ELSEVIER

Rethinking organizational design for managing multiple projects

Monique Aubry [a,*], Mélanie Lavoie-Tremblay [b]

[a] School of Business and Management, Université du Québec à Montréal, Canada
[b] School of Nursing, McGill University, Canada

Abstract

This paper aims at positioning organizational design as an important phenomenon in the field of project management with a high potential of contributing to organizational theory. While organizational design has been neglected by scholars of management and organizational theory, it has been of great interest to those from the project management field. This incongruence—comprising the focus of this study—calls for new insights on theorization in context. The paper provides a preliminary theoretical framework combining contingency theory, the historical approach and social theory to understand organizational design, both as a *thing* and as a *process*. It provides empirical evidence from three case studies in healthcare. Findings confirm the specificity of each design while at the same time adopting a similar temporal pattern. We take this opportunity to highlight the seminal work of Rodney Turner on project-based organization and design.

Executive summary: In this day and age, it is commonplace to assert that organizations are complex and that they change continuously over time. The complexity is said to exist, for example, in large organizations dealing with multiple competing projects while at the same time performing their regular operations. The concept of organizational design refers to both the resulting organization (the *thing*) and the *process* of performing the design. The field of project management has made many theoretical contributions to organizational design; yet it has also created confusion by introducing a plurality of terms for describing and understanding such organizations.

Organizational design is increasingly a topic in the literature from management and organizational theory and, especially, from project management. A review of the literature from both fields demonstrates that contingency theory is still considered as a major theoretical foundation for situating the organization within its context. The review also points to an increasing interest in social perspectives taking into account politics, organizational dynamics, paradoxes and pluralism. In addition, it shows an opportunity for scholars in project management to contribute to management and organizational theory.

This research proposes a pluralist theoretical framework for tackling contingency theory with the historical approach and social theory.

The empirical setting is comprised of complex large organizations—in this case, three university hospitals engaged in major organizational transformations—that are challenged to pursue their regular operations while undertaking multiple completing projects. Interestingly, the three hospitals are from the same geographical region. The organizational design was thus a crucial question and, in light of the complexity, no one-size-fits-all type of solution was strived for.

Results confirmed the prevalence of individual organizational design rather than mimetism, or homogenization, between the three hospitals. Being in the same region, the heads of the respective project management offices met on a number of occasions to exchange about their challenges and solutions. Nevertheless, in the end each hospital made an individual decision regarding its organizational design.

The study also identified organizational design as an ongoing process, introducing the concept of trajectory to illustrate how projects and organizational design change over time. In doing so, we observed a pattern where reflection and sense-making took place before engaging in any specific decision regarding the organizational design.

The theoretical contribution of this research is to demonstrate the potential of pluralist theoretical frameworks for understanding complex phenomena such as organizational design in the context of managing multiple projects. More specifically, the process view of organizational design was found to reveal new insights that would have remained hidden otherwise.

* Corresponding author.
E-mail addresses: aubry.monique@uqam.ca (M. Aubry), melanie.lavoie-tremblay@mcgill.ca (M. Lavoie-Tremblay).

From a practical view, our research challenges certain utopian assumptions regarding the stability and replicability of a one-size-fits-all model in organizational design. Instead, we recommend developing an in-depth understanding of an organization's specific context by means of sense-making activities. The latter should be performed in an ongoing approach to ensure that the organizational design evolves in keeping with its environment.

1. Introduction

"How can I organize my business unit so that it delivers the projects I have in my portfolio?" This is a common question from decision-makers in the corporate world. In academia, this question is examined as part of a research field dedicated to this topic of organizational design. The task is certainly not easy in complex organizations, where hierarchy and projects cohabit (Pettigrew et al., 2003) in multiple layers of power and networks (Clegg et al., 2006). Moreover, such organizations are more likely to be impermanent (Weick, 2009) and are best understood as being in continuous movement (Hernes, 2014). Organizational design is defined as a field that studies "how to organize people and resources in order to collectively accomplish desired ends" (Greenwood and Miller, 2010, p. 78). In this paper, we are interested in organizational design for the management of multiple competing projects in large organizations. Our assumption is that this type of organizational design constitutes a phenomenon distinctive from the design of the overall organization (e.g., Greenwood and Miller, 2010; Van de Ven et al., 2013) or of single projects (e.g., Eppinger, 2001; Shenhar and Dvir, 1996).

A number of scholars from the field of project management have already studied organizational design in different contexts, albeit not, until recently, referring to the concept of organizational design. Among the contexts examined were: P-form organization (Söderlund and Tell, 2009); project-based organization (Bakker, 2010; Miterev et al., 2017); project portfolio (Kopmann et al., 2015; Unger et al., 2012); project business (Artto and Wikstrom, 2005); megaprojects (Miller and Hobbs, 2005); governance (Müller and Lecoeuvre, 2015); project networks (DeFillippi and Sydow, 2016); global projects (Turkulainen et al., 2013); and project management offices (PMOs) (Artto et al., 2011; Aubry et al., 2007). While each of these individual facets is primordial to the understanding of the management of projects, this approach entails the following problems. First, these researches fail to address the wider concept of organizational design. Each study brings piecemeal parts which are then difficult to integrate into a coherent and comprehensive perspective. Very few scholars have proposed to build a coherent integrative framework on these facets, with the exception of Winch (2014) on project organizing and Aubry et al. (2012) on organizational project management. The consequence of such a fragmentation of the field is the difficulty to develop a solid theoretical foundation. Second, in many cases, the organizational design of projects is taken for granted and, therefore, not addressed. For example, DeFillippi and Sydow (2016) suggested the four Rs—Responsibilities, Routines, Roles and Relations—as governance mechanisms in project networks, albeit they say nothing about how these mechanisms are to be brought together in multiple competing networks. Third, these project management scholars missed out on the opportunity to engage in the debate of organizational design within the management and organizational theory field. Finally, very little has been done to provide solutions to managers facing the challenges of organizing projects as a whole.

Borrowing the terms *tall* and *flat ontologies*, namely from Seidl and Whittington (2014), we propose adopting a *tall* view to understanding organizational design as a larger social phenomenon. In that sense, we ask the following research question: "How is organizational design performed in the management of multiple projects?" In answering this research question, we also aspire to revive the field of organizational design. Overall, the field of organizational design has been informed by the seminal works of Galbraith (1977, 1995, 2002, 2010), Mintzberg (1979, 1989), Miller and Friesen (1984) and more recently Pettigrew (Pettigrew and Fenton, 2000; Pettigrew et al., 2003). While these continue to be valid and legitimate foundations for organizational design, the field is in need of a renewal if it is to be able to face the challenge of more complex organizational forms, as underscored by Greenwood and Miller (2010): "[...] we restate the importance of organization design highlighting the relatively recent emergence of highly complex organizational forms and the intimidating challenges confronting the would-be researcher." To engage in such a theoretical renewal, we adopted a pluralist theoretical framework (e.g., Denis et al., 2007) combining contingency theory, the historical approach and social theories. Finally, of all the different types of research fields in management, we consider project management to be in the best, or the most promising, position to bring about this renewal of the dynamic of the field, since it is already exploring various contexts of organizational design.

This paper is part of a research program conducted over a period of four years in three university hospitals where major investments had been authorized for the redeployment of their services (see Acknowledgments). The focus of that program was on the "people" side of such investments and not their construction, information systems or technology aspects. The research methodology followed a qualitative approach mainly based on interviews, and the research activities took place as the project was unfolding.