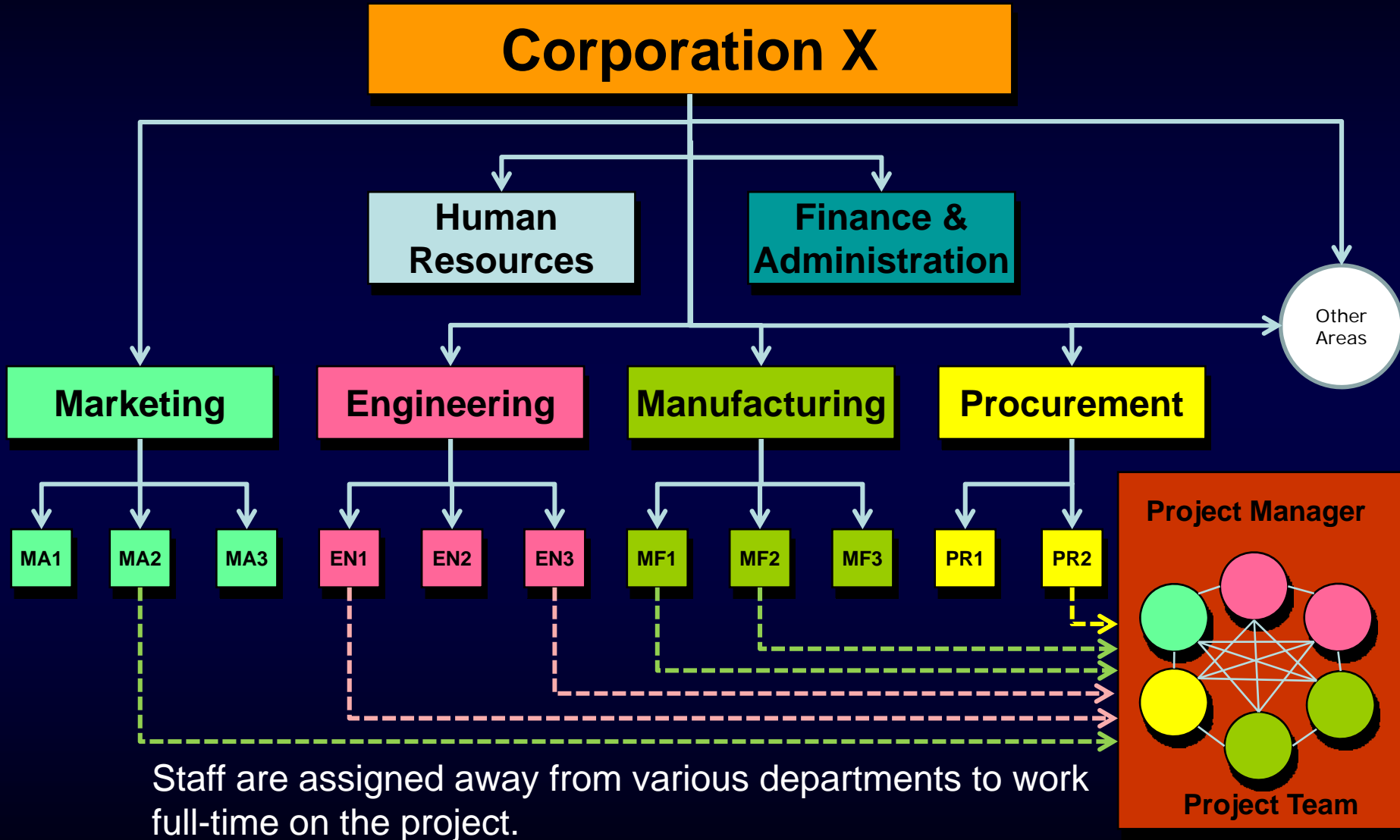# The Project Team

The (Dedicated) Project Team

The (dedicated) Project Team lies at one extreme end of the continuum which starts from undertaking projects using the (pure) functional form of project organization.

A project manager is selected to head a core group of personell assigned from two or more functional units of the organization and who are all required to work full-time on the project in question.

Project Teams are usually „cross-functional" in nature and are a powerful means of dealing with complex assignments which may be difficult to do using other project organization forms.

Forming a (Dedicated) Project Team

Corporation X

Human Resources

Finance & Administration

Other Areas

Marketing

Engineering

Manufacturing

Procurement

| MA1 | MA2 | MA3 | EN1 | EN2 | EN3 | MF1 | MF2 | MF3 | PR1 | PR2 |

Project Manager

Project Team

Staff are assigned away from various departments to work full-time on the project.

The Project Team - Advantages

No structural impact on the functional organization occurs – only the tempo-rary siphoning away of functional specialists from their respective areas for the duration of the project or for a phase of it when heir input is required in order to complete specialist tasks.

The Project Team - Advantages

Project completion time is comparatively smaller due to project personell devoting their efforts to the project in question full-time and also because the flow of information and decision-making is generally not hindered by hierachies as it is in the functional form of organizing projects.

The Project Team - Advantages

Motivation, feeling of iden-
tification and cohesiveness
are strong in the project.

Project personell share a
common goal and they
also share a collective
responsibility for ensuring
the realization of this goal.

The Project Team - Advantages

Cross-functional cooperation is strongly encouraged and promoted as a means of achieving the project goal.

Cross-functional teams create a synergy effect which can handle tasks characterised by a high degree of complexity.

The Project Team - Disadvantages

A major criticism of the (dedicated) project team relates to the cost factor.

Normally, a larger expense is involved because resources and facilities are assigned to the project on a full-time basis. Across projects, this may result in a duplication of infrastructure and work.

