

Organizational Structures

Organizational Forms

The Structure of Organizations from the Perspective of Facility Design Teams

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1

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1

Organizational Structures

Lesson Summary

- In this lesson unit we will discuss:
 - The purpose for levels of an organizational structure
 - The three types of organizational structures commonly used
 - The advantages and disadvantages of each
 - The relevance of organizational structures to architectural practice


2

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Preface: The Multiple Contexts of Architectural Practice



3

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Organizational Challenges

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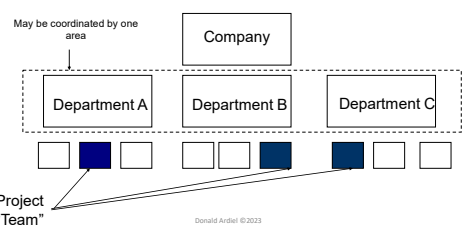
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Functional Hierarchy Organization

- Functional Hierarchy
 - Projects assigned to relevant operation groups
 - Group manager responsible for outcomes
 - Differing priorities across the organization inhibit commitment and cooperation



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Functional Organizations Structure: ADVANTAGES

- Unity of command – only one “boss” is giving instructions
- Workers learn from each other and keep skills sharp
- Continue to report to the same functional manager
- Share resources among multiple small projects

8

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Functional Organizations Structure: ADVANTAGES




There is no re-organization required – the resources continue to report to their functional manager	In depth expertise is available to the project from each of the functional areas	There is some flexibility in resource assignments as the functional manager has complete control over the resources	There is relatively little or no post-project transition

9

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Functional Organizations Structure: DISADVANTAGES

-  A lack of focus on the projects
-  The "project team" doesn't gel and may not even work directly together on the work of the project.
-  One functional manager responsible for goals of the project or the project is being managed by a "committee" of functional managers.

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Project Hierarchy Organization

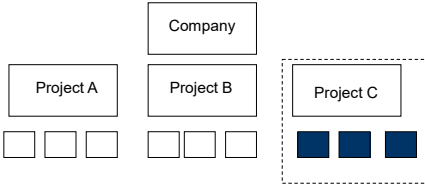
- Project Hierarchy
 - Project manager has a dedicated team with limited or no involvement of operational managers
 - The project manager has a dedicated team with limited or no involvement of functional managers
 - Effectiveness of the project team may be high, but,
 - Interaction with other projects teams may be limited

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Pure Project Organization



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Projectized Organizations

- The project manager has authority for budgets, personnel, and decision making
- People report upward through the project manager
- The reporting manager is a project manager, not a functional manager

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Projectized Organization: ADVANTAGES

- Traditional department barriers are reduced
- Unity of command
- Communication response times are fast
- **Co-location** – team members are physically close

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Projectized Organization: ADVANTAGES

- Simple organization for the project
- Reduces conflict between project managers and functional managers.
- Projects of this form can be executed very quickly
- Team is cohesive and productive
- Integrates a cross functional team

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Projectized Organization: DISADVANTAGES

- Cost of assigning members to one part-time project
- Teamwork methods may differ from the organization
- Teams may fail to communicate lessons learned
- Discipline-specific competence may suffer

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Facility Design Projects

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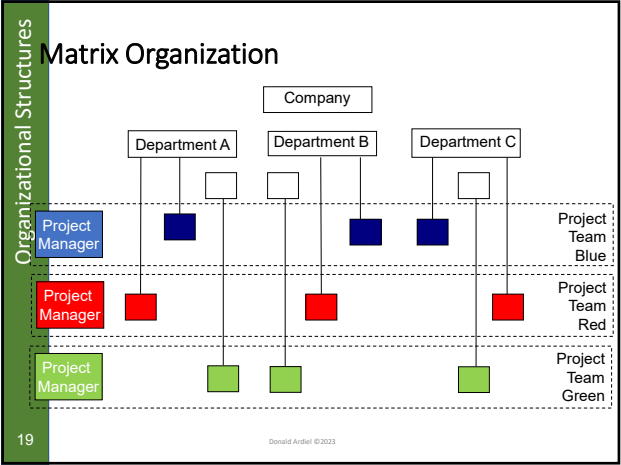
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Matrix Organization

- Project manager and functional manager share authority
- Team members report to both managers
- Combination:
 - task focus → projectized organization
 - technical capability → functional organization

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- Matrix Organizations - Types**
- **Coordinated Matrix (Weak)**
 - Project controller with responsibility to coordinate tasks
 - Limited authority, much responsibility
 - **Balanced Matrix**
 - Project manager oversees project and responsible for time and cost
 - Shared responsibility with functional managers who are responsible for scope and quality
 - **Secondment Matrix (Strong)**
 - PM responsible for tasks and operational managers responsible (second) for resources
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- Matrix Organization: ADVANTAGES**
- Shared resources between departments and projects
 - Reduced duplication
 - Good cooperation between departments
 - High-quality decisions are well received
 - Continued development of discipline specific knowledge
 - Effective integration
 - Lessons learned shared effectively
 - Flexibility – weak, balance, strong matrix
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Matrix Organization: ADVANTAGES

- Efficient use of resources shared across multiple initiatives
- Project manager leads activities giving strong project focus to the work.
- Resources belong to a functional organization, therefore easier post-project transition
- Flexibility where some resources are managed by the project manager and some by functional manager

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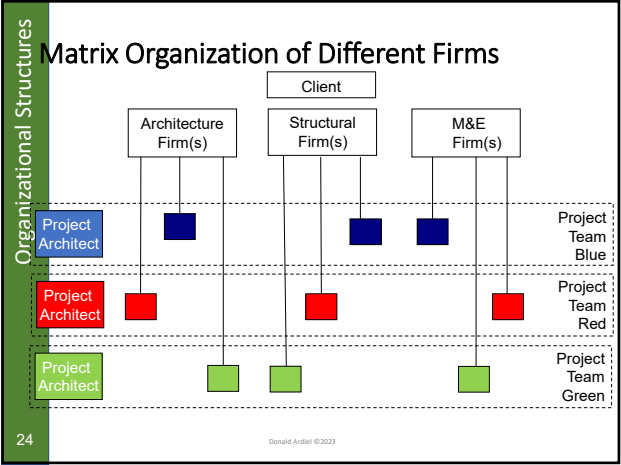
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Matrix Organization: DISADVANTAGES

- Each employee has two "bosses"
- More sources of conflict
- More meetings
- More challenges to control

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Challenges in Managing within a Matrix



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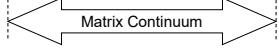
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Project Organization and Authority

Project Manager Authority	None	Low	Medium	Medium-High	High
Structure	Functional	Weak Matrix	Medium Matrix	Strong Matrix	Pure Project



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Formal Organizational Structures



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 - The advantages and disadvantages of each
 - Factors that influence the design of organizations to deliver project outcomes
 - The relevance of organizational structures to architectural practice

28

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