

Engineering Economics & Management

Project Management

21st March 16

Organizational Structures

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Structures

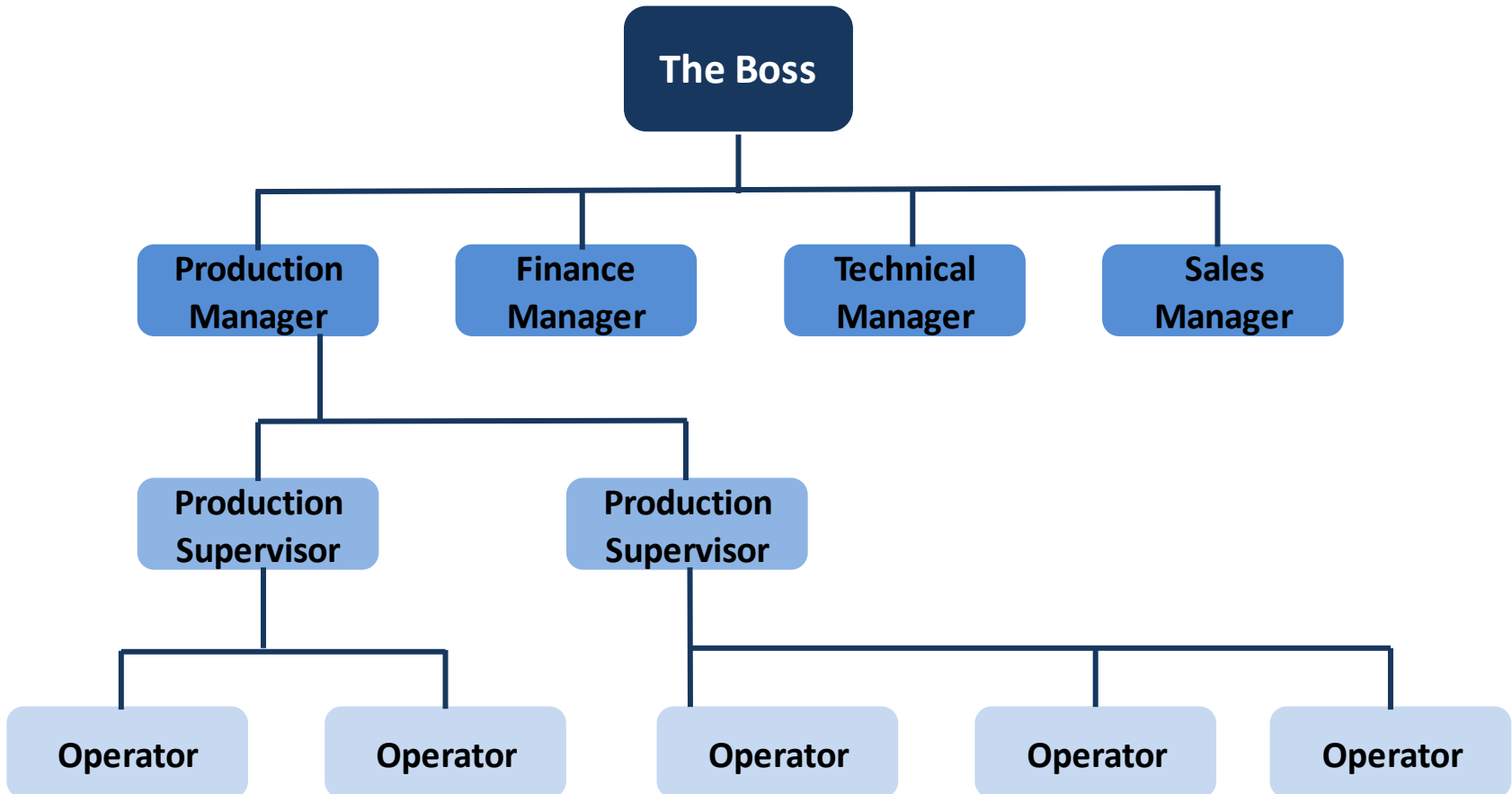
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Every company has different structure. No two companies have same structure and hierarchy. We can identify and categorize them in some broader types. Basic categorizes of the organizational structure are

