



विद्या परं दैवतम्

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The Project in the Organizational Structure

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Project Growth

- Need for speed, market responsiveness, and product flexibility
- Need for broader areas of knowledge in developing new products and services
- Rapid expansion of technological possibilities in almost every area of enterprise tends to destabilize the structure of organization
- Management inability to understand and control large numbers of activities

Organizational Issues Related to Projects

- How to tie project to parent firm
- How to organize the project
- How to organize activities common to multiple projects

Traditional Forms of Organization

- Functional
- Projectized
- Matrix
- Composite

Projects in a Functional Organization

- Make it a part of one of the functional divisions
 - More than one choice may exist -If support from other areas is needed, they are expected to help support the project
- Another way is to assign the work to all divisions with the top management overseeing the effort

Including Project In Traditional Forms

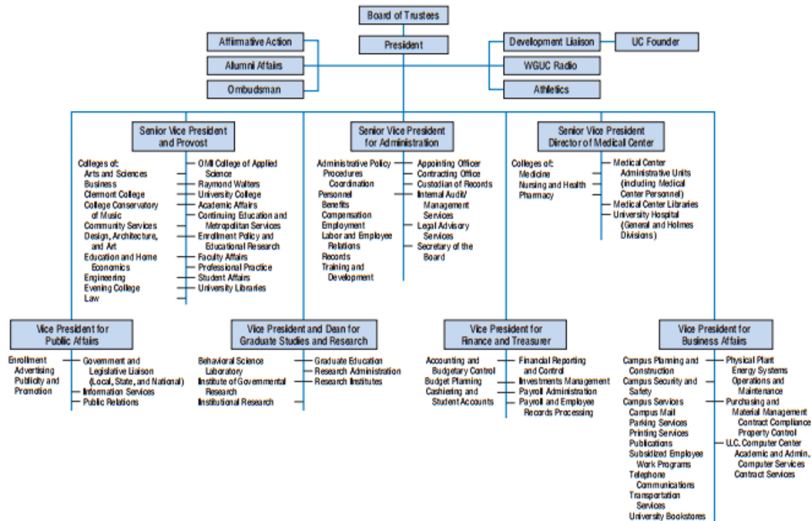


Figure 5-1 University of Cincinnati organization chart.

Advantages

- Maximum flexibility in the use of staff
- Experts can be utilized by many different projects
- Specialists can be grouped to share knowledge and experience
- Functional division serves as a base of technological continuity
- Functional division contains the normal path of advancement

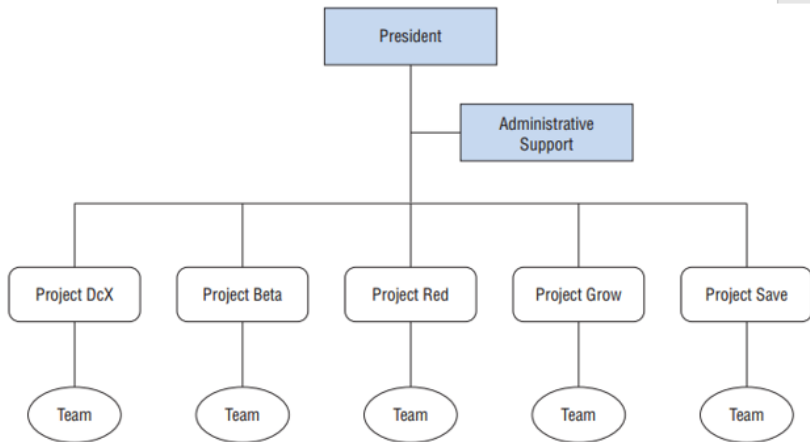
Disadvantages

- Client is not the focus of the activity
- Functional units tend to be oriented toward the activities of that particular function
- No individual is given full responsibility
- Response to client needs is slow and arduous
- Tendency to suboptimize the project
- Motivation tends to be weak
- A holistic approach to the project is not facilitated