The Project Team - Disadvantages

Projectitis – project personell evolve a collective identity encapsulating themselves from the enterprise, giving rise to a non-constructive „us"and „them"outlook. Sometimes this not only undermines the integration of the project effort back into mainstream operations but also the subsequent assimilation of project personell back into their respective functional areas.

The Project Team - Disadvantages

The project may become over-dependent on the gamut of skills, expertise and experience held by the project personell and may not seek to incorporate fresh skills, expertise and experience which is held by individuals and organizational entities which are outside the project.

The Project Team - Disadvantages

The assimilation of project personell back into their respective functional units may prove difficult due to their prolonged absence from their units and the challenge of keeping up with the developments which have taken place in the functional units during the project period.

Project Organization Forms and Project Performance

## Findings Based on Empirical Research

Determining The Best Project Organization Form

- ✓ The project's size
- ✓ The project's strategic importance
- ✓ The project's innovation requirement
- ✓ The project's level of required integration across functional delineations
- ✓ The project environment's complexity
- ✓ The project budget and time constraints
- ✓ The project resource requirement level of stability

In general – the higher the level of these factors, the greater is the requirement of autonomy and authority for the project manager and his/her team in order to ensure the success of the project (i.e. a strong project matrix or dedicated project team is desirable).

Empirical Findings:
Effectiveness of Project Organization Forms

Empirical research suggests that the „Project Matrix" and „Project-Based Organization" modes are the most effective means of undertaking projects
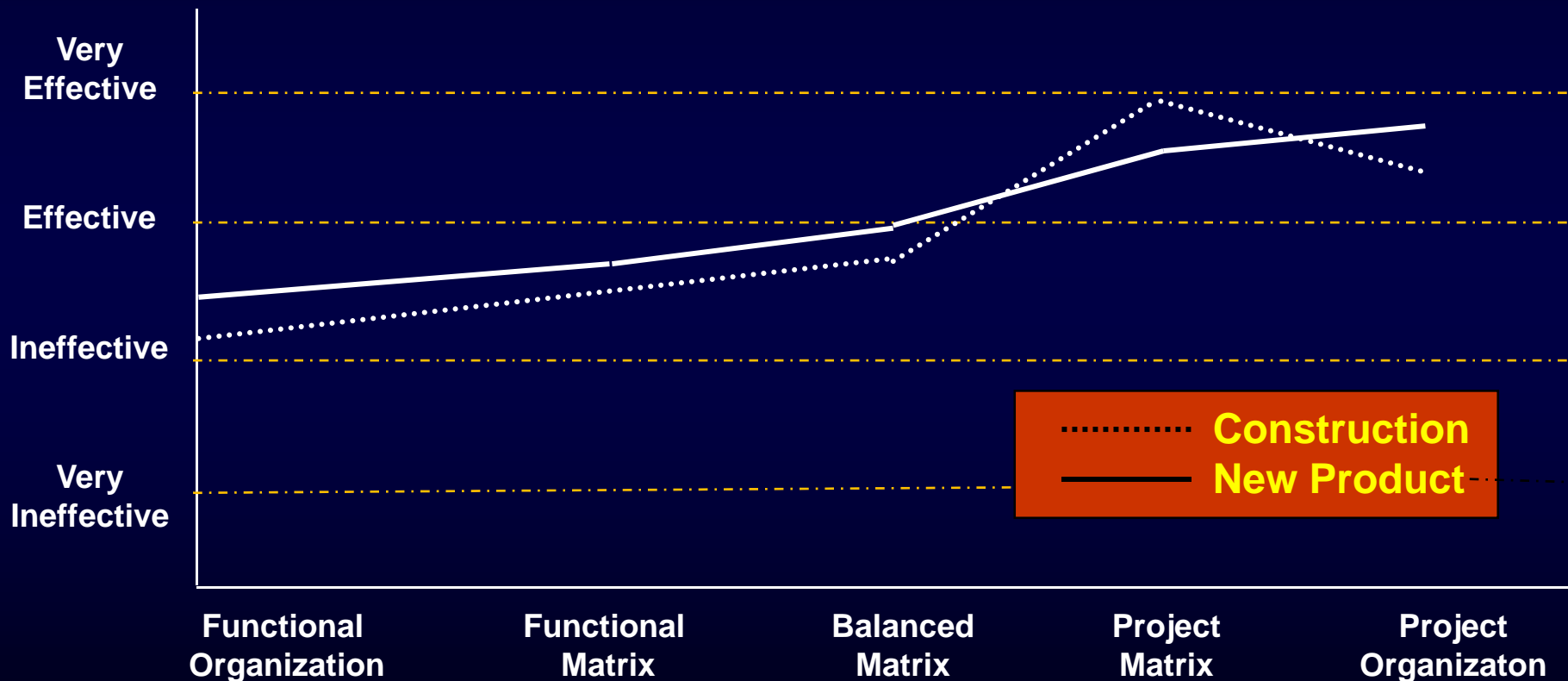

Clifford F. Gray / Erik W. Larson, *Project Management: The Managerial Process*, 2. ed., 2003, p. 71

# Case Study: Product Development Projects

Erik W. Larson & David H. Gobeli examined the performance of different organizational structures with regard to the schedule, cost and technical performance of 540 development projects in 1987-88. The industries represented in the survey were pharmaceuticals, aero-space, computer and data processing products, telecommunications, medical instruments, glass products, petrochemical products, software development and household goods.

