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CERTIFICATION COURSE

Project Management for Managers

Lec – 03

Types of Structure Organizations

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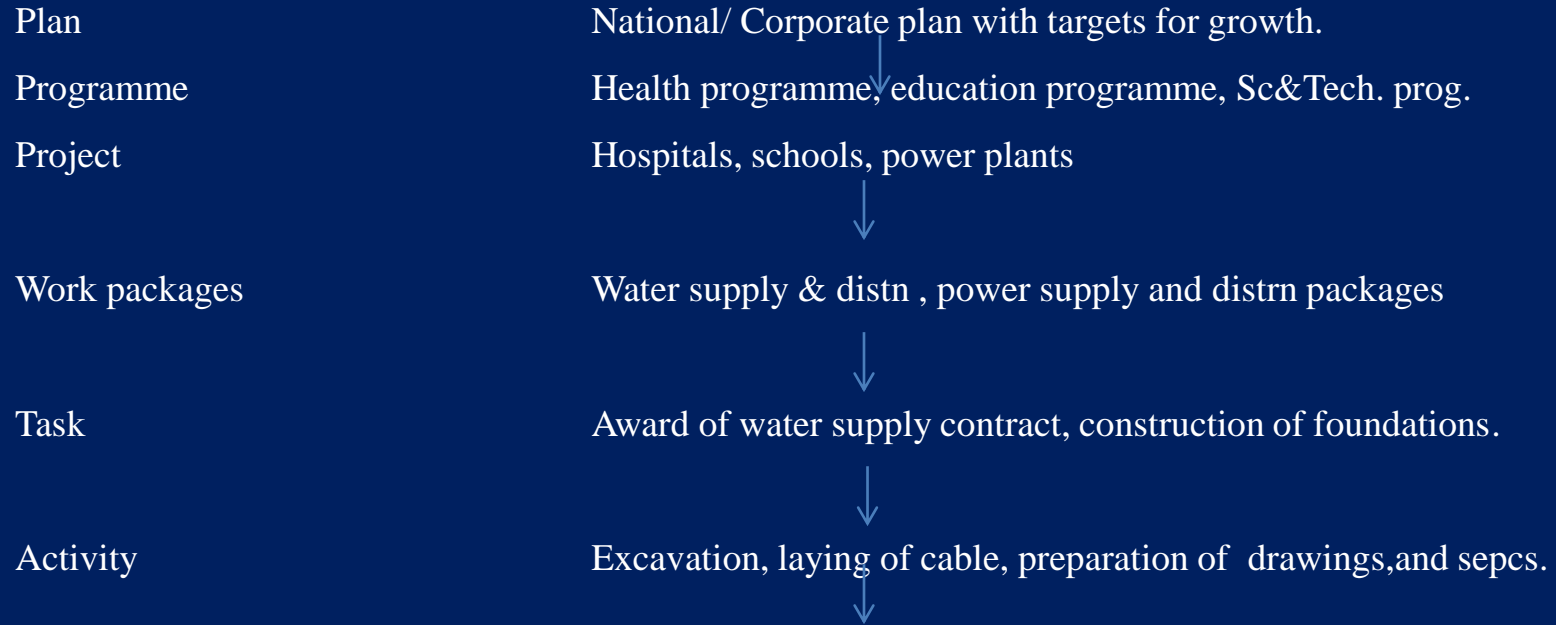
Department of Management
Indian Institute of Technology Roorkee



