Exploring Managerial Fit and Flexibility: Towards a Project Management Approach

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Abstract: A plethora of empirical studies have indicated that organizations in many developing countries are structured and managed as closed systems. They are mechanistic in nature, bureaucratic and rigid in their behavioral approach, tall and pyramidal or hierarchical in form, and employ highly formalistic and redundant administrative procedures and methods. Today, the pressure is increasing from different directions [e.g. global competition] and many sources [e.g. technological advancements] on organizations in developing countries to abandon such mechanistic structures and bureaucratic behavioral approaches in favor of flexible and innovative managerial practices and organic forms. As large-scale structural adjustment has become unaffordable for many developing countries, the required changes must be introduced in a cost-effective and least disruptive way. This paper reviews the usefulness of project management approach in promoting organizational and managerial flexibility in traditional organizations in developing countries. Three aspects of project management viz. organizational structure, organizational behavior, and planning and control tools that have immense potential to alleviate these problems are reviewed. The need for indigenous managerial approaches in developing countries, and addressing some of the problems that hinder organizations from exploiting the potential benefits of the project management approach are discussed.

Key Words: Developing Countries, Project Management, Organizational Structure, Organizational culture and traditional organizations

Introduction
There is no one best way to design organizations and determine appropriate managerial practices. The right approach depends very much on an organization’s environment and technology, which are changing so fast and in so many unpredictable ways that no one structure can be appropriate for long. Thus, to survive and compete in today’s dynamic and turbulent business environment, organizations must be sufficiently flexible, adaptive and innovative. The response to environmental complexity and change is organizational fluidity and flexibility. In place of the command and control style of the hierarchy, the emphasis is toward lean and organic structures, multi-disciplinary and cross-functional coalitions. The trend is toward medium-sized firms, with fewer better-qualified people. Drucker (1989) comments on the ‘decline in the advantage of being big’ and observes that medium sized firms are replacing bigger corporations as the engine driving the world economy. Efficiency and competitiveness are linked to the decentralization of authority and responsibility, and the abolition of hierarchical and psychological boundaries and barriers to effective multi-dimensional communication and collaboration. Organizational and individual performances are standardized and measured in a transparent fashion that stimulates improvement not winners and losers.

However, several studies indicated that many organizations particularly in developing countries are mechanistic in their structure and managed as closed systems (Kiggundu, 1989, Jaeger, in Jaeger and Kannungo, 1990). They can fit only a simple, stable environment, which is virtually non-existent in most industries today. A fixed and unsystematic division of organizations into functional units encourages the development of narrow departmental viewpoint and prevents putting an integrated effort toward organizational goals. The pyramidal and hierarchical structure hinders organizations from rapidly responding to changes in the environment. Since communication is via official channels [i.e. up and down the hierarchy], direct interdepartmental communication is not a natural cooperative procedure. This makes the flow of information and decision-making very slow. Most organizational members especially those at the lower level in the hierarchy lack clear sense of purpose and direction due to inadequately articulated and communicated goals. Professor Kiggundu (1989) once observed a Latin American specialist arguing that ‘there are no organizations in Haiti, only piles of people in crowded warehouses overseen by officials who view their positions as privilege entitlement not as a duty to serve’. As Hastings (1993) in general concluded, they are slowly dying, suffering from their slow response to the rapidly changing environment, their lack of flexibility, their communication logjams and their failure to meet the changing expectations of their stakeholders and customers.

The Structural Adjustment Program (SAP) has been one of the most frequently and internationally recommended solutions [usually by IMF and World Bank] though the success rate, particularly in developing African countries was very minimal. Large-scale restructuring normally stretches the limited resources and managerial capacity of developing countries to the limit and beyond. Unless these countries have sufficiently improved their resource-base, institutional and managerial capacity and infrastructure, SAP will not be successful, and 'it could even aggravate the negative consequences' (Kiggundu, Op. Cite.). Thus, it is argued that since the traditional organizational and managerial approaches should not be allowed to continue indefinitely in developing countries, a different, cost-effective approach must be explored and identified to introduce organizational and managerial flexibility.
The purpose of this paper is to offer some insights into the usefulness of project management approach for achieving organizational and managerial flexibility in developing countries. The unique and more relaxed organizational and managerial philosophies that project management uses with regard to organizational structure, organizational behavior and planning and control techniques are examined. Assuming that much has not been written on project management approach in developing countries particularly in the African context, the paper also provides some brain storming issues and agenda-points for further discussion in the future.

