

# Project Organization Forms and Project Performance

Findings Based on Empirical Research



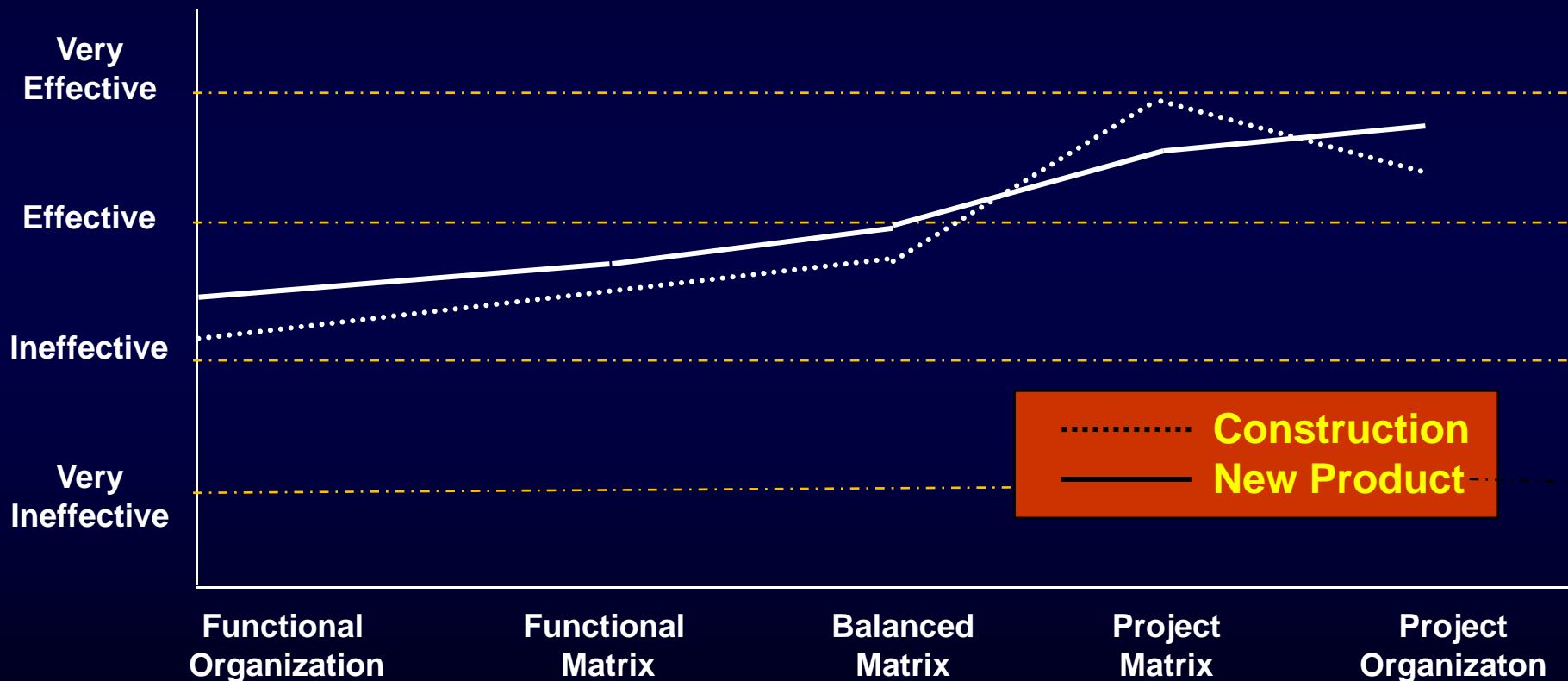
# Determining The Best Project Organization Form

