

Sunday, February 28, 2021

Hello,

My name is Luc Lagrandeur, Professor at Laurentian University (Sudbury, Canada). I am doing research on the **virtual organization** model for local governments. The purpose of this study is 1) to measure the degree of virtuality of the local government in its offering of e-services and 2) measure the perceived quality and the perceived usefulness of the virtual organization model. An explanation of the study and the model is on the next pages.

The provision of online services (e-services) in the public sector is the result of a paradigm shift in the management of public organizations. Information and communication technologies (ICTs) have become a key instrument in administrative reform and public sector transformation. It is in this context that governments have adopted and implemented ICTs as a means of delivering information and e-services.

This study focuses on providing a **practical tool** for local government administrators to **measure the degree of virtuality of their organization in regards to their offering of e-services.**

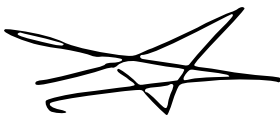
I would appreciate it if you could transfer this invitation to the member communities of your municipal association. I believe that every community is a good fit for this study. I invite you to complete the online survey for your community by clicking on the following link:

<https://survey.laurentian.ca/index.php/938271?lang=en>

It should take between 25 to 35 minutes to complete the survey. At the end of the survey, you will be invited to provide your email address to get a summary report with the degree of virtuality score of your community along with the average score of communities of similar size for benchmarking purposes. Lastly, I do encourage you to complete the survey now, if not, this message will be forgotten, discarded or “put on the pile” with all other messages. The deadline to complete the survey is Sunday, March 14<sup>th</sup> – less than two weeks from today.

If you have any questions, please do not hesitate to reach out to me by email or my cellular at 705-923-1653.

Thank you for your participation,



Luc Lagrandeur  
LAURENTIAN UNIVERSITY  
935 Ramsey Lake Road  
Sudbury, Ontario, CANADA  
P3E 2C6

# THE VIRTUAL ORGANIZATION MODEL FOR LOCAL GOVERNMENTS

January 2021 – Luc Lagrandeur

## Research Objectives

- Propose a conceptual model of the virtual organization for local governments;
- Develop a tool to measure the degree of virtuality of local governments offering electronic services;
- Validate the perceived quality and perceived usefulness of the model as a tool to measure the degree of virtuality of a local government.

## Practical Contribution

To provide a practical tool for local government administrators to measure the degree of virtuality of their organization in regards to their offering of e-services.

## Scientific Contribution

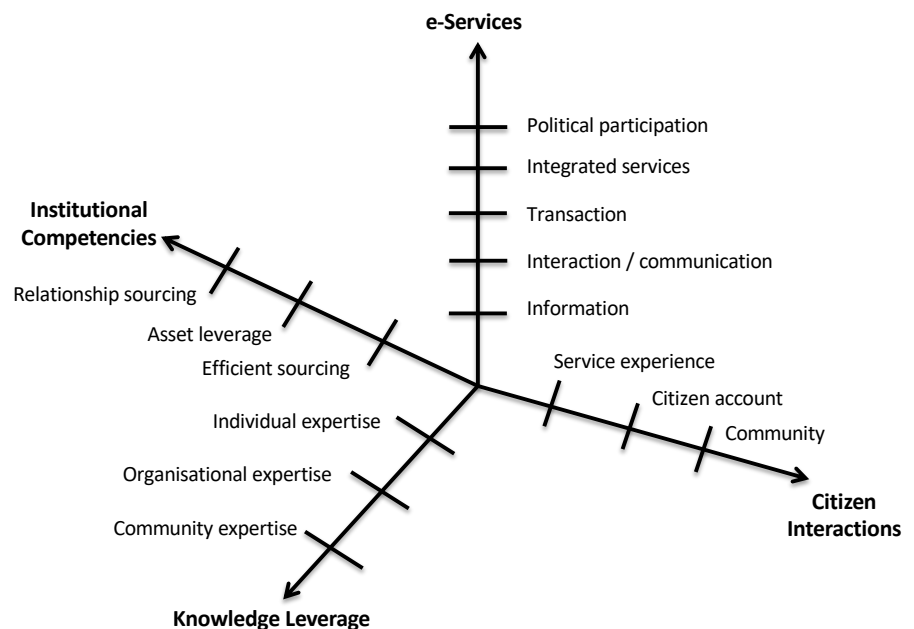
No academic or scientific studies have attempted to do so at this scale; this is a first in the field.

