

# Defining the project role and organizational types

Functional and executives role  
Organizational types



**SILESIAN  
UNIVERSITY**  
SCHOOL OF BUSINESS  
ADMINISTRATION IN KARVINA

**Pavel Adámek**  
Project management



- **Defining the employee s role (manager, employee, executive) and planning agent (project champions)**
  - **Organizational structure types**
  - **Project management office**
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## Defining the Functional manager s role

Assuming that the project and functional managers are not the same person, we can identify a specific role for the functional manager.

There are three elements to this role:

- The functional manager has the responsibility to define how the task will be done and where the task will be done (i.e., the technical criteria).
- The functional manager has the responsibility to provide sufficient resources to accomplish the objective within the project's constraints (i.e., who will get the job done).
- The functional manager has the responsibility for the deliverable.



## Defining the Functional manager's role

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The project manager has the right to request specific staff, but the final appointments rest with line managers. It helps if project managers understand the line manager's problems:

- Unlimited work requests (especially during competitive bidding)
  - Predetermined deadlines
  - All requests having a high priority
  - Limited number of resources
  - Limited availability of resources
  - Unscheduled changes in the project plan
  - Unpredicted lack of progress
  - Unplanned absence of resources
  - Unplanned breakdown of resources
  - Unplanned loss of resources
  - Unplanned turnover of personnel
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## Defining the Functional manager's role

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- Project management is designed to have shared authority and responsibility between the project and line managers.
  - Project managers plan, monitor, and control the project, whereas functional managers perform the work.
  - For organization – synergy from connection to vertical and horizontal work relationship. Usefull project structure to fullfill companies goals.
  - Have to be clear with responsibility of project manager and line managers.
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# Defining the Functional manager's role

## Shared responsibility

- The project and line managers are the same person.
- This situation, which happens more often than not, creates a conflict of interest.

### Responsibility

Topic	Project Manager	Line Manager
Rewards	Give recommendation: Informal	Provide rewards: Formal
Direction	Milestone (summary)	Detailed
Evaluation	Summary	Detailed
Measurement	Summary	Detailed
Control	Summary	Detailed

Source: Kerzner, H. 2017. Project Management

# Defining the Functional manager's role

Type of Project Manager	Type of Matrix Structure*	Project Manager (PM)/Line Manager (LM)/Employee Relationship			
		PM Negotiates For	Employees Take Technical Direction From	PM Receives Functional Progress From	Employee Performance Evaluations Made By
Lightweight	Weak	Deliverables	LMs	Primarily LMs	LMs only with no input from PM
Heavyweight	Strong	People who report informally to PM but formally to LMs	PM and LMs	Assigned employees who report to LMs	LMs with input from PM
Tiger teams	Very strong	People who report entirely to PM full-time for duration of project	PM only	Assigned employees who now report directly to PM	PM only

Source: Kerzner, H. 2017. Project Management

## Shared responsibility

- The relationship between project and line managers is not always in balance and thus, of course, has a bearing on who exerts more influence over the assigned Functional employees.

## Defining the employee s role

We need to describe the Functional and executiveemployee s role

- Once the line managers commit to the deliverables, it is the responsibility of the assigned functional employees to achieve the functional deliverables.
- In most organizations, the assigned employees report on a “solid” line to their Functional manager, even though they may be working on several projects simultaneously.
- The employees are usually a “dotted” line to the project but solid to their function. This places the employees in the often awkward position of reporting to multiple individuals.





