Project Management: Planning, Execution, Evaluation And Control

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Welcome to the course on project management. In the last lecture, we talked about the organizational structure and this module is organization structure and culture. In this lecture, we will be predominantly talking about organizational culture. So, the concepts that will be covered in this lecture are as follows: In the last lecture, we have talked about the organizational structure, but there was one element that was left due to the paucity of time, that is, which structure is best for an organization. This is the part we will be covering in today's lecture, along with the organization's culture and its characteristics. Then we will also talk about the relationship between organizational culture and project management structure and project success.

We will also discuss the key dimensions of organizational culture. These will all be covered in this lecture. So, last time we saw there were different organizational structures, like functional structure, dedicated team structure, projectized structure, and matrix structure. Now we could not show you last time what the rated effectiveness of different project structures by type of project.

Now if you see what the effectiveness of the functional organization, weak matrix, balanced matrix, strong matrix, and project organization that is a projectized form of organization. These are for the construction industry and new product development and this is rated as very effective, effective, ineffective, and very ineffective. You can see for both construction and new product development. are ineffective in between ineffective and effective. It is the lower side of effective that is ineffective.

Then the weak matrix is also in between ineffective and effective. So, then the balanced matrix is for production, new product development is effective and for construction, it is less effective. A strong matrix is the best for the construction industry and works best for the for the strong matrix and for the projectized organizations, the is best for new product development. These are the empirical studies, empirical evidence, and the effectiveness of various types of the project management structure. Now, what is the right project management structure? What we have discussed is mentioned in the very beginning in the last lecture.

A project management structure is one which meets the needs of the project and the needs of the parent organizations. Now we will be seeing what two types of considerations you have to make for creating the right project management structure. These considerations are saying importance of the project say these are the organization consideration. How important is the project for the organization? Suppose a project will develop the next generation's technology or product or a project which will give you the say major the production level for the future.

Those are the importance of the project.

Then the suppose you are you are making 1 million tons of steel. So, you wanted to make increase it to 2 million ton. Some projects may give you say 400,000 tons. So, its importance of the project will be more on that and there may be 7, 8 other projects which combines the will give you the rest 500 or 600,000 tons. So, the importance of the project is one form criteria for the project form consideration.

Then the percentage core work as I told you in the last lecture suppose your core work is predominantly project say 75% of the revenue comes from the project or more than 75%. Then you will go for a projectized form of project management structure. If it is 50-50 say matrix structures, project number of projects, core work number of projects, projects are 50%, standard products, revenue comes from the businesses comes 50%. Then you go for a matrix structure, balanced matrix or weak matrix or the strong matrix depends on the percentage. 50-50 you will go for the balanced matrix and when the projects are few your major businesses are the standard products.

You go for the functional structure so that you do not disturb the existing structure. So, these are the percentage core work also determines it and resource availability. Suppose if we have a resource crunch then the matrix structure is the preferred form of project management structure because matrix structure evolved out of necessity for the resource crunch. So, resource availability also determines what type of structure you have. You have to share if you have adequate resources you can go for other than the matrix structure, you can go for the projectized structure if you have more resources and all.

So that you're each project are if the time priority is completion, completion of project is your priority then you go for the projectized or the dedicated project structure of this. So, these are the organization form of consideration. There is project for considerations like size of the project. If the bigger size that will you think of it in a different manner. Then the strategic importance of project.

If the project gives you the revenue or the revenue stream for the future, next generation product. So, these are the strategic importance. Opportunity of the project, innovations which will give you the competitive advantage over your rivals, those innovative projects. Then integrations that is number of departments you have to integrate for the projects. If it is a greater number of departments is required to be integrated that also determines.

Then environmental complexity that is number of external interfaces with the market or the different stakeholders and all that also determines the project consideration. Then budget and time constraint, then stability of resources. All these seven forms will be successful if the project level is higher. If all these things are the higher level than for the success of the project, project manager and project team have to be given more autonomy, more authority, more power to complete the or the successful completions of the project. So, these are the project consideration and the organization considerations for choosing the right project management structure.

