CHAPTER 3
CONCEPTUAL FRAMEWORK

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3.1 Introduction:

The ongoing globalization, fast changing technologies and a turbulent business environment characterize today's economy. These changes affect today's enterprises production processes as well as their internal structures. Especially for small and medium-sized enterprises (SMEs), this is not without problems. The main disadvantages of SMEs, i.e. the lack of sophisticated know-how and the financial background to respond to new market requirements, are attributed to their size. While large enterprises can easily customize their products and services according to their clients needs, SMEs are likely to be more vulnerable in a changing business environment. A possible solution to this dilemma is to enhance cooperation between SMEs. Cooperative structures and joint production, selling or marketing processes are able to strengthen the competitive position of SMEs by giving them virtual size. This means that networks of smaller companies are able to act like larger ones. Virtual Organizations *(VOs)* have been proposed as an adequate cooperation business model by offering a maximum of flexibility for the individual companies.

The term virtual organization is used to describe a network of independent firms that join together, often temporarily, to produce a service or product. Virtual organization is often associated with such terms as virtual office, virtual teams, and virtual leadership. The ultimate goal of the virtual organization is to provide innovative, high-quality products or services instantaneously in response to customer demands. The term virtual in this sense has its roots in the computer industry. When a computer appears to have more storage capacity than it really possesses it is referred to as virtual memory. Likewise, when an organization assembles resources from a variety of firms, a virtual organization seems to have more capabilities than it actually possesses.

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3.2 History:

Traditional organizations integrated work vertically; that is, they delegated authority in a pyramidal, hierarchical structure. As the pyramid shape suggests, power was concentrated primarily among the handful of individuals at the top. This organizational form, shown in Figure 3.1, was first developed in the United States in the late 19th century with the advent of mass production. The prominent theorist of traditional hierarchical organizations was the renowned industrial engineer, Frederick Winslow Taylor. His book, *Principles of Scientific Management*, introduced the principles for designing and managing mass-production facilities such as Ford's automobile factory in Michigan and Carnegie's steel works in Pittsburgh.
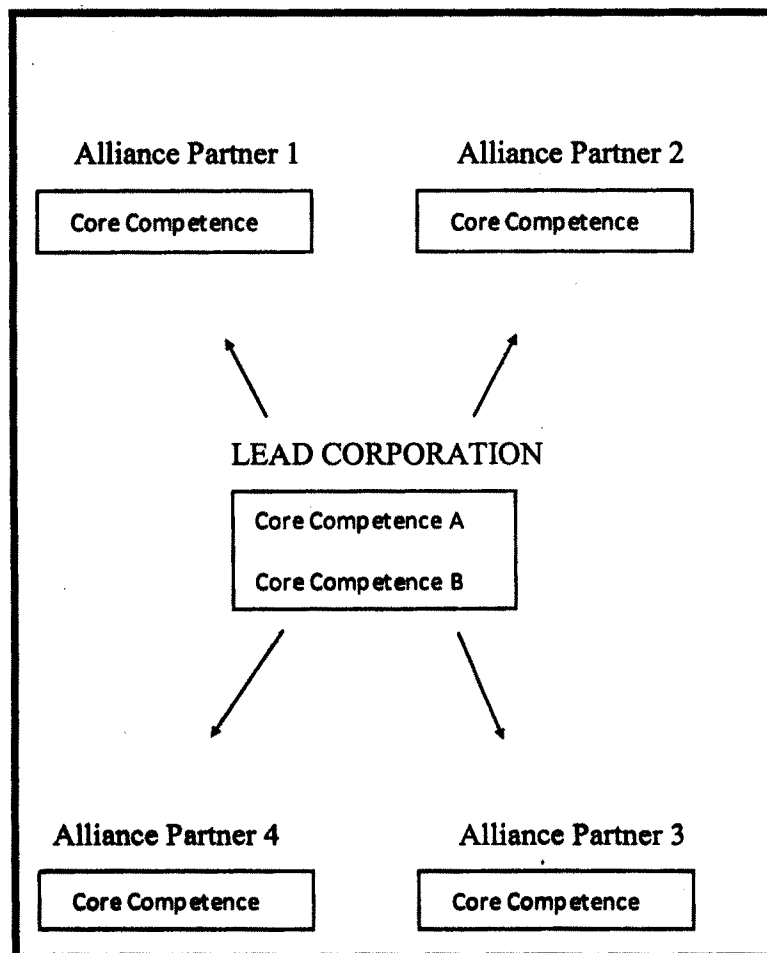
The hierarchical structure was designed to manage highly complex processes like automobile assembly where production could be broken down into a series of simple steps. Hierarchical corporations often controlled and managed all activities of a business from, the raw materials to their allocation to consumers. A centralized managerial hierarchy controlled the entire production process, with white-collar employees establishing rules and procedures to manage a blue-collar workforce.