## Defining the employee's role

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The functional employee is expected to accomplish the following activities when assigned to projects:

- Accept responsibility for accomplishing the assigned deliverables within the project's constraints
  - Complete the work at the earliest possible time
  - Periodically inform both the project and line manager of the project's status
  - Bring problems to the surface quickly for resolution
  - Share information with the rest of the project team
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## Defining the employee's role

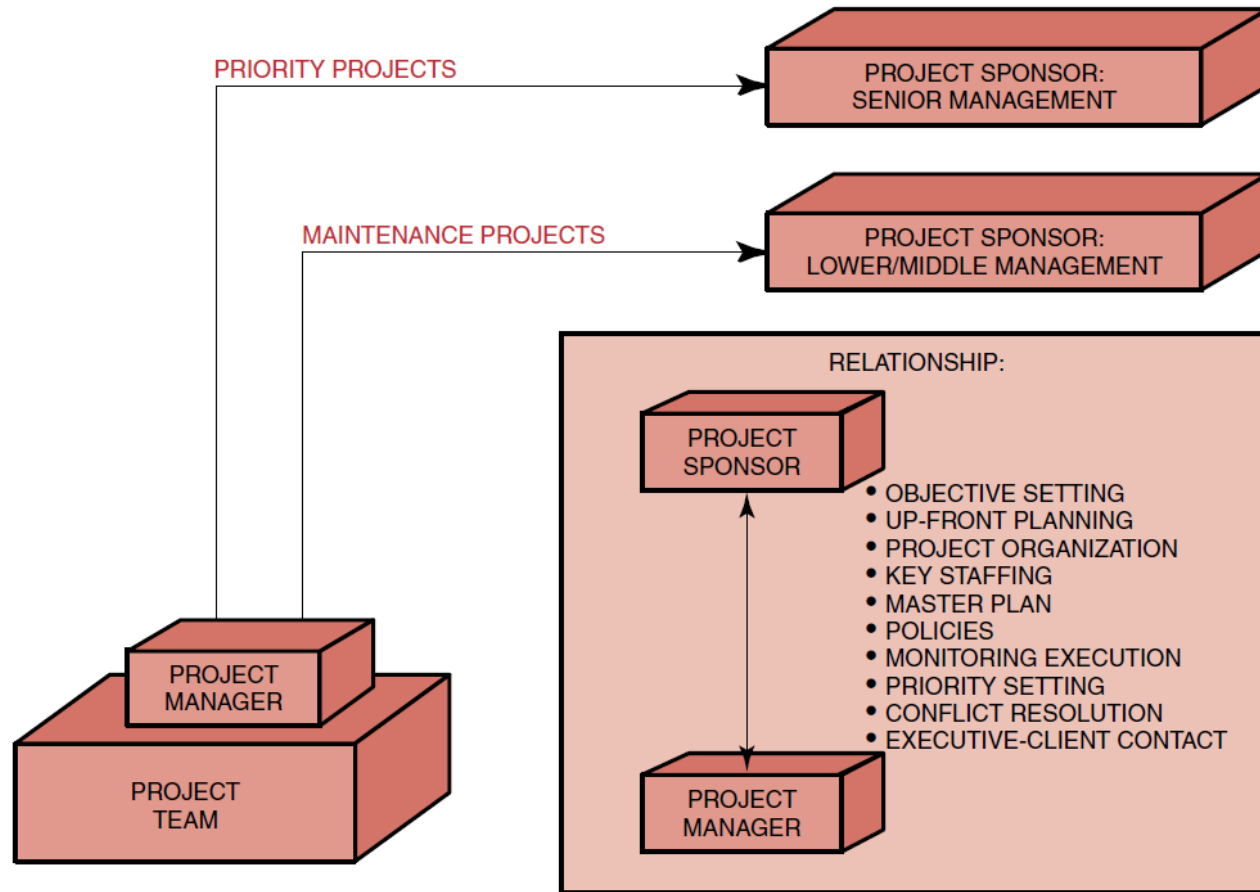
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In a project environment there are new expectations of and for the executives, as well as a new interfacing role. Executives are expected to interface a project as follows:

- In project planning and objective-setting
  - In conflict resolution
  - In priority-setting
  - As project sponsor
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# Defining the employee's role



## Working with executives

- Executives are expected to interface with projects very closely at project initiation and planning, but to remain at a distance during execution unless needed for priority-setting and conflict resolution.
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- One reason why executives “meddle” during project execution is that they are not getting accurate information from the project manager as to project status.