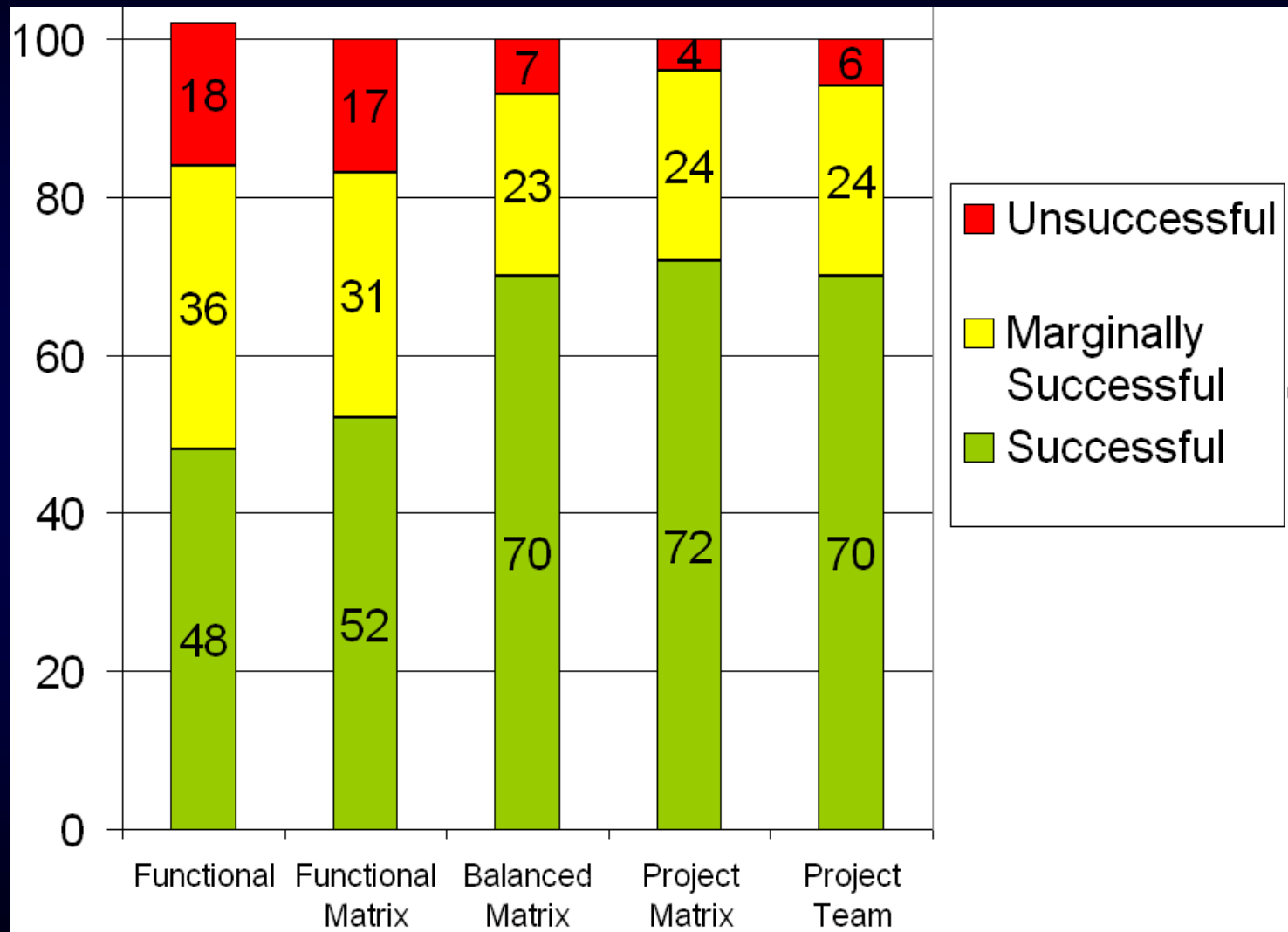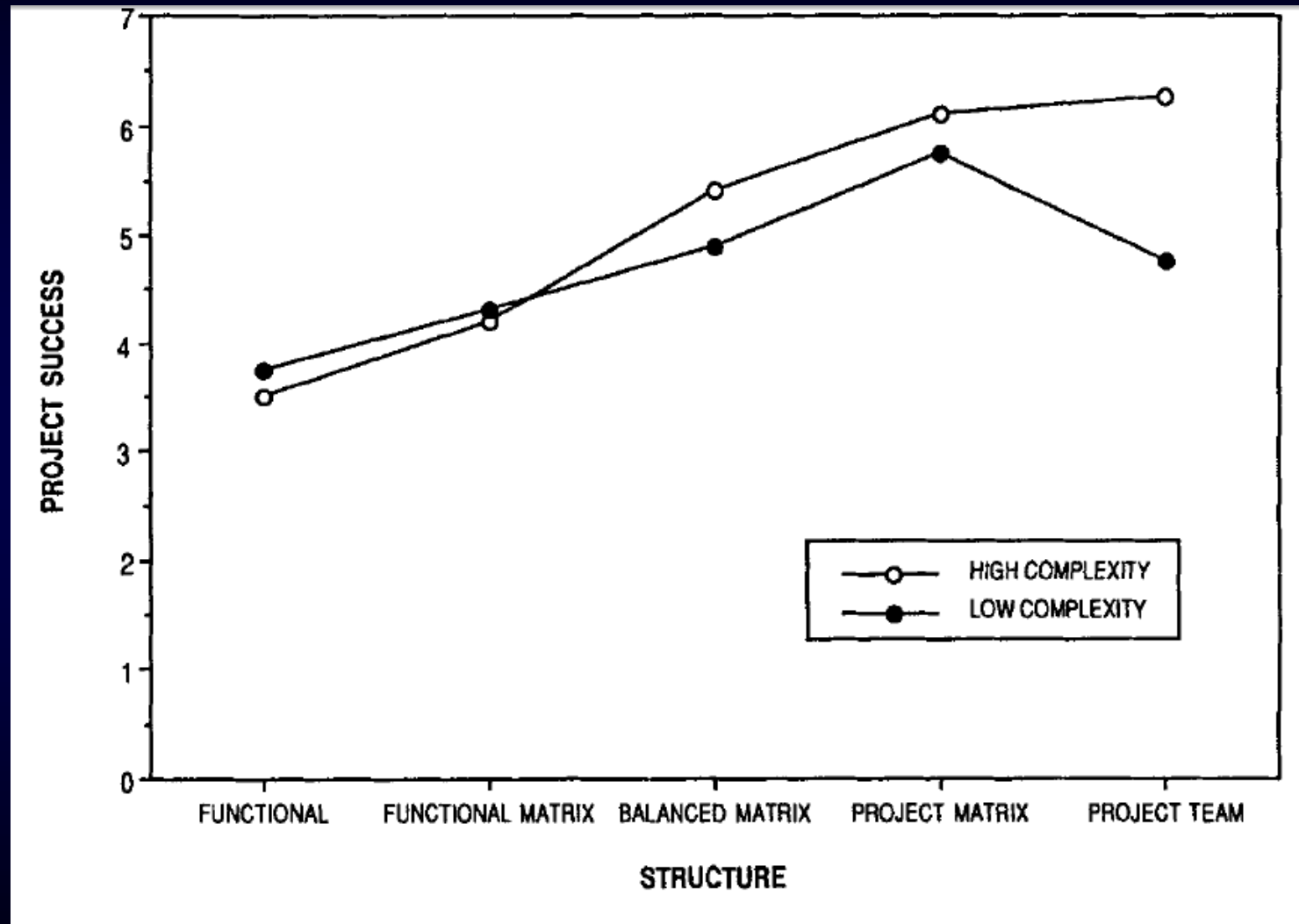# Project Performance and Organizational Form