From World War II until the early 1980s, the trend was to build increasing layers of management with more staff specialists

Figure 3.1
The Traditional Hierarchy

This centralized hierarchical structure was seen as effective for managing large number of employees, but lacked agility and was unable to process information rapidly throughout the organization.

Since the 1980s, many organizations have flattened their structures by shifting authority downward, giving employees increased autonomy and decision-making power. Advantages of flatter organization forms include a decreased need for supervisors and middle management, faster decision making, and the ability to process information faster because of the reduced number of layers in the organization.

A consequence of flatter organizations, though, is that employees tend to be more dispersed both geographically and organizationally. Responding to this problem of dispersion, many organizations have eliminated superfluous processes and begun focusing on their core, value-added business. Flat organizations using joint ventures and strategic alliances are providing increased flexibility and innovation, and are replacing many traditional hierarchies.

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This new organizational structure as a response to unprecedented customer expectations and alternatives, global competition, time compression, complexity, rapid change, and increased use of technology. They describe the virtual model as a lead organization that creates alliances with groups and individuals from different organizations who possess the highest competencies to build a specific product or service in a short period of time. (Figure 3.2).

Figure3.2
The Virtual Corporation - A network of organizations working independently to bring a product to market


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        Alliance Partner 1            Alliance Partner 2
       ┌──────────────────┐          ┌──────────────────┐
       │ Core Competence  │          │ Core Competence  │
       └──────────────────┘          └──────────────────┘

                  ↖              ↗

              LEAD CORPORATION
            ┌────────────────────┐
            │ Core Competence A  │
            │ Core Competence B  │
            └────────────────────┘
                ↙            ↘

        Alliance Partner 4            Alliance Partner 3
       ┌──────────────────┐          ┌──────────────────┐
       │ Core Competence  │          │ Core Competence  │
       └──────────────────┘          └──────────────────┘
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[1] Virtual Organization, Encyclopedia of Business, 2nd edition.

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Grenier and Metes (1995) explain that these alliances are virtual because products and services are not produced in a single corporation whose purpose is longevity. Rather, these new virtual organizations consist of a hybrid of groups and individuals from different companies that might include customers, competitors, and suppliers who have a focused purpose of bringing a high-quality product or service to market as rapidly as possible. These alliances may be temporary.

3.3 Definition:

Following are some of the definition of Virtual Organization-

Virtual Organization is a temporary network organization, consisting of independent enterprises (organizations, companies, institutions, or specialized individuals) that come together swiftly to exploit an apparent market opportunity.(Kasper-Fuehrer and Ashkanasy)

Virtual Organization can be defined as 'a temporary network of independent companies – suppliers, customers, even rivals – linked by IT to share skills, costs and access to one another's markets.(Byrne, 1993)

Virtual organization (virtual work) is the working environment where people work remotely
across time and/or place and/or organizational boundaries (Townsend et al., 1998).

Therefore Virtual Organization is refer to the temporary or sometimes permanent organization which shares skills, knowledge, costs to complete the task in minimum time of period from geographically dispersed area. In which flexibility and information technology is the most important characteristic and also Virtual Organization mainly include flexi time, flexi work and work from home concept. Also it largely affect on individuals personal as well as professional life.

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3.4 Characteristics of Virtual Organization:

Partners in virtual organizations share risks, costs, and rewards in pursuit of a global market. The common characteristics of these organizations include a purpose that is motivated by specific market opportunities, world-class core competence, information networks, interdependent relationships, and permeable boundaries.

Virtual organizations represent structures that are motivated by specific market opportunities. Once the alliance has been formed and the opportunity has been exploited, partners may move on to new partnerships and alliances.

Each partner in a virtual corporation contributes a world-class core competence, such as design, manufacturing, or marketing. This ability of multiple firms to create synergies among world-class functions and processes creates untold possibilities.

