

A continuum of organizations formed to carry out projects: Temporary and stationary organization forms

Nina Modig *

*Department of Technology Management and Economics, Division of Logistics and Transportation, Chalmers University of Technology,
SE-412 96 Gothenburg, Sweden*

Received 11 August 2006; received in revised form 20 February 2007; accepted 20 March 2007

Abstract

Projects are carried out by temporary organizations. These organizations can function independently or in cooperation with stationary organizations. To enable efficient project and program management, these differences in organization structure have to be considered. This paper therefore contrasts organizations formed to carry out activities at project sites based on forms of employment, work processes and resource networks used. Findings indicate that temporary organizations that are dominated by stationary “parent” organizations often rely on its abilities to secure access to crucial resources and to identify suitable work processes. “Pure” or virtually “pure” temporary organizations instead rely on their employees’ skills and contacts to develop suitable routines and gain access to resources.
© 2007 Elsevier Ltd and IPMA. All rights reserved.

Keywords: Managing projects; Organization design; Stationary organization; Temporary organization

1. Introduction

Projects are initiated to solve complex tasks of almost any type and size and can be found in most industries [1]. To carry out projects temporary organizations are formed. As all organizations, temporary organizations are deeply rooted in their context, which both enables and inhibits the organizations’ actions, resources and relations [2,3]. A large proportion of the project management literature e.g. [4,5] is based on the assumption that temporary organizations are formed within the boundaries of stationary organizations, who expects to outlive individual projects. This is however seldom elaborated on. To further develop project management and organization theories, studies that investigate variations among temporary organizations, for example connections to other organizations, are necessary e.g. [1,6–8]. Increasing our knowledge of how temporary organizations and their pre-requisites differ will facilitate

research and make the transfer of knowledge between projects easier. A study conducted by the author to explore how project characteristics impact on logistics solutions in temporary settings indicated that the existence of stationary “parent” organizations influenced the employment form, work processes and resource networks used by temporary organizations. The importance of these variables for understanding and differentiating between organizations has also been emphasized by various authors in the areas of project management and organization theory e.g. [9–12]. The purpose of this article is therefore to develop an organizational model that reflects the full continuum of organizations and link it to the use of various employment forms, work processes and resource networks in different temporary organizations.

A continuum of organizations is proposed in the first section of the paper building on theories from the fields of project management and organizational studies. Based on four projects, the model is then developed to include variations in employment forms, work processes and resource networks used by temporary organizations. The paper ends with a discussion of conclusions.

* Tel.: +46 31 772 1322; fax: +46 31 772 1337.
E-mail address: nina.modig@chalmers.se

2. A continuum of organizations

The term “organization” embraces a broad range of different interest groups created by individuals to collectively pursue specific goals [13]. Together these groups form a continuum that ranges from stationary¹ organizations to temporary organizations formed to execute one-off projects. The defining difference between temporary and stationary organizations is their expected lifespan [1,14]. Whereas projects are expected to end, leading to the dissolution of its temporary organization, stationary organizations are established with the expectation that they should exist at least for a foreseeable period. Due to this fact, stationary and temporary organizations differ in a number of ways and can therefore be more or less suitable for executing different tasks. Temporary organizations are generally well suited for carrying out complex, multi-disciplinary and visionary tasks [5] and is therefore often characterized by one-off or small batch production, customized products and exceptions e.g. [12,15,16]. Stationary organizations are instead normally better suited for standardized production and administration [17,18] and is typified by continuous flows of products and services, standardized products, strong centralization of power and routine tasks e.g. [12,15,16,19].

A number of attempts have been made to develop models to distinguish between different forms of temporary organizations and their characteristics, see Table 1.

The aim with developing the models differs to some extent, as do the level of analysis: Anell and Wilson [6] classify modern organizations into four groups to discuss embeddedness and organizational learning; Ekstedt [18] instead divides organizations into different classes to discuss relations between organizations and their workforces; Löwendahl [20] presents a model for dividing projects into different groups to emphasize the importance of the project embeddedness variable for the development of project procedures and theory development; Packendorff [21] proposes a typology of different project work situations to discuss them from the employees’ perspective; Söderlund [22] proposes a typology of temporary organizations in order to be able to discuss appropriate control forms and Nicholas [23] puts forward a generalized two-dimensional figure to highlight the diversity among projects.

Despite their differences, Söderlund [22], Anell and Wilson [6], Ekstedt [18], Löwendahl [20] and Packendorff [21] have in common that their models divide organizational forms into four categories based on two non-continuous classifying variables. This creates complications as the models do not fully highlight the continuum of existing organizational forms and their characteristics. Some orga-

Table 1
Examples of classifications of organizational forms and their characteristics in the literature

Authors	Classifying variables
Anell and Wilson [6]	Setting (Routine-based/project-based) Focus (Routines/projects)
Ekstedt [18]	Employment (Permanent/temporary) Operations (Flow-process/projectized)
Löwendahl [20]	Project task uncertainty (Low/high) Parent organization embeddedness (Embedded/free-standing)
Nicholas [23]	Complexity Uncertainty
Packendorff [21]	Affiliation (The project/organizational context) Project work (Routine/exceptional)
Söderlund [22]	Structure (Permanent/temporary) Participation (Permanent/temporary)

nizations, like construction companies that tend to have a small, stationary administrative core that is supplemented by temporary organizations formed to carry out different construction projects, can for example not easily be classified as having either a stationary or a temporary structure. Nicholas [23] avoids this problem by using continuous scales, but does not elaborate substantially on the placement of individual projects in his figure, which limits its use for contrasting projects. Therefore, to reflect the full spectrum of organizations that exists and to allow a rough differentiation of organizations based on multiple factors, a simple sliding scale will be used in this paper². On the scale, “pure” stationary organizations, i.e. organizations that rely on well-established organizational structures, and “pure” temporary organizations, i.e. freestanding organizations that are set up to run specific projects before being dissolved, form the end points, see Fig. 1. The scale forms a continuum horizontally, with the relative influence of stationary and temporary organizational forms expressed vertically. It is important to note that two organizations located at the same point on the scale can display different characteristics, as the mix between stationary and temporary influences on different organizational areas can vary. Increases in uncertainty, time compression and diversity in input and output exert pressure on organizations to move to the right in Fig. 1 [12,24,25]. In the same way do increases in economies of scale and learning exert pressure to move organizations to the left [7].

² A similar scale has been presented by Davies and Brady [12], based on a development of Galbraith [17]. However, the individual factors used for differentiation of organizations in the model are not defined and developed sufficiently to allow easy classification and will therefore not be used here. A similar, non-continuous scale has also been developed by Hobday [7]. The simpler model used in this paper have nonetheless been chosen as the continuous scale allows for easier illustration of variations in multiple variables.

¹ Stationary organizations are generally referred to as permanent organizations. In discussing organizations, the author has chosen to use the term stationary rather than permanent to acknowledge the transitory nature of this phenomenon.

Download English Version:

<https://daneshyari.com/en/article/276570>

Download Persian Version:

<https://daneshyari.com/article/276570>

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