

Project Management Technologies PMG 312

Prepared by Dr. Majid Saad



Lec.4 -Ch.3 Power and politics

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Lecture 4
Ch.3 Power and politics

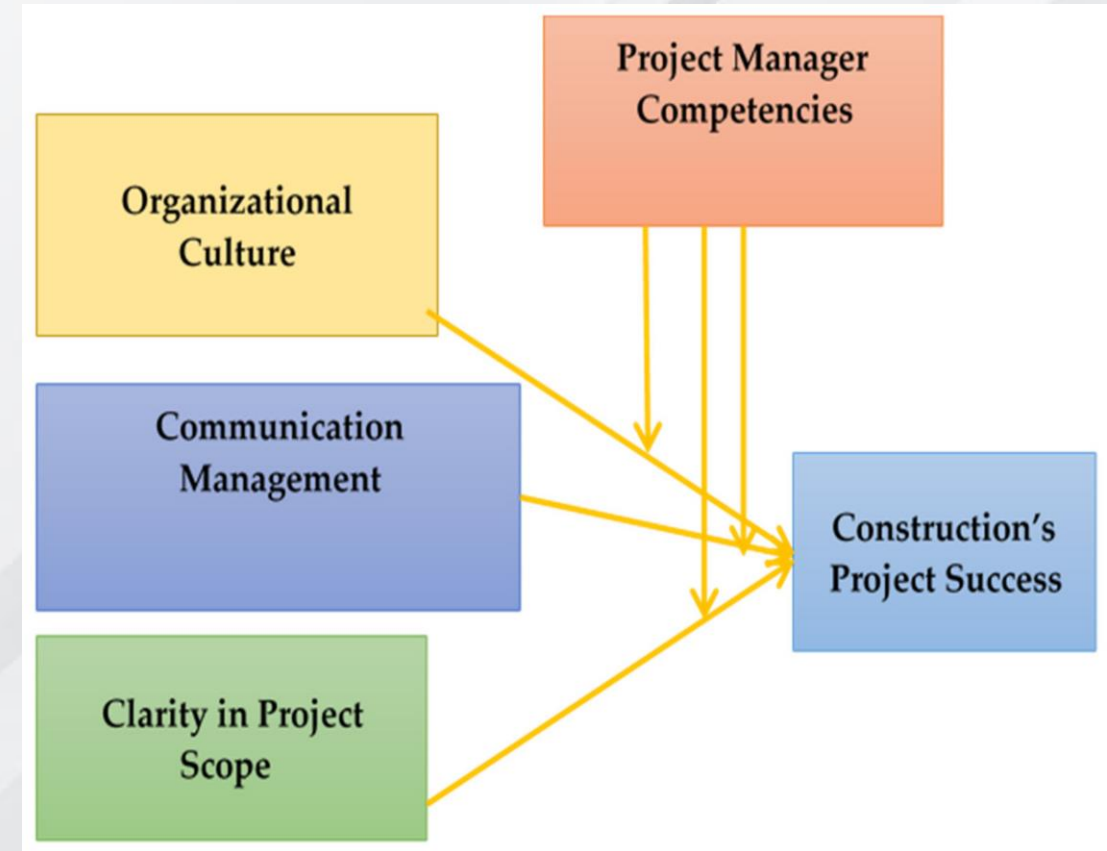
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Lecture outline

- ❖ Introduction
- ❖ Root cause of power and politics
- ❖ Organizational structures.
- ❖ Centralized organization structure
- ❖ Functional organization structure
- ❖ Projectized organization structure
- ❖ Matrix organization structure
- ❖ Virtual organization structure
- ❖ Composite organization structure
- ❖ Summary

Introduction

- Look at power and politics and how it plays out in different organizational structures.
- This all relates to the internal support environment for the project and the general maturity of the organization.



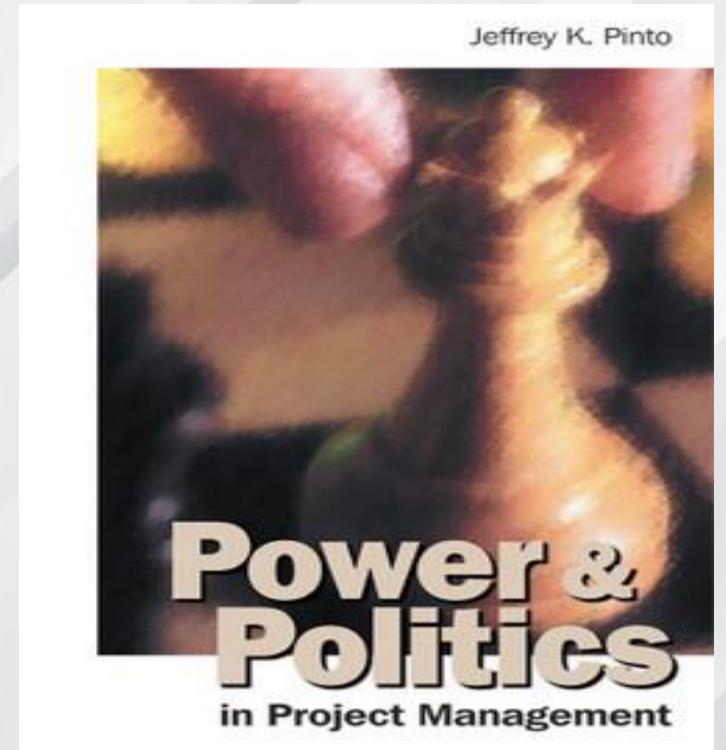
Introduction

- An organization's culture can contribute to a project's success or failure and that is why it is important to understand the positives and negatives of different organizational structures, so the power and politics can be minimized as much as possible



