

Unit 3 – Project organisation and roles



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Learning Objectives

To gain an understanding of:

- Organisational Structure and effect on working relationships
- Responsibilities and authorities of project participants

Organisational Structures

Key Features of an Organisation

Before discussing the various structures that are employed by different organisations it is worth looking at the key features of organisations in general.

- **Objectives** – Describe the specific direction of the organisation to enable them to establish, support and resource requirements to enable projects to be completed to clients' specifications and standards.
- **Rules and Regulations** – Some of these may be written down such as the expected levels of behaviour for all of the employees of the organisation (e.g. staff handbook), whilst others may not be written down but should be recognised (e.g. the relationship between the boss and their staff). These aspects are covered in more detail in Unit 1 of the 'off-the-job' training programme.
- **Patterns and Structures** – All organisations have established procedures for undertaking the work which will be determined by the relevant organisational structure.
- **Posts and Offices** – The people who have various responsibilities and tasks to perform in order to meet the objectives of the organisation. This is most commonly depicted in an organisational chart.
- **A Chain of Command** – The organisational chart will also highlight the official chain of command (e.g. who is responsible to whom within the organisational structure).
- **Authority** – Within the chain of command, there is also varying levels of influence that is vested in the people who have been given the responsibility to occupy these positions within the organisational structure. The levels of authority and responsibility would normally be clearly defined in the individuals' job description.
- **Records** – All organisations need to have systematic and well organised records. In a projects context there will be documentary evidence at all stages of the Project Life Cycle as outlined in Guidance Note (a) of this unit.

Organisation Structure

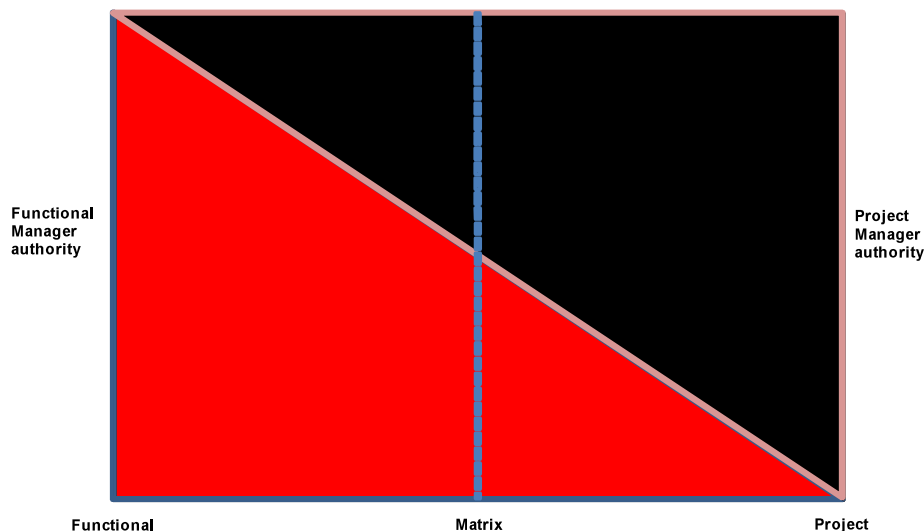
Organisational structure refers to the way that it arranges people and jobs so that the work can be performed and its objectives can be met. When a work group or project team is small and face-to-face communication is frequent, a formal structure may not be necessary.

However, in larger organisations or where there a number of people engaged on a project, there will need to be clearly defined roles and responsibilities and an established process for the delegation of specific tasks.

In an organisation of any size or complexity the role and responsibilities of its staff are typically defined by what they do, who they report to and for those with more authority and responsibility which staff reports to them.