All developing countries do not have the same level of economic development, political stability and productive resources. Some have well-established administrative systems and infrastructure, and government policy that encourages private investment to expand and grow while many others suffer from very weak infrastructure and government intervention and over-regulation. Hence, the author is not in a position to pinpoint the specific differences that characterize individual countries, nor is he trying to generalize a universal prescription for all developing countries. Rather, an attempt has been made to examine some of the characteristics and trends, which can be used by practitioners in adopting project management approaches for use within developing countries as means of incorporating flexibility into the traditional systems in a step-by-step fashion.

**Managerial and Organizational Problems:** Many developing countries are facing problems of widespread poverty, illiteracy, unemployment, and inadequate health-care and education. The issue of managerial flexibility and organizational adaptability may sound less important to their most urgent needs. However, one of the major contributing factors for the failure of many developing countries in achieving enhanced development is the lack of effective and efficient management of their scarce resources. The various factors that have contributed to the declining managerial and organizational effectiveness in developing countries can be reduced into two: external and internal. The external factors stem from the fact that various managerial and organizational approaches employed in most developing countries have their origin from the West. Due to the significant and visible influences that Western concepts have had in the past, developing countries have also, to some extent, accepted this dominance and the notion "West is Best." The development of this dominance and notion is partly facilitated by the professional and technical assistance that developing countries have been receiving in the areas of management and organizational design from the West. Kyamulta (1993) observed that excessive dependence on foreign educators, consultants and educational materials has facilitated the unmodified transplantation of Western managerial techniques into developing countries. Unfortunately, these imported managerial and organizational approaches have failed to serve equally efficiently in developing countries as they did in the West, because organizations, as social institutions, are expected to take on the cultural attributes of the society they are designed to serve. Culture, as well documented by Hofstede's study (1980), has very strong and important consequences for the structuring, management, and behavior of organizations in both developing and developed countries. Therefore, any attempt to introduce any managerial approach conventionally into developing countries will most likely fall short of its potential effectiveness unless it is designed in the manner to suit the prevailing economic and cultural settings.

The internal factors such as the influence of governments, rigid bureaucracies, political and economic instability, lack of skilled managerial personnel, bribery and corruption, inadequate public and institutional infrastructure, have also contributed to the declining managerial and organizational efficiency in developing countries. Organizations in developing countries need unreserved support from governments in the form of market freedom, public facilities and services, etc. Political and economic instability and civil war can also adversely affect the way organizations are structured and managed. Both observation and experience tell us that proficient, skilled and experienced managers are indispensable assets to any organization. There is much evidence reporting that political affiliations, ethnic background and loyalty to higher officials have been used in many developing countries as a basis for selecting managers. In most cases there is no precise description of job requirements in terms of professional/technical competence and personal skills. The internal problems are countless. The high level of reluctance of top management to delegate authority and responsibility and support change initiatives is also a major problem. Delegation is sometimes equated with indecisiveness or used as means of avoiding accountability. Due to widespread poverty, unemployment, and the absence of effective and responsible administrative systems, bribery and corruption are pervasive in most developing countries. The contribution of management education and training programs to the indigenization process is not significant. Despite these internal and external problems, organizations have been attempting to improve efficiency by automating their operations and business practices and investing in information technology and training. However, for these change initiatives to achieve their target, the organizational context within which they are performed and the guiding behavioral strategies must be changed. The challenge is, therefore, to achieve more flexible forms and innovative behavioral approaches through organizational reconfiguration.

