# IMPACT OF VIRTUAL OFFICE ON BUSINESS ENVIRONMENT

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**ABSTRACT:** *This study focused on the impact of virtual office on business environment. A virtual office gives businesses a physical address and office-related services without the overhead of a long lease and administrative staff. For a better understanding of the impacts, the researcher established first the link between technology and office work. It was found that with the advent of technological advancement, office works required the use of updated technologies for the ultimate goals of being globally competitive. The reasons for adopting virtual offices include reduction of costs of production and services, improvement of performance, increased work productivity being up-to-date, and becoming at the competitive edge over other markets. Given the findings, it was concluded that adoption of virtual office work have a positive impact on performance and it creates employment opportunities rather than it eliminates. The challenges can be addressed by providing early notice about the change, the conduct of planning and training so that the personnel can successfully adapt to the change and displacement of workers will be prevented.*

**KEYWORD:** virtual, office, virtual office, technology, work environment

## INTRODUCTION

A virtual office gives businesses a physical address and office-related services without the overhead of a long lease and administrative staff. With a virtual office, employees can work from anywhere but still have things like a mailing address, phone answering services, meeting rooms and videoconferencing (Ahmad, 2014). A virtual office is a service that enables employees and business owners to work remotely by providing a range of business functions accessible through the internet. It also enables organization to create and maintain a presence in a desirable location without the need to pay rent for an actual space. A virtual office is part of the flexible workspace industry that provide businesses with any combination of services, space and/or technology, without those businesses bearing the capital expenses of owing or leasing a traditional office, the office is surround with audiovisual technology. Audiovisual is electronic media possessing both a sound and a visual component, such as slide-tape presentations, films, television programs, corporate conferencing, church services and live theater productions. Audiovisual service provider frequently offer wed streaming, video conferencing and live broadcast services. Computer-based audiovisual equipment is often used in education, with many school and universities installing projection equipment and using interactive whiteboard technology.

Virtual office services started in the 1960s as serviced offices and have evolved with technology to include a wide variety of personnel, physical space, digital storage and communication services. Customers pay a contract fee for these services which may be offered a la carte, as packages or membership subscription. The concept is popular with companies of all sizes, including self-employed entrepreneurs. One of the primary allures of the virtual office is the flexibility it offers for employees and freelancers to work from a satellite office, home office, remote location or even on-the-go via a mobile device. At the same time, a company can offer its clients and employees a stable home office with access to amenities such as receptionist, conference rooms, desk space, mailboxes printing and faxing at a permanent address, which are owned and maintained by the virtual offices provider or a third party. Virtual office providers may also include digital capital such as cloud storage, web hosting, email and other web-based applications.

Virtual office influences the design of the organization at work. Among technological updates, the internet has the most significant impact on the design of office work. With the use of internet, e-businesses were born, and these businesses focus on design as they adapt to the dynamism of the internet environment (Ahmad, 2014). The internet also paved the way for the creation or virtual offices. Through the emergences of the virtual design of office of workplace, technology has helped shape the lines between home and work (Ahmad, 2014). Through the internet used in personal computers, iPod and smartphones, people can work in virtual offices right from the comforts of their homes. This means that the design of work transformed into digital such that the contents, methods and relationships of jobs satisfied technological requirements.

The use of virtual equipment influences the structures of work in an organization. According to Jones (2010), the skills, systems, and procedures involving technology efficiently handle environment factors at the input stage. From input to conversion to output, virtual simultaneously improve the quality and services, overall efficiency and reduces cost at every level of the process (Jake, 2011). The introduction of new technologies in office workplace modified the content of jobs. There had been less demand for jobs that entail manual dexterity, physical strength for materials handling and for traditional craftsmanship (Mark, 1987). The manual tasks are replaced by computer-process control, advanced material handling equipment, and other innovations. Because of these changes in the structure of work, the workers' job is just to operate and monitor technologies being used.

**Place of Virtual in Offices**
Among the latest virtual that is deemed useful in office work environment are the automation and information technology (Ahmad, 2014). Some of the information or communication technologies worth adopting are Desktop Video Chat, Video Conferencing and Online Visual Collaboration tools (Ahmad, 2014). Telephone communications and computer-process control are among the technologies that involved the most rapid changes. Some more modern office technological gadgets include smartphones, faster windows operating system like Windows 7 and 8, Laptops and tablets. These technologies can help boost the service of companies. These modern technologies incorporate powerful and low-cost microelectronics devices that are capable of increasing productivity in the offices when efficiently used by the employees.

