

INVESTIGATING THE FACTORS THAT AFFECT THE STRUGGLES THAT PROJECT MANAGERS AND FUNCTIONAL MANAGERS HAVE IN MATRIX ORGANIZATIONS, AND THE CONSEQUENCES THEREOF

Alicia Medina, Business Developer
IKEA Group Development and
Expansion

Carina Franzén, Process
Developer CIO Office

Agenda

Research

- Research problem
- Literature domains
- Qualitative study
- Quantitative study
- Results discussions
- Conclusions

Real life experience

- Context
- Control Mechanisms
- Temporariness
- Type of matrix
- People-related consequences
- Result-related consequences

Q&A

Research



Research Problem

- Two competing modes of organizing: projects as entities that coexist in a major organizational structure
- Matrix structures with the embedded duality of PM and FM roles
- Differences in perspectives (PM versus FM) that lead to different understandings of objectives and priorities → struggles

Actuality of the topic

“The project manager on his own battleground needs a modicum of "projectitis" to generate the necessary drive and momentum to spark the project to success. These symptoms of projectitis will be observed by top corporate executives, but they will expect this malady and will themselves suffer with acute outbreaks from time to time, depending on which and how many of their projects are in the limelight.”

(Gaddis ,1959, p94)

And 32 years later.....

”Still from our knowledge no research provides an in-depth exploration of the issues, tensions or conflicts prevailing in project-oriented organisations.”

(Aubry, 2011, p.437).

Research Questions

Research questions:

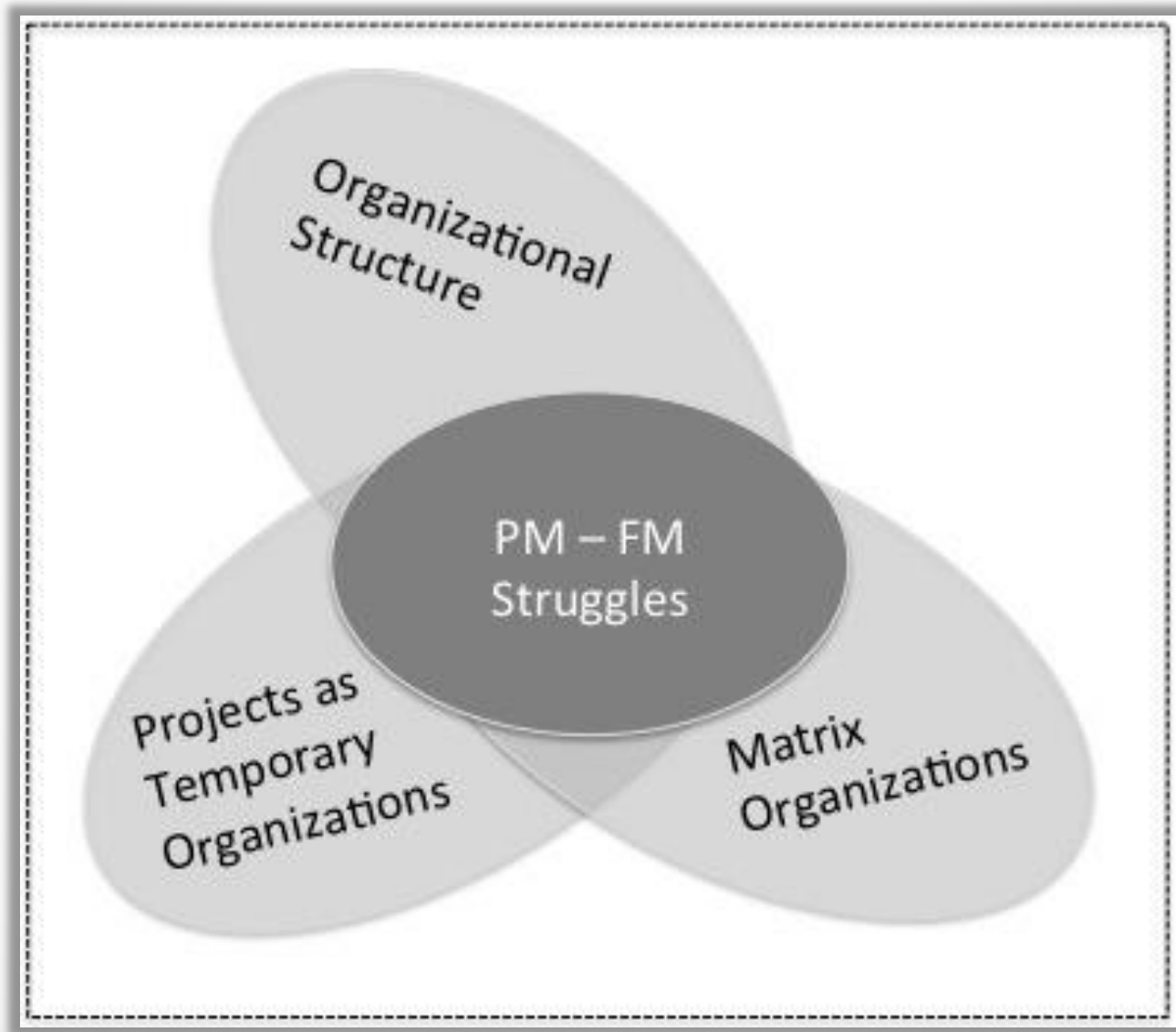
Q1: What is the nature and strengths of the factors constituting the struggles between functional managers and project managers in matrix organizations?