As organizations create these new linkages, advanced information technology becomes an important element, and key to the success of a virtual organization. Computerized information systems allow employees from geographically dispersed locations to link up with one another. The virtual office may use desktop videoconferencing, collaborative software, and intranet systems to enhance the flow of information among team members. Besides the need for instantaneous communication with one another, members of these autonomous virtual teams have increasing requirements regarding the amount and quality of information they need to do their work.

Members of the virtual organization, in turn, create a network of interdependent relationships. These relationships require firms to be much more dependent on one another than they have been in the past, demanding unprecedented levels of trust. Strong interdependencies cause organizations' boundaries to be blurred as competitors, suppliers, and customers enter into cooperative agreements. These new relationships among firms obligate organizations to use innovative management practices.

3.5 Quality of Work Life:

Nowadays, to improve the quality of work life for employees is a popular trend in human resources management. Previous research also indicated that QWL programs can enhance employees organizational commitment and labor relations. However, the quality of work life often has different meanings to different individuals. The University of Pennsylvania is interested in maintaining its status as a premier educational and research institution and a best employer. Penn's Quality of Work life (QOWL) initiative was introduced in 1995 to support the University's goals for excellence and to enhance faculty and staff opportunities for a constructive, productive, and positive work experience.

Quality of Work life programs has become important in the workplace for the following reasons:

1. Increased women in the workforce
2. Increased male involvement in dependent care (child and elder) activities
3. Increased responsibility for elders
4. Increased demands at work
5. Loss of long term employment guarantees
6. The need for enhanced workplace skills
7. Increased competition for the best students and talent for education and research environments
8. Greater competition for talent

QWL programs have been found to:

1. Improve workplace morale
2. Encourage employee commitment
3. Support recruitment
4. Encourage retention
5. Enhance productivity

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6. Reduce absenteeism; and

7. Maximize staff resources

The programs, policies and services offered through QOWL Programs:

a. Support faculty and staff efforts to manage the competing demands of work and personal life,

b. Support health promotion and wellness, and

c. Express appreciation for faculty and staff contribution to the University, highlight outstanding individual contributions, and recognize long term commitment.

3.6 Quality of Life:

Chris Lucas

"It is quality rather than quantity that matters."

"Life is the art of drawing sufficient conclusions from insufficient premises."

Introduction

Is life worth living? Why? Assume science makes you immortal, what will you then do for eternity? Such questions help us to put into perspective just what is satisfying about life and what we would rather discard. But it also highlights that we would not wish to just repeat the same things over and over again - production line style. Even what we love becomes boring if we are forced to do nothing else, humans need variety in our lives. We can use a form of Kant's categorical imperative to ask "what does what we are doing achieve?" If we all continue doing it for eternity then what benefit is it to us or our world? If the answer is "not a lot" then we may wish to reconsider our options and construct a better lifestyle or 'Quality of Life' and this is what we consider here.

Before Darwin gave us 'natural selection' many theories of fitness had been proposed, these mostly derived from ethics and were variants on the question "what is the good life ?". Neo-Darwinism answers this only by saying 'survival', a one-dimensional reduction that trivializes life and cannot distinguish bacteria or virus from human or sequoia tree.

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Here we will say that fitness or 'Quality of Life' is a multidimensional set of values, unique to each organism, person and context. The higher the complexity of the organism or the more developed the person the more numerous the values or criteria for determining fitness become. This dynamic nature of fitness is very different from the static or fixed criteria previously employed, and reflects the co evolutionary insights arising from complexity science.

Dynamic Fitness

Complex systems grow, they change over time, and humans are one of the most complex systems on the planet. The shifting balance between components, whether in cells, minds or societies, makes a static evaluation of fitness invalid, so it must use a dynamic measure. This measure must take into account not only the effects of actions on the organism but also what effects they have on the environment (including other people). Additionally it must consider effects at different levels, e.g. drugs may be psychologically beneficial but damage human body cells. A further complication is that effects vary with time, this can work in many ways, e.g. euphoria today, hangover tomorrow or pain this week, fitness next week.

Quality of Life is often defined in a very negative way, simply as the absence of health threatening hazards from the environment or as the absence of disease or medical problems. Even if it take a more positive approach and consider the advantages the environment offers (e.g. in arts, schools, natural beauty, access and so on) this is again a static viewpoint and assumes that a body that is functioning at its optimum in an optimum environment is somehow also optimized. Nothing could be further from the truth, a vegetable could perhaps say that -. but not a human.