1. Functional structure
2. Matrix structure
3. Project based structure

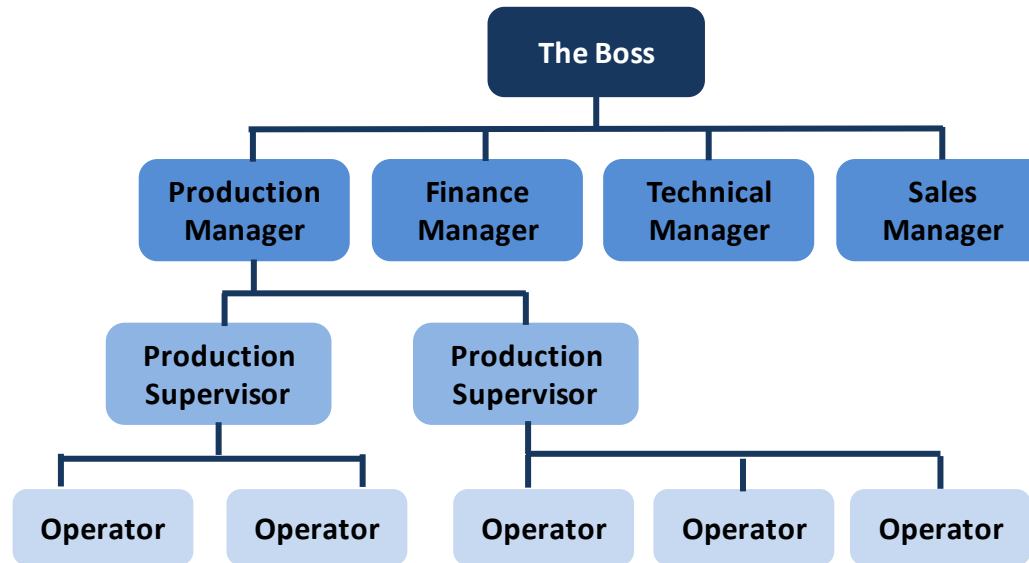
Functional Organization Structure

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Attributes of Functional Structure

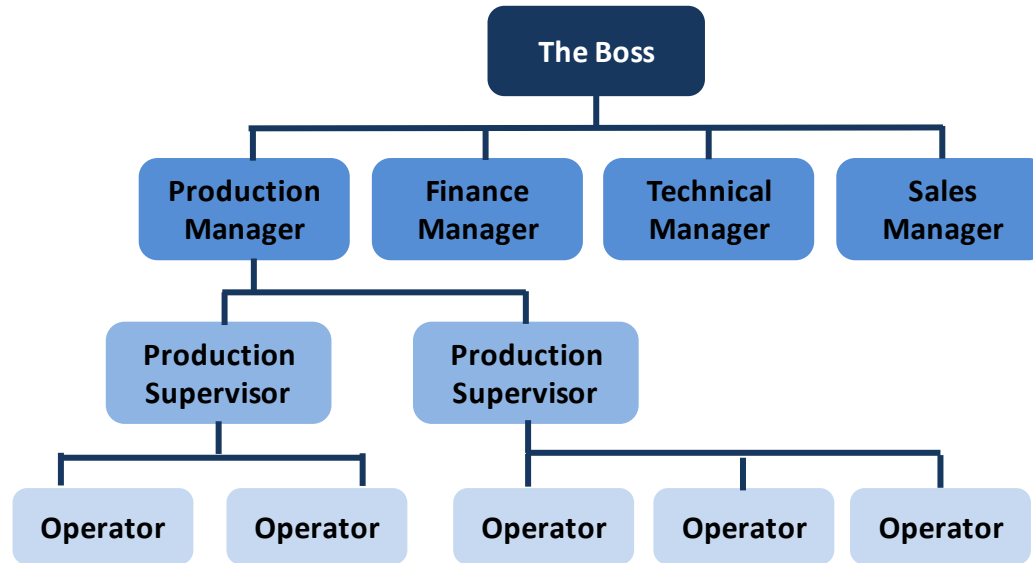
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- Products are limited
- Demands are changing rapidly
- Managers have defined role
- Each employee has one boss
- Policies and procedures are defined
- Communication is well established
- Communication is vertical