Next we will be coming to the cultural part of it. What is organization culture? We will define organization culture as a system of shared norms, beliefs, real values, then your assumptions, work practices, etcetera which bind people together. Thereby what happens?

You create a shared meaning. You create a shared meaning and form a shared work practices or the other forms of meetings. This is the organization culture definitions were given by Dill and Kennedy.

Here the organization culture determines say whether the culture of the organizations is egalitarianism like it is shown in the dress code. Take in for the example for high tech industries and all, their dress codes are mostly informal. But if you see the consultants, consultancy professions then the airlines, those receptions or the crews, crew members, cabin crews or the, if you go to the departmental stores they have formal dress code because that also reflects the hierarchy and the discipline and all. So, organization culture determines all these. It is a shared belief, values, assumptions, norms and which bind people together and to do the work.

So there as a culture are, you know, it may be determined like strong culture or thick culture or the weak culture of that way. A culture may have subculture. Suppose an organization have an overall culture, but it may different regions or different departments may have a subculture like say marketing department, marketing groups may have some culture, finance groups may have subculture, transportation logistics group may have subculture. Those are the working subcultures and all. The cultures are also like the organizations may have culture of cooperation, culture of competition.

So, this is best described with a metaphor that I will be telling you now. Say if you consider a river, river is a culture and rivers is culture and the project management is a boat. Now you take a river boat trip, project management is boat, river is culture and we are taking a river boat trip. What happens if you are going to the downstream means that is the culture of cooperation, then you are, don't have to face many difficulties or obstacles. What you have, if the current is strong, what you have to do? You have to steer through, steer through the current.

So you require the less time to complete the project, less resources you may need and the completions of the project as I told is faster. It is the culture of cooperation in the organization. There is again culture of competitions. Here what happens? Say you take the boat to the upstream. So, you are facing difficulties.

So this is called also toxic culture. If the organizations have toxic culture, what happens? You face difficulties that you take more time to complete the project, you may take more resources to complete the project. So, these are the toxic culture and under toxic culture there are many cultural dimensions that we will be talking about it. So, this is the, so every organization has a typical culture whether it is combinations of combinations or the cooperation, competitions or anything else. We will talk about it further a bit later.

Next we will decide what is the relation between organization culture, project management structure and project successes. You know that project management culture structure, say structure may be the same for a similar type of industry. Suppose AT&T and Hewlett Packard both are working in matrix structure, but if the organization cultures are different the effectiveness of matrix structure will be different. Suppose the Google and say Microsoft say if they are working in a matrix form the culture of the organizations also greatly influence the effectiveness of that organization structure. So, these empirical instances have been found that successfully managing projects with functional structure can be done.

You know we have seen functional structure is ineffective, more ineffective than the others, but some organizations, if the organizations culture is of cooperation then you can be very successful in managing projects with functional structure also. Case in point is Toyota. Toyota manages its project with the normal functional structure, with the normal communications and all because they have strong organizational, organizations culture for cooperation's. Again, instances have been noticed that the breakdown or the failure of matrix structure may happen due to the organizational culture. As we have seen matrix structures is more effective than the functional structures and all, but if the division of authority between the project managers and the functional managers are difficult then there may be the breakdown or the failure of the success of the matrix structure.

Then again the other relying on independent project team, some companies rely mostly on the independent or the dedicated project teams because they know if they have to produce an innovative products, innovative things then the overall culture of the existing or the overall culture of the organization will not encourage it. Case in point that is why, you know IBM PC as I gave you the example in the last lecture they made the dedicated the project team for developing the PC manufacturing of PC in 1980 far away from the headquarters to a warehouse in Florida because they had the culture, organizational culture will not promote it that another innovation comes in and all. So, the failure was the case of Xerox Alto. So, these are the relations between organization culture, project management structure and project success. Now next what is meant by personality of the organization? As we told that each organization have their unique culture like the individual, each individual has its own personality.