Optimizing Needs

In the earlier section it shows that human needs group into many areas, but initially they will take for granted the measurable external Primal (survival) and Social (environmental) needs and concentrate on those higher psychological needs that actually

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comprise our humanity and what they can contribute to our 'Quality of Life' (QOL). It saw that these needs are implemented at an abstract level, they do not relate to the physical world, thus our evaluation of them (in ourselves or in others) is problematical - we cannot measure beauty, or love or understanding using any instrument. Despite this lack of a quantitative absolute measure, it can still easily measure these things in a relative way (e.g. as we do in eye tests - is this lens better than that?) and for a dynamic fitness evaluation this will suffice.

If weight (hypothetically) all these needs over a fitness range of 0 to 1, then the result is an optimum fitness could be obtained in multiple ways, there is no 'right' way of living (accept here that no maximize all possible activities at the same time). Similarly, it can see that concentrating exclusively on just one need to the exclusion of others cannot optimize fitness, since having two needs at 0 can't be compensated by a single need going from, say, 0.5 to 1, all three at 0.5 would be fitter. Thus the trend in modern society to specialize could be regarded as fitness reducing to the individual (unless compensated by other areas). The lack of independence between needs results from many causes, a prime one being time (e.g. doubling the time we spend playing golf must take that time from somewhere else, perhaps our family life).

Attitudes to Life

In many respects life is what human make it. It is people personal psychological attitude that defines their abstract level satisfaction or otherwise with their lives. Thus if people are an optimist they will see the good aspects of their environment, whilst a pessimist will only see the bad - thus the same environment is perceived differently. This means that environmental or material change is a poor method of optimization; it is crude global changes that can make life seem worst for some - even if most like the change. Thus our concentration here on the psychological aspects of fitness should prove beneficial, in the fulfillment of those personal goals that lies behind most definitions of Quality of Life.

Focusing on the abstract aspects of reality gives people considerable scope. The mind (unlinked to material) is totally free, and this freedom means that all of state space is available to us (if we can avoid mental wall building). Thus people options are very much wider than generally believed, assumptions of a static world and a powerless me are invalid. This vast unexplored state space is what people often encounter in dreams (day or night) - new free form combinations of existing concepts and variants on them. The world is dynamic and people views are as powerful as they choose to make them. They will be heard if what people say is sensible.

Meta Needs

Assuming that there is nothing basically wrong in person's life (in other words our Primal and Social need structures are in place) what fitness enhancing actions can he take? Most of people go through life in a repetitive way, All do the same things over and over again, like passive machines. Yet people are not machines, so can readily break free from this outdated deterministic Newtonian model. Even media and educational systems are locked into this narrow repetitive world - the full diversity and beauty of knowledge and of world is hidden by a fear of being different, of going beyond the lowest common denominator.

The move towards multiple TV channels, towards online information, towards virtual reality breaks down the stranglehold over information that has steered (and manipulated) societies over the centuries. New information is itself fitness enhancing, since it provides choice, new options in state space. It also allows people to counter misinformation, to challenge the views that they have had imposed upon them by those holding power (by whatever means). This freedom is itself a major component of Quality of Life.

Social Needs

Returning now to the real world, people must recognize that with all the will in the world they cannot make a silk purse out of a sow's ear. If the world in which they live is actually a bad one in some respects, then they are unwise to persuade ourselves that it is

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good. This tends to invalidate many forms of psychotherapy, which attempt to make them believe that this is 'the best of all possible worlds', and if they cannot accept that then they must be 'faulty' and need 'reprogramming'. This world today is far from perfect, and the negative effects on our quality of life is obvious - whether as a result of the need to commute for hours a day, suffering arrogant and insensitive leaders, of intrusive noise or all the other obstructive and restrictive practices that comprise our societies.

This level of needs relates strongly to the structure of our society, to the cultural norms that we invent to simplify our interactions. And make no mistake, people do invent these ideas, the values we put on things, on position, on fame or money are arbitrary. Many alternative value systems are possible and many of these will give a better quality of life. people need to carefully re-evaluate all these social attitudes and behaviors to specify just what benefit or fitness they provide, and to be prepared to discard those that have no benefit. We should augment or add alternatives that are more appropriate to a modern interdisciplinary and multidimensional view of quality.