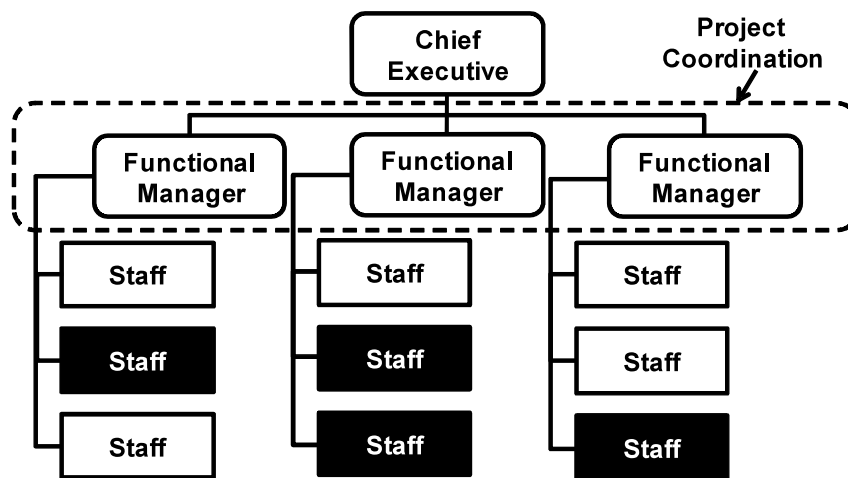
These relationships would be illustrated in an organisational chart. The most appropriate organisational structure will depend on many factors such as the range of business activities or projects it undertakes, the size of the organisation in terms of number of staff and the geographical dispersion of the whole organisation.

Organisational structures lie on a continuum with functional at one end and project at the other end. In the middle you will find a matrix organisation. The relative level of authority between a functional manager and a project manager will determine an organisations position on the continuum.



Functional Organisations

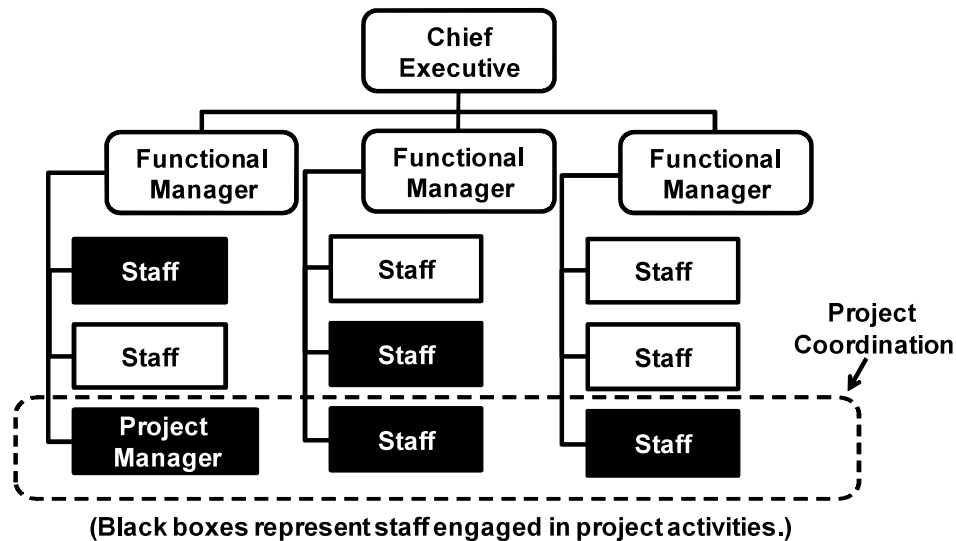
Functional organisations are used by organisations involved in routine operations and it will provide a stable structure for managing routine work. Functional organisations will carry out projects but the various functional managers will be responsible for the project coordination (see the diagram below).



(Black boxes represent staff engaged in project activities.)

