

Chapter 8 Case: Sun Microsystems

This case would be useful to use in a lecture or seminar looking at:

- Virtual organizations
- The impact of ICTs on work practices and workers

Issues that are raised by this case include:

1. What management issues are raised by the form of virtual working that characterises Sun Microsystems?
2. What impacts might such forms of working have on individual employees? Why?

Suggested response

What management issues are raised by the form of virtual working that characterises Sun Microsystems?

Virtual organizations offer many advantages to organizations, chiefly through the reduced fixed assets costs that are accrued by having employees working in remote locations that are connected through ICTs. There are, nonetheless, difficulties associated with this form of working. The first of these concerns the degree of control that managers can exercise over employees. Where management is 'invisible' in the sense that the manager is unlikely to be able to actively monitor the employee's performance, having to focus more on tangible outputs, managers need to trust employees to carry out their work to an appropriate standard and in an appropriate manner. The Fordist mode of production, which is characterised by many features of Scientific Management, is almost diametrically opposite to this mode of management, yet is that which is most historically recent and therefore likely to strongly influence the mindset of many managers. To this extent then, managers need to truly embrace the notion of empowerment. However, culturally, in many countries, hierarchical relations of power and authority can render empowerment difficult to achieve in practice. Research suggests that remote workers can experience increased stress as a consequence of the surveillance that organizations impose in the absence of more direct management (e.g. monitoring phone and e-mail use).

A further management issue concerns ways of fostering organizational commitment and loyalty in employees who have little direct contact with the organization. While policies, such as pay and rewards can offer some incentives and inducements, the organizational commitment literature suggests that it is the level of actual relationships that most influences affective and normative commitment, which are most often associated with retention and loyalty. Day-to-day interactions with agents of the organization, like line managers, are critical here. Violations of the psychological contract, for example, are frequent occurrences in organizations, but the literature suggests that good quality relationships between managers and employees can help minimise the effects of such occurrences. In turn, good lines of communication and opportunities to negotiate over the meaning of various events and actions that might constitute psychological contract breach are critical. Clearly, remote working can undermine such relationships and communication quality.

What impacts might such forms of working have on individual employees? Why?

The effect of remote working is an emerging focus for research. However, existing theories may shed some light on some of the possible impacts. Positive effects may well include improved work-life balance, increased feelings of autonomy and control and an increased sense of responsibility for one's work. As Hackman & Oldham's (1976) research suggests, all these dimensions are critical to motivation (See Chapter 4).

However, remote working may also be associated with negative experiences. Remote work which is monotonous and repetitive will not be alleviated by the positive effects of social relationships, which other workers employed on such tasks often report. Monotonous, repetitive work is not only associated with a lack of motivation, but when the worker is also devoid of social stimulation, they may experience high levels of stress (role underload – see Chapter 3). Where workers are subject to high levels of surveillance, this can also lead to the experience of stress and anxiety.

Isolation might not only create stress through the neglect of the worker's social needs, but also from the perspective that the worker is unable to engage in the social comparison processes that characterise work experiences in more traditional organizations. Workers, for example, often gauge the level and standard of their own performance by comparing it with that of their colleagues. Feedback is also critical for motivating employees as we discussed in chapter 4, and this can be difficult to receive when working remotely. Relatedly, as discussed above, employees do value the opportunity to discuss various aspects of their work and experiences with their managers, which can help to minimise or ameliorate psychological contract violation or breach.

Finally, remote working relies on technology, which, as most of us well know, may break down. This is likely to be especially frustrating for a remote worker who may not have ready access to the means or the people who can remedy technical problems.