- ✓ 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

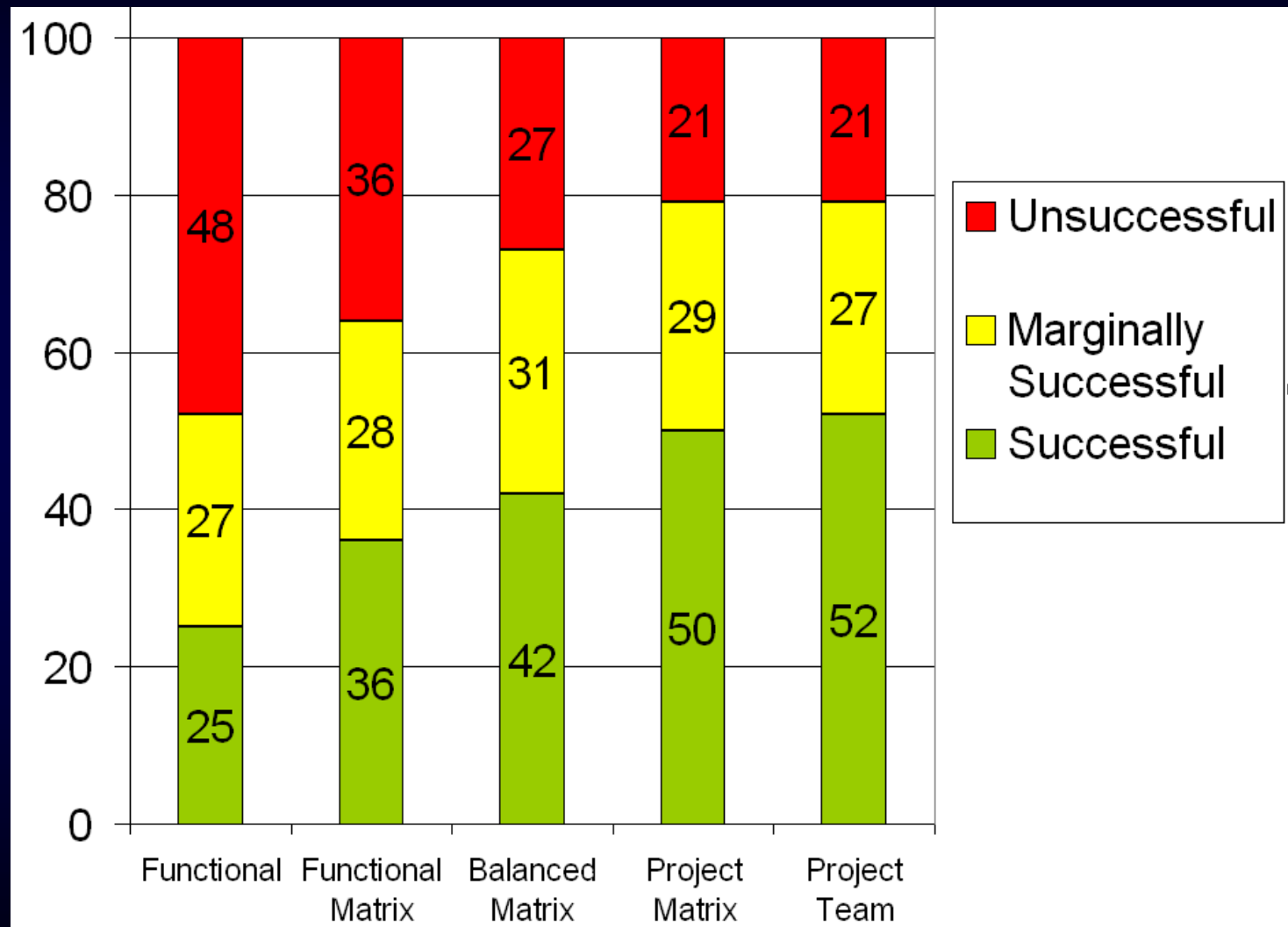


Clifford F. Gray / Erik W. Larson, *Project Management: The Managerial Process*, 2. ed., 2003, p. 71