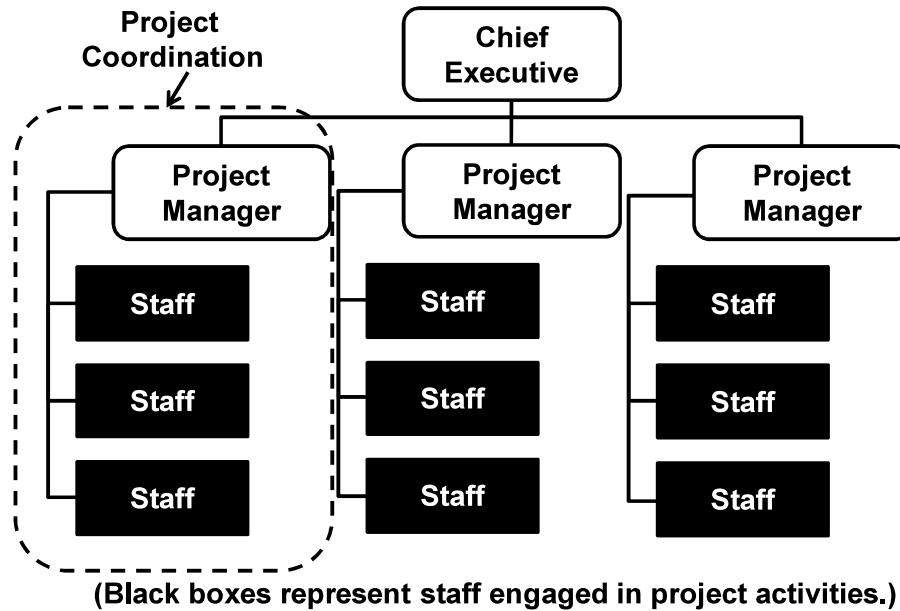
Matrix Organisations

Matrix organisations are a blend of functional and project characteristics. Weak matrices maintain many of the characteristics of a functional organisation, and the project manager's role is more that of a coordinator or expeditor than that of a manager. In similar fashion, strong matrices have many of the characteristics of the project organisation—full-time project managers with considerable authority and fulltime project administrative staff. The example below is of a balanced matrix.



Project Organisation

At the opposite end of the spectrum is the project organisation, shown below. In a project organisation, team members are often co-located. Most of the organisation's resources are involved in project work and project managers have a great deal of independence and authority. Project organisations often have organisational units called departments, but these groups either report directly to the project manager or provide support services to the various projects.



The next few pages will discuss the effect the organisation structure has on the project, the personnel involved and the potential impact on working relationships within the organisation.

Organisational Cultures and Styles

Most Organisations have developed unique and describable cultures. These cultures are reflected in their shared values, norms, beliefs, and expectations; in their policies and procedures; in their view of authority relationships; and in numerous other factors. Organisational cultures often have a direct influence on the project.

For example:

- A team proposing an unusual or high-risk approach is more likely to secure approval in an aggressive or entrepreneurial organisation.
- A project manager with a highly participative style is apt to encounter problems in a rigidly hierarchical organisation, while a project manager with an authoritarian style will be equally challenged in a participative organisation.

Organisation Structure Project Characteristics	Functional	Matrix			Projectised
		Weak Matrix	Balanced Matrix	Strong Matrix	
Project Managers Authority	Little or None	Limited	Low to Moderate	Moderate to High	High to Almost Total
Percent of Performing Organisations Personnel Assigned Full Time to Project Work	Virtually None	0-25%	15-60%	50-95%	85-100%
Project Manager's Role	Part-time	Part-time	Full-time	Full-time	Full-time
Common Title's for Project Managers Role	Project Coordinator/ Project Leader	Project Coordinator/ Project Leader	Project Manager/ Project Officer	Project Manager/ Programme Manager	Project Manager/ Programme Manager
Project Management Administrative Staff	Part-time	Part-time	Part-time	Full-time	Full-time

Organisational Structure

The classic *Functional Organisation* is a hierarchy where each employee has one clear superior. Staff members are grouped by speciality, such as production, marketing, engineering and accounting at the top level.

Functional Organisations still have projects, but the perceived scope of the project is limited to the boundaries of the function e.g. the engineering department in a functional organisation will do its work independent of the manufacturing or marketing departments.