(Meeting Schedule)
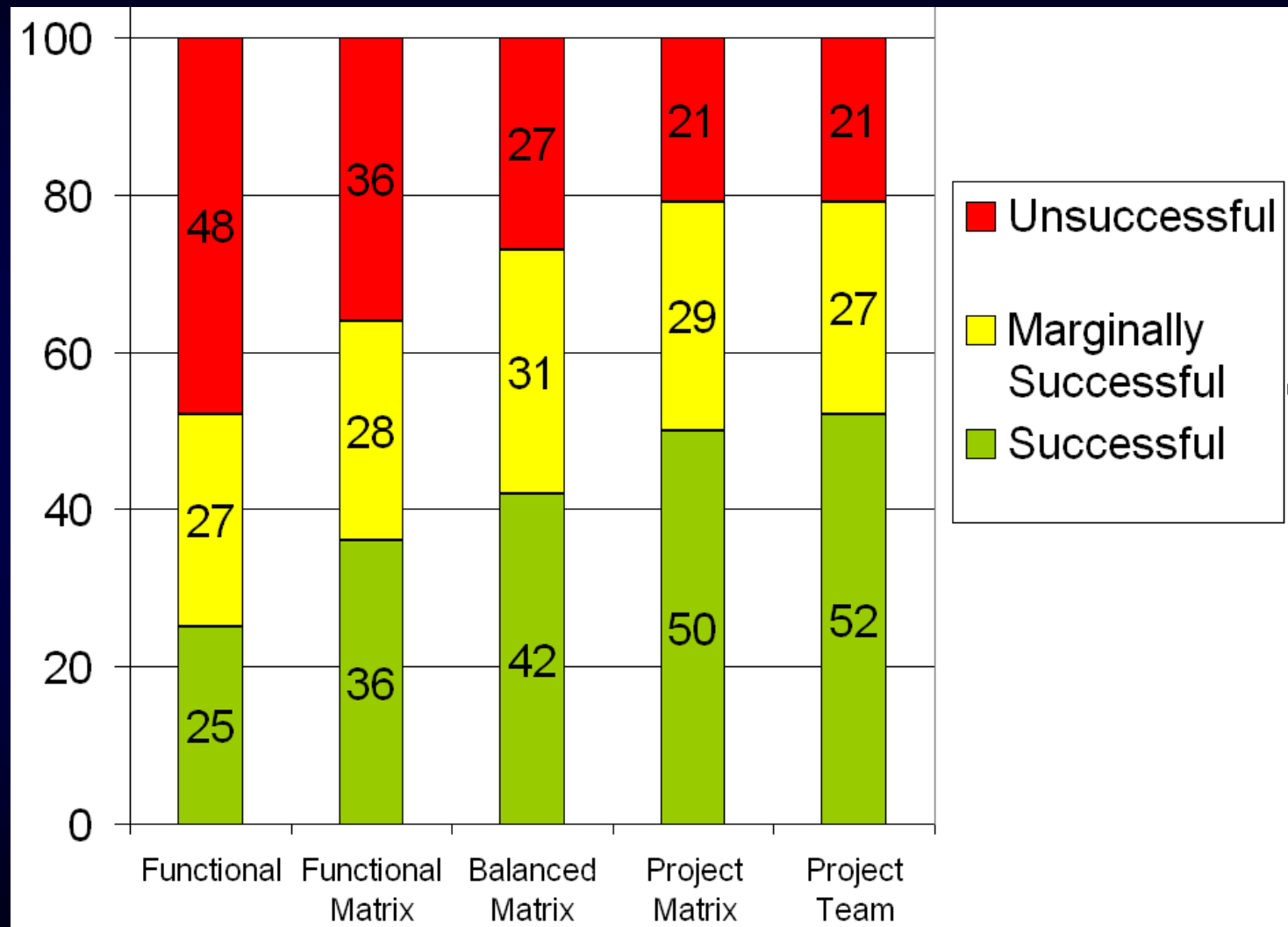
Project Performance and Organizational Form
(Controlling Cost)