Q2: How do project control mechanisms, project context and temporariness affect the type of struggles?

Q3: Is there any correlation between the type of struggles?

Q4: What are the consequences of the struggles?

Literature Domains



Qualitative study



Qualitative data analysis results

Context

- Assignment of the team
- HRM activities
- Rules and/or overlapping areas of responsibility
- Status of the project
- Stability in the parent organization

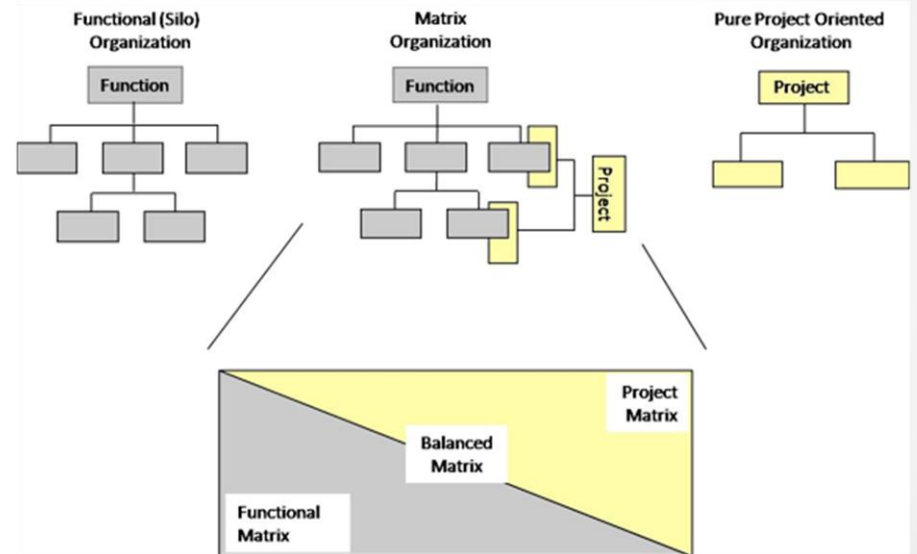
Control mechanisms

- Reporting mechanisms
- Steering structures
- Company values
- Policies
- Reward activities

Qualitative data analysis results

Type of matrix implementation

- Balanced matrix
- Balanced matrix weight on project
- Balanced matrix weight on function
- Functional matrix
- Project matrix
- Different matrix implementations in the organization



Qualitative data analysis result

People-related consequences

- Stress
- Demotivation
- Frustration
- Wrong decisions

Result-related consequences

- Waste of money
- Bad quality
- Delays

Temporariness

- Initiation of projects
- Planned termination criteria
- De facto termination

Consultants

- Use of consultants
- Amount of consultants

Qualitative data analysis results

- The struggles are dependent of the project **context**, the **temporariness** of the project and the **control mechanisms** applied in the company. The **type of matrix** structure and implementation has an impact on the struggles.
- The identified sources of the struggles between the roles in terms of legitimacy, authority and accountability are: **unclear and/or overlapping areas**, **different goals different pace**, and **exclusion from involvement on decisions**.
- The specific working areas with struggles between the roles that we found were: **budget process**, **assignment of the project team** and **HRM activities**.
- The consequences of the struggles between project managers and functional managers in term of their authority; accountability and legitimacy that we found were **stress**, **lack of motivation**, **bad quality**, **waste of money** and **delays**.