Disadvantages of Functional Structure

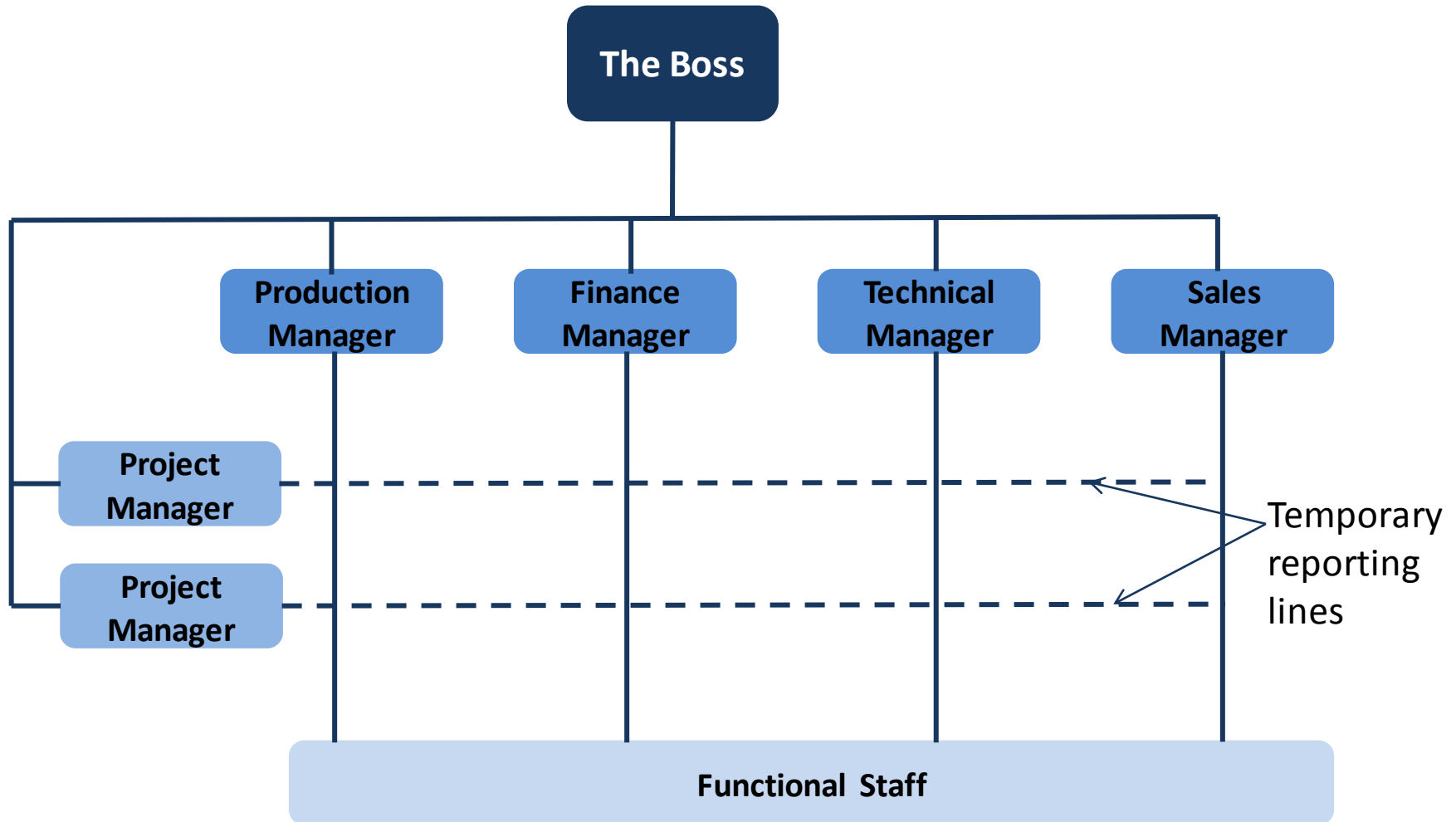
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- No one person is responsible for all aspects
- More time is needed for approvals as stakeholders and decision makers are more
- No one person looking out the customers
- Level of motivation and innovation is low
- Blame game is more