Primal Needs

Mankind has failed dismally in even meeting the first stage of their species' survival needs. Despite all technological superiority millions die from starvation, from disease, from flood and from natural disasters every year. Due to the insensitivity of the rich few (their inability or unwillingness to consider finesses other than their own) the vast majority have their quality of life reduced. Can any aware person say their fitness is maximized if they know of people dying from neglect elsewhere ? Clearly a fitness maximized world would not tolerate this problem.

Control of nature was one of the early ideas behind science. Despite a rather human centered domination ideology, people now have the ability to seriously raise the quality of life for millions, perhaps billions of the inhabitants of this planet. Given that they are connected nowadays more than ever before, this would considerably increase the fitness of the complex system of which they are a part. Like most aspects of fitness

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maximization this isn't to do with material world limitations but with psychological ones. It is a problem of attitude and needs to be addressed initially from the abstract level. Quality of Life, essentially is again all in the mind.

3.7 Social Aspects in Virtual Organization:

There is impact of virtual organization on the working environment. Work; however is only one particular aspect of life. If the working environment is changed radically, this will also have consequences in private life.

Private life will change

There is one characteristic of virtual team's i.e. geographical dispersion. People might either be working from remote offices or even at home. In the one case, the impact on private life is dramatical. There is no longer a well defined border between private and working life. This offers great new possibilities. Life can be planned in a much more flexible and dynamic way. On the other hand, there lies a potential danger in this situation. If the remote worker does not have enough self-discipline, work will most probably suffer. Too little time will be spent for working compared to private life. But the danger is bi-directional: In a traditional working environment, work is physically and mentally left behind at the end of the working day. Not so in a virtual working environment. Some people will not be able to deal with work potentially being present 24 hours a day. This can induce stress symptoms.

Social life is equally affected by virtual work. Communication is normally done by electronic means. Therefore, face-to-face contact with other persons will be an exception. Working life used to be an important part of social life. Now, if this falls away, people who do not socialize a lot in private life might become socially isolated. Of course, the flexibility in private life that is gained through virtual work could be used to compensate for the loss of social relations at work. Still, there is a clear tendency to get isolated that has to be lessened by incorporating social meetings where team members and leaders can meet face-to-face. These do not only strengthen social relationships but also have a

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positive impact on motivation. While virtual organizations offer great opportunities for skilled employees, people that are not properly trained and that do not possess the necessary character traits will have difficulties succeeding in a virtual environment. Therefore, selecting the right people in virtual teams is absolutely essential for success.

Consequences for Customers

More and more shopping will be done at home by computer ('the virtual shopping mall'). The customer will benefit from extra services of virtual organizations such as custom products, increased speed to market and better customer service. Because virtual organizations are geographically dispersed, there will often be global marketing. The resulting competition situation means that the customer can also benefit from lower pricing, for example. Again, the price to pay for all these benefits to the customer is reduced social contact. The market will become more and more anonymous.

General Culture

Most people will still want to get a long-term, secure job instead of opting for a less secure working environment because the rest of the environment (social, financial) will not change as rapidly. And it is therefore unlikely that the everyday life of most people will be affected by virtual organizations in the near future. Only when these social or financial factors change with time, virtual organizations will become a part of general culture.

This is not to say, that virtual organizations cannot succeed nowadays; it just won't have an impact on the entire society.

Virtual Communities

If the idea of virtual organizations is extended to private life, virtual communities result. Not only the working place is globally dispersed, also other contacts are made by

electronic communication only. Virtual community defined as shared interests, whatever the location.[2]

3.8 Working of e-business:

E-business, or electronic business, can be best described as the employment of information and communication technologies (or ICTs in business processes). The term e-business is coined in the same way as e-government (the employment of ICTS in government processes), e-learning (the employment of ICTs in learning processes) and e-medicine (the employment of the same technologies in medical processes).

Initiate:

This is the capacity to consistently find or create and, then, close opportunity gaps in the marketplace (what Haeckel [1999] calls "anticipate and preempt"). It involves being on a constant lookout for embryonic places to exploit an ongoing stream of new, net-based concepts, products, services, ideas, or technologies faster, smarter, and better than current or potential competitors. Successful initiation, continually coming up with "the next big thing" usually means grabbing the first-mover advantage, which is often so critical to e-business success. Sometimes initiating changes the rules of the game -- e.g., Dell's ongoing extension of its web-based direct selling model across an increasingly wide range of products and services or even the nature of the game itself, as Enron did when it pioneered Internet based energy trading and later extended the model to numerous other commodities, including most recently telecommunications bandwidth. But, efforts to initiate can also involve less grandiose extensions of existing products or services such as Charles Schwab's efforts to devise new Internet-based financial services to tempt its on-line stock traders (or vice versa) and eBay's moves to develop on-line auctions for just about everything.