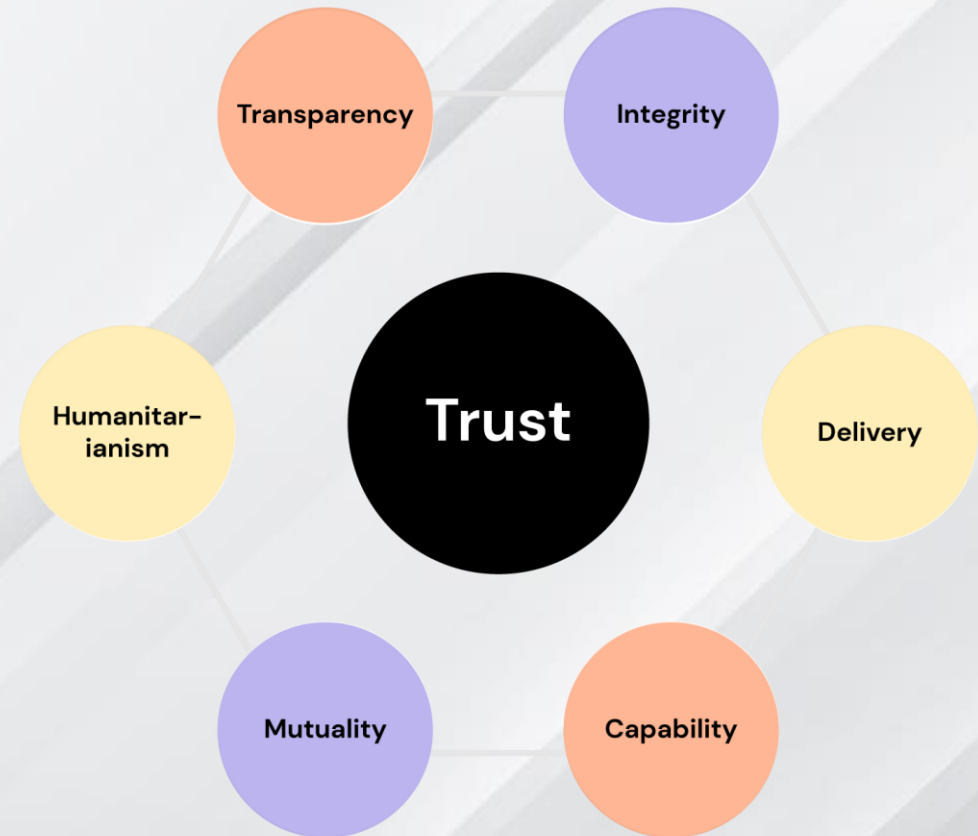
Root cause of power and politics

- ❖ Projects are natural breeding grounds for conflict resulting in ineffective human behavior, which must be dealt with effectively for the overall success and health of a project.
- ❖ Every organization, regardless of being small or large, has politics due to power struggles.
- ❖ Every project will also have unique power struggles due to changing parameters of the project resources, environment, or goals and deliverable.



Root cause of power and politics

- ❖ Politics can be in terms of which projects the senior management support and are committed to bringing to fruition ثمار.
- ❖ Trust between the stakeholders and project team is a powerful asset as it can foster loyalty from key stakeholders and result in a positive project environment .



Root cause of power and politics

- ❖ It is necessary to identify and manage stakeholders to help in selling and continuing to sell the project throughout the life of the project.
- ❖ Another important aspect of the project is assembling the right team of individuals.
- ❖ These struggles root from resources being in limited supply

Root cause of power and politics

What types of resources are limited?

- What types of resources are limited?
- For many organizations, it comes down to:
 - ❖ labor resources
 - ❖ Monetary resources
 - ❖ Facility (space) resources, and equipment resources.



labor resources

□ Case:

□ If you are a manager and your boss asks you to spare two labor resources as in two employees for 1 year to work on a special project, who is going to be chosen?



✓ Will the two star performers

or

✓ Two low performers be chosen?

labor resources

□ 1st Scenario:

- ❖ If you choose your two star performers, your boss may be very grateful as it will allow the special project to more likely succeed.
- ❖ However, if your office is without the star performers, will your office dynamics change so much that you are left with a dysfunctional group of employees that will leave you having to pick up the slack contributing to even more work hours a week.



labor resources

❖ 2nd Scenario:

- ❖ If you choose your two low performers, is your boss going to be back in your office a month from now saying that those workers are not suitable for the special project requiring you to still let go of your star performers?



labor resources

- ❖ These are the types of decision-making going on inside the head of every lead, manager, and executive in the work environment.
- ❖ So, did you make a decision regarding which employees to send to the special project?
- ❖ Maybe you decide to compromise and send just one star performer and one average performer so that your boss will be successful while your office is not too terribly interrupted.



labor resources

- ❖ Now, as a manager, it is also your responsibility to help with the career development of your employees.
- ❖ So, if this special project has high visibility for the employees that are sent, then maybe both star performers are deserving of that opportunity making the decision that much more complicated.



Monetary resources

- ❖ There is not an organization out there with unlimited money to spend on the organization.
- ❖ So, executives spend time planning which efforts or projects their company should be investing in that will grow the company's profits.



Monetary resources

- ❖ Different channels of communication go up and down the organization as employees may ask their leads for monetary resources for different reasons such as the need for upgraded equipment.
- ❖ In return, the leads then ask managers for funding for the employee's needs, resulting in managers asking their bosses up through to executives for funding.



Monetary resources

- ❖ Unfortunately, every department or office is experiencing the phenomenon of having needs that require funding.
- ❖ Different employees, leads, managers, and executives continuously have to make decisions on the best way to use the limited amount of funding.



Monetary resources

- ❖ Sometimes the choices made regarding how to spend the funds have to do with what is best for a company but often choices are made due to politics in terms of making decisions based on other agendas.
- ❖ Sometimes a business unit creates a need for a specific project for their own value and does not think enough about the organizational-level goals.
- ❖
- ❖ These hidden or sometimes obvious agendas have more to do with returning favors to other individuals to keep conflicts to a minimum.



Monetary resources

- However, this is never the recommended approach to leadership and management.
- Managers might feel the pressure to provide funding for one project over another based on perhaps the PM having performed a favor to the manager in the past or promised favors in the near future.



Monetary resources

- ❖ Decisions on how to use the limited amount of funding should be based on which projects or needs are best in alignment with an organization, but in reality, this is true only a portion of the time



Space or Equipment resources

- ❖ Other resources high in demand are equipment or even space.
- ❖ Depending on the organization, there may even be specific rules or guidelines distributed on how much space one level manager gets for their office versus another manager.
- ❖ Even conflicts over which department gets the better conference room to conduct a workshop occur as again the amount of needs in an organization are unlimited, whereas the resources to fulfill those needs are limited.