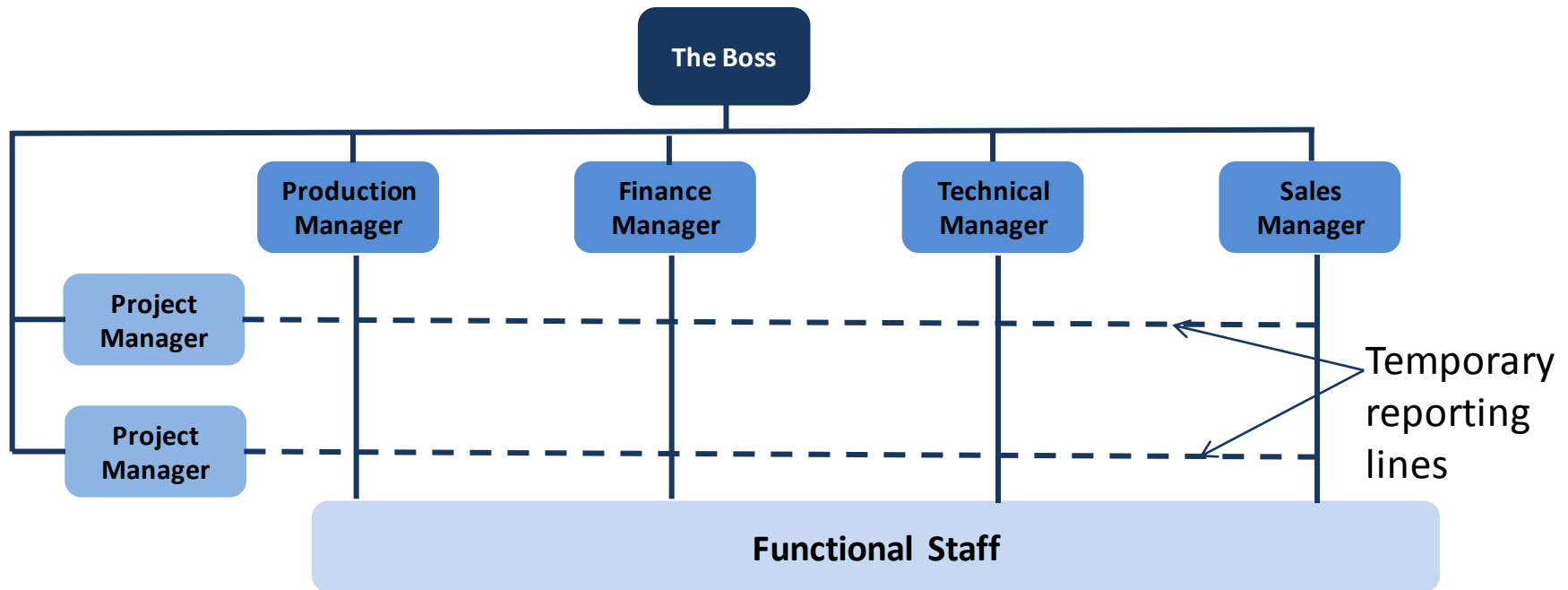
Matrix Organization Structure

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Matrix Organization Structure