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[2] Cueni Thomas, Seiz Marco, May 9, 2009, 'Virtual Organizations—the next Economic Revolution',Department de micro technique,.

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Adapt:

This is a matter of preferably anticipating or otherwise quickly discovering and, then, just as quickly closing challenge gaps in the marketplace ("sense and respond" in Haeckel's [1999] terms). Challenge gaps emerge, of course, because every other e-business is out there initiating. Recently, John Chambers, CEO of Cisco Systems, estimated that as many as 400 to

500 entrepreneurial start-ups had entered the market against his company in the last 18 months. One poster company for the capacity to adapt is Charles Schwab, given its quick, gutsy, and successful response to E*Trade and other on-line brokers. The most frequently cited negative example is Barnes and Noble because of its tardy and anemic response to the challenge posed by Amazon.com. The capacity to adapt is the antidote to becoming "Amazon. toast".

Deliver:

There is more to marketplace agility than initiating and adapting, although these tend to get most of the press. It is also important to keep the performance gap closed; that is, of meeting customers' rising expectations for high quality products and/or services delivered reliably and efficiently time after time. Increasingly, as the Internet reaches its full potential, this is a matter of delivering customized "offerings" (integrated products and services) to individual customers in less and less (euphemistically, zero) time. Dell was an early pioneer. But, today, on-demand Internet offerings are becoming commonplace. Even those brick-and mortar behemoths, the automobile companies, are talking about delivering individually configured cars, replete with Internet-based gizmos and service capacities, to buyers' driveways in as few as three days.

Clearing the ever-rising bar of marketplace agility requires serious rethinking of the relationship between business strategy and organizational capability. Bureaucratic firms operating in stable and fairly predictable (or controllable) marketplaces think in terms of strategy driving structure, or more accurately, organizational capability. In such firms, strategic planning is a top-down exercise based primarily on forecasts of environmental

opportunities and threats and somewhat on assessment of organizational strengths and weaknesses. The product is usually a fairly elaborate document -

- an intended plan that, once in place, drives the development of the organizational capability required to implement it.

3.9 Trust Requirements for Virtual Organizations:

Many consultants and researchers have argued that trust will be increasingly important for virtual organizations – indeed, for any firm that relies on outsourcing various functionality to other organizations. In response to the query, 'how viable is the virtual corporation?' Jones & Bowie argue that 'the efficiency of such corporations depends on features – speed and flexibility – that require high levels of mutual trust and cooperation (Jones & Bowie, 1998). O'Leary *et al.* (2001) observed that 'in publications regarding distributed work (e.g. Handy, 1995) trust is described as critical because it is impossible to monitor and control geographically distributed employees'. Both sets of authors above cited Handy (1995), who was the first to examine the need for trust in virtual organizations:

It is easy to be seduced by the technological possibilities of the virtual organization, but the managerial dilemma comes down to the question, how do you manage people whom you do not see? The simple answer is, by trusting them. If we are to enjoy the benefits of the virtual organization, we will have to rediscover how to run organizations based more on trust than on control. Virtuality requires trust to make it work: technology on its own is not enough (Handy, 1995).

Much of contemporary research on new organizational forms has examined the role of trust in outsourcing arrangements and buyer–supplier alliances (Zaheer *et al.*1998). For example, Urban *et al.* (1999) summarized the literature on purchasing alliances, noting that both Morgan & Hunt (1994) and Spekman (1988) 'emphasized that trust is essential for long-term buyer–supplier relationships' (Urban *et al.* 1999). In another study based on a survey of 1500 members of the National Association of Purchasing Management, respondents perceived that the key strategy for successful buyer–supplier relationships

was increasing trust along the supply chain (Wisner & Tan, 2000), particularly for virtual organizations – or what the authors characterized as organizations that were structured 'within the value chain as a unified virtual business entity'. Hartley (2000) reached a similar conclusion that trust was required to improve outsourcing relationships; however, Hartley (2000) found this to be problematic, as existing trust levels were so slow. Hartley claimed that 'high-trust buyer–supplier relations in the US automotive industry were the exception rather than the rule' (Hartley 2000: 30). Likewise, marketing researchers Urban *et al.* (2000) have emphasized the importance of ensuring the client firm's trust in a supplier's B2B web presence. Recent research on ecommerce systems has even focused on redesigning the user interface to increase buyers' trust in the vendor and its systems through techniques such as 'embodied conversational agents' (Cassell & Bickmore 2000) and 'trust-based virtual personal advisors' (Urban *et al.*, 1999).