Space or Equipment resources

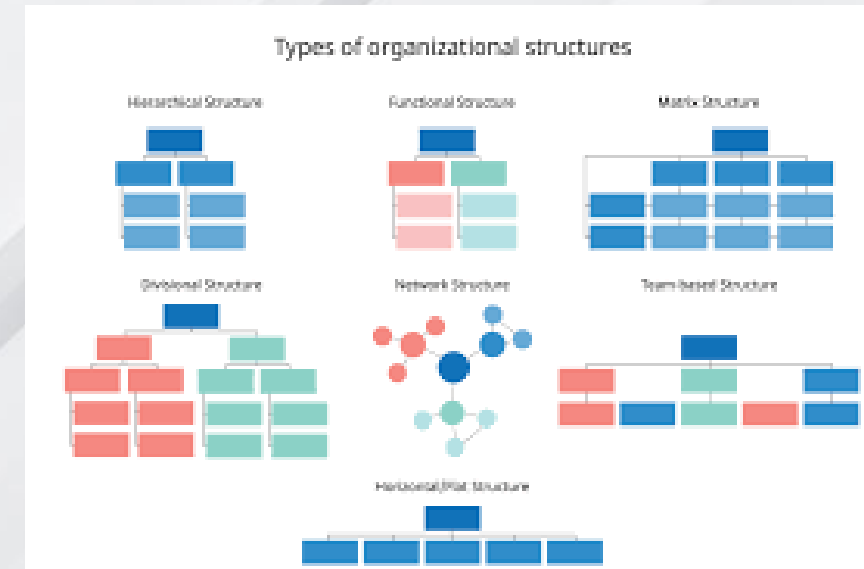
- As for equipment, this can be anything from professors at a university all wanting specific classroom space because one classroom may have computer stations for students and other classrooms just desks.
- Or, it could be different product managers all needing some of the same factory equipment to produce their product line
- Yet, as there are only 24 hours in each day, not everyone's needs are met within the time that best fits their needs.



Organizational structures

❖ What Is an Organizational Structure?

- ❖ An organizational structure is a system that outlines how certain activities are directed in order to achieve the goals of an organization.
- ❖ These activities can include rules, roles, authorities and responsibilities.
- ❖ The organizational structure also determines how information flows between levels within the company.



Organizational structures

- ❑ Having an organizational structure in place allows companies to remain efficient and focused.
- ❑ **Six** different types of organizational structures that include **centralized, functional, projectized, matrix, virtual, and composite.**
- ❑ Each structure has distinct characteristics.
- ❑ There are benefits and challenges in existence for each of these structures as well

1- Centralized organization structure

- Is set up by different departments that may overlap according to their functions.
- A centralized organization structure has a very clear way of exercising control over project selection.
- This occurs because all project requests are submitted to the manager of a group for approval, including identifying the project team members to work on the project.

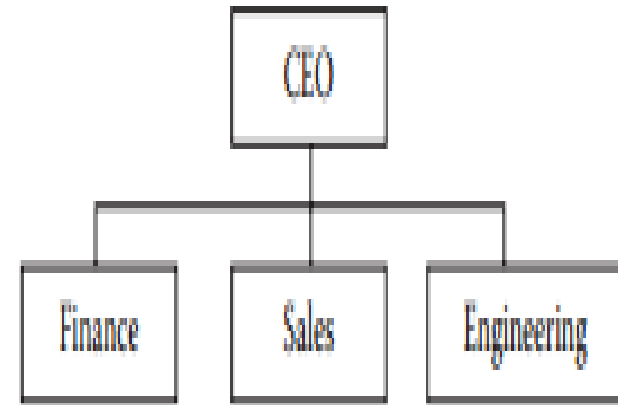


Figure 3.1 Centralized organization structure.

1- Centralized organization structure

- The Centralized organizational structure is formally designed and the orders come from one manager, which is described as Mechanistic/ Standardized structure

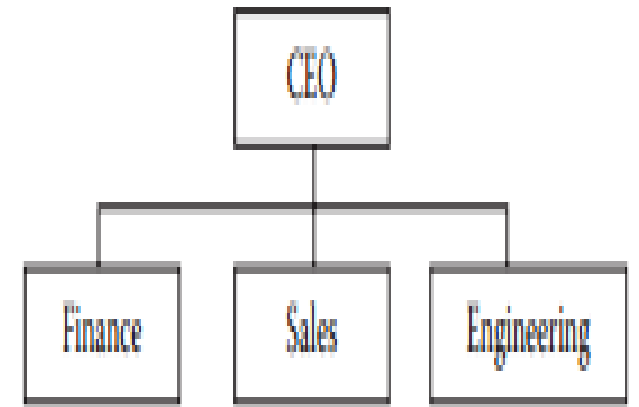


Figure 3.1 Centralized organization structure.

1- Centralized organization structure

- In this organization, there is typically one set of management procedures and reporting systems for all projects within the entire organization regarding project planning documents, risk management, change management, conflict resolution, and so on.

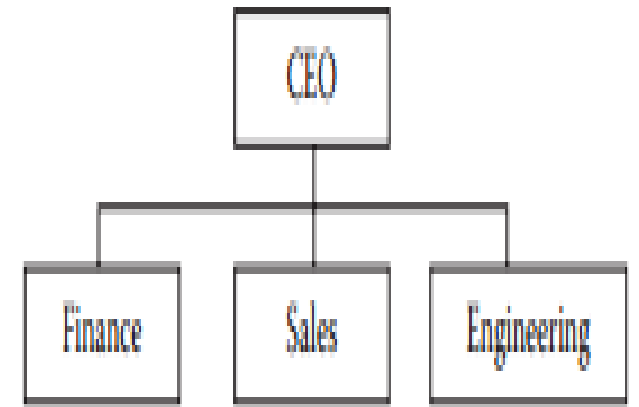
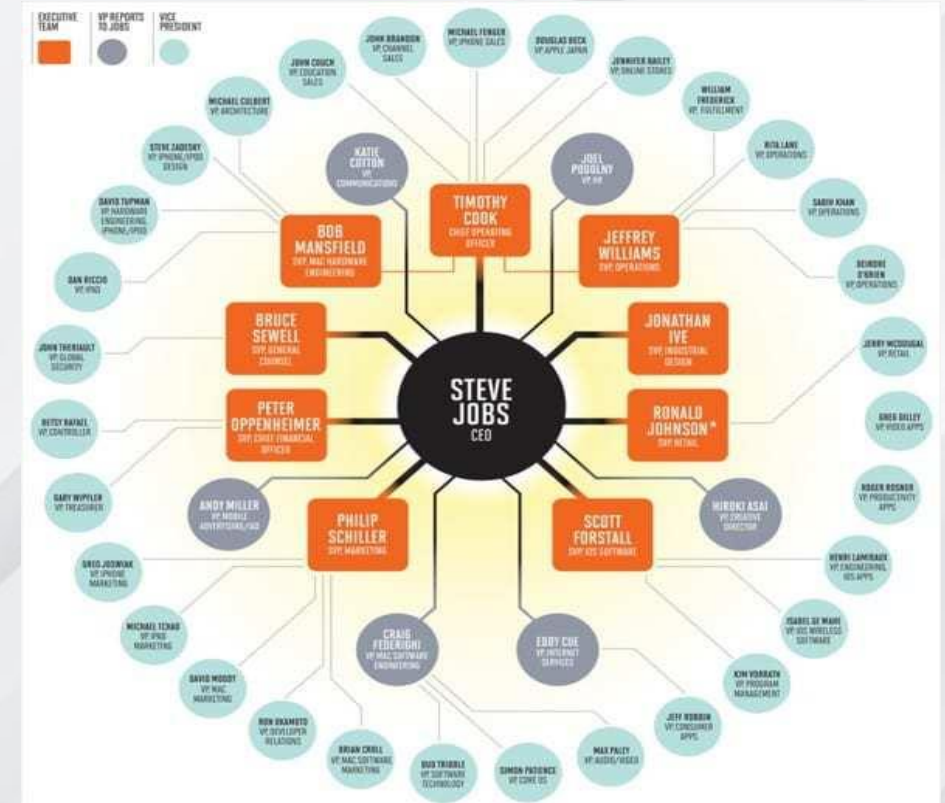


