

CHARACTERISTICS OF A FUNCTIONAL ORGANIZATION

Definition

The functional organization is structured by function and by successive layers of authority.

Strengths

It is specialized.

It has clear career paths.

It has an economy of scale where generally there are fewer people and resources are shared.

There is job security.

There are well defined functions and lines of communication.

There is higher commitment and loyalty.

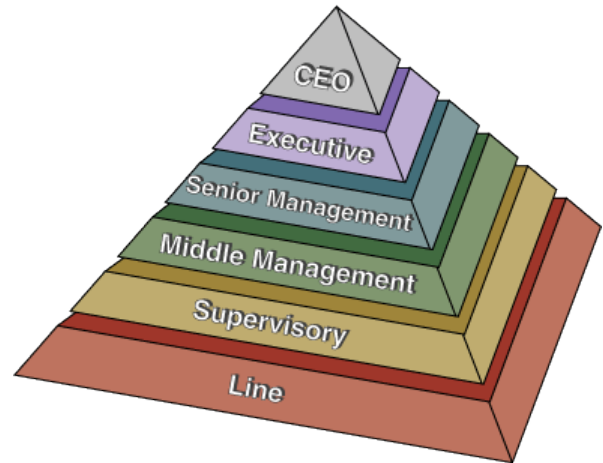
The organization, viewed by the client, is predictable and consistent.

Repetitive decisions are made at a lower level.

Weaknesses

Response can be slow to rapid change.

Communications and decision-making can be slow and top management gets generally overloaded with decision-making requirements.



CHARACTERISTICS OF A MATRIX ORGANIZATION

Definition

The matrix organization is structured by tasks and task teams.

Strengths

It has effective coordination and flexibility.

Problems are resolved at lower levels; this reduces referral time to higher management.

It is easier to cope with frequent changes.

Products or services get to market quicker or on time.

It provides power balance between functional specialists and project managers.

It is harder to lose sight of objectives.

It generally combines a high level of technology and innovation.

There is higher commitment and morale on the part of participants.

There is better use of information and control is better.

Planning power is embodied in the project team.

There is fast start-up time on project tasks.

Weaknesses

The specialist career path is not clearly defined.

One unit will impact on another.

Highly skilled specialists can dominate.

Lower level management interprets top level direction.

Dual authority could lead to conflict.

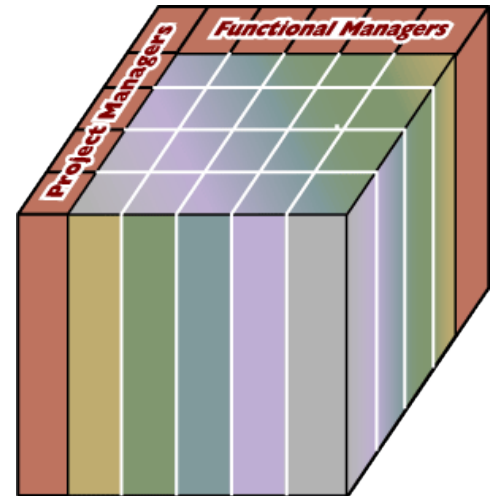
There is a higher level of stress.

The higher the technical level, the more uncomfortable they will be in an unstructured organization.

You cannot use people who do not like visibility.

Project management skills and infrastructure are required.

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CHARACTERISTICS OF A SELF-DIRECTED ORGANIZATION

Definition

The self-directed organization is structured by teams operating as self-contained and more-or-less autonomous units or cells.

Strengths

It “empowers” groups of people to achieve.

It builds on the concept of business units.

It improves accountability and performance of team members.

It can operate with or without team leaders, e.g., as in “self-directed teams.”

It can reduce management and administrative burden at the core

Weaknesses

It requires people to understand security as achievement rather than tenure.

It requires a high degree of core skills, e.g., in strategy, interactive behaviour and change management.

It does away with or redesigns traditional systems that people accept as given, e.g., performance appraisal.

It requires a higher level of senior management commitment to people rather than systems.