Work Breakdown Structure

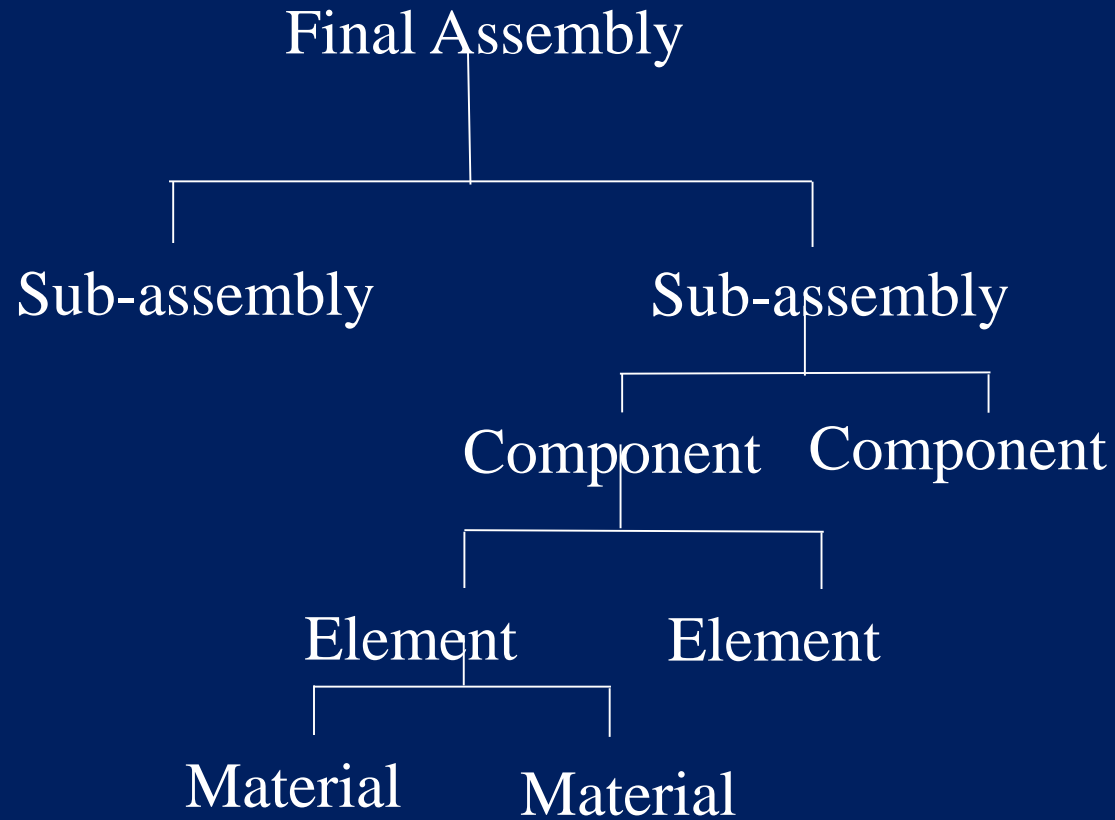
- ✓ Hierarchical organization of work to be done on a project
- ✓ Project broken down into modules
- ✓ Modules subdivided into subcomponents, activities, and tasks
- ✓ Identifies individual tasks, workloads, and resource requirements