Figure 3.1 Centralized organization structure.

1- Example of Centralized organization structure

- Apple is an example of a type of centralized organization. Many employees of Apple have spoken out over the years and said that Steve Jobs used to have a look at every project and every initiative before a go ahead was given. Below is an image depicting the centralized nature at Apple during Steve Jobs' tenure as the CEO.



Benefits of Centralized organization structure

- Large benefit to the company because these procedures and reporting systems should technically be more perfected in comparison to each PM creating their own procedure and reporting system.
- It is easier for higher-level managers to see the health of the organization as a whole and where weak spots may occur because of the standardization in procedures and reporting systems.
- Managers can compare apples with apples since the company has standardized procedures and reporting systems (Benchmark)

Benefits of Centralized organization structure

- Another benefit within the centralized organization structure is that working relationships tend to be more established.
- This is due to people on a team already know how to successfully work with each other and managers already know the strengths and weaknesses of different team members.
- PMs and the project teams can easily be held responsible and accountable for the success of a project.
- Therefore, clear authority increases pressure for people to honor their commitments since performance appraisals, for instance, are conducted in the same organization where the work is being accomplished.

Challenges of Centralized Organization Structures

- ❖ It can also be difficult to manage peaks and valleys فترات الذروات والانخفاضات in staff workloads. Project needs do not match the availability of team members in that there could be too much or too little work at any one time since project team members all come out of just one department.
- ❖ Since there is a smaller pool of labor resources to tap into, there may be a lack of specific skills among the group, making it difficult to staff a project team or rather causing skill gaps within the project team.

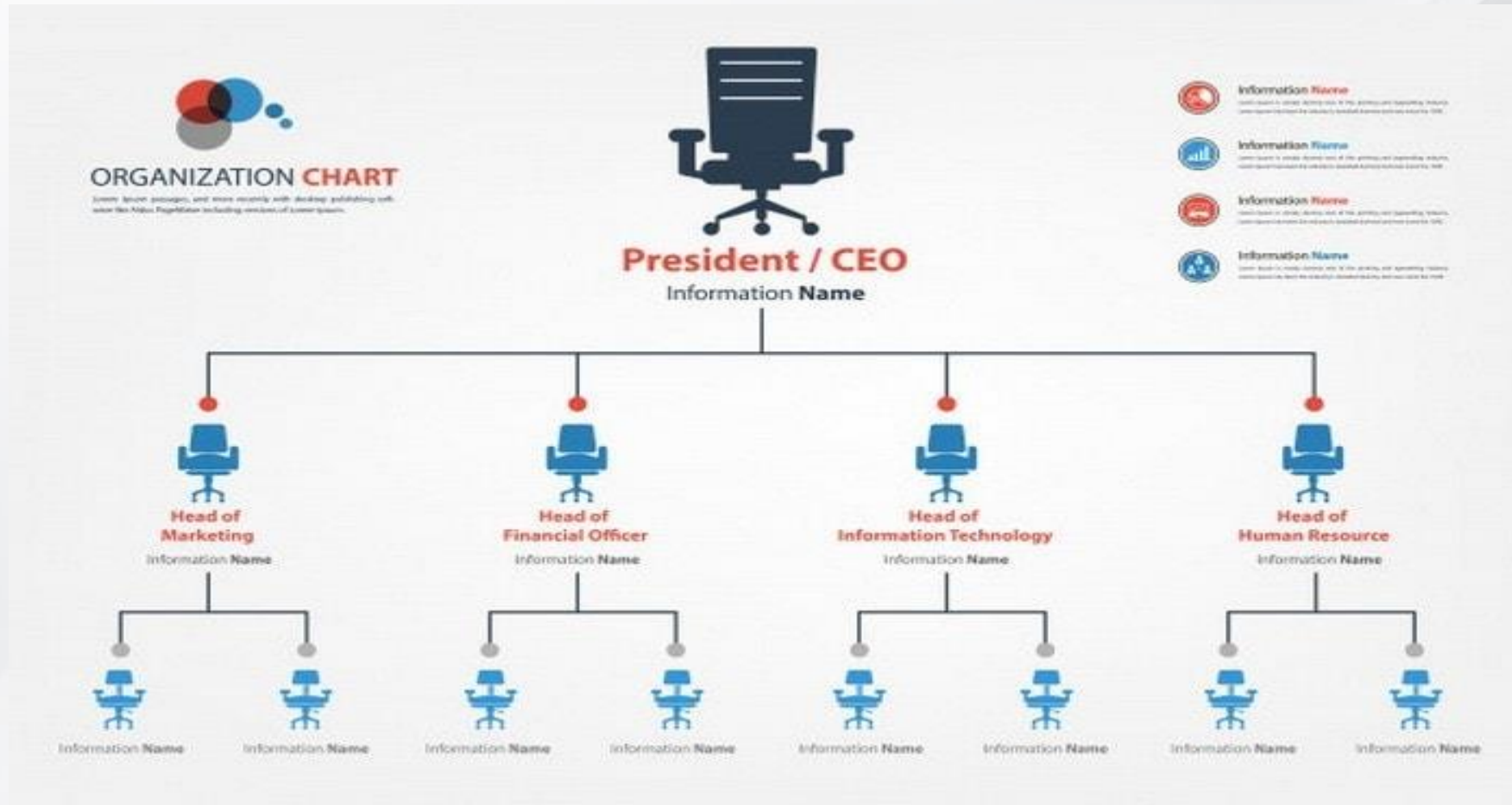
Challenges of Centralized Organization Structures

- ❖ Potentially, there could be slow response times to project requests since there will be internal politics regarding which projects get approved.
- ❖ People who know each other may not feel comfortable challenging the status quo. Therefore, if there are not a set of fresh eyes, it can be negative since processes and politics that may remain may be ineffective.

