



## Towards a design for the project-based organization

Maxim Miterov <sup>a,b,\*</sup>, Mauro Mancini <sup>b</sup>, Rodney Turner <sup>b,c</sup>

<sup>a</sup> Department of Industrial Economics and Management, KTH Royal Institute of Technology, Lindstedtsvägen 30, SE-100 44 Stockholm, Sweden

<sup>b</sup> Dipartimento di Ingegneria Gestionale, Politecnico di Milano, via Lambruschini 4/B, 20156 Milan, Italy

<sup>c</sup> SKEMA Business School, Avenue Willy Brandt, 59777 Euralille, Lille, France

Received 18 July 2016; received in revised form 1 November 2016; accepted 13 December 2016

### Abstract

Organization design is an established field of research within organization studies, focusing on different organizational forms, the array of the design strategies available to managers and their external and internal contingencies. However, our understanding of the complementary design choices available to managers of project-based organizations is limited. Building on both organization theory and design and project management literature this study identifies design choices available for the design of the project-based organization. Adopting the contingency perspective, it reviews the literature on project-based organizations to explore key factors that influence the design of the project-based organization in comparison with more traditional organizations. The resulting model offers a starting point for further studies on the design of the project-based organization. The study concludes by suggesting a research agenda in light of the results.

© 2016 Elsevier Ltd, APM and IPMA. All rights reserved.

**Keywords:** Organization design; New forms of organization; Project-based organization; Contingency theory; Design choices; Organizational project management; Management by projects

### 1. Introduction

Although the project-based or project-oriented organization has been recognized in the literature for over 25 years, (Gareis, 1990; Hobday, 2000; Lindkvist, 2004; Whitley, 2006; Cattani et al., 2011), surprisingly there has been no definitive, holistic model developed for its design. Turner and Keegan (1999, 2000, 2001) and Keegan and Turner (2000, 2001, 2002)<sup>1</sup> made

some contribution, but while their original intent was to develop an holistic design for the project-based organization, in the end they described how project-based organizations implement six elements of organization design.

Some of the early attempts at adopting project-based organization were not successful. Turner & Keegan (loc cit) identified that was because some organizations changed completely from functional, hierarchical, line management, (which they called classical management), to a totally project-focused approach. In doing away with the functional hierarchy, such organizations had lost the strengths the functional hierarchy gives to the organization, and not thought how to replace them with project-based working. We list the strengths they identified in Table 1. (We later adopt Galbraith's (2014) Star Model™ for the design of the project-based organization, Fig. 1. In Table 1 we show how the five elements of the Star Model correspond to Turner & Keegan's six strengths of the functional hierarchy.) They also suggested that the functional hierarchy provides the organization with cohesion and culture. They found that organizations that

☆ We would like to thank the participants and reviewers of the EURAM Conference 2016, where an earlier version of the paper was presented, and three anonymous IJPM reviewers for their helpful and constructive comments. We are also grateful to Associate Editor Dr. Martina Huemann for handling the manuscript.

\* Corresponding author at: Lindstedtsvägen 30, INDEK, KTH, 100 44 Stockholm, Sweden.

E-mail addresses: [maxim.miterov@indek.kth.se](mailto:maxim.miterov@indek.kth.se) (M. Miterov), [mauro.mancini@polimi.it](mailto:mauro.mancini@polimi.it) (M. Mancini), [rodneytturner@europrojex.co.uk](mailto:rodneytturner@europrojex.co.uk) (R. Turner)

<sup>1</sup> In the remainder of the paper we refer to these six of these papers as Turner & Keegan (loc cit).

Table 1  
Six elements of organization design of the project-based organization investigated by Turner and Keegan.

Strength the functional hierarchy gives an organization	Paper by Keegan & Turner showing how that strength is retained by the project-based organizations	Corresponding element of the Star Model, Fig. 1
Governance	Turner and Keegan (1999, 2001)	Strategy
Operational control	Turner and Keegan (2000)	Process
Communication		Behaviour
Careers	Keegan and Turner (2000)	Human resource
Individual learning	Keegan and Turner (2001)	Human resource
Organizational learning and innovation	Keegan and Turner (2002), Turner et al. (2002)	Process

adopt pure project-based ways of working lose these strengths, and so need to find alternative structures to replace them. Their conclusion was that it is best for the organization to retain the functional hierarchy and find ways for the functional hierarchy and project structures to work together. They did not offer an holistic solution for the design of the project-based organization, but suggested how it can retain the strengths of the functional hierarchy in the papers cited in Table 1.