The logical approach for developing countries to achieve organizational reconfiguration is to engage first in cultural change programs. Organizational culture is the collection of underlying norms of behavior, the unwritten rules that condition the way in which people interact and get things done (Hastings, 1993). In addition to the high cost and risk, large-scale restructuring would not succeed in transforming organizations unless the unwritten rules that governed the behavior of organizational members were first challenged, questioned and more appropriate cultures put in their place (Ibid.). This can be effectively achieved through the use of the project management approaches if senior management and higher officials can be prepared to influence others to think and do things differently through personal example and credibility. A question is in order at this juncture, however. Project management itself is a "Western" concept. Although it is founded on the "Western" way of thinking and value
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systems, its extremely flexible behavioral approaches and organic structures, which have the ability to deal with new and unique situations, have made it easily adaptable for use in different economic and cultural settings.

Why Project Management?: Project management can be defined as the process of planning, organizing, and controlling a series of relatively unique and complex tasks that need to be completed within certain time, cost, and quality limits. Project management, old in history and new as management science, is built around the corner stone of accomplishing unique outcomes with limited resources under critical time constraints. It is characterized by new methods of restructuring organizations and adopting special management techniques, with the purpose of obtaining better control and use of available resources.

To deal with new, unique and complex situations, project management embodies proper and flexible structures, logical and systems-oriented planning and control tools, and perceptiveness. It uses the liberal applications of common sense, effective time and cost management, painstaking attention to documentation and participative leadership. The project management approaches toward organizational structures, behavioral strategies, and planning techniques can offer a pragmatic approach for neutralizing the apparent shortcomings of large-scale bureaucratic organizations and institutional frameworks.

A closer examination of these three organizational dimensions may justify why project management can be a vital tool, particularly for developing countries.

Organizational Structure: The conventional approach to management and organization has been to develop a pyramidal type of hierarchical structure, which is inherently bureaucratic and authoritative. Today, the rapid rate of change in technology and marketplace has created enormous strains on traditional organizations. They have serious structural tension between the need to divide the workload, roles, duties and responsibilities and the difficulty of integrating and coordinating them. For managers to achieve goals through coalitions and collaborations of functional units and teams, these tensions must be resolved. It was in response to this demand that project management approach emerged with its various flexible and rather fluid structures.

Although the various project organizations can be reduced to two basic types (pure project and the matrix), a modified form of project organization can be designed to meet the particular conditions in the local environment.

The figure summarizes the possibility for organizations to use a variety of organizational forms ranging from purely functional to pure project form depending on the size, type and nature of projects. The matrix variations of a project-based organization are created to overcome the problems of the traditional structure-horizontal integration and functional collaboration among various organizational units and teams.

As shown in figure 1 if a given task is very small in size and initiated by one of the functional units in the organization rather than by the company's top management, a coordination matrix form will be appropriate. Under this form, the project coordinator will have little power and authority, but will be supported (informally) by senior management. However, if representatives from different functional units are to formally undertake a given task, the taskforce matrix will be more appropriate. As the taskforce represents the whole company, it is relatively more formal and powerful than the coordination matrix.

However when projects are initiated and planned by the organization as its core businesses and when resources are to be shared among projects through the functional units, and when an organization has continual involvement with numerous projects, the normal or balanced matrix form will be appropriate. The normal matrix form needs one person to be formally appointed as project manager or leader from within or outside the firm (unlike the coordination and taskforce matrices) to manage the project. This creates a single point of responsibility and accountability. But, the project team is required to report to both the functional and project managers. The overlay matrix can be used when the situation urges senior management to provide project managers with full authority over the whole project and the teams which could be hired either from within or outside the organization and report to only their project manager. However, the project managers are still required to negotiate with functional managers for resources. The affiliation matrix is appropriate when a host company gives minor technical or advisory support to a task undertaken by another company or country, which is affiliated to it in some way. It is appropriate when the project is multi-organization or multi-country in scope but when it is exclusively owned and controlled by one of them, while the other simply gives support. A donor agency engaged in the construction of roads, for example, can be affiliated to some government agencies to get some support. Otherwise it is independent.