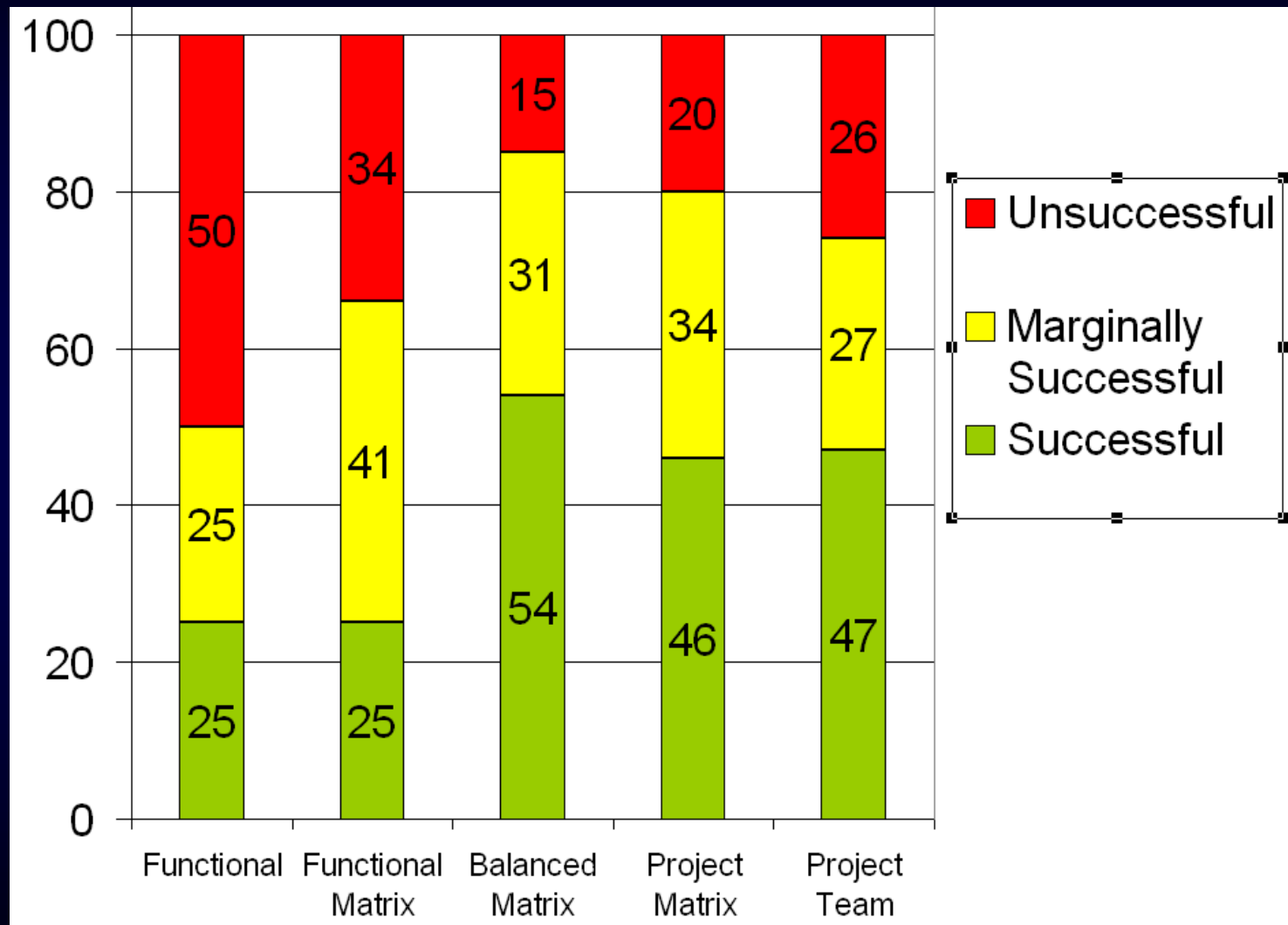
Project Performance and Organizational Form
## (Technical Performance)

