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Why Project Managers of Large, Complex Projects Should Have a Higher Status in their Organizations

It is astonishing to observe how, even in project-oriented organizations that execute large, complex projects, project managers are generally placed on a lower status than functional managers. This happens although project managers directly influence the business performance, which is not the case of functional managers. In particular in organizations that deal with large, complex projects, it should clearly be the contrary. Why is that and what should be done?

The classical matrix organization... where everybody around the matrix is not equal

Mature project-oriented organizations tend to be organized according to a matrix organization. Functional managers are responsible for the resourcing, the processes, the tools, and the overall workmanship level in their functional area. These are for examples, the Engineering Director, the Fabrication Director, the Project Services Director, or the Operations Director. Project Managers, on the other hand, are responsible for the effective delivery of the projects they have in charge, by leveraging the contributions of the project team to the benefit of business objectives.

In most organizations, functional managers tend to carry more clout than project managers. This is for good reasons:

- Functional managers deal with the proper career of the staff, they allocate people to projects, decide on bonuses and they are the ultimate recourse in case something happens, so that, seen from the staff, they are much more important on their long term destiny than the project manager;
- The management committee generally comprises of the functional managers, as they have the hand on the organization's resources and hence on its strategic development capabilities.
- In the case of an organization with multiple small, simple projects, the individual result of a project is relatively limited compared to the overall business performance and the overall portfolio of project needs to be considered instead.

As a result, project managers tend to have a lower status in the hierarchy than functional managers.

Why project managers of large, complex projects should have a higher status

For organizations that execute small, simple projects, these reasons hold true. In addition, project managers in small projects companies are often technical personnel that have been promoted as a project manager, which is often their first real management position. They are more

focused on the technical than on the commercial aspects of their projects.

However, the main reasons behind the higher status of functional managers evaporate in the case of large, complex projects that will last for long durations – often years:

- Complex projects leaders are often seasoned professionals with a long track record of management and leadership;
- Staff will evolve in their career within the project itself due to its long duration, and will often be mentored from within the project itself;
- The project might hire contractor resources by itself for the project duration, that will fall out with the remit of the functional managers;
- As part of the project team effectiveness process, the staff's role will evolve from a standard role to a non-standard role so as to cover the needs of the project team, based on their particular strengths and talents;
- Large, complex projects will have a decisive influence on the organization's financials and thus, project managers for these projects will necessarily need to have direct access to the very top of the organization.

Thus, the project leaders of large, complex projects should have a status that is at least equal, if not superior, to the functional managers. This does not mean however that they should be party to a large number of activities outside their project: they need to be able to focus on the delivery of the project. Still, it is important to recognize their status for their future career development and recognition inside the organization.

What organizations are losing by not giving the right recognition to the project leaders of large, complex projects

What is at stake with the status recognition is not an ego trip, or a question of the number of stripes on the shoulders. It is a question of recognition within the company and access to its resources and decision-making circles. Large, complex projects are often exceptional projects that can make or break the organization; it is vital that the project leader can access the highest level of the organization without filter, and if needed, that he can be provided with exceptional allocation of resources.

Organizations that miss giving the right status to project leaders of their large complex projects:

- Increase significantly the risk of failure or at least non performance of the projects, hence of their business, by elevating hurdles to the communication of issues from the project, thus delaying decision-making;
- Deprive themselves of accessing and leveraging directly the deep, hands-on business experience of these project leaders for the sake of the entire business;
- Create hurdles for the reactivity of the organization to issues that can significantly impact its performance;
- Often miss the opportunity to groom future leaders of the organization from the project leadership pool; and, implicitly push excellent leaders to become functional managers instead of staying as project leaders where there would be needed and where they could deliver much more value to the organization.

What should be done in organizations with both simple and complex projects?

One of the reasons why the high status of project managers for large, complex projects is not officially recognized is that most organizations concurrently manage smaller, simpler projects. Why would then some project managers be higher in status than others? Should a very experienced project manager of simple projects be higher or lower than a less experienced project leader of large, complex projects? These questions are apparently very difficult to resolve and thus, are often not addressed. The sheer number of project managers in the

organization then makes it impossible to give all of them a higher status.

This one-fits-all approach is fundamentally flawed, because simple projects and large, complex projects are very different animals. Managing or leading them requires different skill sets, up to the point where Project Value Delivery generally recommends considering executing them in different business units.

Hence the appropriate approach is to recognize explicitly that large, complex projects require a different skill set and to give a different title for the project leaders of these projects. They will not be numerous because they are dealing with a few large projects. Actually it is a constant observation of Project Value Delivery that large, complex projects leaders often have a large influence in their organization, which is not formally recognized or only through ad-hoc organizational setups. Why not give them the status they actually deserve as part of their contribution to the performance of the organization?

Summary: status should be commensurate with influence on the organization's performance

Staff's status should depend on the influence they have on the performance of the organization. Large, complex projects are often decisive endeavors that can make or break the organization, or at least, that will have a significant, visible impact on its overall performance. The leaders of these endeavors should be clearly recognized in a commensurate manner with their influence on the organization's performance. Overcoming the psychological barrier most organizations have to recognize large, complex project leaders at the level they deserve will ensure a constant inflow of talents and, ultimately, a great performance of the organization. Why do you hesitate?



**We Empower Organizations to be Reliably Successful in
Executing Large, Complex projects.**

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