In the earlier years of the 20th century, offices had bulky computers with only a few with an internet connection, cumbersome wires and oversized fax machine and copiers. The time, in just more than 15 years from then, those were already out-dated. They were already replaced with flat screens, wireless devices and high-tech conferencing system (Pfano, 2016). The World Bank Group (2015) further categories technologies as smart machines, smart devices, and smart techniques. Smart devices refer to the personal computers, laptops, mobile networking and smartphones. Smart machines refer to the advanced robots and machine learning. The smart devices refer to the personal computers, laptops, mobile networking, and smartphones. The smart techniques refer to cloud computing, big data and data analytics. The digital tools are further classified into three regarding how it enables the labor markets. The three categories of digital tools are transactional tools, complementary tools, and matching tools. The transactional tools are those that enable buyers and sellers of various goods and services to transact business with increased efficiency and transparency (World Bank Group, 2015). The complementary tools include the various software and hardware that many offices now use; while the matching tools refer to the medium through the internet and mobile networks that enable the matching of workers with jobs or tasks at different parts of the world (World Bank Group, 2015). Ten years from now, it is expected that modern technology will be more advanced such as multilingual and sensory-recognition software that will make work more efficient (Pfano, 2016). People should take note however that these technologies have a finite lifespan, that is why it is essential to monitor their life cycles to maintain their proper function continually. People should always remember that technology may be used for decades but will eventually be superseded by innovation and updates, and so has to be replaced to ensure further efficiency. This reflects the changing or dynamic characteristics of the technology. Technology rapidly advances, and it becomes more complicated from time to time. This required proper management of technology in offices so that it gets to be maximized for its intended use. A virtual office can also lead to greater productivity, as its services free workers from administrative tasks, as well as commutes. Each employee can work from the location that is most convenient, and the business is not restricted to hiring employees who live locally. As more people find ways to work remotely, the benefits of a virtual office are immediately noticeable. However, not everything is as easy as it seems. Some may find scheduling of virtual office space no different than the time-consuming scheduling conflicts inherent in a physical office.

**Impacts of Virtual Office on the Work Performance**
The effects of technology are best reflected in the work performance of office workers or employees. Performance of workers in online platforms can be easily monitored and evaluated as compared to the efficiency of work in the regular offices where evaluation is done by immediate supervisor apart from their timely compliance with required reports.

**Work Flexibility**
Virtual has a direct impact on work performance. Pfano (2016) emphasized that having advanced office technologies increases the work performance of managers because technologies make works a lot more flexible. Modern technology is often used to contain and organize valuable information about the company hence it has to be managed carefully. To effect increased performance, technology has to be relevant and appropriate. This means that the availability of many advanced

technologies alone does not equate to increased performance but the effective use, relevance and appropriateness of the technology to the jobs in the office.

Pfano (2016) found that there is strong correlation between the right use of office technologies and positive change in management performance in offices. These technologies, in particular, are computers and telephones which are useful in making communication within offices smooth and effective. Davenport (2013) stated that information and communication technology (ICT), when used effectively, can ensure continuous interaction between managers and their subordinates. It is vital that in offices, mangers and subordinates establish clear lines of communication and it is in this respect that ICT plays vital roles. Among managers, the use of modern office technology helps them make their work very flexible and easy.

## Mobility Saves Time

Another feature of technology that enables the attainment of increased productivity and profitability in businesses it is mobility. Unlike the desktop computer in the past decades, the latest personal computers and mobile technologies like mobile phones, laptops and tablets can be brought by workers anywhere they like to work at any times. The mangers, for instance, can do business task at home anytime. They can reply to send emails whenever they want to.

Mobile technologies in modern offices are beneficial in the areas of networking/communication and marketing. Using mobile technologies like smartphones and tablets, the managers, employees and customers can smoothly interact and connect with each other through social media application like LinkedIn, Facebook, Skype and Twitter. This very accessible mode of communication benefits offices regarding efficient use of staff time, improved customer service, and a more excellent range of products and service delivered (Pfano, 2016). This is very possible so long as employees are disciplined enough to make use of mobile technologies for official work or job functions only. Mobile technologies also provided a new dimension to advertising and marketing for businesses worldwide (Haghirian et al. 2005). If in the past decades or centuries advertisements are only made through televisions and radio broadcasting, this time advertisements are easily accessed through mobile phones, advertisements through mobile technology are very deficient since a large number of the world's population use it. This large group of customers already see business advertisement on mobile phones through various mobile marketing technologies like text messaging, mobile websites and mobile application (Pfano, 2016).

