HOW SUCCESSFUL MATRIX STRUCTURES ARE IN TODAY'S ORGANIZATIONAL CHALLENGES

Mahdi ALSAGOUR

Abstract: **When we judge an organization's structure, we see what sort of work specialization it has, level of departmentalization, chain of command, span of control, formalization and at the last how much the concerned organization has a level of centralization and decentralization. We know that among Henry Fayol's fourteen principles of management, 'unity of command' is in stark contrast with matrix structure which is an alternative theory to unity of command and is going to be the point of debate for this paper.**

Keywords: **Matrix structure, Organizational challenges.**

I. The emergence of Matrix Structure

Before the emergence of Matrix structure, unity of command was religiously followed in organizations but then afterwards due to the reasons explained below, an alternative emerged which is known as 'Matrix Structure'. Matrix structure basically combines two designs of product or project departmentalization with the functional structure so to get gains of both. In this what happens is that there are people who are working in product department and also working for their functional structure for example project departments may have projects such as Project Alpha, Project Beta and Project Gamma where as project Functional structure includes, Marketing, Finance, Purchase Department, Management Information Systems and Research and development. So a person or members of a team working on Alpha project are on the same also working with marketing or finance department. In this way a team or members of a team are responding and reporting to functional head and to the departmental head which matrix structure states as having reporting to two bosses.

This is basically a cross functional work team of an organization which is brought together to achieve a specific goal. The emergence of this model was fuelled by high complex industry such as aircraft building where people are required on multiple tasking. As in early 1953's industrialization was on its peak, different additions were being done in projects as it was easier to do with organizations having matrix structures. Furthermore, the divisional structures permit decentralization which makes decision making easy and CEO's doors are not knocked for every issue.

II. Practical Life implication

Matrix structures are still implemented in different organizations because of the work nature. For matrix structure to be successful there should be a need of dual work and an external pressure to make it happen, pressure for high information processing capacity and pressure of having few resources which can be utilized to achieve the desired results. This means that it is applied on those situations where the work is complex and where itresources are quite a few. In pharmaceutical industry, Johnson and Johnsonare seen to have this sort of structure in their firms because of the nature of its operations. The Research and Development department at Johnson and Johnson is continuously in touch with the project team leaders as they are reporting to their R&D head and to the Project team head whereas people from its marketing department are also looking the under processed R&D and analyzing how they would be making a market plan so to make the new drug as a block buster drug. The marketing team would be giving interacting with the R&D team but would give reports to marketing head and to the Project head.

III.   Our group team Saga

Yes, I and my group members were in a situation where we were having no clue where to report and who would be listening to our concerns. During our job at a marketing research firm I was given task to perform interviews from different opinion leaders whereas my group members were given separate groups to conduct interviews; one was given trade unions and other was given task to interview notable businessmen of the city. Marketing Research Company where we worked for was actually probing out different ways in which tax revenue collection can be increase so feedback from all people was necessary.

I was asked to report to market research analyst as well as to the team leader with final report and findings whereas my group members were asked to prepare a research report and send it to divisional head and research analyst and to the team leader. My group member 'X' and 'Y' had a problem with this that how come they can send a report to divisional head instead of getting it passed from a team leader. They have to then send a report to the team leader as well as to the divisional head with their research reports which was a very cumbersome for them as they have to tackle reviews from three different authorities. This also created rift between the divisional team head and team leader who wanted different interpretation of survey results toning down the accountability of survey. Here we can also see that matrix organization was misinterpreted as team leader and divisional head were not accepting or realizing their each other authorities as both have over lapping control over the research team.

IV.   Influencing People with Authority or With Interpersonal Skills

I believe that subordinates or your teammates must be influenced with interpersonal skills instead of using authority you have over them. By using interpersonal skills, a message is delivered to your team mates or subordinates that you are not authoritative even you have power which can be executed. Different forms of power which are positive in nature can be executed with interpersonal skills like rewarding power and referent power but coercive power should only be used when interpersonal communication are having no results.

V.   Organizational Design of Future

Well, the conditions for matrix to be successful includes having dual focus on the product or service, making product or giving service by using shared resources and doing the same business in uncertain environment. Now not all these things get fulfil in every organizational environment so there Matrix structure might not be acceptable for example a company having plethora of resources and also have no fear of competition then they would not be applying the matrix structure. With demerits of matrix structure includes confusion and discord among team members as point of authority overlaps and as competition and technology advancement is getting acute, there is a lot of probability that managers around the globe would witness a new structure which would be a mixture of unity of demand and of matrix structure. For that each team would be specific and would be working and reporting to a single head that is not only looking over the department but also the team itself.

References

[1] Beitler, M. (2006). *Strategic Organizational Change, Second Edition [Hardcover].* Practitioner Press International.

[2] Drori, G. S. (2006). *Globalization and Organization: World Society and Organizational Change (Clarendon Law) (Paperback).* Oxford University Press.

[3] Radebaugh, L. (2008). *International Business (12th Edition)(International).* Prentice Hall.

[4] Robbin, S. P. (2010). *Organziational Behavior.* Mc Graw Hill.