It is now recognized that society is substantially projectified (Lundin et al., 2015). Around 40% of the global economy is project based, using project management as the primary process for producing products and services (Turner et al., 2010). Lundin et al. (2015) have tracked the expansion of projectification. They say it started in the 1930s, with a significant increase in the level of its adoption in the 1960s and again in the 1990s. Now project-based organizations exist in all industries. Not only is this organizational form widespread, but also it is associated with a number of distinct characteristics and contingencies (Söderlund and Tell, 2011), and so the organization design of the project-based organization is of significant interest.

Our aim in this research project is to develop a holistic model for the design of the project-based organization. In this paper we develop an initial research model as a basis for further empirical work. We propose the project-based organization as a new form of organization (Puranam et al., 2014). Further, there has been a re-emergence of interest in the contingency theory of organization design, suggesting that the performance of an

organizational unit is a result of the alignment between its external context and internal arrangements (Van de Ven et al., 2013). We show that with the project-based organization there must also be a fit to the need or choice to adopt project-based ways of working; internal arrangements must reflect the strategic decision to be project-oriented and the resulting churn. There must also be a fit between the project-based ways of working adopted, and the functional hierarchy that Turner & Keegan (loc cit) suggest must be retained. Our research questions for this initial study are:

RQ1: What design choices are available for the design of the project-based organization?

RQ2: What factors influence the selection of design choices?

The rest of the paper is structured as follows. We review the literature on organization design to choose a design model as the basis for our work. We identify and discuss concepts and perspectives that are useful for developing a model, in particular, contingency, configuration and complementarity, holistic models of organization design and conceptualization of the firm as a web of temporary organizations. We adopt a modified version of Galbraith's (2014) Star Model. We then discuss distinct characteristics of the project-based context and argue for a contingency approach to the design of the project-based organization. We review what has been written in the project management literature since 2008 about the management of the project-based organization, and relate the topics in the papers to our modified version of the Star Model. We find that many people have written about individual elements of the Star Model, but very few people have written about their interdependency and the holistic design of the project-based organization. Finally, we review a small number of papers that have made some contribution to the design of the project-based organization, and add a second star to our model to reflect the contingent requirements that influence the design of the project-based organization. But first we define the project-based organization.

## 2. Definitions

Scholarly interest in organizational implications of organizing by projects has originated from the research on matrix forms of organizations (Galbraith, 1971, 1973, 2008; Knight, 1976; Mintzberg, 1979). The focus in this literature has mainly been on the duality of coordination of project activities through functional and project arrangements and its positive and negative implications (Arvidsson, 2009; Bernasco et al., 1999; Dunn, 2001; Kuprenas, 2003). By identifying the tensions and discussing various archetypes of matrix organizations (Larson and Gobeli, 1989) the literature has provided important foundation for the discussion of project-based organizing.

The literature has several names for the project-based organization (Sydow et al., 2004), including project-based organization (Turner & Keegan, loc cit), project-based firm (Lindkvist, 2004; Prencipe and Tell, 2001), multi-project firm (Gerald, 2008, 2009), project-intensive firm (Söderlund and Bredin,

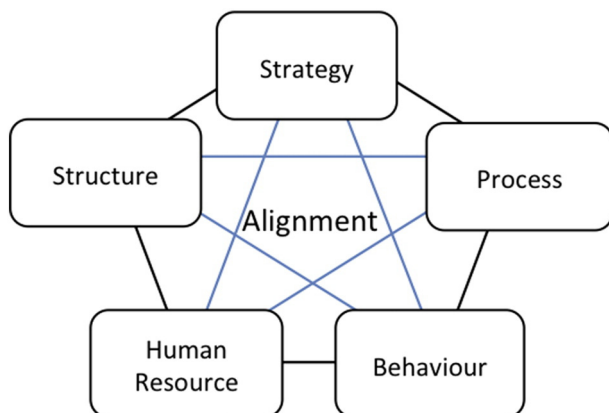


Fig. 1. Modified star model (after Galbraith, 2014).

Download English Version:

<https://daneshyari.com/en/article/4922194>

Download Persian Version:

<https://daneshyari.com/article/4922194>

[Daneshyari.com](https://daneshyari.com)