## Virtual Organization: A Strategic Perspective

The virtual organization is defined as a strategic mindset of virtually organizing the local government around 4 vectors that define the virtuality of the organization.

Virtuality introduces new ways of interacting between an organization and its customers. The first vector, aptly labelled “citizen interactions” provides the ability for users to experiment with the product or service remotely, and builds a personalization that allows

them to be part of a community of users. The “knowledge leverage” vector is about opportunities to maximize various sources of expertise: utilizing the expertise of individuals, considering organizational-level knowledge as an asset and having access to expertise from the community. Next is the “institutional competencies” vector referring to the strategic choice of the organization to focus on its distinctive competences, such as the creation and deployment of intellectual and intangible assets to procure physical assets through a complex network of business relationships. Lastly, the “e-services” vector represents the five distinct features or functionalities of this vector. Using the capabilities of technology, local governments should be able to structure and manage a dynamic portfolio of relationships to assemble and coordinate the required assets for delivering value to citizens. We view virtuality as a strategy that reflects these four distinct vectors. As local governments progress through each of these vectors, it is understood that their degree of virtuality also increases.



## **e-Service Vector**

The e-service vector has 5 nodes ranging from simple/sparse to highly complex/completely integrated systems.

- The first node involves providing information through the presence of a web portal.
- The second node allows users to communicate with elected officials and civil servants either via emails or online applications within the web portal.
- The third node allows a user to perform online transactions with the government agency. This level of integration is designed to reduce administrative costs.
- The fourth node of IT development concerns 1) the vertical integration of IT systems between the local government agency and department with those of higher levels; and 2) the horizontal integration of IT systems between agencies and departments within the broader public sector entity.
- The fifth node is political participation; it is regarded as being especially complex because there are many concerns to take into consideration such as transparency, security, authentication and privacy, just to name a few.

## **Citizen Interactions Vector**

This vector concerns itself on how local governments ensure that citizen interaction is conducted in a more strategic way to provide value.

- Service experience is allowing citizens to reach out to city administrators or departments 24 hours a day, 7 days a week and perform a number of transactions including payment of fees or otherwise.
- Citizen accounts is the implementation of e-services in which citizens get personalized access to their government portals.
- The virtual organization is an active orchestrator in dealing with emerging communities of citizens; it has dedicated portals for them.

## **Knowledge Leverage Vector**

This vector is about opportunities to leverage various sources of expertise within the organization as well as across organizational boundaries.

- The members of the organization carry tacit and explicit knowledge and it is important for the organization to benefit from it.
- The organization recognizes the importance of knowledge as an asset in creating value.
- The organization focuses on the reservoir of knowledge and expertise within the community.

## **Institutional Competencies Vector**

This vector is how the organization manages a dynamic portfolio of relationships to assemble and coordinate the required assets for delivering value to citizens.

- Efficient sourcing deals with deciding which components to outsource and which ones are more critical to provide internally.
- Asset leverage is the opportunity for the municipal government to take advantage of the interrelationships between its networking capabilities and those of its partners to enable more efficient and effective use of its assets.
- Relationship sourcing focuses on building a network of resources, a sort of dynamic network of complementary capabilities.

## Characteristics of the VO

The general characteristics of a virtual organization are: **Information technology**, VO acquire world-class technology; virtual organizing is not possible without the important power of IT; **Core competencies**, VO plan to be world class and excellent in their core competencies; organizations must coordinate critical competencies constantly; **Blurred boundaries**, the new VO model redefines the traditional boundaries of an organization; one important feature of VO is the blurred distinction between competition and cooperation; **Flexibility**, Organizations need to respond actively to internal and external changes; thus, the form of VOs is fluid and its flexible “configuration” is about speed of response to strong customer orientation; **Shared risks/ resource/knowledge**, a VO shares’ skills, costs and have access to the global market; sharing resources will offer competitive advantages and sharing risks improves competition possibilities; **Value-adding business processes**, VO promote the active participation of customers in the value-adding processes so that the goods or services are produced in cooperation with the customer; **Learning and adaptive orientation**, VO encourage its members to acquire new knowledge and learn new skills in order to develop new attributes; new information is generated within and across organizational boundaries and it becomes available to everyone who is committed to obtaining it.