Challenges of Centralized Organization Structures

- ❖ People who know each other may not feel comfortable challenging the status quo. Therefore, if there are not a set of fresh eyes, it can be negative since processes and politics that may remain may be ineffective.
- ❖ This can cause problems with the need to pull from another division of the company in hopes of having a labor resource that is a valuable team member and proficient in the skill needed.
- ❖ Benefits and challenges exist within every structure. Companies organize themselves based on which organization fits their company the best.

2. Functional organization structure



2. Functional organization structure

- ❖ Is set up according to major business functions such as aircraft, facilities, logistics, environment, or public affairs.
- ❖ Therefore, the different divisions are formed based on the main functions of the company, and employees have one clear supervisor

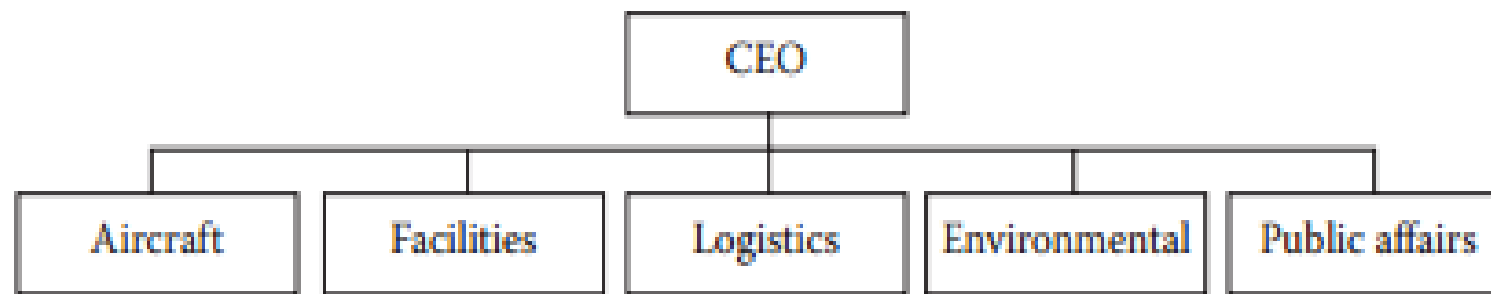


Figure 3.2 Functional organization structure.

Benefits of Functional organization structure

- ❖ People in a specialty unit have an in-depth understanding of the functional area for which they belong because all of their work revolves around that function such as aircraft-related projects.

Functional Project Organization Structure



Benefits of Functional organization structure

- ❖ Do not have to compete with one another to get the support of their specialty groups because only one group is familiar with aircraft and that eliminates competition within the same organization.
- ❖ Functional groups are often very adept at technical problem-solving within the group because all of their projects are related and thus expertise is acquired by the group.

Functional Project Organization Structure



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The challenges of the functional organization structure

- The challenges of the functional organization structure are, in many respects, the benefits of a centralized organization in reverse.
- To begin with, each functional unit, since each unit acts almost independent of each other, most likely has different work procedures and reporting systems.

The challenges of the functional organization structure

- Therefore, the organization experiences inconsistent procedures and reporting processes.
- This results in higher-level management not being able to compare apples with apples when assessing the health of the organization as it will be more difficult to compare one functional unit to another since all the documentation and system output will be different.

The challenges of the functional organization structure

- ❖ If the management cannot easily identify strengths and weaknesses within the company, it could be more difficult for a functional unit manager to convince the upper management to make major investments in equipment and facilities that are needed to support a unit's technical work.

3. Projectized organization structure

- ❖ The projectized organization structure is a project organization that has PMs with full authority where employees actually report to the PM
- ❖ There is also staff to support the PM.

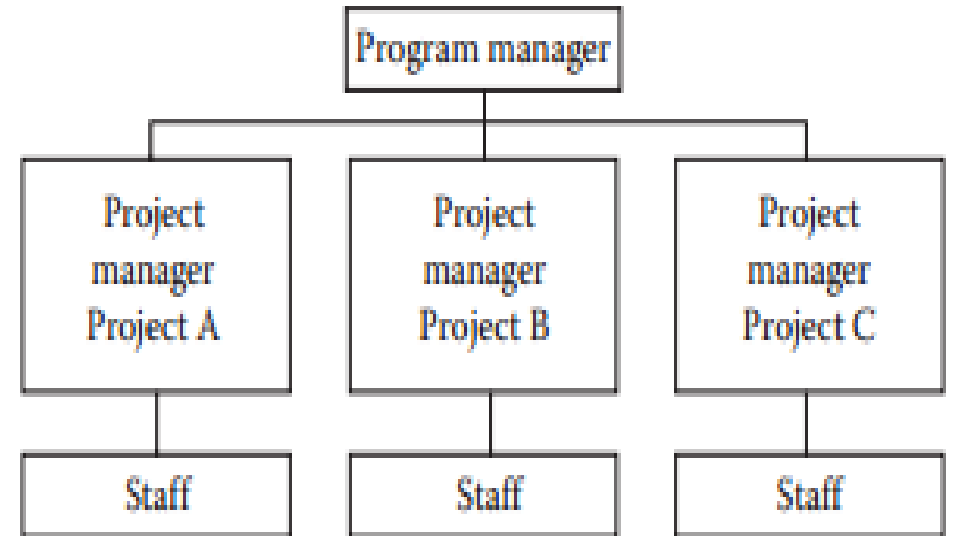
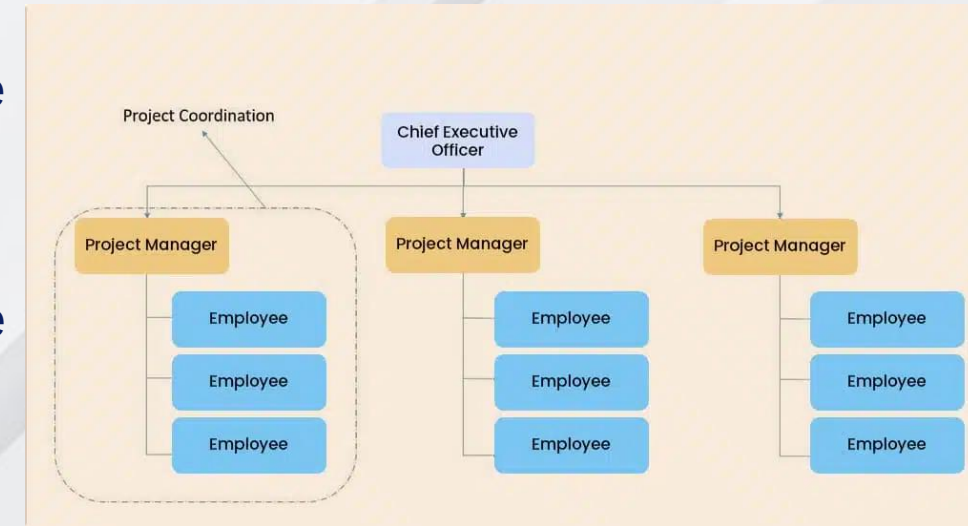


Figure 3.3 Projectized organization structure.