So the culture of their organizations may be also called the personality of the organizations, you know. So, what are the ingredients for this? It provides that organization culture should provide a sense of identity to its members so that the members feel they belong to the organizations rather than their task only or rather than their limited jobs or rather than their limited teams and all. It should be more satisfying to be belonging to the organization, sense of identity of the members like 40, 50 years back that the Tata Steel if you telephone that time to anyone in the Tata Steel they used to you know receptionist will pick up and tell hello this is Tata Steel speaking not only that even the managers and general managers, directors they will also pick up Tata Steel speaking. They used to feel the sense of identity with the organization. So now what they are having the same sense of identity I am not aware of it, known.

Next is the its organization culture also helps to legitimize the management system of the organization, how the management will work, how where is the authority, how they will behave, what is those things are it is legitimized, who will take the decisions at different levels. These are the management systems of organization. Organization culture legitimize this system then clarifies and reinforces standards of behaviour like culture that what should be the appropriate standards of behaviour, what is inappropriate. This is the organization's cultures gives it like how a worker, how an employee should work, how should they behave, what should be the work practice, what should be the norm. These are clarified by these organizations culture.

Now these are the clarified how to identify cultural characteristics of a company, how it is very tricky and the most of it but the analysts and all who observe, observes and come from the outside they can quickly make it out rather than an insider. But as an insider also you can make it out like the identifying the you study the physical characteristics of an organization.

What does it mean? It means you study the what is the building? A building speaks of many things you know McDonald outlets it talks about it gives an impression. Similarly, suppose a building if the building is a grand, swanky building then there are British type of building, Japanese types of these things. In British types of culture, company culture what happens? The different buildings are for the different levels of this say CEOs and all will be having some offices, then directors and all will be having some other, then the managers, then the employee's buildings are different.

So it talks about the cultural characteristics of the company. If you go for a Japanese company everyone sits in the same floor, same type of cabin and these managers, employees and others are treated same, same uniform, same desk code it gives a that way you can that speaks of many things about the cultural characteristics of a company. As I told you the desk code talks about many things, then read about the organizations. What do you read? You read the annual report of the organization, you read the mission statement, you read the newsletter of the organization, you need the publications of the organization. It talks many things like the newsletters you will find whether it talks about the employees of the employees achievements or the this or whether it talks about the project, it talks about the financial reporting and all those things.

So it can give you the messages whether it is an employee oriented organizations or the financial or the bottom line business oriented organizations and all it can give you the idea. Then observe how people interact within the organization. What is it? Like you can observe people, what is their pace of work? What is it slow or is it fast or is it spontaneous? You can make it out. Then a simple handshake whether the handshake is very warm or the handshake is very you know lacquered scale, very casual. So, this can talk about the warmth and the organizations culture.

Then how the decision meeting, how the meetings are conducted? How the decisions are taken in the meeting? Who talks most? Whether the decisions are taken with a participative management or with an authoritative management style? So, observing people within the organization, how the meeting takes place and all, this can give you the cultural characteristics of the company. The lastly you interpret the stories and folklore surrounding the organization. Take the case of that Versace Inc. that is a subsidiary of the Xerox.

They produce computer plotters and all. So, the Versace was founded by that flamboyant Mr. Ren. Then when we founded it in the beginning what he did? He called his top management and all in the weekend over to his house and all the top management stayed there for two days in the weekend and they, what did they do? They manufacture, carved out a design in the teak wood table, teak wood table and that table became the symbol in the office where they take all important decisions of the organizations are taken on that conference table. So, it shows the teamwork, dynamism and all those things. So, interpret stories, folklore, like if you see the Tata Steel or the Tata Group, you know Jamshed Tata who is the founder, his folklore, his stories abound, J.

R.D. Tata's, his stories and folklore abound. Similarly, if you see the Virgin Airlines, Virgin Group, his founder is the Richard Branson. He is an adventurous and all flamboyant person. So, his folklore goes there. So, these are the ways how to identify cultural characteristics of a company. Then the challenges for project managers in navigating organization culture that the interacting with the culture and subculture of the parent organization like the project managers has to interact with many stakeholders, many, one is the parent organizations and

parent organizations may have one culture and project managers doing a project in faraway places may have some other culture.