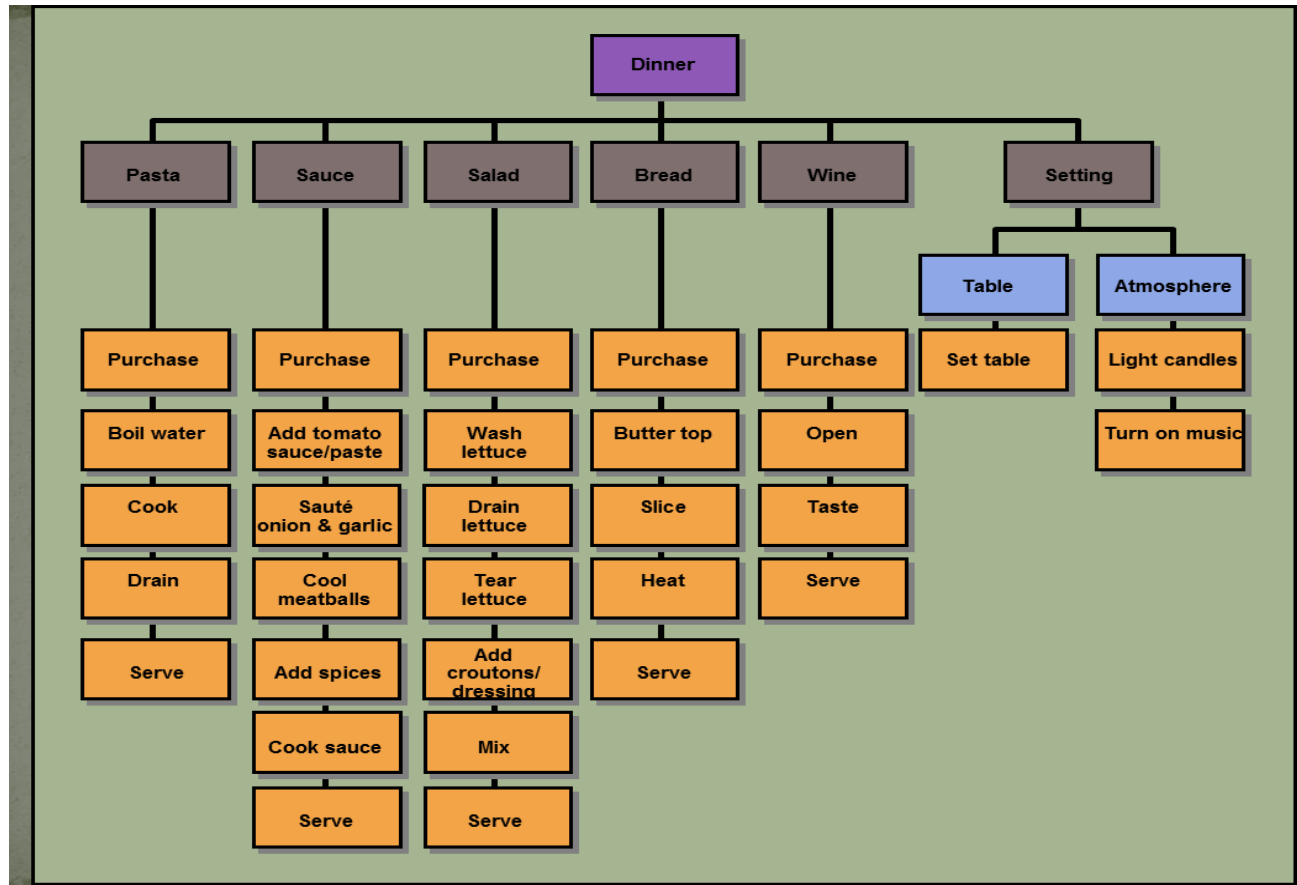




Project Family Tree







Organization structure consists of three key elements

1. Organizational structure (OS) designates formal **reporting relationship**, including **no of levels**, **span of control** of managers and supervisors.
2. OS identifies the grouping together of **individuals into departments** and departments into total origination.