3. Projectized organization structure

- ❖ Team members are loyal to the project goal.
- ❖ Team members report directly to project managers; the line of authority is clear. Communication is fast because of a single authority.
- ❖ project managers can make quick decisions and complete the project faster.
- ❖ Team members become more flexible when working on different projects.
- ❖ Team members are encouraged to learn from others' experiences and share their own.



4. Matrix organization structure

- ❖ This structures involve projects that pull employees from various functional units trying to capitalize on the benefits of both centralized and functional structures.
- ❖ The matrix organization structure can be considered as a weak, balanced, or strong matrix.
- ❖ The matrix is a combination of functional, centralized, and/or projectized organizations as displayed in Figure 3.4.

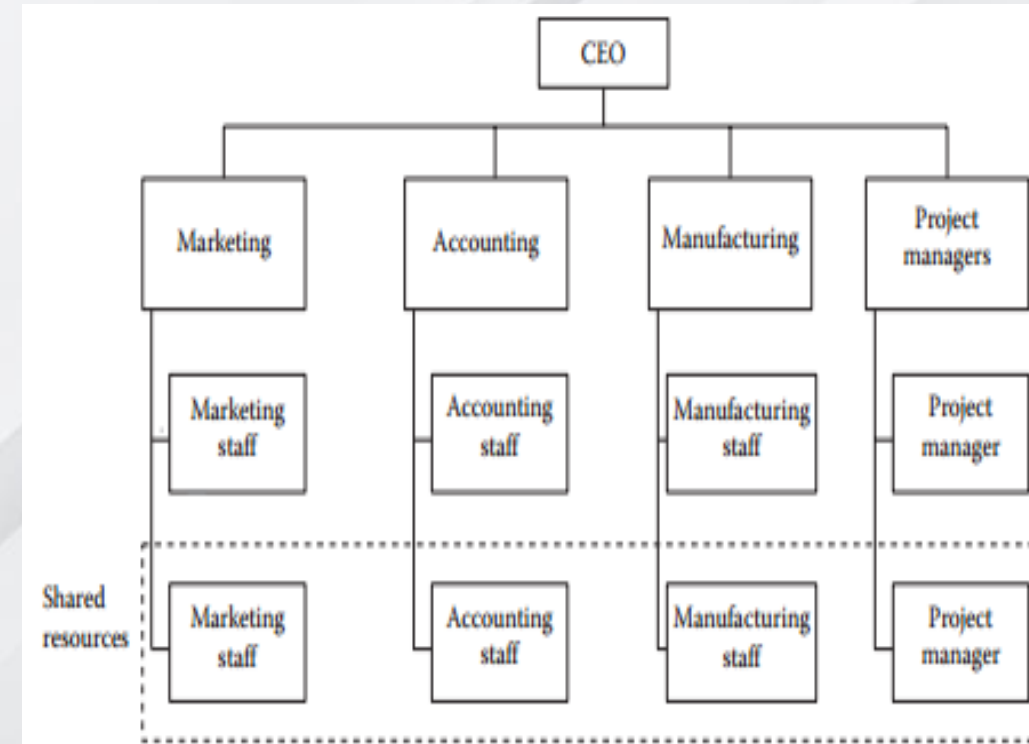
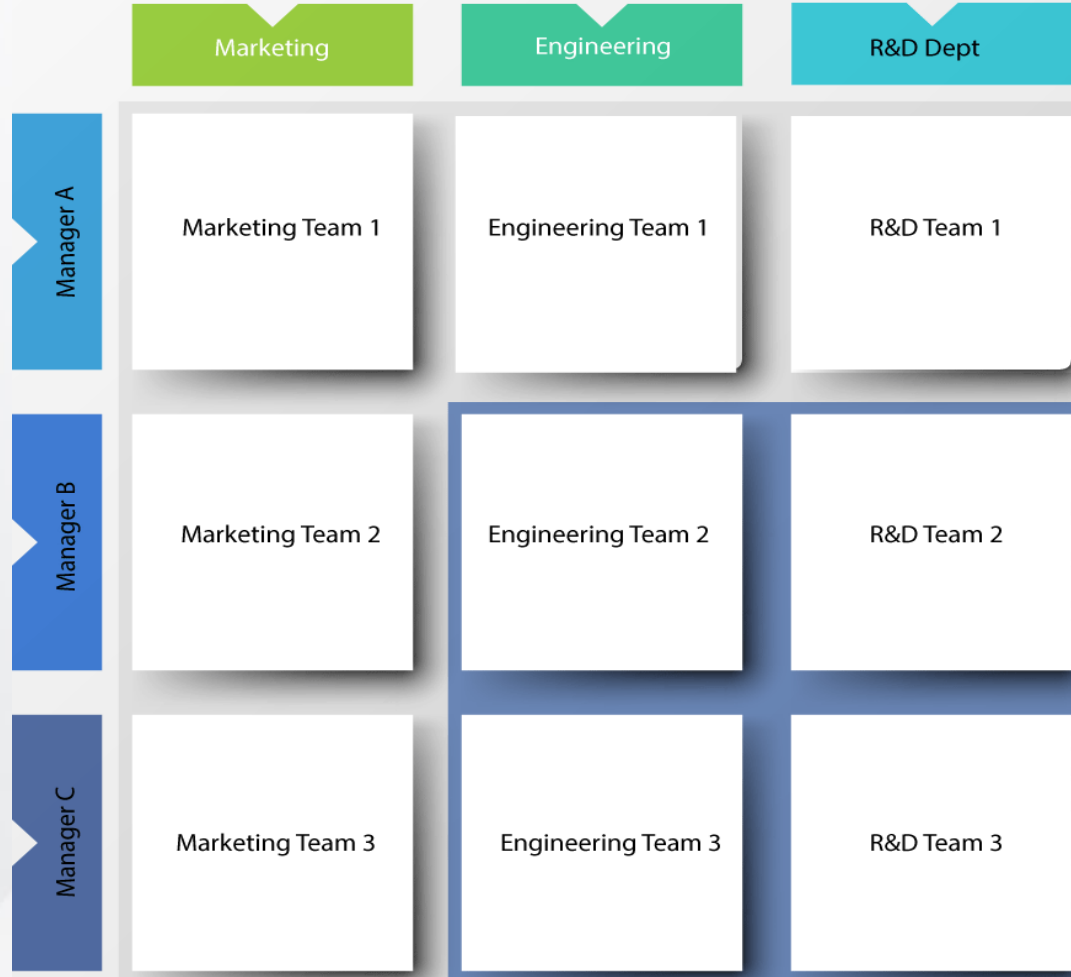
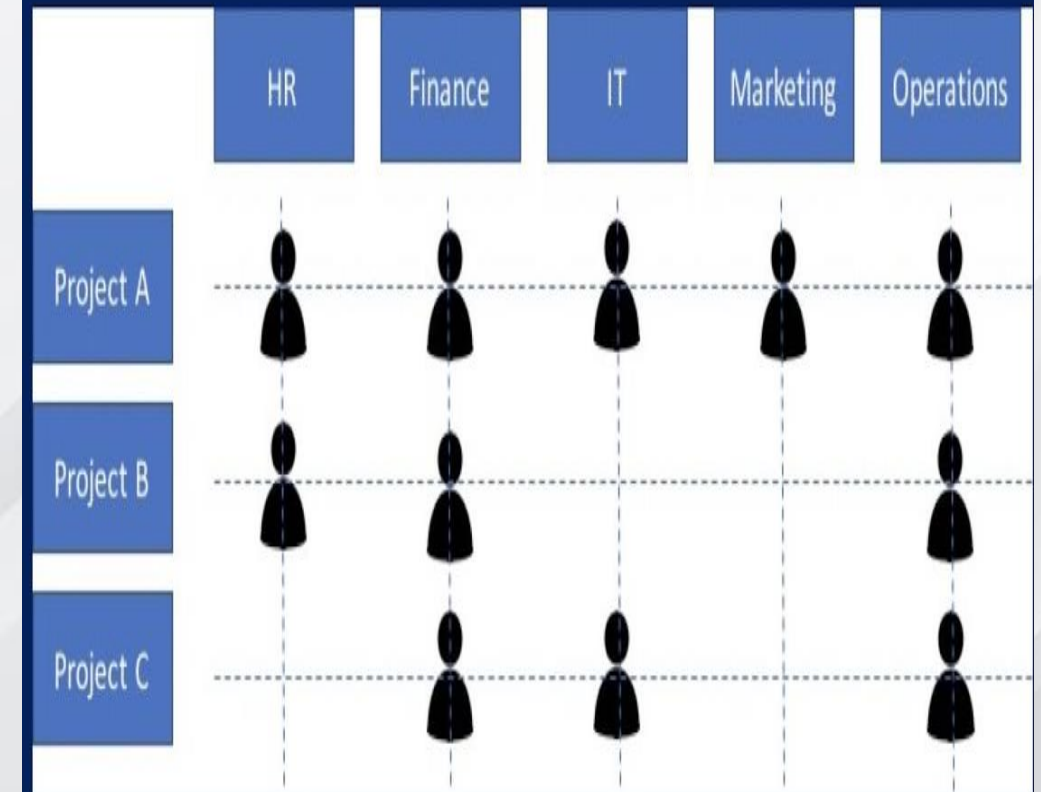


