg (2000) propose, the post-modern, despite its insights into the dark side of virtual organizations and global capitalism, is constrained, if not captured, by its insistence that what is needed now in relation to capitalism is to stretch market boundaries without changing anything essential.

In short, both the neo-liberal and post-modern approaches to virtual orgnizations largely ignore, and fail to come to terms with, this form of capitalist activity. Fragmented post-modernism is susceptible to the restless, transforming and co-opting pluralism of capitalism. The post-modern exhibits a fundamental attraction to the capitalist marketplace, identifying with its logic of "pleasure and plurality, of the ephemeral and dis-continuous, of some great de-centred network of desire of which individuals seem the fleeting effects" (Eagleton, 1996: 132).

The visibility of virtual work

Practical examples of the envisioned virtual organization are difficult to find and any existing guidelines are almost impossible to put into practical effect. As Sennett (1998),

Balfour and Grubbs (2000) and Bunzel (2001) indicate, flexible, technology-driven, virtualizing work arrangements have adverse impacts on social interaction and personal identity and extend and sustain existing and new disciplinary arrangements.

Additionally, following O'Hara (2001), the systemic productivity increase that is supposed to accompany the adoption of information and computer technology and virtualizing, flexible work arrangements has not eventuated. Instead, this virtual consciousness, particularly in association with globalization consciousness, acts to divert attention away from the realities of work and everyday life which for most of the world are not suffused with the glittering jewels and technological toys of the new virtual, global order.

Wood (1995: 11-12), reflecting on the work of E. P. Thompson, argues that because of an unholy alliance between "capitalist triumphalism" and "socialist pessimism" and the apparently "defeatist pessimism" of post-modernism, "[c]apitalism is becoming so universal, so much taken for granted, that it is becoming invisible". This ability to be as invisible as possible also applies to organizations, especially virtual organizations. Virtual organizations use the presumed conditions of global capitalism and the support of virtual consciousness to become "invisible". The virtual organization needs to make everything as invisible as possible. Wood's (1995) insightful analysis suggests a new classification of organizations into visible and invisible organizations.

Virtual organizations are better conceptualized as organizations attempting to be invisible. Throughout history, organizations have been involved in a continuing flux between the physical (often visible) and the non-physical (often invisible). Both, or either of which, may be exploitative and emancipatory and are based or not based on trust, may or may not have boundaries, may or may not be networked and may or may not involve teamwork, may or may not be self governing, may or may not involve extensive use of technology and may or may not exhibit decision making by the group or by a leader. Virtual organizations usually involve some physical activities, but these are usually rendered virtual, hidden or made invisible. Virtuality is not new, but represents another flux in balancing and re-balancing visible and invisible aspects of an organization.

The popular conception of virtual organizations presents an extreme case where corporate capitalism generates a virtual consciousness which masks many continuing, and some more recent, exploitative actions behind the supposedly new, benign and transcendent virtual organization. This virtual consciousness is almost impossible to put into practice. Even though this virtual consciousness is impractical, it serves to deflect attention away from continuing physicalized and other de-physicalized forms of exploitation.

Given these problems, a more useful approach is not to rely on narratives of subservience, via physicality, or transcendence, via virtuality, but to accept that whatever the historical consciousness, physical and virtual organizations may incorporate either or both possibilities of visibility and invisibility. The removal of this mask may allow us to see the commonality between virtual and other organizations; to perceive that the characteristics associated with virtual organizations are exhibited by other

organizations which are neither new nor benign nor technologically transcendent (Gunaratna, 2002).

Removal of virtual consciousness, even when virtual organizations are tawdry illusions, will be an extremely difficult task. Needs be to focus on the resilience of the co-destiny forms of virtuality within visible and invisible organizations. This will help us look beyond the inadequate alternatives currently being offered.

A simpler, more operationally-feasible and human-scale version of virtual organizations which no longer needs to be masked by virtual consciousness and which encompasses a range of possible futures and human actions facilitates recovery of the notion, for example, by looking again into seminal texts such as Davidow and Malone (1992), with its obscured notion of co-destiny or highly specific and highly maintained cyber-mediated interactions.

Conclusion

This paper argues that the theoretical support for virtual consciousness, as espoused by the neo-liberal, grand historical narrative and also the multi-narratives of postmodernity, are compromized by reliance on the enveloping context of historical inevitability. They rely on utopian fascinations with technological-based human perfectibility, libertarian notions of human and social emancipation and anarchistic notions of flexibility and constant change which not only ignore, but negate, the extensive literature on technological, libertarian and anarchistic dystopias.

A more adequate theory is required to place virtual organization in a context that is separate from the mystifications of virtual consciousness.

Many organizations have a continuing need to determine what aspects of their activities should be made visible or invisible. Adopting the visible/ invisible analytical framework reveals a much closer on-going relationship between so-called virtual organizations and other distinctly invisible organizations with partly, or completely, hidden and secret activities, such as, for example, terrorist organisations and organized crime:

- the approach allows connection between physical (often visible) organizations and virtual (often invisible) organizations;
- the approach allows all organizations to be assessed on the underlying reasons why they adopt visible or invisible configurations in all, or some, of their operations;
- the methodology stresses continuity without destroying the possibility of the emergence of radically, new organizational forms within the context of evolutionary or revolutionary disruptions in the environment;
- the organizational classification into visible and invisible is pragmatic and relates closely to every day organizational concerns;
- the approach indicates that making visible such concerns about corporations and their environmental impacts does not depend on a *single minded* drive for transparency;
- the approach suggests that effective social change depends on dealing with both the visible and invisible aspects of organizational and other manifestations of power.

Further reading

Kym Thorne 'Designing virtual organizations? Themes and trends in political and organizational discourses' *Journal of Management Development*, Volume 24, Issue 7, 2005, pp580-607. This paper received a Highly Commended Award in the Emerald Literati Network Awards for Excellence 2006.

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CORPORATE SUSTAINABLE MANAGEMENT AND ENVIRONMENTAL MANAGEMENT ACCOUNTING

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The following address was presented at the 'Sustainability and Environmental Management Accounting Forum', International Symposium on Corporate Sustainability Management, Bangkok, Thailand, 24-25 November 2005 and is closely related to IFAC's guideline on Environmental Management Accounting (the second publication noted below).

Background to the address

IFAC has produced several publications relating to the environment and sustainability. In March 1998 IFAC produced Study 6 "Environmental Management in Organizations — The Role of the Management Accountant". The Study discusses the role of management accountants in corporate environmental management and the relevance of their expertise in furthering the corporate sustainable development agenda.

In August 2005 IFAC published an international guidance document with the goal of reducing some of the international confusion by providing a general framework and set of definitions for EMA that is fairly comprehensive and as consistent as possible with other existing, widely used environmental accounting frameworks with which EMA must coexist.

Finally, a consultation paper was produced by IFAC in February 2006 entitled "Assurance Aspects of G3 - The Global Reporting Initiative's 2006 Draft Sustainability Reporting Guidelines." This consultation paper explores the assurance aspects of the Global Reporting Initiative's