3. OS includes the design of systems to ensure **effective communication, coordination, and integration** of efforts across departments.



Forms of organizational structure

Internal and external organization environment?

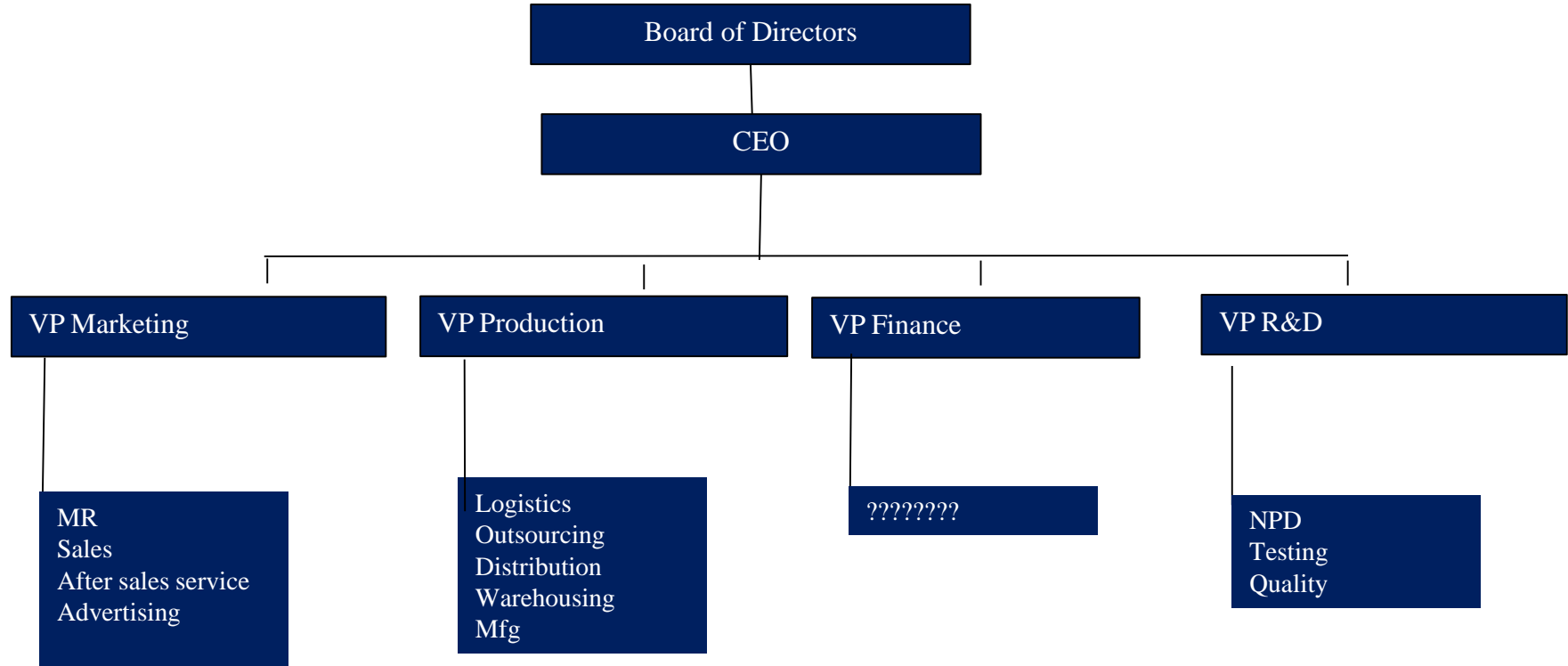
Functional organization: grouping people performing similar activities into departments