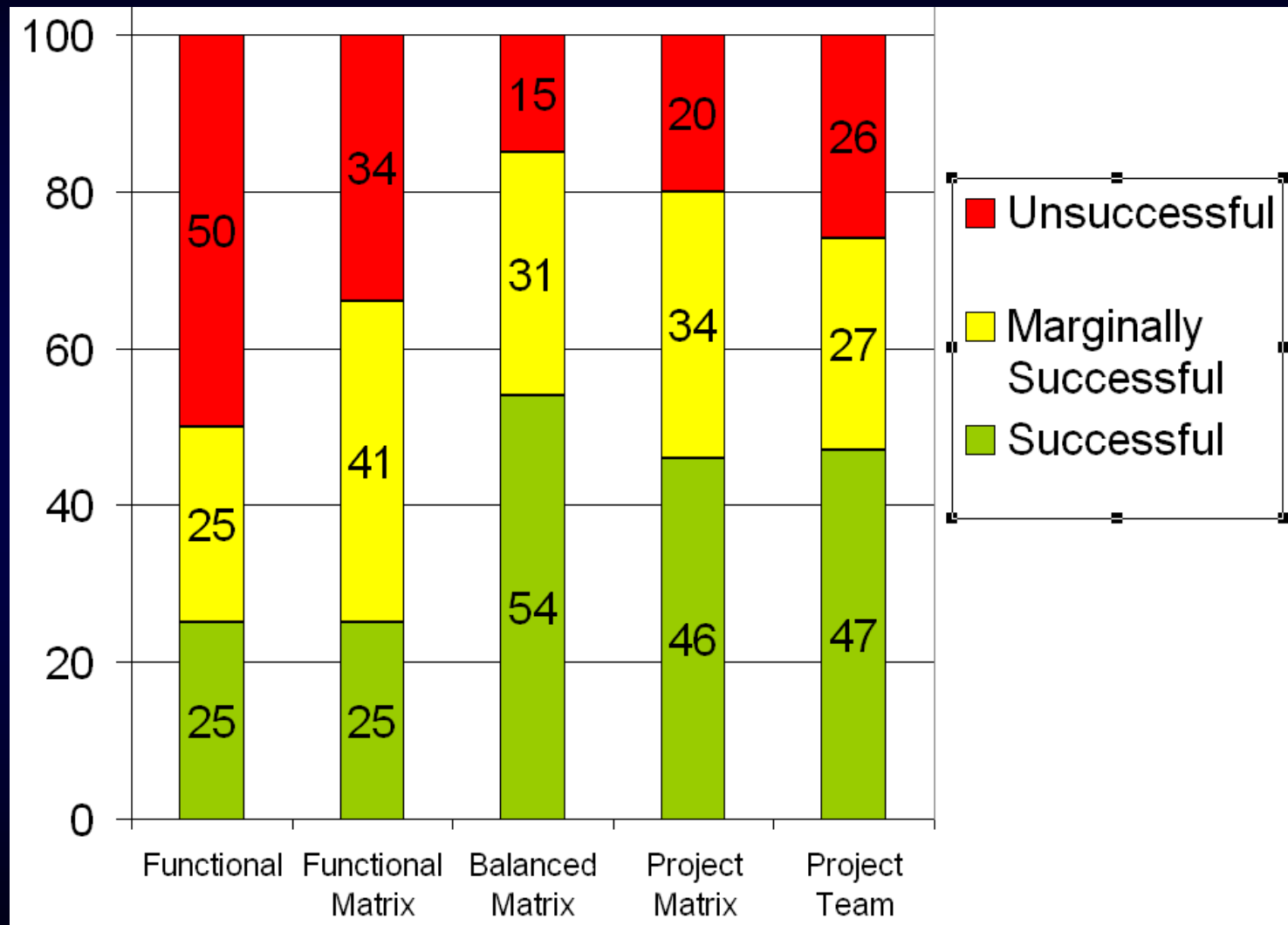
## Case Study: Product Development Projects

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, aerospace, computer and data processing products, telecommunications, medical instruments, glass products, petrochemical products, software development and household goods.