Pure project form of organization is appropriate when the project is (1) very large and complex, (2) of high national or international priority, (3) multi-agency or multi-country in scope, (4) uniquely different from others, and (5) physically located in remote areas. There are many more organizational forms within the continuum to choose from among depending on the situational, organizational, and technical factors. The matrix form, in general, is extremely flexible, as there are any number of simple variations that can be used or tailored to meet the requirements of local conditions. It is a compromise between a bureaucratic approach that is too rigid and a simple unit structure that is too centralized. With the matrix form, duties and responsibilities, personnel assignments, authority basis, and interpersonal relationships are constantly shifting, unlike the purely functional structures. The matrix form lends a sense of democracy to a bureaucratic context. If properly designed and operated, it can provide a way of synergizing organizational efforts that are not possible under the more traditional forms. As the matrix form uses the traditional system as much as possible without attempting to revolutionize it, it can play an important instrumental role in introducing administrative flexibility and management reform into the traditional bureaucratic system. Thus, project management can really cause the traditional organizations to learn some lessons from its flexible approaches to structuring jobs and relationships.

Organizational Behavior: Project management emphasizes heavily on the importance of teamwork, and collaborative interactions among individuals. It allows extensive interfacing between working teams and the assignment of employees to multiple tasks, or mobilizing
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![Diagram of Organizational Structures](image)

**Fig. 1:** Project-Based Organizational Structure Continuum [Adapted from Turner R. J. et al. (1996) and Reformulated by Z.T. Temtime]

![Diagram of Behavioral Approaches](image)

**Fig. 2:** Project Management’s Behavioral Approach to Efficiency and Motivation (Formulated by Z.T. Temtime)

them from one task to another where they are urgently and decisively needed. However, the apparent difficulty of sharing information across functional units in traditional organizations encourages employees to develop narrow departmental viewpoints, and line managers to build up their functional empire that impedes synergy in the organization. The work of project teams is unique, novel, and transient. The team exists for a short period of time to undertake an assignment which nobody has done before. As this uniqueness and the uncertainty associated with it create dependency on the team, the focus of concern is to enhance team spirit, cohesiveness, harmony and commitment. But, due to the functional and hierarchical boundaries and barriers it is not easy to get people act and think as a team effectively in the traditional organizations.

Project management encourages participative decision-making. It allows people at any level of the organization to have the opportunity to become involved in decision-making and problem solving, and to apply creative and flexible approaches to issues and problems. The traditional approaches have several organizational and managerial barriers hindering them from applying participative management. A higher value is placed on tradition and maintenance of status quo than on innovation and goal achievement, which are the main concerns of project management. Their organizational philosophy prefers uniformity, consistency, and control from the top rather than individual initiative and freedom at the task level. Unlike project managers, functional managers may discourage employee participation because it reduces their maneuverability and leads to loss of control over operations for which they are held accountable. Generally, there is lack of organizational climate supportive of employees’ involvement and participation without fear of reprisals. Closely related to
employee participation are empowerment and work-autonomy. An empowered employee needs work autonomy, and a climate, which encourages teams to share goals so that working as a team they can develop innovative ideas to tackle the challenges faced. This employee commitment is sought and obtained. In traditional organizations, however, creating a climate of empowerment and work autonomy is as tough and costly as revolutionizing the bureaucracy itself.

Project management also emphasizes on motivational leadership. Project managers derive their authority and power from their competence, experience and performance. Hence, hierarchy is not viewed as the natural way to order formal relations. Unlike line managers, project managers do not normally view all open challenges by employees as improper and undesirable. The apparent time and cost constraints do not allow them to stress on receiving obedience, deference, and compliance from their team members. Rather these constraints urge them to accord their team respect and dignity, to show care and concern. Figure 1.2 summarizes the behavioral strategies and approaches of project management to achieve efficiency and stimulate employee motivation. A motivational leadership and climate where teams perceive mutuality, belonging, listening and learning will generate high performance than one, which is subject to a more directive style.