Project organization: grouping people into project teams on temporary assignments

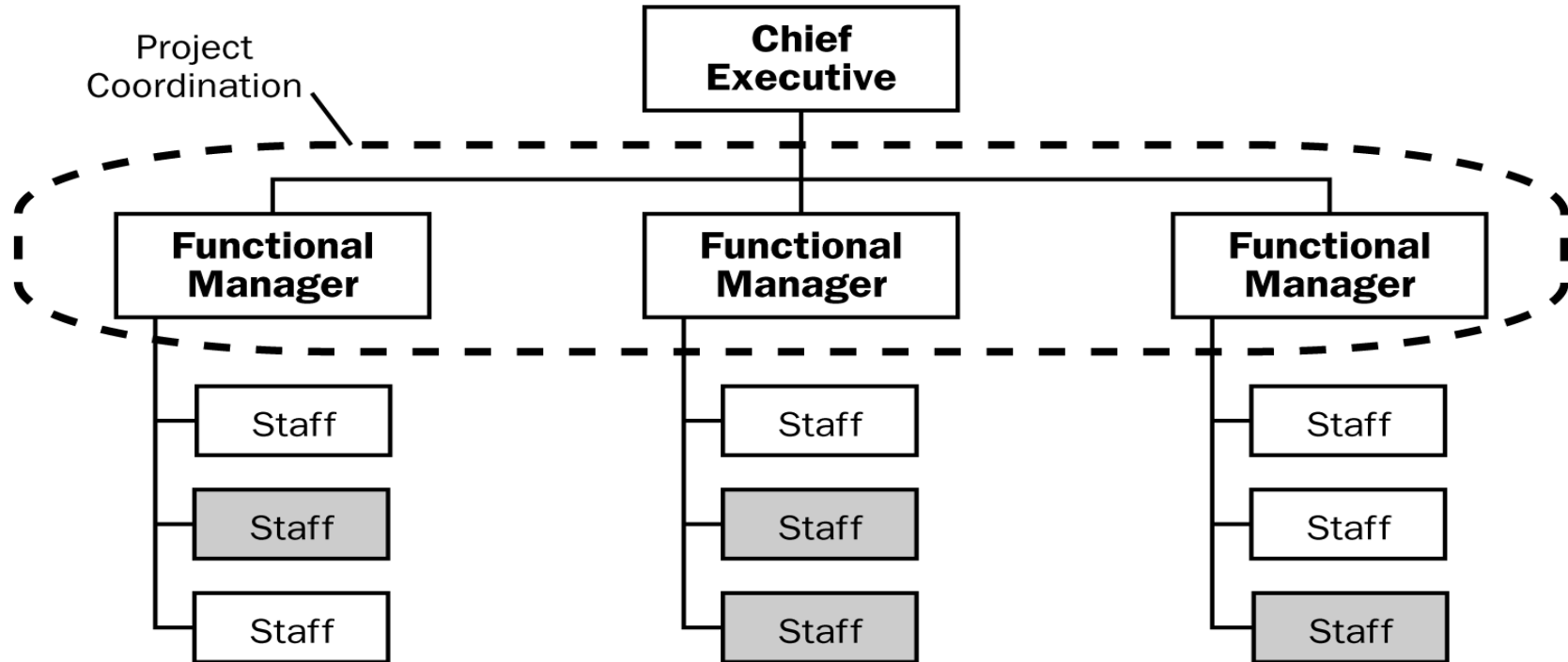
Matrix organization: companies are structured by creating a dual hierarchy in which functions and project have equal prominence.