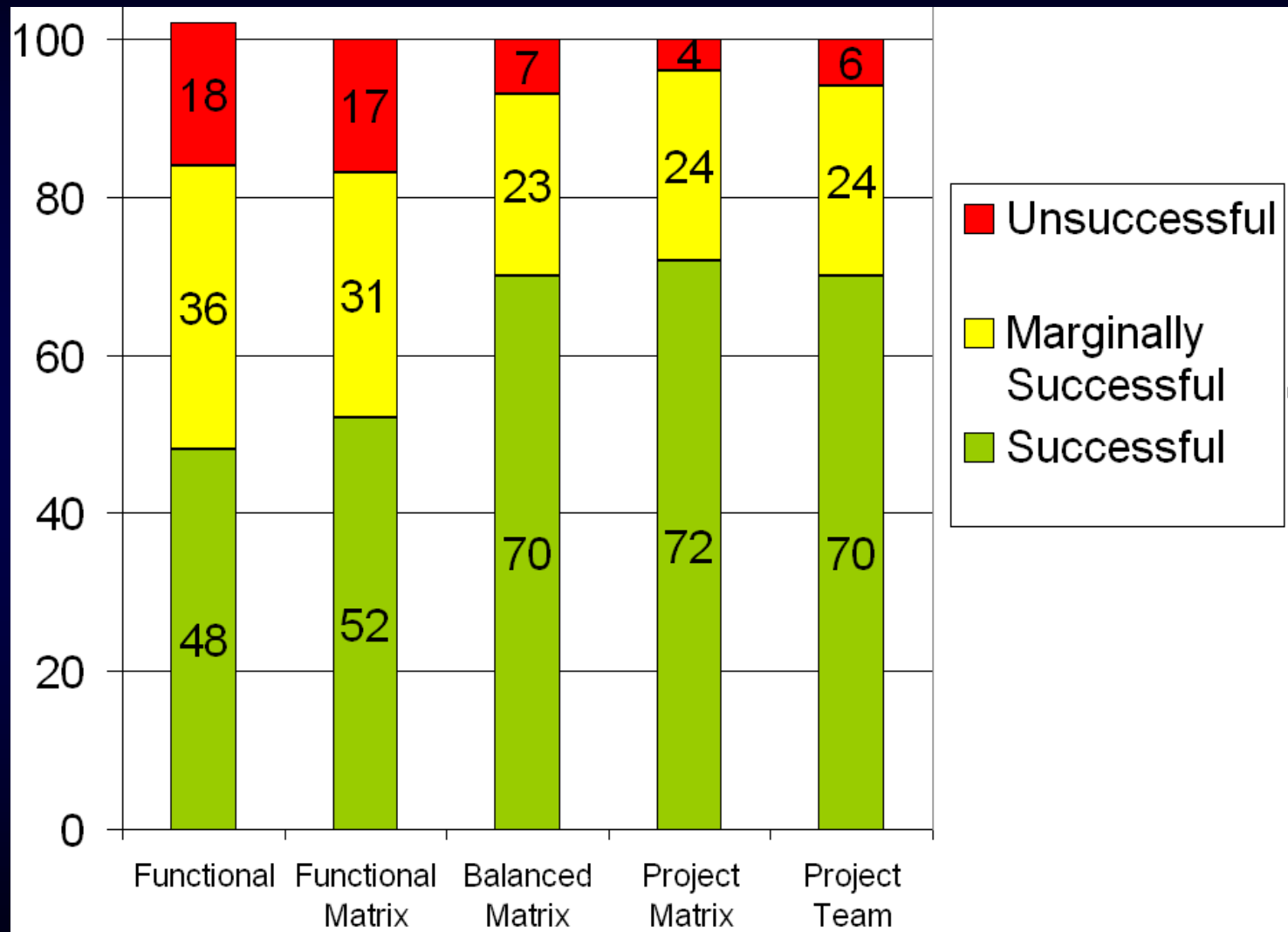
# Project Performance and Organizational Form (Meeting Schedule)