## Defining the employee's role

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- The critical node in project management is the project manager–line manager interface.
  - At this interface, the project and line managers must view each other as equals and be willing to share authority, responsibility, and accountability.
  - In excellently managed companies, project managers do not negotiate for resources but simply ask for the line manager's commitment to executing his portion of the work within time, cost, and performance.
  - Therefore, in excellent companies, it should not matter who the line manager assigns as long as the line manager lives up to his commitments.
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# The project manager as the planning agent

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- The major responsibility of the project manager is planning.
- If project planning is performed correctly, then it is conceivable that the project manager will work himself out of a job because the project can run itself. This rarely happens, however.
- Few projects are ever completed without some conflict or trade-offs for the project manager to resolve.

As the architect of the project plan, the project manager must provide:

- Complete task definitions
  - Resource requirement definitions (possibly skill levels)
  - Major timetable milestones
  - Definition of end-item quality and reliability requirements
  - The basis for performance measurement
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# The project manager as the planning agent

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These factors, if properly established, result in:

- Assurance that functional units will understand their total responsibilities toward achieving project needs.
  - Assurance that problems resulting from scheduling and allocation of critical Resources are known beforehand.
  - Early identification of problems that may jeopardize successful project completion so that effective corrective action and replanning can be taken to prevent or resolve the problems.
  - Project managers are responsible for project administration and, therefore, must have the right to establish their own policies, procedures, rules, guidelines, and directives— provided these policies, guidelines, and so on, conform to overall company policy.
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# The project manager as the planning agent

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Project managers cannot make any promises to a functional employee concerning:

- Promotion
- Grade
- Salary
- Bonus
- Overtime
- Responsibility
- Future work assignments

Improper project administrative planning can create a situation that requires:

- A continuous revision and/or establishment of company and/or project policies, procedures, and directives
  - A continuous shifting in organizational responsibility and possible unnecessary restructuring
  - A need for staff to acquire new knowledge and skills
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# Project champions

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- Corporations encourage employees to think up new ideas that, if approved by the corporation, will generate monetary and nonmonetary rewards for the idea generator.
  - The project champions may become so attached to the technical side of the project that they become derelict in their administrative responsibilities.
  - Perhaps the project champion might function best as a project engineer rather than the project manager.
  - The selection of the “proper” project manager should be based on all facets of the project.
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## Project Managers

- Prefer to work in groups
- Committed to their managerial and technical responsibilities
- Committed to the corporation
- Seek to achieve the objective
- Are willing to take risks
- Seek what is possible
- Think in terms of short time spans
- Manage people
- Are committed to and pursue material values

## Project Champions

- Prefer working individually
- Committed to technology
- Committed to the profession
- Seek to exceed the objective
- Are unwilling to take risks; try to test everything
- Seek perfection
- Think in terms of long time spans
- Manage things
- Are committed to and pursue intellectual values

Source: Kerzner, H. 2017. Project Management

## Project managers versus project champions

- Corporations encourage employees to think up new ideas that, if approved by the corporation, will generate monetary and nonmonetary rewards for the idea generator.
- One such reward is naming the individual the “project champion.”

# Organizational structure types

**Determination of the appropriate organizational structure type is a result of the study of tradeoffs between two key variables.**

- The variables are the organizational structure types available for use and how to optimize them for a given organization.
- There is not a one-size-fits-all structure for any given organization.
- The final structure for a given organization is unique due to the numerous variables to be considered



# Organizational structure types

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Each organization considers numerous factors for inclusion in its organizational structure.