Although there appears to be consensus that trust is critical for virtual organizations and other new forms of interorganizational exchange, contradictory advice is frequently offered to managers – at times, including conflicting advice within a given study. For example, in offering recommendations to managers, Harrison & St John (1996) cautioned them to 'avoid formalization and monitoring of contractual agreements, which [may] lead to conflict and distrust', yet they also advised managers to 'avoid excessive trust, which leads to its violation. Markus (2000) likewise advised against using excessive control in overseeing work performed by outsourcing partners. Among other problems, Markus (2000) warns that too much control may 'damage the relationship between the controllers and controlees', leading to 'unintended human and social consequences include low morale and circumventing the rules' (Markus, 2000).

In summary, the conventional wisdom argues that trust is critical to the success of virtual organizations and interorganizational alliances, but that ensuring trust is difficult and that having either too much trust or too much control can be dysfunctional. But it's not true that trust is critical. Instead, Markus (2000) argue that an agent in a virtual organization need not make itself vulnerable to opportunistic behavior by other agents, regardless of its own ability to control the outcomes. Instead, Markus (2000) believe that each agent can have confidence in the behavior and outputs of other agents if certain principles and

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practices that ensure control are implemented. Rather than seeing a critical role for trust, Markus (2000) believe that, by controlling the conditions for collaboration and norms of behavior, any agent can have confidence in other members of the virtual organization, thus obviating the need for trust.[34]

3.10 Effect of e-business on Individual, Organization and Society:

E-business has positive as well as negative effect on individual, organization and society.

3.10.1 Effect of e-business on Individual:

Following is the positive effect of e-business on individual-

1. Better and often cheaper communication such as instant messaging.

2. Improved access to education e.g. on-line tutorial.

3. New ways of learning e.g. .interactive multimedia and virtual reality.

4. New job opportunities e.g. flexible and mobile working, virtual offices.

5. Also access to information has brought new opportunities for leisure and entertainment, the facility to make contacts and form relationship with people around the world and spending more time with family and children and the ability to obtain goods and services from a wider range of suppliers.

Being able to work from home is usually regarded as being positive effect of e-business but there can be negative aspects as well which are as follows-

1. Reduced personal interaction.

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[3] J., G. M., 'Striking Balance between trust and controlin a virtaul organization', Atlanta: Georgia State University, Robinson College of Business.

[4] Handy, C., May-June 1995, "Trust and the Virtual Organisation", *Harvard Business Review*.

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2. Most of the people need some form of social interaction in their daily lives and if they do not get the chance to meet and talk with other people they may feel isolated and unhappy.

3. Reduced physical activity, it may adopt a more sedentary lifestyle which can lead to health problems such as obesity, heart disease and diabetes.

3.10.2 Effect of e-business on Organization:

Following is the positive effect of e-business on organization-

1. Cost saving by using telephone, email, instant messaging, video conferencing instead of travelling to meetings.

2. Access to larger even worldwide markets.

3. Flexible response. Organization with good communications can respond to changes quickly. This mean better customer relations, an improved supply chain for goods and services, faster development of new products to meet new opportunity.

4. Information management e.g. data mining.

5. Improved stock control, resulting in less wastage, better cash-flow.

6. Managers are better informed and will have more reliable and up-to-date information on which to base their decisions.

7. Managers can retain talented employees, reduced absenteeism and turnover by using e-business.

But there are some negative effects of e-business on organization which are as follows-

1. E-business is expensive both to purchase and to maintain.

2. Security is always problem for any organization. Data must be kept secure, internet connections must be protected from attack new viruses and other form of malware are released nearly every day.

3.10.3 Effect of e-business on Society:

Following is the positive effect of e-business on society-

1. Increasing opportunities for education, jobs.

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2. Improving communication.   .

3. Allowing people to participate in wider even worldwide society.

4. Allowing people to take part in social programs.

Following are the negative effects of e-business on society-

1. Creating misunderstanding due the vast amount of incorrect and misleading information.

2. Causing digital divide between those who can access information and those who cannot.

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