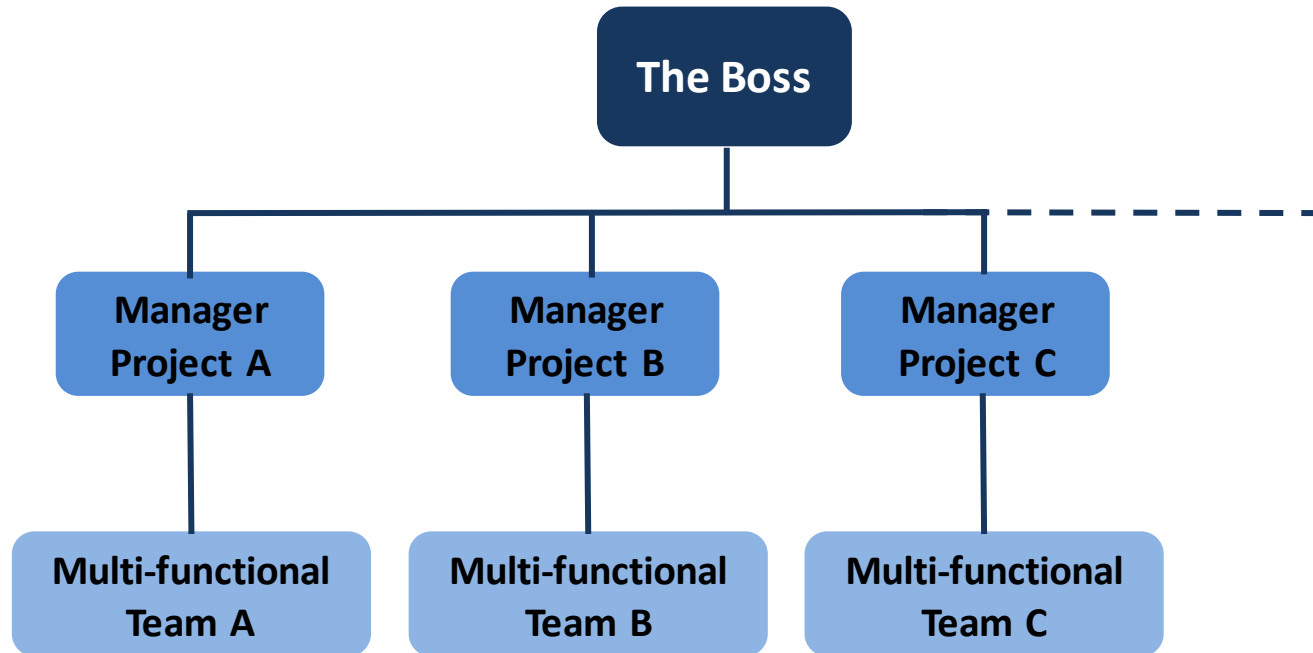
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- Members of project teams has two bosses
- Project managers only need work for their projects
- Functional staff has to satisfy needs of project managers as well as their direct managers
- Its mixture of functional and project structures

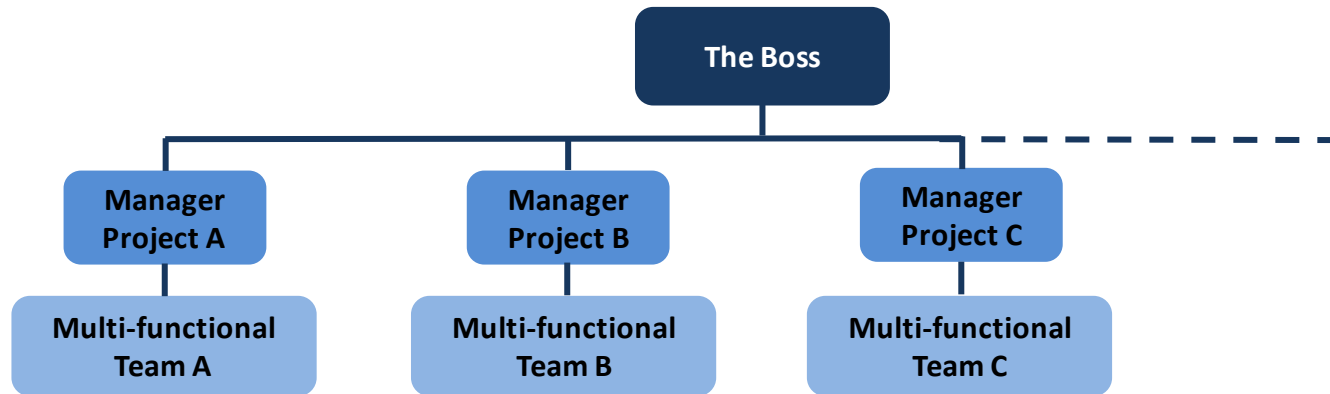
Project Based Structure

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Project Based Structure

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- Team members are assigned to new project when they are available
- Less middle management
- Flat management structure
- Work assigned on task based work

Thankyou

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