Project Performance and Organizational Form
(Project Success Versus Complexity and Structure)

Something to Keep in Mind

An organization can be expected to apply different forms of organization for its projects contained in its portfolio, using the criteria which were considered in the previous slide.

Pure Functional Form

Matrix Form

(Dedicated) Project Teams
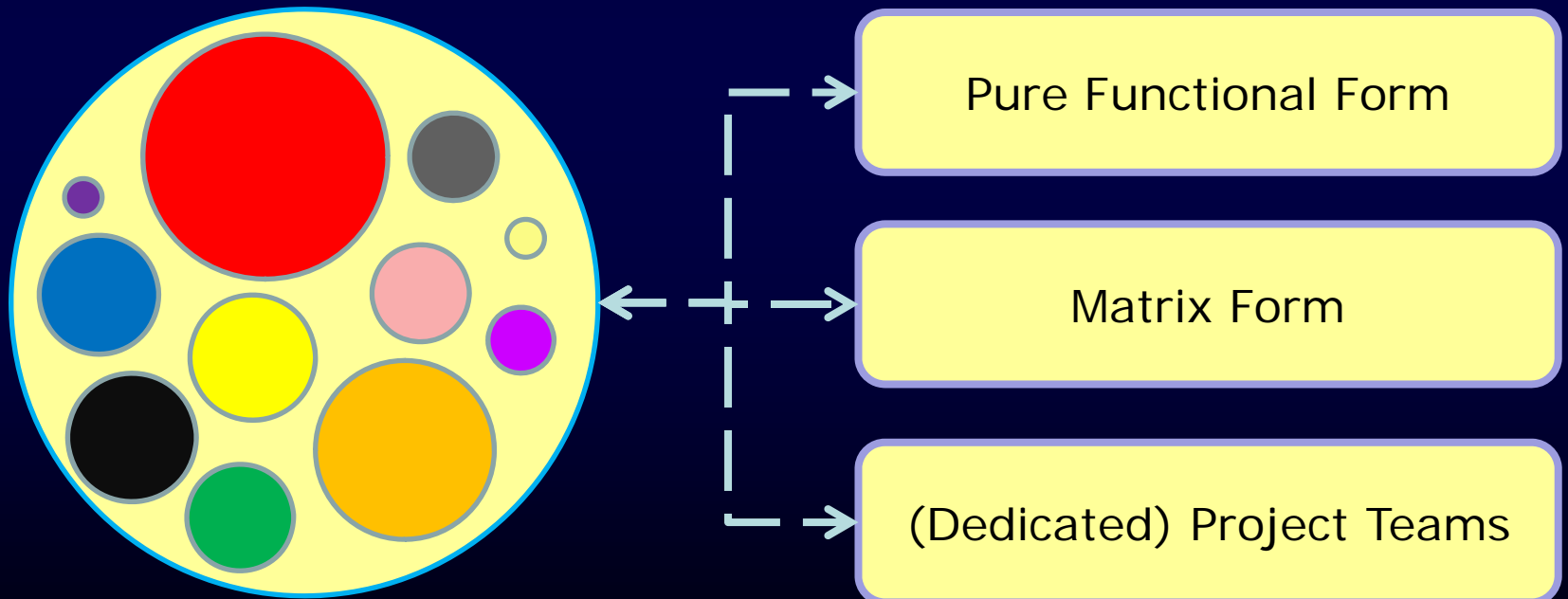
The Culture of an Organization and its Implications for Projects

What is Organizational Culture?

Every organization has its own distinctive culture which sets it apart from all other organizations, including those which are operating in the same field.

Organizational culture basically refers to a system of shared norms, beliefs, values, assumptions, attitudes and behaviours which bind the members of the organization together and determine ‚how we do things around here'.

Relevance of Organizational Culture

Project managers must contend with several, often diverse cultures and subcultures existing within the diverse organizational spheres of their organizations (e.g. senior management, functional areas, PMO), and outside it (e.g. clients, contractors, suppliers, government agencies and other stakeholders).

A good ‚cultural management strategy' can be crucial for successfully managing a project.
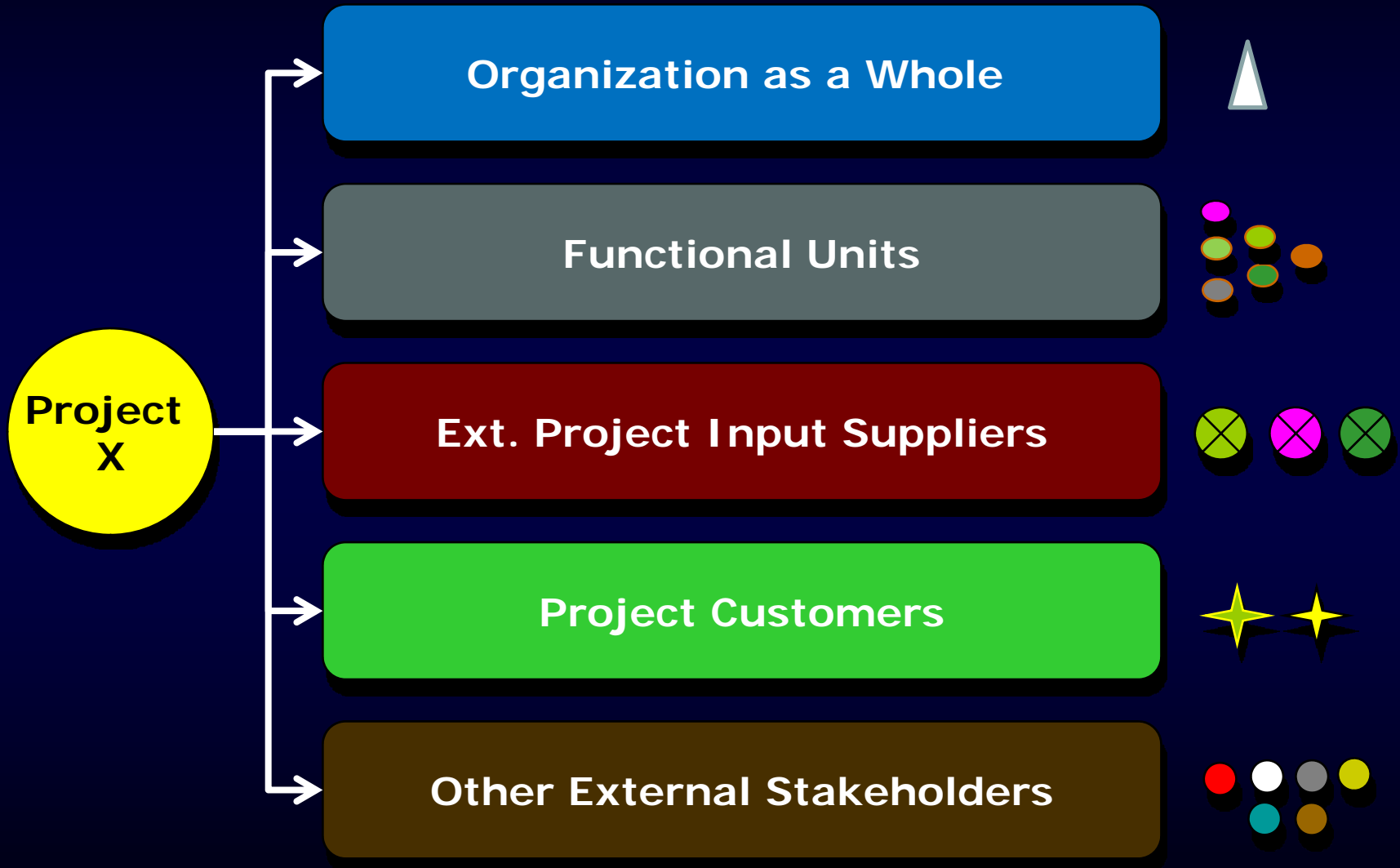
Organizational Culture – A Note of Caution!