In situations that involve people and change, conflict is inevitable. Interpersonal situation produces conflicts. This naturally results from the differences in the organizational behavior of individuals who mostly come from different functional groups. Since project managers operate in an environment of constant and changing situations, they employ different strategies and open approaches to resolve it. Project management stresses in negotiating where interests clash in the team, promoting collaboration when talents and capabilities are complementary, forcing the issue when important guidelines must be maintained, and working on the resolution if necessary to meet project goals within the given constraints.

Unlike line managers, project managers have many opportunities to provide feedback to those who have a hand in completing the project. Through open and quick feedback individuals learn about the effect their behavior has on others and on the success of the project, and this helps the project team to maintain good performance and correct the poor ones before it is too late to influence the results. Project managers must ensure the organizational culture of the traditional organizations with 'project based' new organization, as boundary making vs. boundary breaking, independence vs. interdependence, and centralization vs. decentralization. He goes on comparing them as compliance vs. empowerment, passion for order vs. tolerance for ambiguity, inhibition against exhibition of talent, adversarial vs. partnership relationship; and, interdisciplinary against multi-disciplinary approach.

The traditional functions will prove well for their strong tendency toward making functional and hierarchical boundaries whereas project management approach entirely depends on cross-functional teams by eliminating all kinds of boundaries. Inter-departments are structured and managed as independent units, but project management places more emphasis on their interdependence and partnership relationships as binding factors. The focus of the centralized hierarchy on conformity and consistency inhibits real innovation, while empowerment and work-autonomy in project management encourage teams to exhibit their talent. Thus, the main argument is that the behavioral strategies employed by project management to accomplish goals and enhance efficiency can be a good match for traditional organizations in developing countries.

**Planning and Controlling Tools:** Today, it is generally accepted that the best way of reducing or minimizing risk of failure is to perform better planning than have ever been accomplished in the past. Several undertakings fail because of inefficient and inappropriate planning and scheduling. Planning is central to project management, the aim of which is to achieve a defined objective within defined temporal and financial constraints. Project success depends on the efficient and effectively the detailed activities of the project are planned and scheduled, and the degrees to which efforts are exerted to adhere to that plan.

Project management approaches have undergone a dramatic change in recent years with the emergence of the systems approach to the management of projects. It attempts to solve problems by looking at the total project picture, rather than through analysis of individual tasks and employees. It uses a variety of systems-oriented management tools for planning, scheduling, controlling and coordinating large and complex activities.

The most widely known but the least used systems-oriented planning and controlling techniques are PERT, CPM, Gantt and Bar Charts. PERT is an acronym for "Program Evaluation and Review Technique" which was originally developed by United States Department of Defense as a management tool for complex military projects. Through PERT complex projects can be blueprinted as a network of activities and events. PERT charts can then be used for controlling and forecasting resource allocation for the project in detail. They are very helpful in large, complex activities where overlooking details may create unresolvable problems. Since the Critical Path Method (CPM) is in essence similar to PERT, it is not discussed here.

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**Conclusion**

The traditional approach to organizational design and management has played a dominant role in the past, when the business environment was simple, stable and static. It now needs to be updated for organizational change in the turbulent business environment and international competition. One of the main justifications for the declining managerial and organizational efficiency in developing countries is the direct adoption of Western organizational and managerial practices without making
any adjustments to meet the requirements of local economic and cultural conditions. These imported approaches have failed to enhance organizational efficiency and effectiveness in developing countries as they did in the 'West' mainly because of differences in economic, cultural and institutional settings. The pervasiveness of such internal problems as lack of adequate productive resources, institutional and managerial capacity, policies and economic instability, civil war, the influence of governments, business and corruption, etc have further exacerbated the problem. The inclination of governments to over-regulate private undertakings has been a major problem in many developing countries. The criteria used for the selection of managers, the practice of not to delegate authority and responsibility and support change initiatives instead of resisting them have also seriously affected the degree of managerial flexibility and organizational adaptability in developing countries.