Functional organization



Functional Organization



(Gray boxes represent staff engaged in project activities.)

Functional organization

Strengths	Weaknesses
No change is required in firm's design	Siloing – difficult to achieve cross functional cooperation
Enables the development of in-depth knowledge	Lack of customer focus
Allows for standard career paths	Long time – due to structure problems, lack of ownership , slower communication
	Project may be sub optimize due to varying interest or commitment



Project organization

Board of Directors

CEO

VP
Project

VP Marketing

VP Production

VP Finance

VP R&D

Project
Alpha

Project
Beta

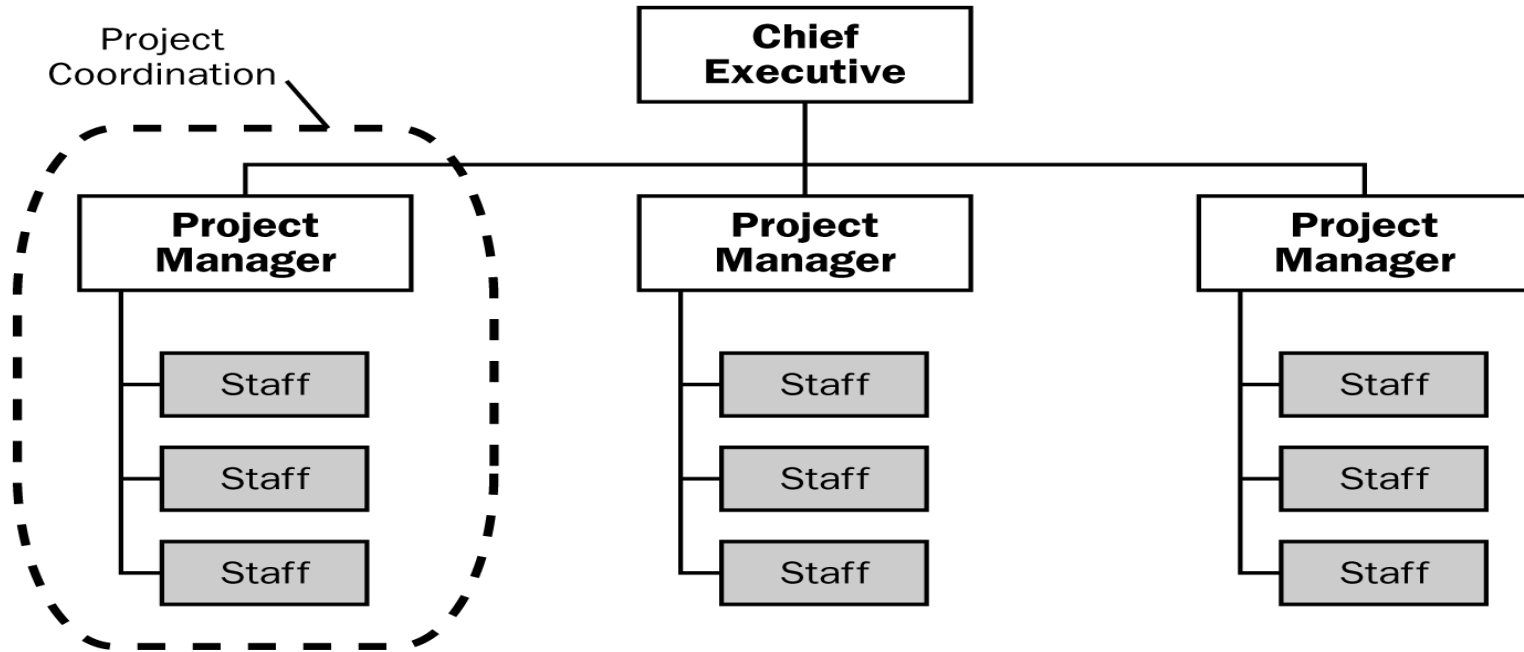


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Project Organization



(Gray boxes represent staff engaged in project activities.)

Project organization

Strengths????

Weaknesses????