## Save valuable Resources/Reduces Cost

Offices now are involved in work that transcends beyond the four corners of the room due to globalization. Many businesses extend its market globally. Technology is of optimum use and helps for offices that deal with global transactions because technology makes global communication happen. Before the discovery of telephones and internet, the humanity relies on business letters for communication purposes. Now, the usual printed or typewritten business letters are all made electronic. Managers don't have to travel across countries to supervise its businesses and meet stakeholders. The great use to technology comes into play in today's global business set up. Technology help save valuable resources like time and money in this aspect. In today's highly competitive business world, it was foreseen through empirical studies that the firms that can

successfully incorporate the latest strategies technology advancements in their work setting would fare much better than others (Pfano, 2016).

**Improved Work Performance**
In this study conducted by Pfano and Beharry (2016), the analysis of the data concerning manager's use of virtual in offices and the employees' perception on the importance of technology in the workplace revealed significant findings. The table below summarizes the results of the study among the respondents from 67 businesses considered in the study. This recent study by Pfano and Beharry (2016) gives significant findings that can be very relevant in the adoption of technology in offices. This finding emphasizes that people of age 35 and above are already proficient in the use of technology in office work since 90% of the managers are revealed to be using technology while only 80% are of age of above 35. This means that all of those of age above 35 are equipped with skills for using virtual equipment.

**Advantages of a Virtual Office for a Small Business**
The first advantage for small business or start-up is having a professional business address. It is important to demonstrate professionalism and that cannot be easily achieved by letting your clients and potential customers know that you work from your kitchen table or small computer desk in your basement. The only thing worse than using your home address as your business address for your business image is using  post office box. Having a professional business address at a prestigious office location tells your clients that you take your business seriously.

The second (and just as important) advantage is the enormous cost saving of not having to pay rent for physical  office space, as well as the other cost associated with a traditional office such as having to furnish it and purchase office equipment and telephone systems. Having a virtual office at an office business center not only saves you money on office expenses, but also saves you time and money on commuting into an office every weekday. Think of the cost of your time! If you spend 2 hours a day commuting, then that represents 10 hours a week that you could have been working on your business and earning money.

The third biggest advantage of having a virtual office is the reduced risk of operating your small business or start-up. Not having to make all of the capital expenditures on furnishings and office equipment means that you do not have all your resources tied up – and therefore you have less non-operational-related liabilities. This lower risk may also be helpful if your small business wants to diversify or expand to other markets. You can easily set up another inexpensive virtual office solution in another market and appear to have a physical presence in that marketplace.

Another advantage of a virtual office is that you have the flexibility to work when it is convenient for you, wherever you are. You are also able to perform your normal work duties from your home, your shop or on the road without being confined to a single office all day. This is epically true as you are using a VoIP virtual office solution that gives you an extension that can be reached anywhere in the word.When you have your virtual office at an office business center like Telsec, you have the advantage of access to boardrooms and meeting rooms in the same location as you receive your mail. Also, your customers see this information on your website, business cards and

other material such as brochures and letterheads. You also have access to the photocopiers at very low prices per copy as well as incoming faxes for free.

Some define a virtual office as bring any place in which a person uses a computer to perform a job while being connected to virtual office provider for their mail and telephone services. These are ideal arrangements for a person who works from a virtual office and he or she is telecommuting to and from work. Even companies with virtual employees will use a company email address, and in some instances, they may even use company phone extensions at the virtual office provider while still working from an outside location. This is where some people may find disadvantages to working from a virtual office.

## Challenges in a Virtual Office Work Environment

Businesses that have employees performing their duties from virtual offices from their homes do as at an assortment of locations. Essentially, there is no home-base office for employees to report to or meet with colleagues. So, for businesses that need an actual physical space and daily physical interactions to get the work done, a virtual office may not be the best solution.

Some believe that a disadvantage to working from a virtual office is the lack of social interaction between employees. While some will easily discount this disadvantage, it can be especially difficult for extroverts who thrive on human interaction. This is because with a virtual office situation, human interaction is hard to come by- unless the employee is stepping out to work from a local library or from a coffee shop to get that social interaction.

Another perceived disadvantage of working from a virtual office is the distractions and sometimes lack of motivation. These can sometime cause morale and productivity to decline. For a person who has self-discipline and works best independently with little supervision, a virtual office arrangement can, in fact, boost his or her productivity.

Communication problems between employees can also be seen as a disadvantage of a virtual office. Communicating via email, texting, social media or even tele-conferencing is just not the same as face-to-face chat or in-person conversations. This is because, more often than work, we might miss the subtle non-verbal clues missing in written communications. This can lead to poor communication or misinterpretation of one's comments or notes – and can sometimes slow down interaction that could be have been more easily communicated via quick telephone call. But once employees are aware of these problems (or at least get used to being better non-verbal communicators) they will becomes less of an issue.