Figure 3.4 Matrix organization. (Adapted from Project Management Institute (PMI). 2008. Strong matrix organization, in: *PMBOK® Guide*, Chapter 2, 4th ed. Newton Square, PA: Project Management Institute.)

MATRIX ORGANIZATION STRUCTURE



Matrix Organization



4. Matrix organization structure

- The stronger the matrix, the more it resembles a projectized organization where PMs have administrative staff with a significant amount of authority.
- The weaker the matrix, the more it resembles a functional organization where the PM has little authority and no administrative staff.
- The balanced matrix provides the PM with a greater degree of authority than the weak matrix but still not full authority as found in a strong matrix.

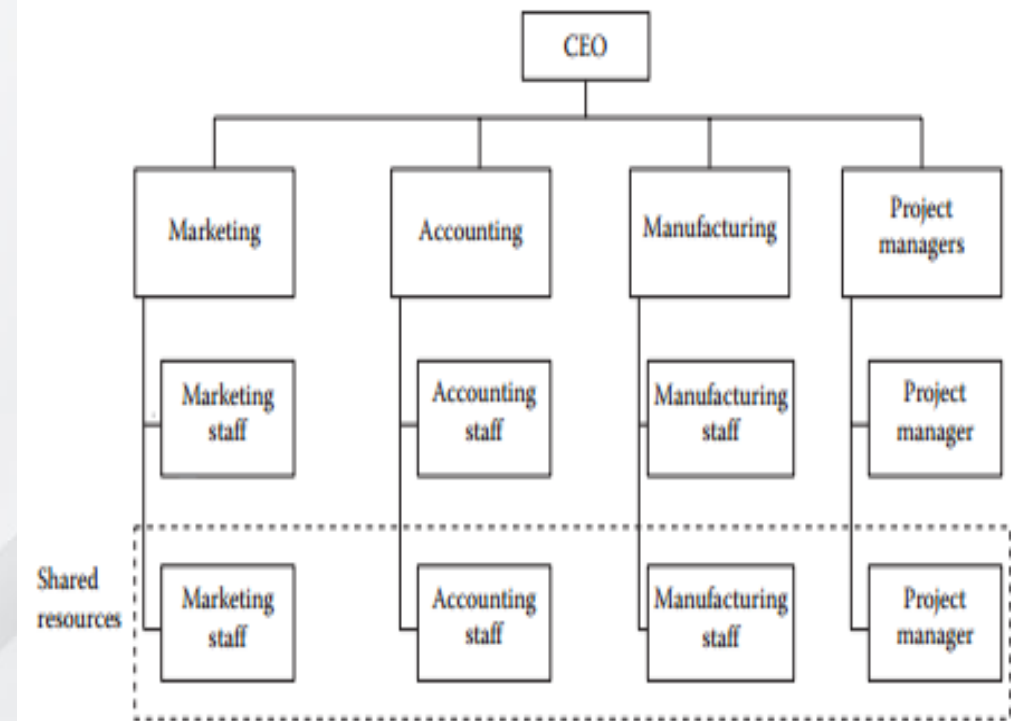


Figure 3.4 Matrix organization. (Adapted from Project Management Institute (PMI). 2008. Strong matrix organization, in: *PMBOK® Guide*, Chapter 2, 4th ed. Newton Square, PA: Project Management Institute.)