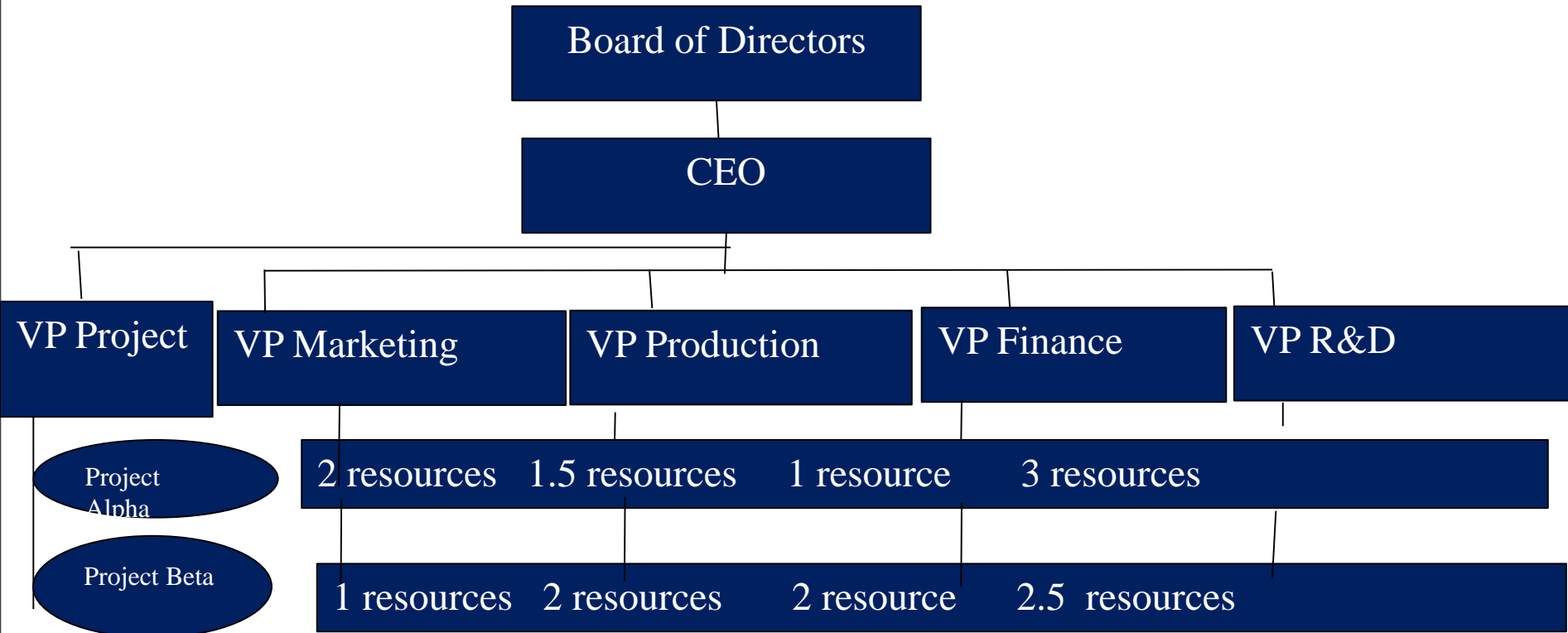


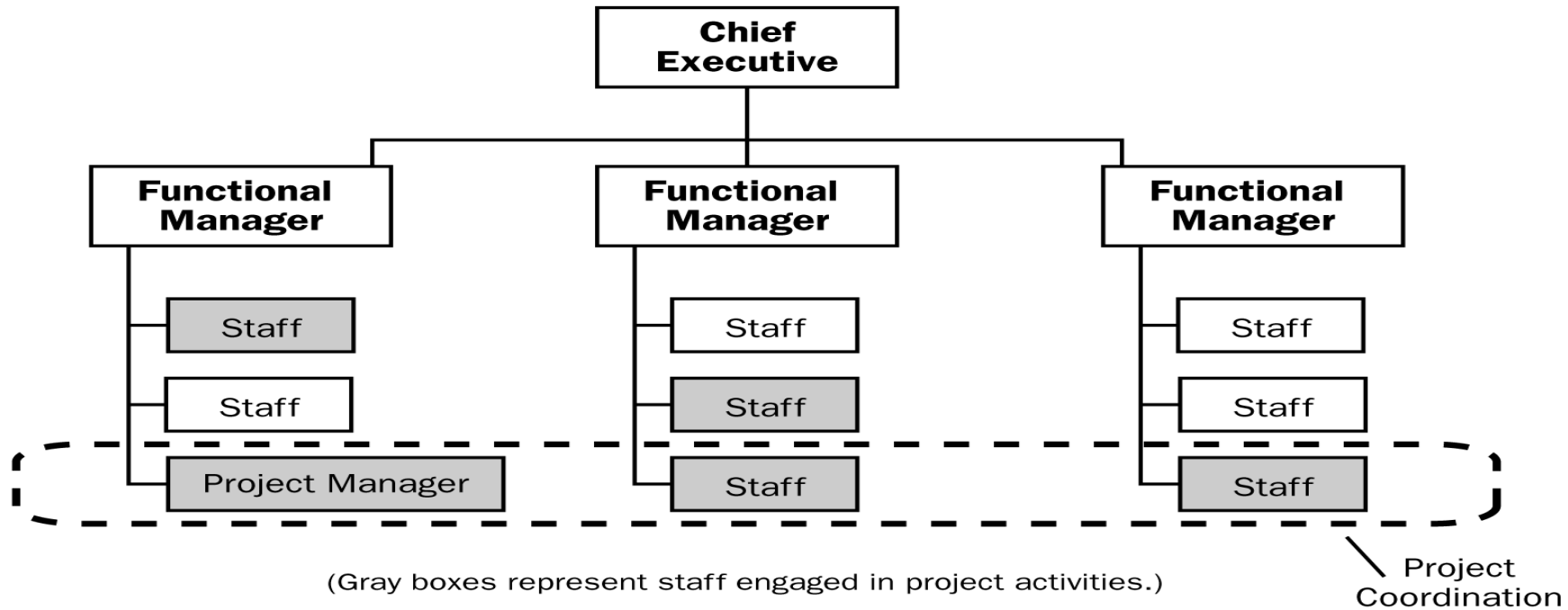
Project organization

Strengths	Weaknesses
Assign authority to solely project manager	Setting up of maintaining teams can be expensive
Improved communication – across functions	Loyalty to project not to originations
Effective and speedy DM	Difficult to maintain pool of intellectual capital
Promotes creation of cadres of PM experts	Concern @ future after project gets over
Rapid response to market	



Matrix: We create a dual authority where there is a balance b/w functional and pure project origination, VP projects deal with CEO and other VPs





Balanced Matrix Organization



Matrix

Strengths??????

Weaknesses?????



Matrix

Strengths	Weaknesses
Suited to dynamic environment	Two bosses
Emphasizes the dual importance of project management and functional efficiency	Sometime difficult to share resources
Promotes coordination across functions	Frustrating – caught b/w project and functional requirements
Use of scars recourses on competing basis	



<div> <div>Organization Structure</div> <div>Project Characteristics</div> </div>	Functional	Matrix			Projectized
		Weak Matrix	Balanced Matrix	Strong Matrix	
Project Manager's Authority	Little or None	Limited	Low to Moderate	Moderate to High	High to Almost Total
Resource Availability	Little or None	Limited	Low to Moderate	Moderate to High	High to Almost Total
Who controls 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

Organizational Structure Influences on Projects