Factors to consider in selecting an organizational structure include but are not limited to:

- Degree of alignment with organizational objectives,
  - Specialization capabilities,
  - Span of control, efficiency, and effectiveness,
  - Clear path for escalation of decisions,
  - Clear line and scope of authority,
  - Delegation capabilities,
  - Accountability assignment,
  - Responsibility assignment,
  - Adaptability of design,
  - Simplicity of design,
  - Efficiency of performance,
  - Cost considerations,
  - Physical locations (e.g., colocated, regional, and virtual), and
  - Clear communication (e.g., policies, status of work, and organization's vision).
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# Organizational structure types



Organizational Structure Type	Project Characteristics					
	Work Groups Arranged by:	Project Manager's Authority	Project Manager's Role	Resource Availability	Who Manages the Project Budget?	Project Management Administrative Staff
<b>Organic or Simple</b>	Flexible; people working side-by-side	Little or none	Part-time; may or may not be a designated job role like coordinator	Little or none	Owner or operator	Little or none
<b>Functional (centralized)</b>	Job being done (e.g., engineering, manufacturing)	Little or none	Part-time; may or may not be a designated job role like coordinator	Little or none	Functional manager	Part-time
<b>Multi-divisional (may replicate functions for each division with little centralization)</b>	One of: product; production processes; portfolio; program; geographic region; customer type	Little or none	Part-time; may or may not be a designated job role like coordinator	Little or none	Functional manager	Part-time
<b>Matrix – strong</b>	By job function, with project manager as a function	Moderate to high	Full-time designated job role	Moderate to high	Project manager	Full-time
<b>Matrix – weak</b>	Job function	Low	Part-time; done as part of another job and not a designated job role like coordinator	Low	Functional manager	Part-time
<b>Matrix – balanced</b>	Job function	Low to moderate	Part-time; embedded in the functions as a skill and may not be a designated job role like coordinator	Low to moderate	Mixed	Part-time
<b>Project-oriented (composite, hybrid)</b>	Project	High to almost total	Full-time designated job role	High to almost total	Project manager	Full-time
<b>Virtual</b>	Network structure with nodes at points of contact with other people	Low to moderate	Full-time or part-time	Low to moderate	Mixed	Could be full-time or part-time
<b>Hybrid</b>	Mix of other types	Mixed	Mixed	Mixed	Mixed	Mixed
<b>PMO*</b>	Mix of other types	High to almost total	Full-time designated job role	High to almost total	Project manager	Full-time

## Influence of Organizational Structures on projects

- Each factor may carry a different level of importance in the final analysis.
- The combination of the factor, its value, and relative importance provides the organization's decision makers with the right information for inclusion in the analysis.



- **Project management office (PMO)** is an organizational structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques.
  - The responsibilities of a PMO can range from providing project management support functions to the direct management of one or more projects.
  - Each type varies in the degree of control and influence it has on projects within the organization, such as:
    - Supportive. Supportive PMOs provide a consultative role to projects by supplying templates, best practices, training, access to information, and lessons learned from other projects. This type of PMO serves as a project repository. The degree of control provided by the PMO is low.
    - Controlling. Controlling PMOs provide support and require compliance through various means. The degree of control provided by the PMO is moderate
    - Directive. Directive PMOs take control of the projects by directly managing the projects. Project managers are assigned by and report to the PMO. The degree of control provided by the PMO is high.
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# Project management office

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A PMO may have the authority to act as an integral stakeholder and a key decision maker throughout the life of each project in order to keep it aligned with the business objectives. The PMO may:

- Make recommendations,
  - Lead knowledge transfer,
  - Terminate projects, and
  - Take other actions, as required.
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# Project management office

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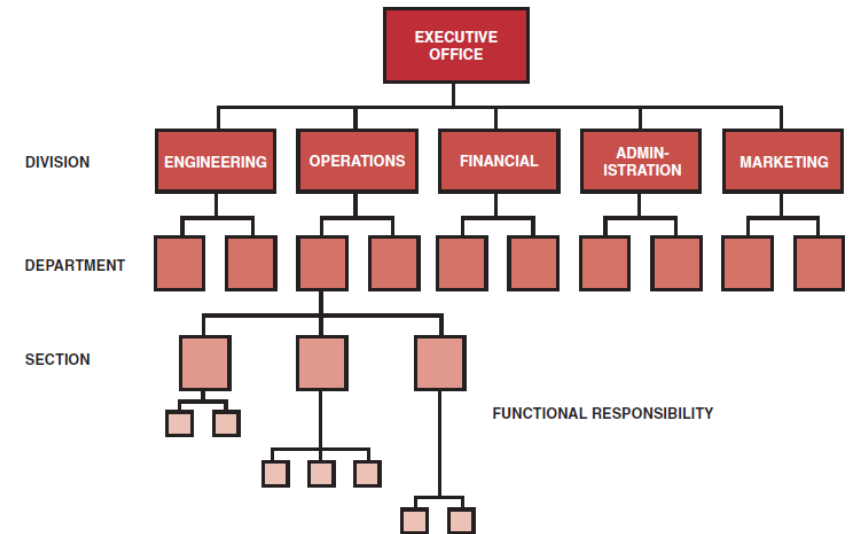
A primary function of a PMO is to support project managers in a variety of ways, which may include but are not limited to:

- Managing shared resources across all projects administered by the PMO;
  - Identifying and developing project management methodology, best practices, and standards;
  - Coaching, mentoring, training, and oversight;
  - Monitoring compliance with project management standards, policies, procedures, and templates by means of project audits;
  - Developing and managing project policies, procedures, templates, and other shared documentation (Organizational process assets); and
  - Coordinating communication across projects.
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# Traditional organization



- The traditional management structure has survived for more than two centuries.
- However, recent business developments, such as the rapid rate of change in technology and increased stockholder demands, have created strains on existing organizational forms. Fifty years ago companies could survive with only one or two product lines.
- However, with the passing of time, companies found that survival depended on multiple product lines (i.e., diversification) and vigorous integration of technology into the existing organization.
- As organizations grew and matured, managers found that company activities were not being integrated effectively, and that new conflicts were arising in the well-established formal and informal channels.
- Managers began searching for more innovative organizational forms that would alleviate these problems.



Source: Kerzner, H. 2017. Project Management



## Developing work integration position

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- As companies grew in size, more emphasis was placed on multiple ongoing programs with high-technology requirements.
  - Organizational pitfalls soon appeared, especially in the integration of the flow of work.
  - As management discovered that the critical point in any program is the interface between functional units, the new theories of “interface management” developed.
  - Because of the interfacing problems, management began searching for innovative methods to coordinate the flow of work between functional units without modification to the existing organizational structure. This coordination was achieved through several integrating mechanisms:
    - Rules and procedures
    - Planning processes
    - Hierarchical referral
    - Direct contact
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## Developing work integration position

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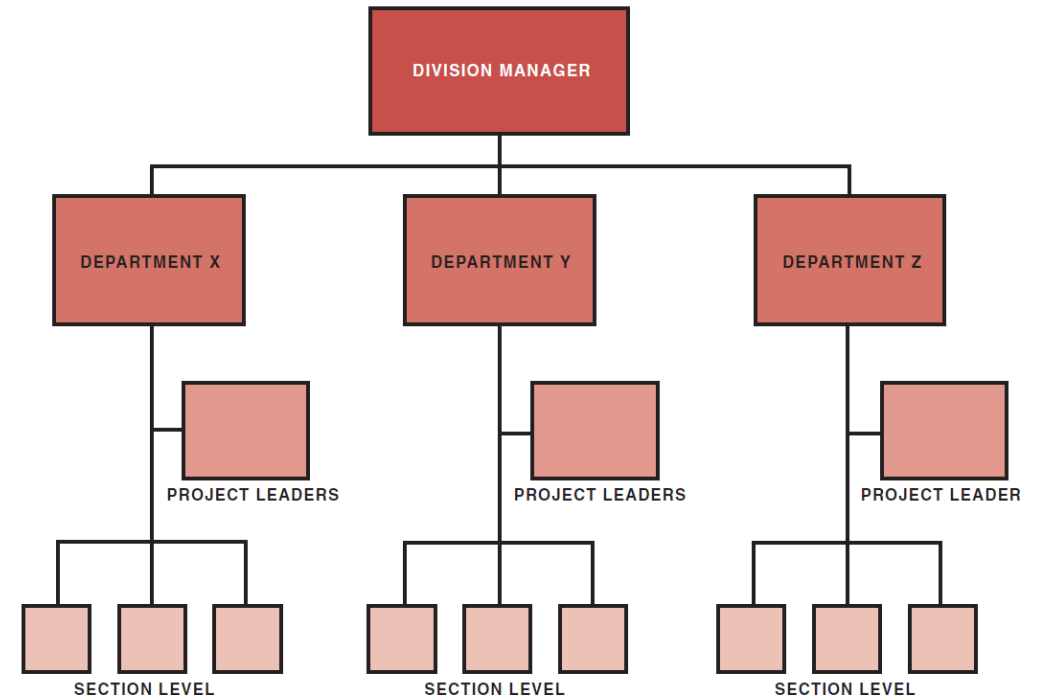


