

Project Management Organizational Structures

One aspect of project management that used to receive quite a bit of attention in the 1950s and 1960s was the project organizational structures. A myriad of new organizational structures have appeared on the scene in the last couple of decades but they still lack many of the desirable qualities in the traditional methods. Ultimately, project management directors seek organizational methods that facilitate teamwork, can maximize the use of limited resources, efficiency and quality in the way a project is completed and how goals and objectives are achieved. The main traditional organizational structures for project management are functional organization, project organization and matrix organization.

Functional Organization This structure is by far the oldest of the organizational methods but remains one of the most successful. This method performs best when used for routine work functions and the upholding of quality and work standards. Functional Organization structures assign projects in two different ways. One way involves the project being assigned to a specific functional manager who then coordinates with the other departments for them to each contribute. Alternatively, projects can be shuffled around to different departments where each department manager ensures that their parts of the work have been completed.

This method does not work very effectively when used in facilitating complex projects. One of the major criticisms of this organizational structure is the lack of built-in employee recognition, measurement and reward for project performance. Similarly, there is very little individual accountability for any project management tasks that need to be performed.

Project Organization Project Organization is a structure that is specifically designed for executing projects. It is specifically tailored to meet the demands of complex projects by isolating unique work and maintaining a strong focus on completing the project. Once the project is completed, this structure disbands. This structure is effective in maintaining dedicated resources throughout the life of the project.

The major criticism of this structure is that it is inefficient in transferring technology and the use of resources. Also, by the time the members actually begin acting as a cohesive team, the project is over and the organization dissolves. Since this project has dedicated resources throughout its life, major inefficiency ensues when there are underutilized employees during certain parts of the project.

Matrix Organization Matrix Organization is a project management structure that evolved from the recognition of inherent flaws in the Functional Organization and Project Organization structures. Created in the 1970s, this structure combined the best components of these two structures. This model functions very well when there are multiple projects being coordinated at once. The functional managers oversee the staffing, training, job assignment and evaluation of the project's personnel. The functional specialists are assigned one or more projects and oversee that these individualized projects' achieve their objectives are completed through maximum resource efficiency.

Despite its recognition and avoidance of the flaws involved in other structure, Matrix Organization still does have some problems of its own. Individual employees report to at least two managers which can often lead to ambiguity and conflict. These problems can be avoided through good communication and solid leadership between managers.

Functional Organization, Project Organization and Matrix Organization are the three most traditional project management structures that are still used today because of their effectiveness. The type of organizational structure chosen should depend on the firms' own organization structure, the type of project as well as the objectives and goals that it ultimately aims to achieve.

Adapted from the article 'Organizational Structures In Project Management' by Michael Russell