

PROJECT MANAGEMENT ORGANIZATIONAL STRUCTURES

Project management organizational structure is very important to the success of any project. An organization or project team that is well structured gives support to the work that's being done. Types of a company's organizational structure will affect how resources are allocated to the project and that will be a factor in how much influence the project manager will have within the organization.

Types of Project Management Organizational Structure

Project management organization can be structured in three ways:

1. Functional organizational structure
2. Projectized organizational structure
3. Matrix organizational structure

Functional organizational structure

In this type of structure, authority-driven decisions like budgeting, scheduling, and purchasing equipment rest on the shoulders of the functional manager who possesses a significant level of expertise in the same field. The project manager has little authority here.

In a functional organizational structure, employees appear to be more skilled in their respective departments leading to greater work efficiency. Everyone knows who to hold accountable if something were to go wrong as responsibilities are predetermined. Examples of functions within a company are advertising, engineering, human resources, manufacturing etc.

Projectized organizational structure

The projectized organizational structure is the complete opposite of the functional organizational structure even though the organization may still group staff according to their work functions. In this structure, a project manager has authority over the decision of the project's budget, schedule, and the project team. He is at the top of the hierarchical structure with employees playing supporting roles for the project.

What's great about this kind of structure is that there is a clear, established line of authority, which results in faster decision making and approval.

Matrix organizational structure