Projects in a Projectized Organization

- Projects have a full compliment of functions
- Each project is stand-alone

Projects in a Projectized Organization



Advantages

- Project manager has full authority
- All members report to the project manager
- Short lines of communication
- When there are similar projects, expertise can be retained
- Strong and separate identity
- Swift decisions
- Unity of command
- Structurally simple and flexible

Disadvantages

- Duplication in staffing
- Stockpiling
- Workers tend to fall behind in other areas of their technical expertise
- Inconsistency in policies and procedures
- A project takes on a life of its own
- Worry about life after the project is over

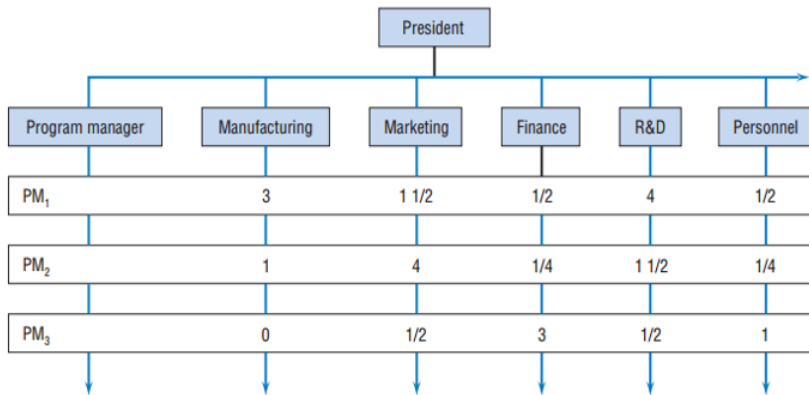
Projects in a Matrixed Organization

- It is a combination of standalone projectized and functional organization structures
- Matrixed project organization
 - Keeps desirable features of both standalone and functional projects
 - Avoids some of the disadvantages of each type
- Can take on a variety of specific forms
 - From strong to weak

Strong Matrix

- The project manager may report to a program manager, or a functional manager
- Control -PM controls when and what employees assigned to them do
 - Functional managers control
 - who will be assigned to the project
 - how the work will be done

Strong Matrix



Weak Matrix

- Project might have only one full-time person, the project manager
- Functional departments devote capacity to the project
- Primary task of the project manager is to coordinate project activities carried out by the functional departments

Balanced Matrix

- It is in between the weak and strong matrix
- May not be evenly balanced between them

Matrix Structure Advantages

- The project is the point of emphasis
- The project has access to the entire organization for labor and technology
- Less anxiety about what happens when the project is completed
- Response to client needs is rapid
- Access to administrative units of firm
- Better balance of resources
- Great deal of organizational flexibility

Matrix Structure Disadvantages

- Power balance is delicate
- Projects compete for resources
- Projectitis is still a serious disease
- Division of authority and responsibility is complex
- Matrix management violates the management principle of unity of command

Key Characteristics of projects in Functional, projectized and matrixed organization

Organization Structure Project Characteristics	Functional	Matrix			Projectized
		Weak Matrix	Balanced Matrix	Strong Matrix	
Project Manager's Authority	Little or None	Low	Low to Moderate	Moderate to High	High to Almost Total
Resource Availability	Little or None	Low	Low to Moderate	Moderate to High	High to Almost Total
Who manages the project budget	Functional Manager	Functional Manager	Mixed	Project Manager	Project Manager
Project Manager's Role	Part-time	Part-time	Full-time	Full-time	Full-time
Project Management Administrative Staff	Part-time	Part-time	Part-time	Full-time	Full-time