The structural adjustment program (SAP) has been the promise for developing countries to alleviate these problems. However, the need for mobilizing socially sensitive and scarce resources to implement the SAP has made it unaffordable and risky for most of them, particularly in Africa. This paper has showed that project management can offer a good lesson to the traditional organizations in the area of organizational structure, organizational behavior, and planning and control techniques. The matrix design is fluid. Organizational design of several variations can reduce the degree of structural rigidity in the traditional organizations. As Grundy (1993) argues, "the project management approach provides a powerful infrastructure to the change process, which enables teams to mobilize for change at a more effective and efficiently than is feasible in purely functional and hierarchical structures". The project organizational culture, which governs the behavior of individuals and teams, can offer a role model to the traditional bureaucratic organizations mainly in the areas of empowerment, work-autonomy, participative management and conflict management. The paper also showed that although there is widespread belief in the generic transferable nature of the fundamental principles of project management, the need for indigenous approaches is imperative. If the project management approach toward organizational design and behavior is correctly modified with careful consideration of local economic and cultural requirements and conditions, it can cast a glancing spotlight on the sluggish and inefficient management found in many developing countries. However, while many organizations in developing countries use project management approaches and project teams for different purposes, only a few are lucky enough to significantly exploit its potential benefits. It is, therefore, crucial to address some of the generic issues and problems in order to facilitate the use of project management approaches as instrument of organizational changes and management reform in developing countries. For further consideration in future research, efforts, seminars, workshops, conferences, etc, it seems that individual project problems areas, which are believed to have long-term repercussion on any organizational and managerial transformation process in developing countries.

Top Management Support: Many research findings tend to confirm that despite placing the issue of empowerment and work-autonomy at the top of their agenda, senior management and higher officials are highly reluctant to relinquish control over the destiny, roles, and resources of others. Support from the highest level is an essential prerequisite for any organizational and transformation process. For organizational and managerial reforms to succeed in developing countries, senior management and higher government officials must provide a role model and a clear vision and mission.

Selection and Delegation: There is a tendency in developing countries to use criteria other than experience and qualification as basis for selection of managers. Delegation is sometimes used as means of avoiding accountability, and sometimes equated with indecisiveness or senility. The recent trend of checking that the recipient is well equipped to make and then monitor the decisions. Problems of using inappropriate criteria for selection of managers, inadequate and uncontrolled delegation of authority and responsibility in developing countries can negatively affect the change process.

Government: Governments have an important influence on the nature and scope of market, political and social freedom. No projects (in public or private sector) will be successful without the support of Governments. Governments have significant contribution to this transformation process, and are perhaps the only body that can create conducive conditions for business organizations to expand and grow. It would do the society better if governments in developing societies would find ways to work with and encourage private enterprises rather than stifling them through regulations and inadequate incentives.

Management Training: Educational and training programs in developing countries excessively use foreign materials and cases that are based on the assumptions, beliefs, and values of the West. The steps taken by educational programs and research institutions to develop indigenous management theories are far below satisfactory. The working relationship between industry and management training institutions is not strategically designed to facilitate the transformation process. This will have a long-term effect on the type and quality of indigenous managers that developing countries produce. Hence, emphasis should be placed on the development of local case studies for teaching and discussion purposes rather than spending months on General Motors, or Hewlett-Packard. To reduce the impact of Western concepts and management practices, academics and researchers in developing countries must be encouraged in different ways to conduct field studies leading to the development of indigenous management theories and techniques. If these problems are effectively addressed in future research efforts, seminars, workshops, conferences, and academic sessions, and if an attempt is made to incorporate the local values and behavioral patterns of the local people, project management can be extremely important to the future of organizations in developing countries.

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