PROJECT MANAGEMENT: WHAT TYPE OF ORGANISATION IS BEST?

By John Reynolds

Consider a company which is about to embark upon a project for the first time. A competent project manager is available, but this firm has never had to handle a complex project before, and now has to set up the most suitable organisation. If asked to advise, the project manager might immediately be faced with the question that often causes much controversy: should the company take all the key people destined to work on the project and place them under the direct management of the project manager, so that a purpose-built team will carry out the project? Or, at the other extreme: Would it be better to have a weak or balanced functional matrix in which the project manager, although held responsible for the whole project, has no direct line authority over the workforce. The project manager must then rely on the goodwill and co-operation of all the line managers for the success of the project.

It must be said that project managers do not always enjoy the luxury of being able to organise their own workforce. They are more likely to be appointed to an organisation that either exists already or has been set up specially by more senior managers. In both cases the project manager has to accept the organisation as a "fait accompli." However, someone will have the ultimate authority to choose or change the organisation structure so, if only for their benefit, the arguments for and against the principal options are presented below.

The first point to note is that the most successful organisation will make the best use of the people working within it. Those faced with the task of designing a new or changed project organisation would do well to imagine themselves working as an average person within the proposed organisation and ask the following questions:

1. Would they have a clear sense of purpose and direction?
2. How strongly motivated would they feel towards contributing to the project objectives?
3. How easy would it be to communicate with other members of the organisations?
4. Would they have ready access to expert help or advice on technical matters within their own professional discipline?
5. How would they perceive their short and long-term career prospects?

Project teams have the advantage that they can each be directed to a single purpose: the successful completion of one project. A team can be completely autonomous. It is provided with and relies upon its own resources. There is no clash of priorities resulting from a clamour of different projects in competition for common (shared) resources.

Much is rightly said and written about the importance of motivating people who work on projects. An important aspect of motivation is the generation of a team spirit, in which everyone feels themselves to be part of the team and strives to meet the common team goals. It is clearly easier to establish a team spirit when a project team actually exists, as opposed to the case where the people are dispersed over a matrix organisation which is handling more than one project. Thus, the team organisation is preferred for most project management situations.