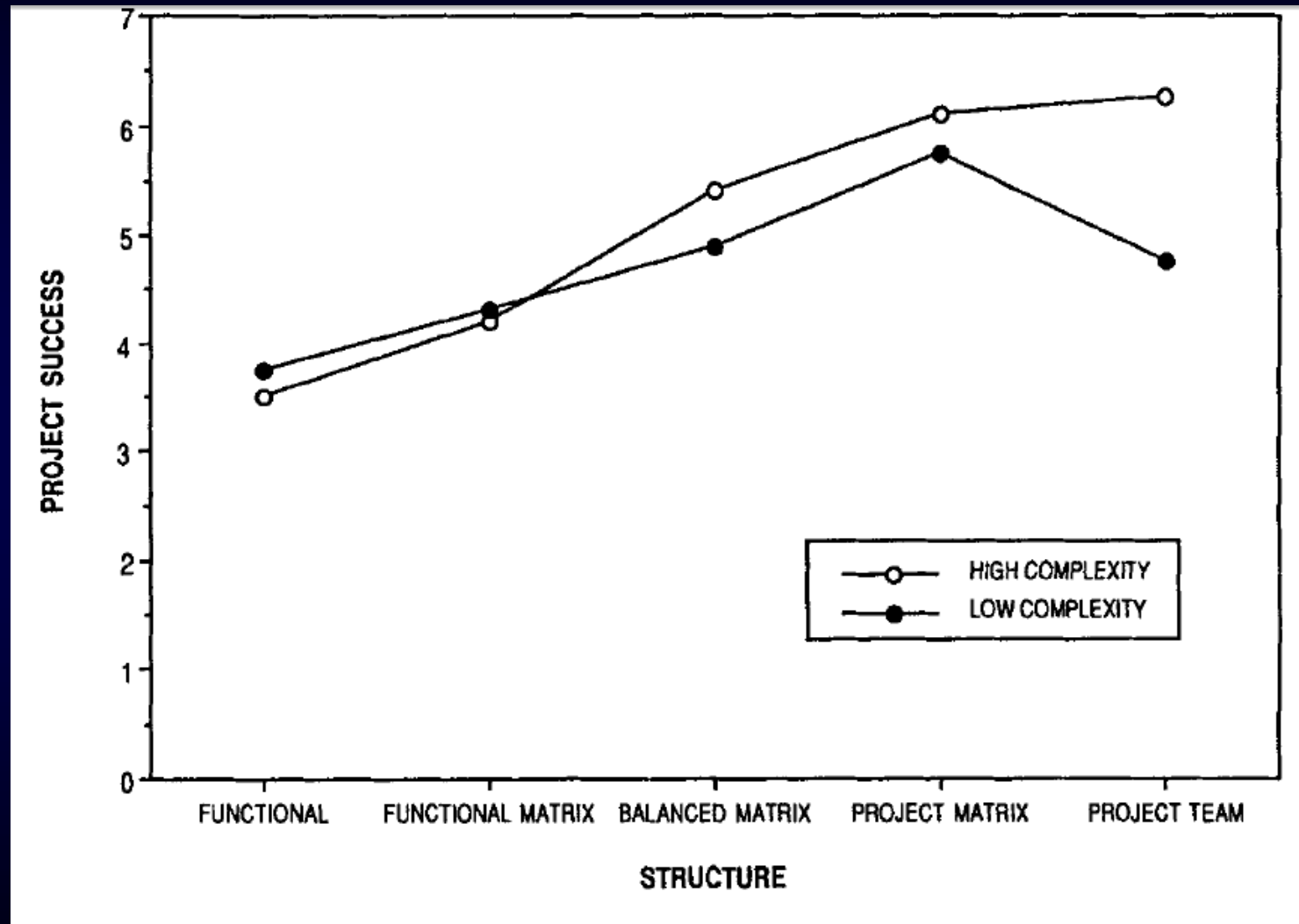
# Project Performance and Organizational Form (Controlling Cost)



# 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.