## Benefits of the VO

In a strategic perspective, the aim of the virtual organization model is not only to take advantage of market changes, it is to improve value creation for customers (or citizens in the case of governments) and work processes, to achieve collaborative advantages by pooling resources together through partnerships and efficient use of current assets, to achieve flexibility and collaborative excellence on trends and new market opportunities, to integrate superior expertise and competencies from its members (individuals, organizational, and community) in order to create innovative and non-standard products or services, to exhibit flexibility through cutting back on bureaucracy and rely on lean formal management structures and trust-based governance, to improve the sharing of knowledge and joint learning as a network within a pool of abilities and knowledge, to strive to continuously learn thanks to mechanisms which transfer learning from an individual to the group and for renewal within itself, to improve the productivity level of the organization and to provide a competitive advantage.

## Key Takeaways

We believe that the virtual organization model resolves some of the key issues that were debated over the use of e-technologies and their effectiveness in reform within the public sector. In summary they are:

- “E-government is to encompass the reform in public management through the improvement of service delivery to the citizen, the creation of economic activity and the safeguarding of democracy.
- E-government must be oriented towards the citizen. As the citizen does not need to be aware of who exactly in the government provides the required service, inter-agency and intergovernmental e-governance dimensions are essential.
- E-government requires electronic or digital citizens (e-citizens). That is to say, before we can call an e-service initiative effective, it must be made available to all citizens – not just to a minority who can afford to have access to the required electronic infrastructure.
- E-government can provide opportunities for building viable and sustainable partnerships between the private and the public sectors whereby each party would be responsible to provide electronic infrastructure (e-capacity) so a competitive economic advantage can be achieved.
- E-government can be effective if it is adopted alongside business process re-engineering. That is to say, merely automating existing services in inadequate and does not necessarily produce results. The benefits of e-government and e-service can only materialize when they are introduced within an environment that supports public access to information and services” (Asgarkhani, 2012, *In* Bannister, 2012, pp. 37-38).

## Contact Information of the Researcher

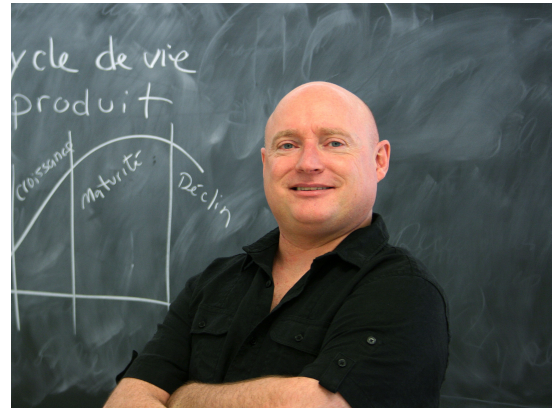
Luc Lagrandeur

*H.B.Com. (Laurentian), M.Sc. (Sherbrooke), eDBA (Sherbrooke), PhD candidate (Lille1)*

Assistant Professor  
Department of Marketing and Management  
Faculty of Management  
Laurentian University  
935 Ramsey Lake Road  
Sudbury, Ontario  
P3E 2C6  
CANADA

[llagrandeur@laurentian.ca](mailto:llagrandeur@laurentian.ca)

(705) 675-1151 extension 2158



Luc Lagrandeur is Professor of Marketing, Venture, and Business Consulting in the Faculty of Management at Laurentian University, teaching courses in marketing, case analysis and competitions, integrated marketing communication, social media marketing, business-to-business marketing, retailing management, marketing research, consumer behaviour, electronic marketing, business venture creation, business launch and small business consulting. Luc has 10 years of practical marketing experience; he held positions such as Strategic Account Manager, Marketing Manager and Manager of Customer Relations for one of Canada's largest information technology outsourcing company based in Montreal. His current research projects are 1) on the implementation strategies of local government offering e-services using the virtual organization model; and 2) the impact of online municipal services at the organizational level (efficiency) and the relationship and interaction level with citizens (efficacy).