It could be argued that this arrangement would not have a detrimental effect on working relationships as the project is self-contained within the functional department and personnel will probably be known to each other however project work is often seen as a relief from day-to-day routine and as a consequence those working on projects often see themselves as more important which can lead to friction amongst staff. Competing priorities between day-to-day targets and project targets may also contribute to strained relationships.

In the *Project Organisation* there is arguably less reliance on working relationships outside of the project as all the resources the project requires are already available from within. As personnel can become so focussed on their project objectives only, a lack of communication may result which in turn can lead to an absence of knowledge sharing and information sharing, e.g. one engineering team may develop a new solution which, if shared, could also be utilised on another project.

As this environment does not encourage cross-team working relationships positive action needs to be taken in to encourage interfaces between the project teams. Knowledge sharing develops individuals and the organisation and contributes to continuous improvement.

The *Matrix Organisation* structure may provide fewest barriers to effective working relationships. Responsibilities for project and non-project staff should be clear. Unlike the

Functional Organisation the project is not self-contained within one department and will utilise staff from several departments, taking advantage of their expertise.

The project manager has a greater degree of authority in this structure so conflict if any is more likely between the functional manager(s) and the project manager.

Difficult working relationships exist in any organisation structure and for many reasons. The above notes are designed to highlight the possible cause of conflict created simply through the style of the organisation.

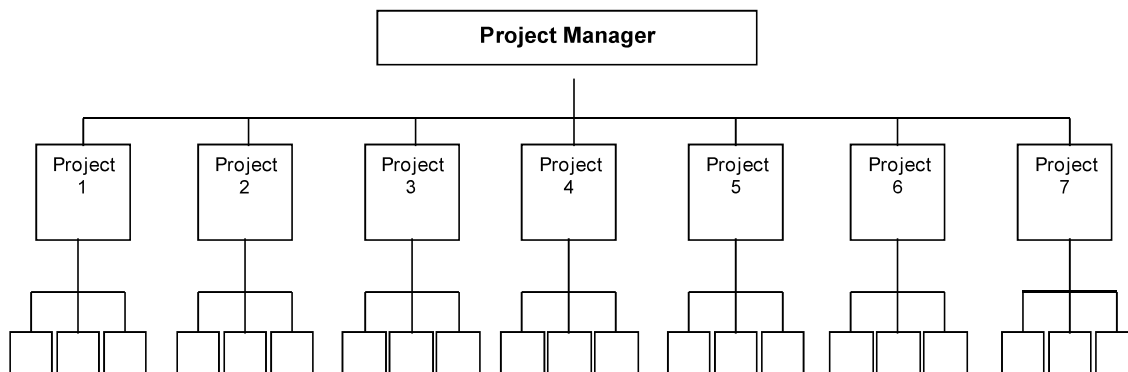
Other Types of Organisational Structure

All organisations are structured differently due to the way that they operate and according to their culture. The structure of an organisation will affect the way in which projects are managed and this will be determined by the types and differences of organisational structures such as:

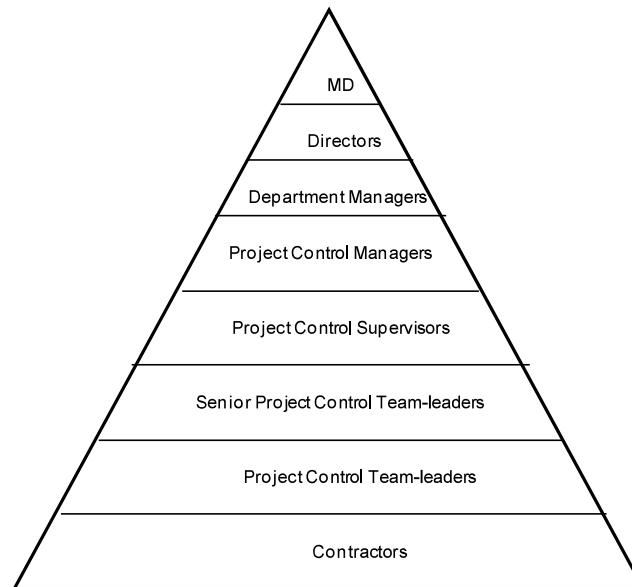
- Flat
- Tall
- Hierarchal
- Centralised and decentralised

The most common types of organisational structure have 'spans of control' which refers to the number of staff that are directly responsible to one person. The number of people that one person can supervise needs to be carefully considered. The chain of command and the span of control create a pyramid shape of the organisations' structure.

