

Refer PM for buiseness: Engg. &
Technology

Problems with Matrix Organizations

- The strong point of the matrix organization—its combined vertical–horizontal structure—is at the same time the root cause of its problems
- Two dimensional information flow and dual reporting relationships.
- it induces conflict.
- balance of power exists between functional and project managers???
- Often, however, authority in the matrix is unclear, and functional and project managers jockey to control one another.
- Functional managers have control over project resources, but project managers seldom have control over functional managers.
- In multi-project organizations, conflict may arise over which project gets priority and which project manager gets the best resources.
- power struggles and fear: functional managers fear that project managers (who are sometimes perceived as having the more interesting and challenging work) might take too much control over “ their ” resources, and that their role will be reduced to a mere “ support/staff function ” or resource administration
- Because each worker in the matrix has **two bosses**, one functional manager and one project-matrix manager. organizations must establish clear, stable values and priorities
- **Two-Hat Problem** : managers are scarce, yet the matrix structure requires many managers. Hence, one solution is for managers to wear two hats—one as a project manager (program manager, or work package manager), the other as a functional manager : conflict????partiality

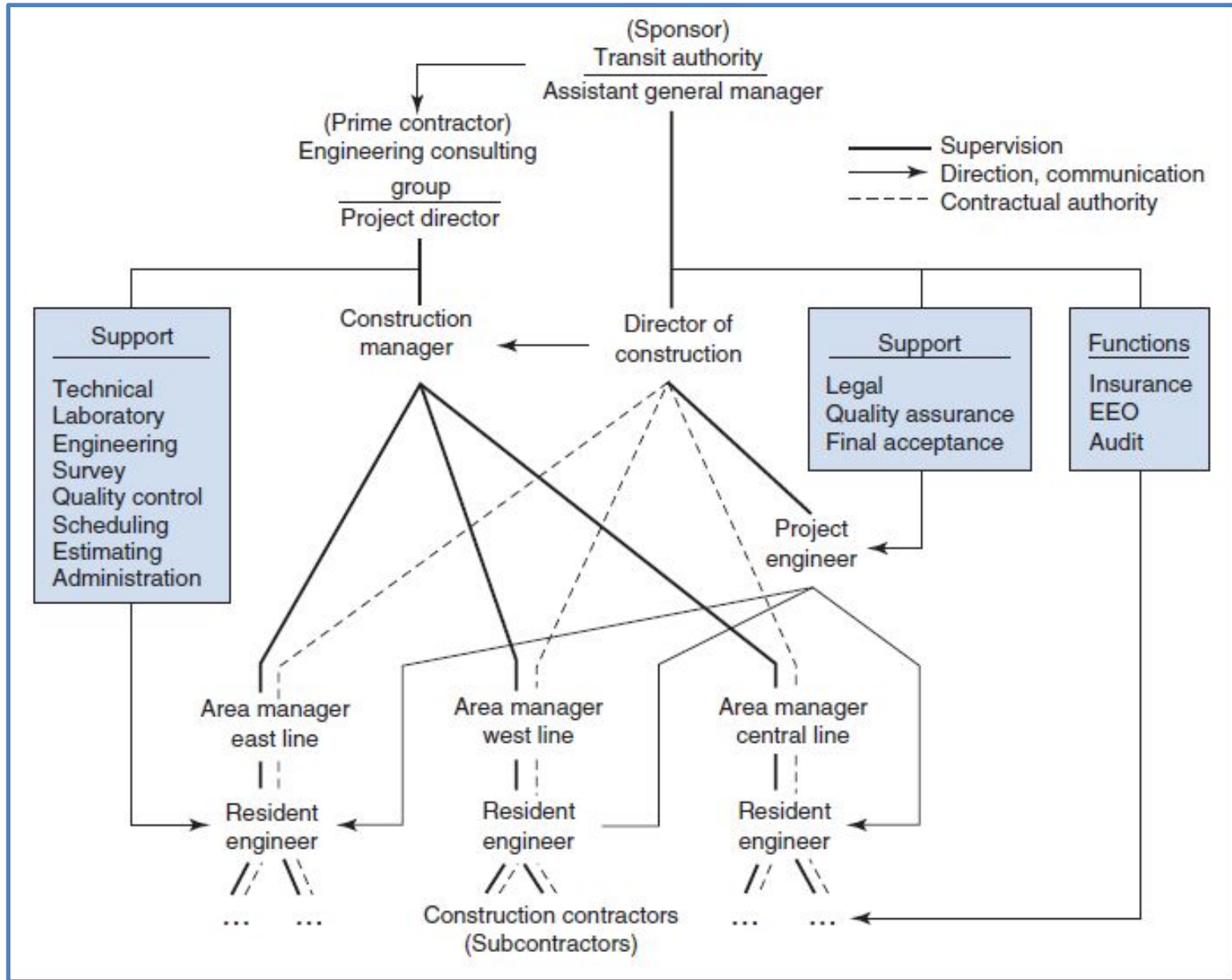
SELECTING AN ORGANIZATION FORM FOR PROJECTS

- PM seldom have the responsibility for designing the organizations
- Impossible to state which form is always best,
- four criteria:
 - Frequency of new projects (how often, or to what degree the parent company is involved in project-related activity)
 - Duration of projects
 - Size of projects (level of human, capital, or other resources in relation to other activities of the company).
 - Complexity of relationships (number of functional areas involved in the project and degree of interdependency).
- Matrix and pure project forms are more applicable to projects of medium and higher complexity and of medium or larger size.

criteria for selecting the appropriate project organizational form.

- Project office for a large development project

Management and authority relationships in a large construction project.



Integration relationships in an LSP.