Several research studies have been conducted over the years in the US and other countries to determine the relationship between Organizational Culture and Organizational Performance.

Excercize caution in interpreting the results of these researches because studies undertaken in one country reflect the cultural, social and psychological context of that country and may not be valid for countries like Pakistan.

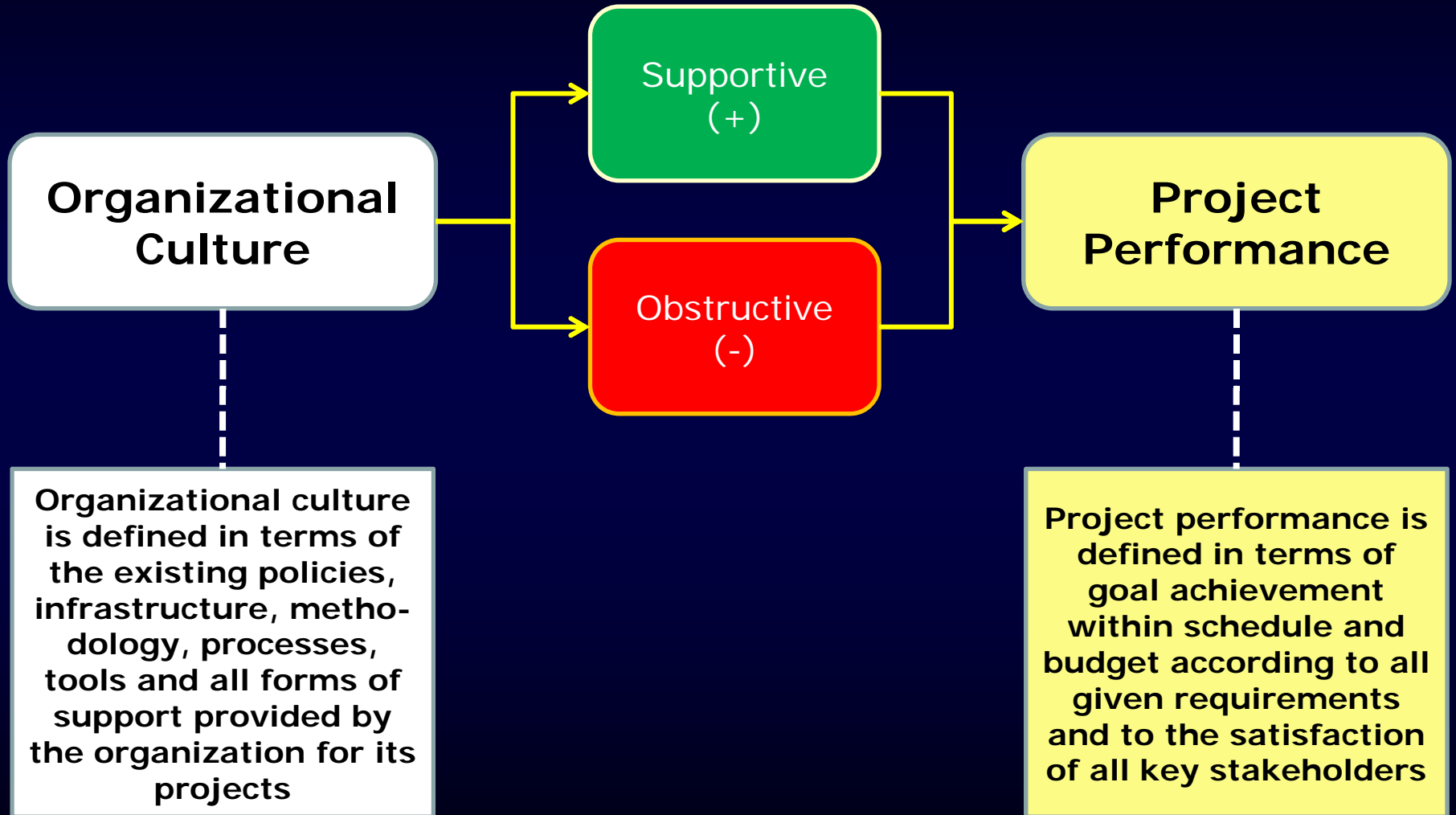# Cultural Dimensions of Projects

Project X

Organization as a Whole

Functional Units

Ext. Project Input Suppliers

Project Customers

Other External Stakeholders

Interest in Organizational Culture

Inadequate management of ‚cultural conside-rations‘ may cause difficulties for projects. Therefore, it is essential to include the cultural component as an integral and important part of managing the overall project.

The culture of an organization determines the infrastructure and processes which it sets up and the support and encouragement which it gives to support projects.

Organizational Culture and Projects

Organizational Culture

Supportive (+)

Obstructive (-)

Project Performance

Organizational culture is defined in terms of the existing policies, infrastructure, metho-dology, processes, tools and all forms of support provided by the organization for its projects

Project performance is defined in terms of goal achievement within schedule and budget according to all given requirements and to the satisfaction of all key stakeholders

Measuring Organizational Culture

Gray and Larson have proposed ten cultural factors that are related to project success:

- Member Identity
- Team Emphasis
- People Focus
- Unit Integration
- Control
- Risk Tolerance
- Reward Criteria
- Conflict Tolerance
- Means-Ends-Orientation
- Open-System Focus

Drivers of a "Good Organizational Culture"

Without the visible, strong, active and sustained support and commitment of top management, it is not possible to create an organizational culture which facilitates projects. Top management must ensure that the projects being undertaken are aligned with the mission, goals and objectives of the organization, that the value of projects is acknowledged throughout the organization and that it is prepared to provide all forms of support which projects need in order to be successfully undertaken.