- Another means of reducing conflicts and minimizing the need for communication was detailed planning.
  - Functional representation would be present at all planning, scheduling, and budget meetings.
  - This method worked best for nonrepetitive tasks and projects.
  - The continuous conflicts and struggle for power between the functional units consistently required that upper-level personnel resolve those problems resulting from situations that were either nonroutine or unpredictable and for which no policies or procedures existed.
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# Developing work integration position



- When the activities required efforts that crossed more than one functional boundary, conflicts arose.
- The project leader in one department did not have the authority to coordinate activities in any other department.
- Furthermore, the creation of this new position caused internal conflicts within each department.
- As a result, many employees refused to become dedicated to project management and were anxious to return to their “secure” jobs. Quite often, especially when cross-functional integration was required, the division manager was forced to act as the project manager.
- For this problem – new departmental project management structure was developed. This Organizational form works in this case because:
- The other department managers know that they may have to supply the project leader on the next activity.
- There are only three functional boundaries or departments involved.



Source: Kerzner, H. 2017. Project Management

# Developing work integration position

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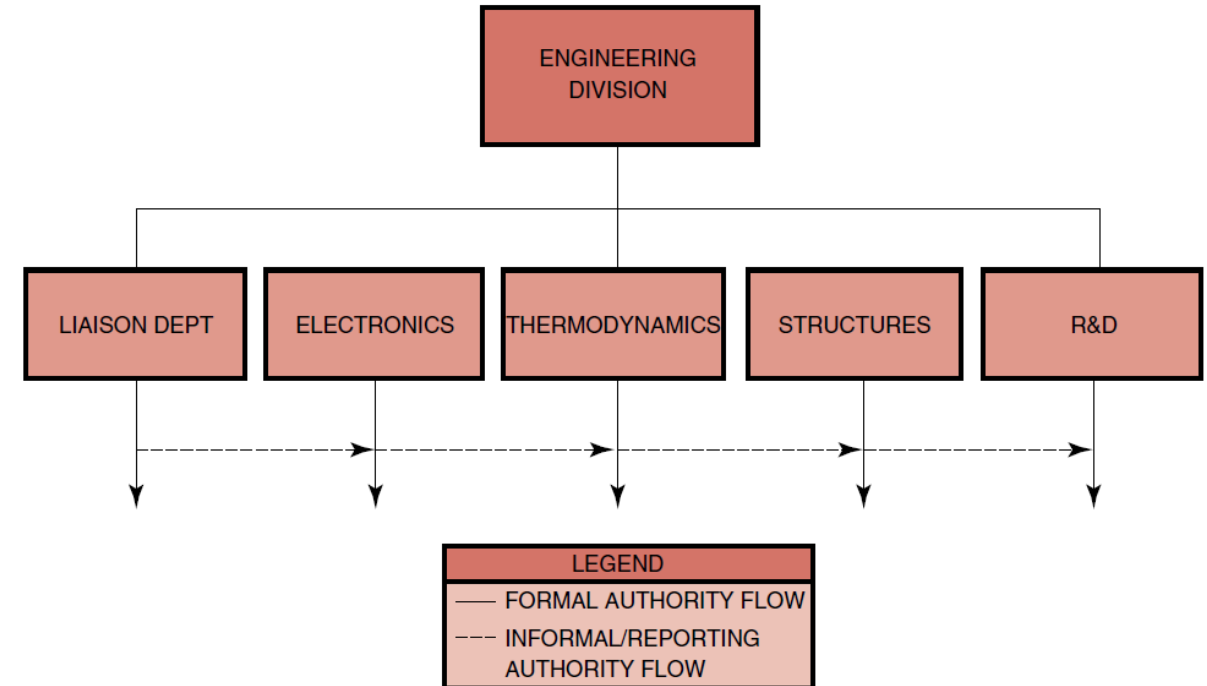