Virtual Projects

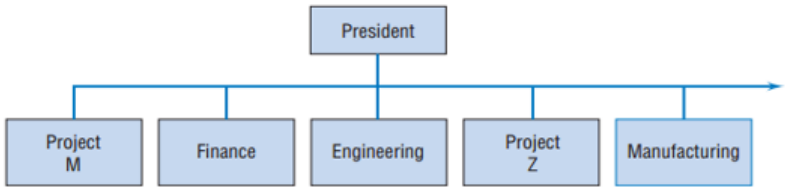
- Project team crosses time, space, organizational, or cultural boundaries
- Facilitated by the use of the Internet
- Often organized as a matrix

Virtual Project Rules For Success

- Challenging and interesting projects
- Use volunteers
- Include some people who know each other
- Create an online resource to learn about each other
- Encourage frequent communication
- Divide work into independent modules

Projects in Composite Organizational Systems

- We often see combinations of the previous forms
- May spin off successful, long-term projects as subsidiaries
- Venture team/firm
- Composite form leads to flexibility



Selecting a Project Form

- Firms typically do not set out to pick an organizational form
- Rather, the structure evolves over time
- The structure is not static
- Rather, it changes as the organization, its goals, and its environment changes

Functional Form Best for...

- In-depth application of a technology
- Large capital investment, especially when that investment is concentrated in one functional area

Project Form Best for...

- Handling a large number of similar projects
- Handling a one-time project that requires much control, but is not focused on one functional area

Matrix Form Best for . . .

- Projects that require inputs from several functional areas
- Projects that use technology from several functional areas

The Project Management Office (PMO)

- No project has ever been completed precisely as it was planned
- Successful execution of a project is a complex managerial task
 - Requires the use of planning, budgeting, scheduling, and control tools
 - Contractual, administrative, and reporting duties must be performed in accord with the law
- 60of organizations have PMOs

Purposes of the PMO

- Establish project administrative procedures
- Ensures the firm's project portfolio supports its overall goals and strategies
- Gradual assimilation of project management practices into the entire firm
- Facilitator of projects, not the doer of projects

Forms of PMO

- Information center
- Establish procedures and practices
- Establish a resource database and monitor inter-project dependencies

Tasks of the PMO

- Establish and enforce good practices
- Improve maturity
- Improve project management systems
- Offer training
- Help with administrative details
- Establish a process for dealing with risk
- Determine if a project is a good fit
- Identify impact of changes on projects

Tasks of the PMO

- Conduct project reviews and audits
- Maintain and store project archives
- Serve as a champion to pursue project management
- Serve as a home for project managers
- Collect and disseminate lessons learned
- Assist in project closure

Project Management Maturity Levels

- Initial – no formal process
- Repeatable – procedures in place for planning, scheduling, tracking, and estimating
- Defined – the firm has integrated system for tracking and managing, but they are not routinely used or understood
- Managed – systems are installed and used
- Optimizing – integrated databases used to track historical projects to help obtain continuous improvement

Five Steps for PMO Success

1. Identify quantifiable measures to prove accomplishments
2. Set a realistic time frame for results
3. Have resources needed to achieve goals
4. Establish credibility throughout the organization
5. Get the best people for the PMO

The Project Team

- Systems architect
- Development engineer
- Test engineer
- Contract administrator
- Project controller
- Support services manager

- All projects are composed of inter-connected groups
- These groups can form teams
- It is not enough to have an effective team
- The team must also be working towards the good of the project
- Need to avoid “us versus them” mentality

- Some of the problems that prevent a team from performing effectively:
 - Internal conflict
 - Member frustration
 - Wasting time
 - Poor decision making
 - Team members are more concerned with finishing the job than doing a good job
- Project teams need to work together

Participative Management

- Individual workers should play a role in how work is accomplished
- This empowers the team
- Advantages of empowerment:
 - Harnesses ability of team
 - Professionals don't like micromanagement
 - Team members know they are accountable
 - Synergy
 - Team members get timely feedback
 - PM given tool to evaluate team's performance

References

- **Contemporary Project Management by Kloppenborg, Pearson India.**
- **Project Management A Managerial Approach by Meredith and Mantel, John Wiley Sons.**

Thank you.

Any queries?