So and there may be one organization as I told may have many subcultures like the subcultures of marketing group, subcultures of finance group, of engineering group, of logistics group. So, project managers have to interface with this, interact with that. Then project managers have to interact with the clients or the customers organization. They may be having a different culture.

So he has to be very sensitive and careful for that. Then project managers have to be interacted with other organizations who are related to the project such as suppliers and vendors, then subcontractors, then the government agencies, regulatory agencies, even the other stakeholders like community, community, neighbourhood and all. So, these are the different cultures. So that these are the challenges of the project manager to navigate those different organizational culture for successful completion of his project. Next is we will be talking about the what are the key dimensions of defining an organization culture. The researchers have found that there are 10 dimensions, key dimensions that in aggregate make the organization's culture.

What are these 10 dimensions? These are member identity that is how members identify itself whether it is with organizations or with the job degree to which he identifies with the organization. Then team emphasize whether the organizations promotes that if the group emphasize of the project or the individual emphasizes the degree to which it moves. Then the management focus whether it is towards the its actions considers of the people of the organizations or it is on the task predominantly task oriented. Then unit integration that is whether the different units of the organizations they are interdependent whether it is organization promotes interdependency or promotes independent units. Then the control, control whether it is tight or lose control is basically the whether the organizations supervise tightly or loosely or the rules regulations supervisions and or it promotes the delegations and all.

So it between control then the risk tolerance whether it promotes or allows the risk taking or risk seeking attitude of the employees or it is intolerable for the risk because you know some jobs like challenging jobs, innovations and all those are more risky. So certain amount of risk tolerance should be allowed. Then the conflict tolerance whether the organizations allows the open criticism, limited criticism or the objective criticisms and all whether it is low or high that means that then the reward criteria whether the organizations reward criteria is based on the performance or based on the other non-performance like the favouritism or seniority or other things. So then conflict tolerance like how much the open criticisms and all those things are we have talked about. Then there is the means and ends orientation that is organization promotes the result oriented or it is the process oriented.

You have to go through the processes or not. An open system focusses whether organizations gives the weather organizations are changes its responses with the with the environmental changes, external market changes or it is more of internal centric. So, these 10 are the key dimensions. Now for which one is the best one the cultural dimension of organization that is supportive of project management are these 10 dimensions should not be at the extreme two ends. It should it is a continuum. Suppose the member identity it should be more of to the tilted to the organization's identity to the organization.

Similarly team emphasis should be more tilted to the group that people focus should be should be somewhere in the middle slightly tilted to the people. Then unit integration should be extreme the right like the interdependent it should be interdependent then the controls that is a supervision it should be the bit left of the middle bit left of the middle that is the loose side middle to lose. Then the risk tolerance should be tilted towards the high then the it will be a culture of co-operations otherwise it will be a culture of competitions or toxic culture. Reward criteria should be more of the performance based.

So there will be a culture of co-operations. Then conflict tolerance it should be on the tilted towards high then the means and ends like the result oriented and process oriented it should be somewhere in the middle. Then open system focus like organization should be monitoring and the changes and we take quick response to the changes in the external environment. These 10 characteristics together gives the characteristics of the cultural characteristics of the organizations which are supportive of project management. Now to conclude this today's lecture we have what we discussed further to the previous lecture wherein we have discussed the various aspects of organizations structure. In this class we have talked about the relation between organization culture, project management structure and project success.

We have further explained the importance of organizational culture for the success of the project, the effect of culture of cooperation and culture of competitions, and how to identify cultural characteristics of a company. We also talked about the challenges for project managers in navigating different organization culture and key dimensions of defining an organization's culture supportive of project management. These are the conclusions. Now the reference books say books this you should go through to enhance your knowledge further. Next, thank you very much for attending this lecture. Thank you.