Drivers of a "Good Organizational Culture"

Projects need a strong infrastructure support base if they are to have a high chance of succeeding. Many organizations have set up Project Management Offices which perform a host of specific supporting functions in connection with projects. Organizations may have policies which require the application of sophisticated methodologies (such as the PMBOK) on their projects, are following best practices, and have devised ways to minimize friction between internal project stakeholders.

Drivers of a "Good Organizational Culture"

To undertake projects successfully, an organization must equip its human resources with the requisite knowledge and competencies and fully utilize their experience accumulated through their involvement in projects. Organizations with a good (project management) culture invest substantially in training programmes for their project managers and team members, offer handsome incentives, rewards and promotional opportunities for good performance, and accord due status.

Drivers of a "Good Organizational Culture"

All projects are built on the foundations of communication, cooperation and coordination between their stakeholders. Hence, it is imperative that the culture of the organization supports these activities to the maximum possible extent.

In organizations with a good (project management) culture, silo mentality is strongly discouraged and (formal and informal) communication, cooperation and coordination across functional lines is endorsed.

The Project Management Office

The Project Management Office

Many organizations of all sizes across the globe have established „Project Management Offices (PMOs)" to serve as an organizational focal point for the effective and efficient management of their programmes and projects. PMOs can perform many important functions and, if conceived and managed properly, are a huge asset for project-driven organizations.

Internal Project Management Supporting Institutions in Pakistan

Several public and private-sector organizations which are operating in Pakistan, as well as the federal and provincial governments, have established structures (Project Management Units, Project Monitoring Units) performing PMO functions to support projects which they are undertaking.

Some Typical Functions of a "Mature" PMO

- Alignment of Projects with Organization's Mission, Goals, Objectives
- Project Portfolio Management
- Resource Planning and Management
- Generating Awareness in Organization of Project Management
- Standardization of Policies, Processes, Protocolls and Documentaion
- Recruitment and Selection of Project Managers and Team Members
- Training in Project Management and Related Competencies, Skills
- Monitoring, Evaluation and Auditing of Projects
- Maintaining a Project Management Information System
- Conseling and Mentoring of Project Staff
- Benchmarking Best Practices
- Archiving Documentation on Completed Projects
- Refining Project Management Methodologies
- Software Tools

Project Management Offices: Survey Findings

Dr. Brian Hobbs from the Department of Management and Technology at the School of Management Sciences at the University of Quebec, Canada, has undertaken an insightful empirical research on PMOs entitled *The Multi-Project PMO: A Global Analysis of the Current State of Practice*.

Click on image to download the study (pdf-documnt).

Literature on the Project Management Office
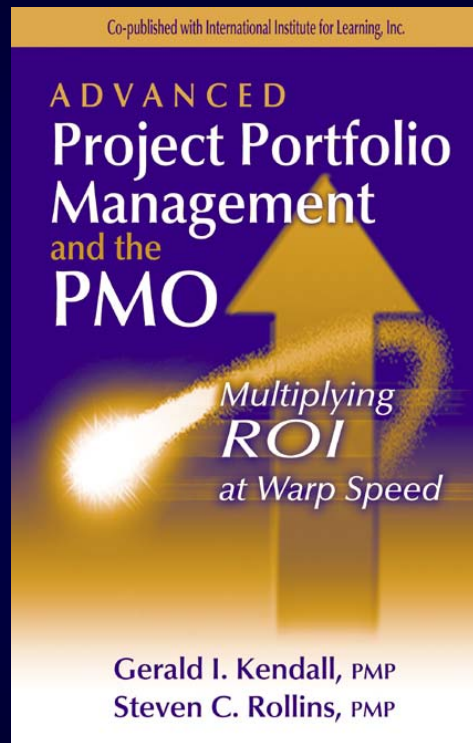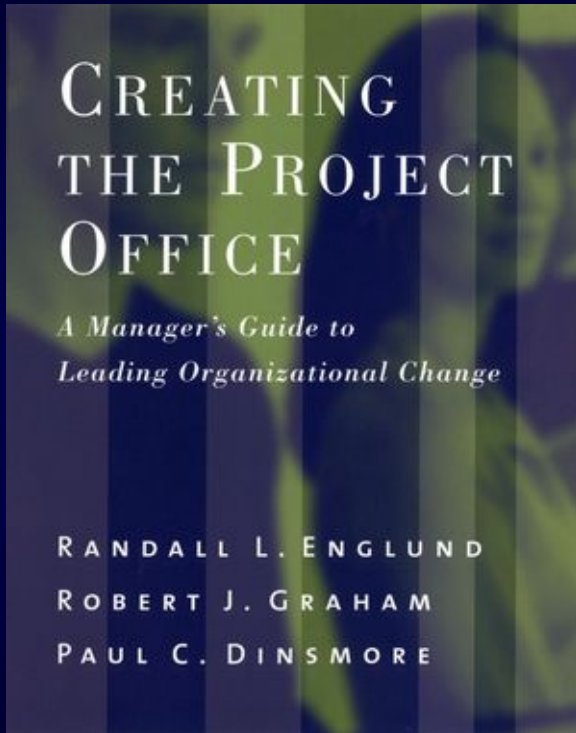
Click on images above to see details about the books at amazon.com