Benefits of Matrix organization structure

- A large benefit of the matrix organization structure is that teams can be assembled rapidly since there is a larger resource pool to tap into and the organization as a whole already has employees with different expertise.
- Scarce expertise can be applied to different projects as needed and therefore the organization as a whole can justify maintaining a full-time employee with a certain expertise because this employee can be used for small amounts of work on multiple projects.
- The project cost is lessened since a full-time dedicated resource for one particular project is not necessary since the costs are then shared among multiple projects.

Challenges of Matrix organization structure

- Team members often respond to two different managers.
- One manager is the PM assigning the work to be accomplished and the other one is the employee's supervisor responsible for performance appraisals and leave requests.



Challenges of Matrix organization structure

- ❖ If the two managers do not communicate, it could cause issues such as:
- ❖ An employee being approved to be on leave during a critical part of the project
- ❖ The employee doing great work but not being rewarded on their performance appraisal since it is work being accomplished that does not serve the employee's manager.

Challenges of Matrix organization structure

- In this environment, the PM has a weakened power of control over their team since the supervisors have more ultimate power over the employee than the PM..



Challenges of Matrix organization structure

- ❖ The PM has also to deal with multiple supervisors as any one team may be comprised of different employees each with different supervisors.
- ❖ This aspect of the matrix organization structure is difficult.



5. Virtual organization structure

- ❖ The virtual organization can take on any of the structures previously. Virtual teams consist of groups of people with a shared goal who work together without necessarily any physical interaction
- ❖ Since technology has identified many ways for individuals to communicate at a distance, companies that operate virtually can operate just like any other organization.



Benefits of Virtual organization structure

- ❖ Makes more sense in its existence where multiple projects are being worked, especially if you are a PM.
- ❖ Costs can be lower when physical facilities are not needed to house employees.
- ❖ Team members being geographically dispersed and interacting at different times.
- ❖ Best for individuals within an organization that are self-managing and not in need of much supervision.
- ❖ Best for a team that communicates to a manager who serves the role of more of a facilitator.
- ❖ Organizations with off-site employees requiring expertise found in multiple locations around the globe have no choice but to conduct themselves virtually.

Challenges of Virtual organization structure

- ❖ Challenges within the virtual organizational structure exist with working with colleagues who are not collocated, causing greater potential for miscommunication.
- ❖ Difficulty in trust building is difficult enough with teams that are collocated versus a distributed work team.
- ❖ Communication can greatly suffer when there is no frequent face-to-face communication.

6. Composite organization structure

- ❖ The composite organization may be referred to as the hybrid organization that has units resembling centralized, functional, projectized, and virtual and/or matrix organization structures.
- ❖ This organizational structure was developed to meet or customize the structure to the particular needs of a company.

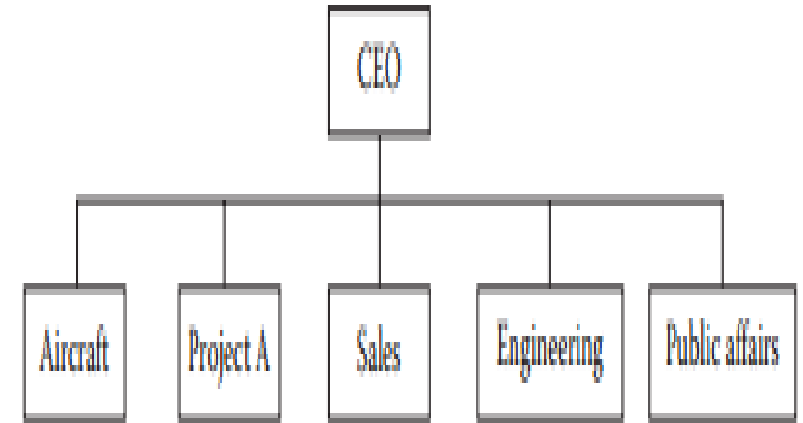


Figure 3.5 Composite organization structure.

Benefits of Composite organization structure

- ❖ The main benefit that exists is the same as in the centralized organization structure because of standardization throughout the organization regarding processes and reporting systems.

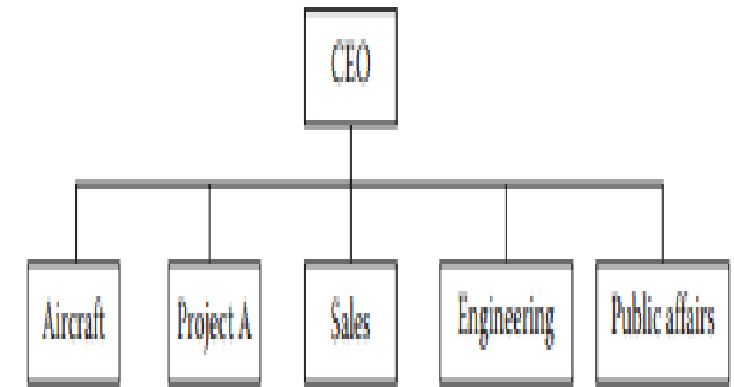


Figure 3.5 Composite organization structure.

Challenges of Composite organization structure

- ❖ Challenges within this organizational structure tend to be in the area of increased conflict within and between projects because of duplication of effort and overlapping authority.
- ❖ Many managers have issue with regard to the performance appraisal and leave requests residing with one manager where one or more additional managers are responsible for assigning work tasks.
- ❖ Typically, large and global companies tend to be matrix organization structures, which include the composite organization structure.
- ❖ The more mature a company tends to be, the more likely it is to be of a **matrix or composite organization structure**.

Summary

- ❖ For many organizations, power and politics occur due to labor resources, monetary resources, facility (space) resources, and equipment resources.
- ❖ Every organizational culture is different, but regardless of the culture, every project in order to be successful needs support from the organization so that the organizational structure is supportive and not restrictive to the PM.
- ❖ In conclusion, different organizational structures serve different needs, so companies will select which structure or combination of structure best fits their needs.

Summary

- ❖ Depending on the structure in place, different power struggles and politics will occur. However, even though different structures have different types of power struggles and politics, no structure is without these issues.
- ❖ Six different types of organizational structures were addressed that included centralized organization structures, functional organization structures, projectized organization structure, matrix organization structure, virtual organizational structure, and composite organization systems.
- ❖ Every structure has distinct characteristics, each with benefits and challenges.



Thank You