The extent of the chain and the nature of the span of control will determine whether the organisation has a 'flat' or 'tall' structure. Where the spans of control are broader and there are fewer levels of authority, an organisation is deemed to have a 'flat' structure as outlined below.



In contrast, where there are narrow spans of control and more layers of authority an organisation is deemed to have a 'tall' structure as shown below.



There is no single ideal combination of chain of command and span of control for any particular organisation. However, the fewer number of levels tend to improve the decision-making and communication processes, but limits the opportunities for promotion, whereas increasing the number of levels could increase the opportunities for promotion and may slow down the decision-making and communication processes but offers a greater degree of control as decisions are passed up through the organisational structure.

Project organisational roles

Roles have to be defined for the unique circumstances of a project. These roles may differ from those that the individuals hold within the organisation. For example, a project manager's boss in the functional organisation may be a member of the project team and report to the project manager on all matters relating to the project.

There are a number of principal roles that may need to be defined on a project.

A **steering group** provides overall strategic direction for the project. The steering group is chaired by the sponsor and consists of representatives from users and suppliers. Where a steering group is not required, the sponsor provides overall direction and management of the project.

The **sponsor's** role is to own the business case and be ultimately accountable for the project and for delivering the benefits.

The **project manager** manages the project on a day-to-day basis and is responsible for delivering the capability that allows the benefits to be realised.

The **Project Controller**. This role is discussed in unit 1 of this document.

Users represent the group of people who will benefit from the project. Users may also be subject matter experts who contribute to defining requirements and acceptance criteria.

Project team members are accountable to the project manager. Team members ensure that the work assigned to them by the project manager is performed either by themselves or by others within a working group. In a working group work is delegated to individuals and the interrelationship between activities is managed through a single person, perhaps a member of the project team.

The above group are the main participants in the project. The Sponsor and steering group are considered to be accountable (to the Board or external Client) for the project whilst the project manager is said to have overall responsibility i.e. for delivering the desired outputs. It is essential to the success of the project and in the interests of all of the above parties to have good working relationships.

One common reason for poor working relationships is the absence of clear roles and responsibilities. The table at the end of this module gives examples of some of the tasks in a project and who is responsible.

There are other parties involved in the project with whom the project personnel need to maintain effective working relationships. These include:

Suppliers represent the people or organisations that will provide resources to the project. Suppliers can be internal or external to the organisation. They are responsible for producing the project's deliverables.

The **project office** provides support to the project manager and sponsor. The degree of this support may vary considerably.

Stakeholders are those with an interest in the project. A stakeholder may be an individual or group, either internal or external to the organisation. Stakeholders contribute to defining fitness for purpose for the project.

Corporate and other personnel in the organisation who may not be directly involved in the project but may be affected by or have an interest in it e.g. finance, accounts, HR, sales, marketing.

Trade unions often have an interest in the organisations projects and may request general consultation and information on some aspects of whilst expecting information and assurances on others e.g. that Health & Safety policy and procedures are being applied.

Unlike the first group of roles these parties do not have defined roles or responsibilities within the project itself but their expectations still need to be managed. One of the main tools at the project manager and project team's disposal is the communication strategy.

Managing expectations is not the same as giving people what they want. It does mean considering any particular needs or wants they may have, meeting those needs if possible and if not telling them why. From their point of view "no news is no news" and leaves them free to make assumptions. In summary keeping them informed is vital to maintaining relationships.

Learning Outcomes

You should now have an understanding of:

- Organisational Structure and effect on working relationships
- Responsibilities and authorities of project participants