Result from the qualitative phase

Furthermore, we got the following results:

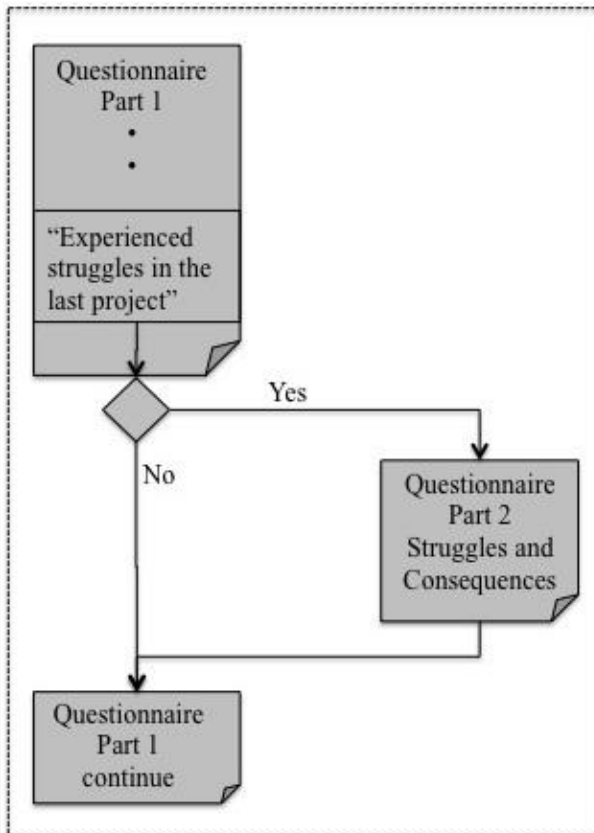
- The **use of consultants** in the projects and/or in the functions has an impact on the legitimacy of the PM and/or FM. It has also an impact on how the deliveries of the project and or functions are accepted in the company, especially when the amount of consultants is more the 20% of the group
- The **different matrix structure implementations** within the same organization generate conflicts that lead to frustrations and affect the performance of the organization. This appeared to be a bigger problem than just the relation between FM and PM

Quantitative study



Sample

| Viewed | Started | Answered 4.6% | Answered between 26% and 37% | Answered 100%, valid | Answered 100%, not valid | Answered between 52% and 95% | Total valid |
|--------|---------|------------------|---------------------------------------|----------------------------|--------------------------------|---------------------------------------|----------------|
| 293 | 181 | 5 | 19 | 132 | 3 | 22 | 154 |



| |
|--------------------|
| Total valid part 2 |
| 90 |

Conclusions



Conclusions

Overall, the research shows that the impact of the struggles has result-related consequences such as bad quality, waste of money and delays. It also has people-related consequences such as demotivation, frustration and stress.

It also demonstrates that the struggles that project managers and functional managers have are mostly present in balanced matrix structures.

Managerial implications

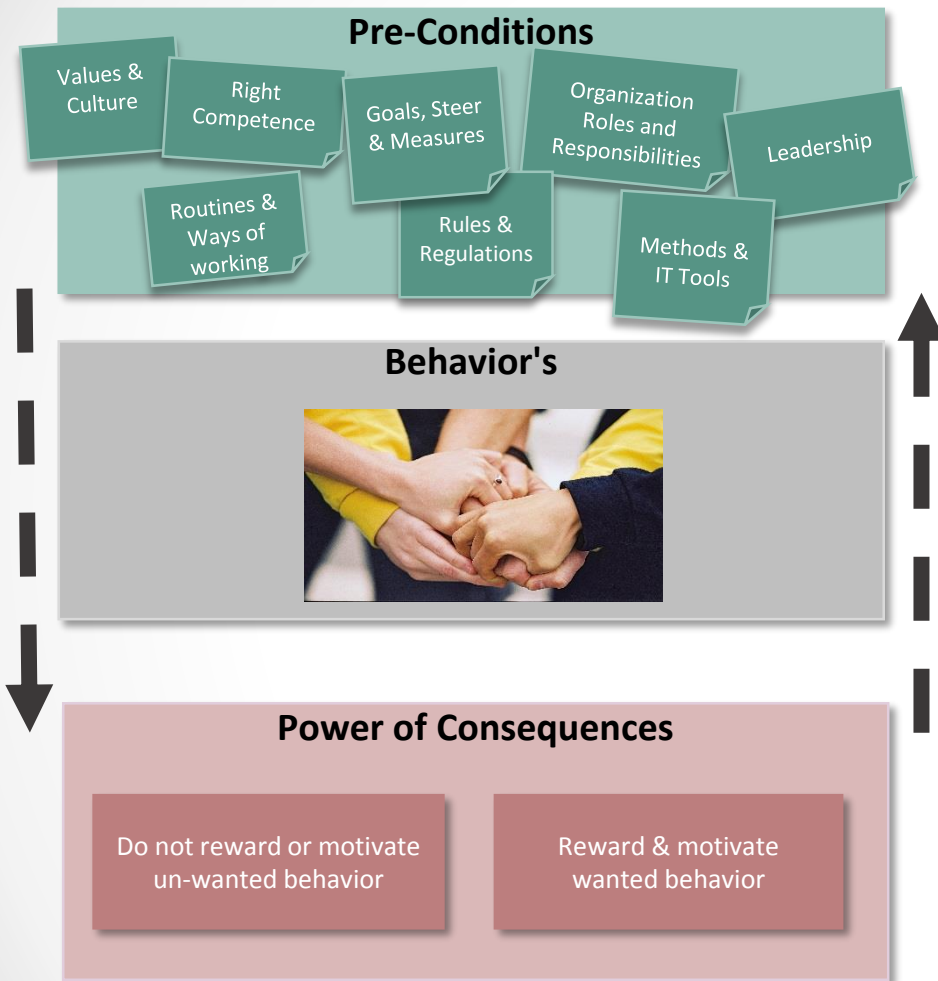
- At the time of designing matrix structures, organizations need to **harmonize** reporting and follow-up tools
- When choosing projects as work method and organizational structure, the **budget process** should take into consideration that a project cannot always follow a fiscal year budget
- HRM practices should be **integrated** into project management and presented to project management as a part of project introduction
- Higher management should be aware of the different focuses that functions and projects have and create **goals** that are **synchronized and connected**
- A way of **recruiting consultants** and a **strategy** to cope with the ambiguity of having need of consultants that contribute to the organization

