

# Matrix Organization: Definition, Functioning and Limitations

Read this article to learn about the introductory observations, definition, functioning, merits and limitations of matrix organization.

## ***Introductory Observations of Matrix Organisation:***

When an enterprise undertakes a large number of small projects; a matrix organization is more suitable.

**A matrix organization is organization by two major features:**

- (v) It undertakes a large number of small projects; and
- (ii) There is a dual line of command, in a matrix organization.

## **Points of comment:**

- (v) The feature of a dual line of command is the single most important feature of a matrix organization; which differentiates it from a project organization in which there is a single line of command. If in a project organization also, feature of double line of command is introduced; it becomes a matrix organization.

Some authorities on management do not observe any distinction between a project and a matrix organization; when a project organization is also organization by the feature of a double (dual) line of command.

(ii) Except for the differentiating feature of single or dual line of command as applicable to a project or matrix organization respectively; the basic manner of functioning of both these organizations is almost the same.

***Matrix Organisation Defined:***

**Matrix organization may be defined as follows:**

Matrix organization is the imposition of a project structure over the permanent functional structure of the organization; and members of the project team being subject to a dual line of command (that of the project manager and the concerned functional specialist whose department they originally belong to) forming a matrix or a grid. Hence called a matrix organization.

**Conceptually, a matrix organization is illustrated below:**

Matrix organization = Dual line of command + matrix culture + matrix organization

**Following are cited a few definitions of matrix organization:**

(1) “Matrix organization represents a combination of functional departmental organization and project organization.”

-Fred Luthans

(2) “Matrix organization is any organization that employs a multiple command system, that includes not only the multiple command

structure but also related mechanisms and an associated organization structure and organization pattern.”