Some people are now calling virtual offices their cloud offices, because they are also operating their files and software as a service through cloud server.The appeal of a virtual office to users is twofold. First, the monthly cost of a virtual office is far less than that of a traditional office. After all, it has none of the maintenance and upkeep costs, nor does it need to be staffed. A virtual office can also be secured via a month-to-month lease, so there is greater flexibility if a user's business changes (no waiting for a lease to expire or incurring the cost of a broken lease). Costs for using a virtual office can run as low as $50 for a membership fee and $250 per month or more for a month-to-month lease for basic services. The more services that are added on the more expensive it will be.

Second, a virtual office can provide a mailing address, telephone answering, and videoconferencing services. Therefore, a small business can appear larger than it is. It also can provide a physical address (or multiple addresses) for users to meet clients. Sometime, the address can lend an aura of prestige to a virtual office user, such as if the address it as well-known location or street. A professional phone answering service can have the same effect.Some of the services that a virtual offers arrangement offers require pre-planning to utilize. For example, many package come with limited use of conference rooms or limited teleconferencing and videoconferencing services. Virtual offices also may have restricted access on nights and weekends. Users may find the lack of flexibility limiting and inconvenient. These is also the potential for distractions that come with working from home and therefore some workers might not be as productive when operating in a virtual office environment.

The transition from a traditional old-fashioned office to a modern office had not been that easy at all. Among the problems that organizations counters is the struggle in achieving user acceptance and approval of a new technology, and the challenges on how to retain an acceptable level of productivity and performance (Ahmad, 2014). User acceptance can be a struggle because of several factors like age, gender and peers' attitudes and perceptions that can affect an individual's attitude toward new technology. The resistance of employees to technological changes and adoption of new practices can be attributed to their lack of skills, ability or knowledge necessary to use the new technology in their job performance (Ahmad, 2014).

Some organizational and technological factors also limit the adoption and use of technologies. These factors include the organizational size, resources, management support and innovation history (Dawson, 2007). The insufficiency of budget limits organizations in the purchase of necessary technological resources. Other than, the political and cultural barriers also hinder fast adoption of technology in offices. These barriers further include the lack of competent employee regarding technical expertise. Because technology may be new and strange to some employees who are not updated about technology, some employees may find themselves misfit with the adoption of new technology and who may feel insecure about their employment. This further leads to work alienation and resistance to changes, making the adoption of technology more difficult.

Financial barrier is one of the most significant challenges among businesses in the adoption of new technology in offices. The data showed that while 70% of the respondents believed that the benefits of technology are higher than its costs, only 50% of the businesses could afford new technology. This means that the other 50% of the companies are not financially fit to equip their offices with the needed technology even they feel the need for it. This further means that these businesses would intend to purchase new technology, they have to add capital or think of strategic plans on how to outsource funds for new technology. Meanwhile, Pfano and Beharry (2016) stated that the greatest challenge for companies is how to harness the newly emerging technology for the benefit of businesses.

## CONCLUSION

Virtual office helps reduce costs, improve quality and productivity, and encourage the use of innovative and creative methods for solving problems in the modern office workplace. Virtual are of great help in making the work more efficient, but this would never eliminate employees for being the leading central prayer in any organizations. The human workforce remains highly crucial in offices. They can never be replaced with virtual techniques. The success in the use of technology in modern office work environment depends on the sufficiency of money, time and technology expertise. Technology has rapidly advanced to the point of having most of the jobs done digitally that it threatens the employment of people who are not literate on technological advancements. The adoption of technology may be costly, but if used effectively, increased work performance and productivity will reduce all the rest of the production and services costs in offices in the long run. In this modern highly competitive time, the use of technology is inevitable. It is not a want but need a need especially in the field of office work of managers and secretaries where information is entered, processed, analyzed and reported to aid in the decision-making process which are vital in the overall success of every organization.

### Recommendation

Employees have to be kept informed of all information about the technological changes that offices plan to bring and the skills that will be needed for it. The technicality of the use of complex computer applications and other technology used in the office works highly requires an increasing amount of training. Training must be catered not just to the already in the labor force but also to the newly hired employees.

The researcher of this paper further recommends that organizations include in its learning and development intervention plans a continuous series of training for its employees for every update or advancement that technology undergo. This means that instead of depending on people outside offices for technical skill when troubleshooting problems with the technology that are using, they should instead invest in developing skills among their current employees by sending them to seminars and training.

Another long-term solution that this research recommends is for every educational system of the many countries in the world to modify its educational curriculum in order to incorporate subjects in any course that will develop up-to-date knowledge and skills among students about advancement in virtual office, from basic ICT use to the complex ones that are relevant to their future jobs.

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