Managerial implications

- Secure harmonization between projects and functional structures by having a **two-way perspective**, meaning the project view *and* the functional view.
- Take into consideration, at the time of **changed plans**, that the instability of the organization as well as the **uncertainties** that changes may intensify the **struggles**. Having **support** for that the struggles have consequences that affect the result implies that the common message “business as usual” that managers send at the same time that they present organizational changes is not applicable.
- Be aware of the fact that **non-homogeneous matrix** implementation within the same organization was the strongest factor influencing the struggles.

Real life experience





Context

Control Mechanisms

Type of matrix

Temporariness



Result related consequences

People related consequences

-----**Result Related**-----

- Delayed or missed customer value
- Quality of service
- Cost

-----**People Related**-----

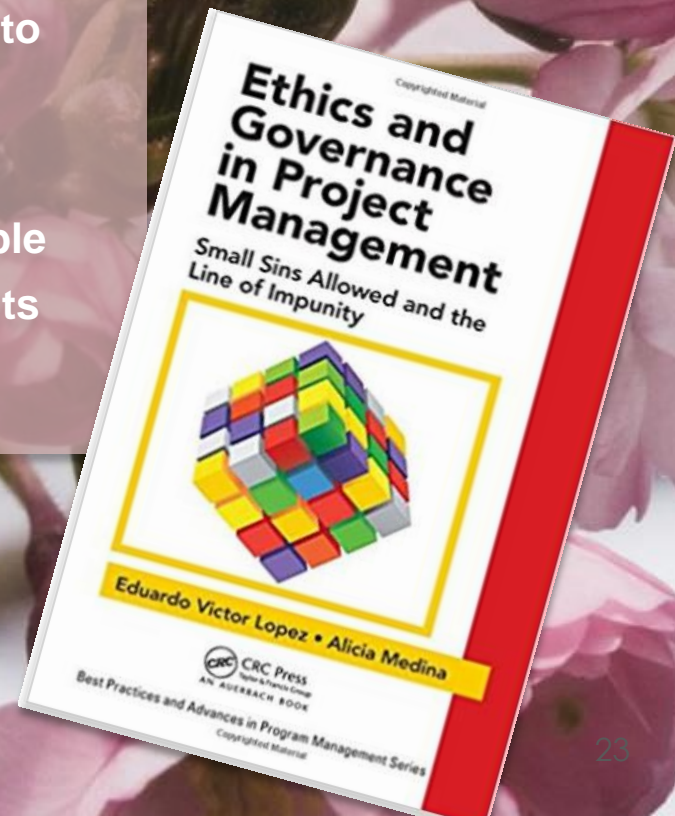
- Sick leave
- Staff leaving
- Poor relationships & team dynamics
- De-motivation
- Loss of self-esteem

Our hope

That this study contributes by:

opening up new research aspects that follow-up studies can undertake, as well as create awareness among the managers about how projects and functions needs to coexist.

In this way we can move towards organizational structures that will have motivated and engaged people that positively collaborate to achieve valuable results



Questions?