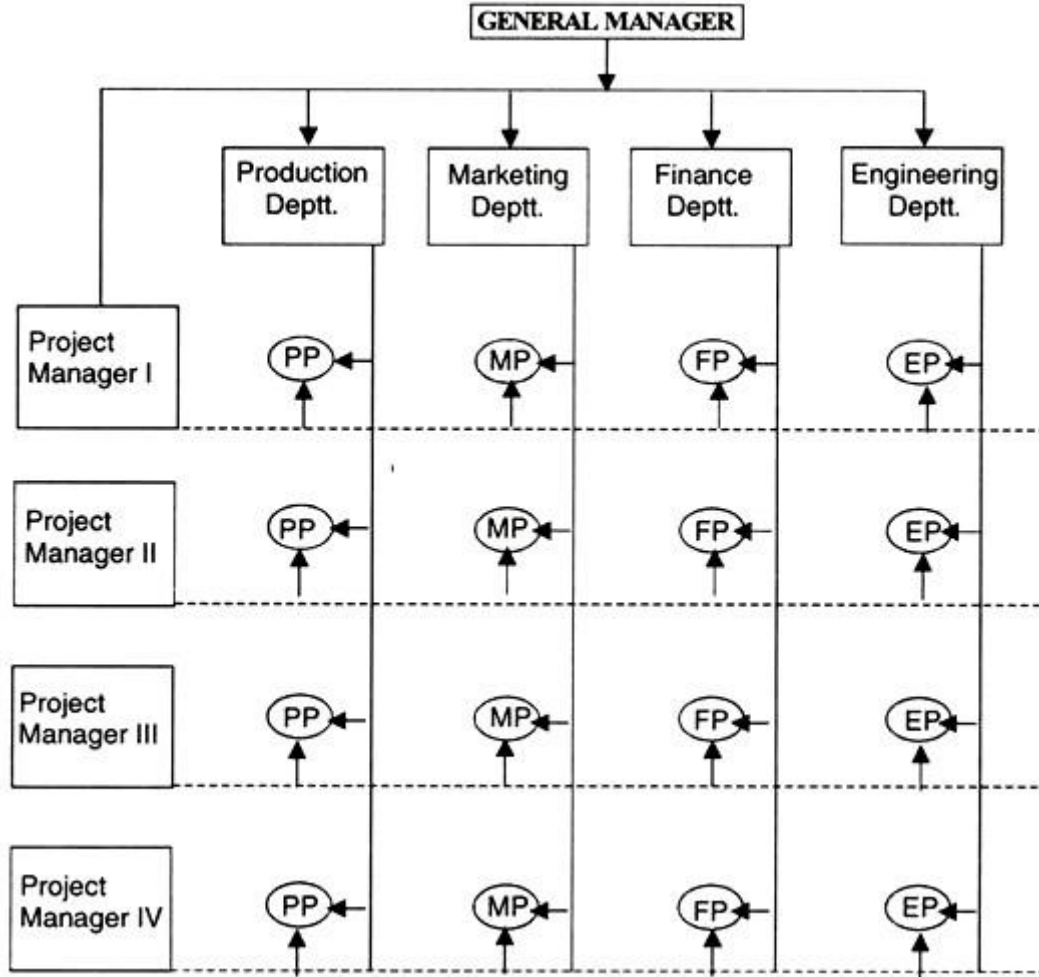
-S.M. Davis and P.R. Lawrence

***Functioning of the Matrix Organization:***

Under a matrix organization project teams are formed; drawing personnel from the permanent functional structure. Different project managers share resources and authority with functional heads. The project team members are subject to a dual line of command that of the project manager and the concerned functional specialist whose department they originally belong to during the continuance of the projects.

When one project is over, its personnel and resources are diverted to some new project; as undertaking a large number of small projects, is a typical feature of a matrix organization.

The following chart depicts a typical matrix organization:



**Explanations to the chart:**

..... Authority of project manager \_\_\_\_\_

Authority of Functional head

PP = Production of personnel

MP = Marketing personnel

FP = Finance personnel

EP = Engineering personnel

### ***A Typical Matrix Organisation:***

There are four project managers-I, II, III and IV. Each one has a project team consisting of personnel from – production, marketing, finance and engineering functional departments. Project team personnel are subject to double command that of project manager and the function heads as shown by arrows in the diagram.

### ***Merits of the Matrix Organization:***

**Following are the chief merits of a matrix organization:**

#### **(v) Best organization of organization resources:**

Under a matrix organization, there is best organization of organization resource – manpower, machines, raw-materials, technology etc.; since after completion of one project the resources are diverted immediately to some new project. This avoids wastage of precious organization resources; and adds to the overall profitability of the enterprise.

#### **(ii) Flexible structure:**

The matrix structure is a flexible structure. It undertakes the completion of a large number of small projects. Depending on needs of environmental situations and other organizational factors, more projects could be undertaken by the organization by forming additional project teams.

Or alternatively, the number of projects undertaken by the enterprise may be limited or restricted to a small number; as is practical under the circumstances.

### **(iii) Development of personnel:**

Matrix organization provides a system of organization functioning; under which people learn new skills through involvement in many projects. This leads to development of personnel. In fact, a matrix organization becomes a training ground for personnel for developing a diversity of professional skills.

### **(iv) Heightened motivation and morale of employees:**

Under a matrix organization, the motivation and morale of people are heightened; as they have no problem of insecurity about job assignments. Immediately after the completion of one project, people are assigned to some new project. As such, people in a matrix organization work with enthusiasm and dedication.

### ***Limitations of the Matrix Organization:***

**Following are chief limitations of a matrix organization:**

#### **(v) Confusion caused by double line of command:**

The serious most limitation of a matrix organization is the confusion caused by the double line of command; so that a project team member is always in a state of flux as to whose orders the project manager or the functional head to obey first. This feature of 'double command system' creates a situation of 'shifting-loyalties'; and tells upon the operational efficiency of the project work.

**(ii) The phenomenon of friction and passing the buck:**

In a matrix organization, if, during the process of progress on project work, something goes wrong somewhere; it becomes a problem for management to trace whose fault it is and where the difficulties actually lie. Project managers and functional heads believe in passing the buck to one another for wrongs done during the project work.

Not only does it become difficult for management to take corrective action; but also conflicts develop between project managers and functional heads, which spoil human relations permanently.

**(iii) Conflicts over division of authority and sharing of resources:**

In a matrix organization, usually the authority relationships between project managers and functional heads are not properly defined. As such, there are conflicts between the two over the question of division of authority vis-à-vis project team personnel, and sharing of organization resources. This phenomenon, again, leads to spoiling human relations, in the organization.

**(iv) Increased paper work:**

In a matrix organization, there is usually continuous communication – horizontally (from the project managers) and vertically (from the functional heads). This causes increased paper work. Because of conflicting communications from two quarters, completion of projects becomes costlier and time consuming.

**(v) Problem of adjustment:**

In a matrix organization, after the completion of one project, people are assigned to some new project. Many persons may face a problem of adjustment to the new project; because of entirely new conditions surrounding the new project. A best fit in one project, may be a misfit in a second project.

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