- The next step in the evolution of project management was the task force concept. The rationale behind the task force concept was that integration could be achieved if each Functional unit placed a representative on the task force.
  - Development of the task force concept was a giant step toward conflict resolution:
  - Work was being accomplished on time, schedules were being maintained, and costs were usually within budget.
  - But integration and coordination were still problems because there were no specified authority relationships or individuals to oversee the entire project through completion. Attempts were made to overcome this by placing various people in charge of the task force: Functional managers, division heads, and even upper-level management had opportunities to direct task forces.
  - However, without formal project authority relationships, task force members remained loyal to their functional organizations, and when conflicts came about between the project and functional organization, the project always suffered.
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# Developing work integration position



- The next step in the evolution of work integration was the establishment of liaison departments, particularly in engineering divisions that perform multiple projects involving a high level of technology.
- The purpose of the liaison department was to handle transactions between functional units within the (engineering) division.
- The liaison personnel received their authority through the division head.

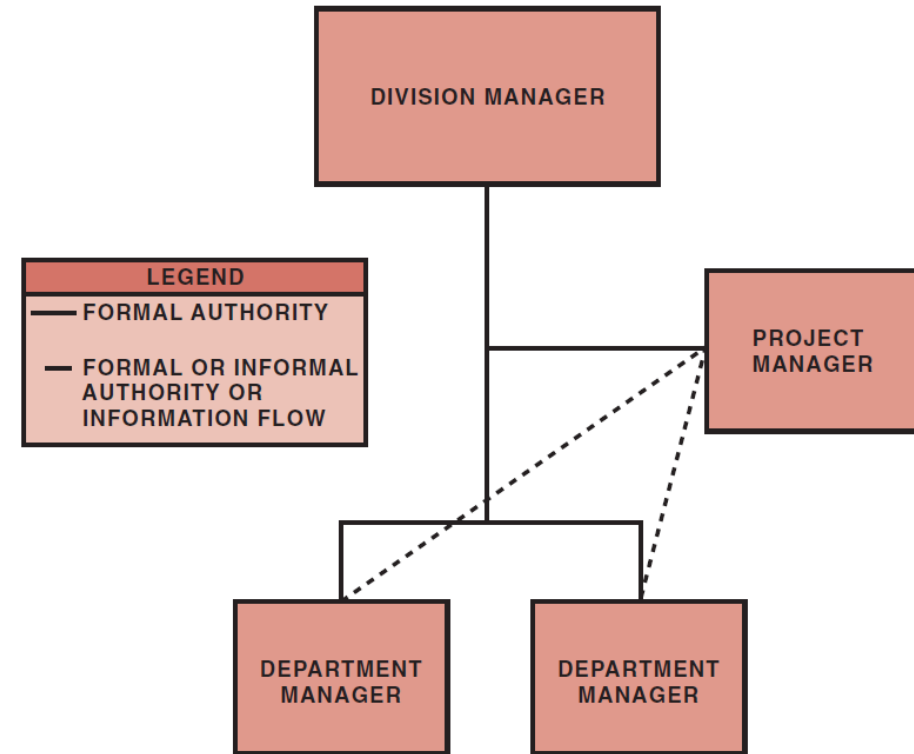


Source: Kerzner, H. 2017. Project Management

# Line-staff organization (project coordinator)



- It soon became obvious that control of a project must be given to personnel whose first loyalty is directed toward the completion of the project. Thus the project management position must not be controlled by the functional manager.
- Although this second situation did occur during the early stages of matrix project management, it did not last because:
  - Upper-level management was not ready to cope with the problems arising from shared authority.
  - Upper-level management was reluctant to relinquish any of its power and authority to project managers.
  - Line-staff project managers who reported to a division head did not have any authority or control over those portions of a project in other divisions; that is, the project manager in the engineering division could not direct activities in the manufacturing division.

