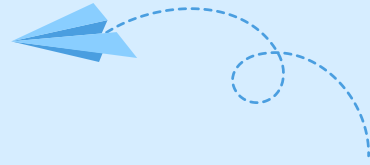




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General Electric

Name Surname

Institution



The main purpose of the paper is to study and analyze three main types of project management structures by applying them to my previous, current or future projects. The organization that will be analyzed within the paper is General Electric. It is vital for the company to have the proper organizational structure in order to provide the execution of the series of projects held within the company. Therefore, it is essential for the functional manager to be able to identify, understand and analyze the type of the organizational structure within the company, how it influences the final outcome of the working process and the consequences that it will bring to the projects, the working team, and project managers as understanding the functionality of the company is of key importance for its development and improvement.

There are three main types of the project management structures that are identified and have its own typical features and operate in the specific way. The first one to be mentioned is the functional organizational structure. This type of structure is applied to the contemporary organizations with the hierarchical structure. Its main feature is division of the company on the base of the specialty. This means that the functional organization has separate divisions responsible for sales, accounting, development, marketing and design. When the particular project begins to operate, the different components of the projects are being held by the series of functional units that are responsible for the charged operation. The senior managers are responsible for the project. This type of organizational structure proposes greater flexibility of the personnel within the company as the choice of the suitable functional departments will give the ability for the manager to provide the proper professional assistance that is required for the project. On the other hand, this type of

organizational structure lacks proper focus as the different departments have their own general spheres of business and needs, and; therefore, the needs of the project can be ignored or disregarded. Moreover, functional organizations have certain problems with the establishment of the proper inter-department cooperation; and, therefore, this type of organizational structure can lead to the conflict situations. The participants of such organization lack motivation as the projects that they are involved in are regarded as the additional burden that does not directly relate to their professional career (Ketchen & Scott, 2012).

The second type of the organizational structure is the project-based organizational structure. It is also called divisional as it divides the inside structure according to the projects and products. It is typical for the organizational environment where the projects are headed and operated independently from each other. Each project requires the creation of the independent team, and the management of the team is separated from the other units within the organization (Ferraro, 2012). The enterprise here assigns the necessary resources to the project team, and the manager of the team is granted for the professional independent implementation of the project and the positive outcome of the working process. In addition, all decisions regarding the working process take place within the project team and, therefore, the reaction is quick and suitable. The members of the team in such organization have the motivation and work with great power, they all share the common goal, and each member of the project team has the clearly defined responsibilities that make the working process easier and faster (Ketchen & Scott, 2012). The weak side of such type of organizational structure lies in the duplication of the efforts of the workers as within several projects

held within the organization there are several independent teams that work on each project separately. The additional disadvantage is the lack of the strong connection between the team and the parent organization.

The third type of the organizational structure is matrix organizational structure that is a hybrid structure that combines the project management structure with the hierarchical one of the functional type. According to the fact that there are various types of power of the functional and project managers within the organization, there are different types of the matrix structure. It is possible to underline several of them, such as the functional matrix structure, where the responsibilities and power of the functional managers are higher than the ones of the project managers. Project matrix structure has the broader powers of the project managers than the functional one, and the balance matrix is the structure where the powers of both are at the same level. The advantages of this structure type are based on the combination of the strong sides of the two different models. As the functional structure, matrix also has the division of resources that can be implemented to several different projects, but at the same time projects are in focus with the project manager that gives more attention to completing of the work and also is responsible for the proper cooperation and coordination of actions between the different units working on the project (O'Farrell, 2013). When there are multiple projects to be held within the company, the organization can properly distribute resources among them and provide the proper assistance to each, and properly distribute costs and powers. It also gives the great power and motivation to the project members during the period of work, but when the work is over, the anxiety of the team reduces. The main disadvantage of the model is the enlargement of

the tension between the project manager and the functional manager due to the distribution of their powers (Ferraro, 2012).

As it can be seen, all the three types are really different, and each one of them has its own strong and weak sides. The model that can be applied to the General Electric Company, which remains to be one of the greatest companies in the United States, is the second type. The General Electric Company has been launched in 1876 by Thomas Edison, and it is now the international conglomerate that provides services to customers in more than 100 countries in the world (Lowder, 2006). It is a divisional company as it has more decentralized structure where each department has its own senior management teams. The company has a lot of subsidiaries in different areas. Once started with the electric light bulbs, the company is now specializing in finance, media, electronics, gas and oil distribution, jet engines and many other business spheres. Each subsidiary operates on its own as an independent company, but it reports to the parent organization and is functioning under the control of General Electric. The organizational scheme of the company shows that each division has its own president and vice-president. The division or product-based structure gives General Electric the ability to contain the product or service structure within the company. Each division has different projects to work on, being absolutely different from each other, which gives the company the ability to specialize in the great number of business areas and introduce new spheres of its specialization. It gives the company more profit and enlarges the client base. In addition to six divisions on the product base, the company has the division that concentrates on the global growth and operations. This department works on the distribution of the company products outside the United States. The concentration of



the whole division on the issues connected with the international trade gives General Electric an opportunity to greatly develop in other regions of the world. There are big departments of the company in China, Germany, India, Japan, South America, Canada, Africa, Australia, Japan and Russia. As the big international company, General Electric has provided its divisions with the centralized support services (Downie & McMurray, 2012).

If we will observe the rest of the organizational structures to identify the one that can be applied to the future project of General Electric Company, the most suitable is the matrix organizational structure. It suits the most the future projects as such a big international company has strong hierarchy that can find its reflection in the organizational model (Downie & McMurray, 2012). The project matrix structure can be applied to the series of subsidiaries where the project managers will have great powers, but the functional managers will also operate and have a series of specific responsibilities. The hierarchy that will maintain within the organization will be the other strong side of such a huge conglomerate, and the functional managers will be connecting different divisions of the company. The connection between the parent organization and the divisions will grow stronger, and the interrelations among different subsidiaries will be more stable. The exchange of the important expert knowledge and experience that have been gained in the different regions can be essential for the creation of the new subsidiaries in different regions of the world. In addition, the focus on the project will remain strong and, therefore, the company won't lose the customers, but gain the new ones. This model is extremely close to the one that exists in General Electric today (Ganguly, 2012). Therefore, it can be applied to the series of

the future projects, although the current structure is optimal for the organization that is supported by the evidence that shows the strong positions of the company and its great perspectives.

General Electric is one of the biggest companies in the world that has its representatives in all regions of the world, and it steadily develops through the years. Talking about the organizational structure that exists within the company, it was essential to analyze all three main types of the organizational models. As it can be seen, General Electric is a product-based organization that has a series of subsidiaries. The divisions specialize in the range of different areas, and this gave the company an opportunity to broaden its specialization. Today, General Electric provides its services in different business spheres, such as finance, media, jet engines and many others, which shows that the company has greatly developed from the time when it was founded by Thomas specializing in the electric light area. The company is really big and influential, with a number of departments outside the United States, which supports the fact that the other model that can be applied to the future projects of General Electric is matrix as it combines the division model with functional. The strong hierarchic model can be applied to such a great international conglomerate that might benefit from the strong connection between the divisions and the closer interrelation between the subsidiary and the parent organization.