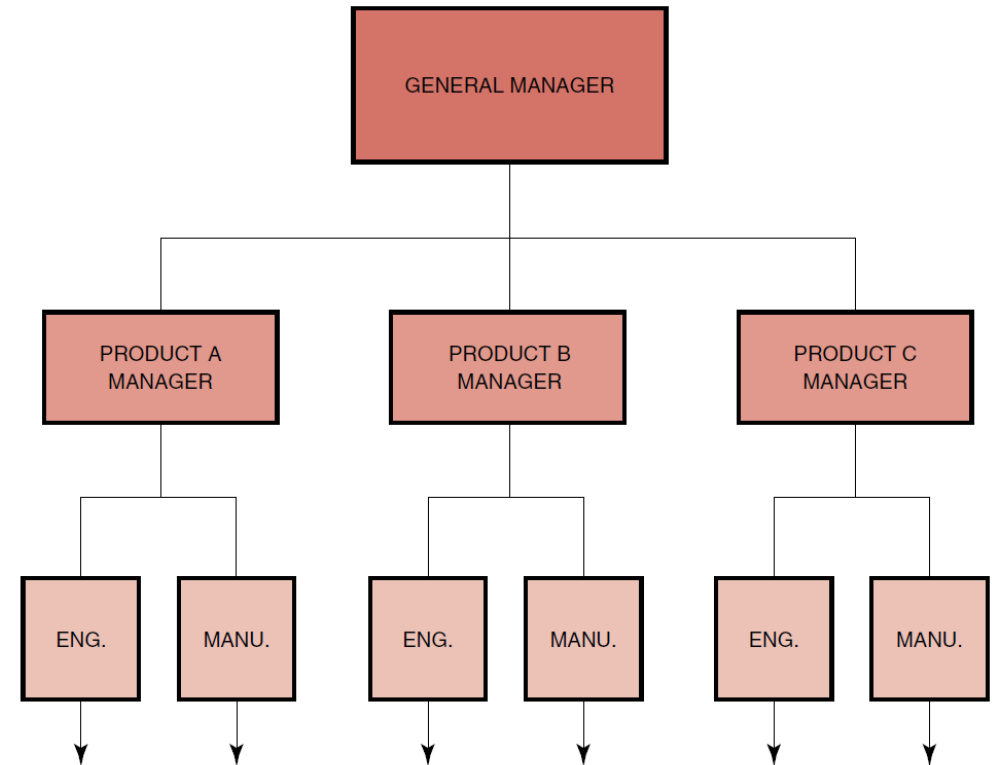


Source: Kerzner, H. 2017. Project Management

# Pure product (projectized) organization



- The pure product organization develops as a division within a division.
- As long as there exists a continuous flow of projects, work is stable and conflicts are at a minimum.
- The major advantage of this organizational flow is that one individual, the program manager, maintains complete line authority over the entire project.



Source: Kerzner, H. 2017. Project Management

- **Project management has matured as an outgrowth of the need to develop and produce complex and/or large projects in the shortest possible time, within anticipated cost, with required reliability and performance, and (when applicable) to realize a profit.**
  - **Granted that organization's have become so complex that traditional organizational structures and relationships no longer allow for effective management.**
  - **Generally speaking, the project management approach can be effectively applied to a onetime undertaking that is:**
    - **Definable in terms of a specific goal**
    - **Infrequent, unique, or unfamiliar to the present organization**
    - **Complex with respect to interdependence of detailed tasks**
    - **Critical to the company**
  - **The basic factors that influence the selection of a project organizational form are:**
  - **Project size, Project length, Experience with project management organization, Philosophy and visibility of upper-level management, Project location, Available Resources, Unique aspects of the project.**
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