From Functional Structure to Project Structure: A Brazilian Clinical Research Company Case

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1 INTRODUCTION
Companies have undergone a process of transformation, organizing themselves to be able to make effective and agile responses to environmental demands. Furthermore, these responses constitute a set of actions or activities that reflect the company’s competence in taking advantage of opportunities, and their capacity for rapid action, respecting time and cost limits and specifications, i.e., constructing project-oriented organizations (Carvalho et al, 2003).

In this context, the organizational structure design is a critical issue in order to achieve organizational responsiveness. According to Patah and Carvalho (2002), organizational structure should be dynamic and capable of rapid changes.

This paper aims to discuss the process of organizational structural changes, through a case study analysis of a Brazilian clinical research company. The paper describes and analyzes the impact of change from the functional structure to a project structure, concerning advantages and disadvantages perceived by employees and managers and comparing with the theoretical framework.

2 THEORETICAL BACKGROUND
There are several definitions of “project” available in the literature. The most widely used definition are those proposed by ISO 10006 (1997) and PMI (2004). The first one, defines project as a single process consisting of a group of coordinated and controlled activities with a beginning and end date, undertaken to achieve an objective, according to specific requirements, including time, cost and resource limitations (ISO 10006, 1997). More recently, PMI (2004) defines project as “a temporary endeavor undertaken to create a unique product, service or a result”.

According to Kerzner (2001), in order to choose the most appropriate organizational structure, some factors should be considered such as: project size, duration, the organization’s experience in managing projects, the philosophy of the company’s upper management regarding project management, the physical location of the project, available resources and specific project aspects.

Patah and Carvalho (2002b) highlighted that, when the organizational structure is not selected in an appropriate manner, several problems can be diagnosed. These authors argue that there are some indicators that the organizational structure is not the most appropriate: projects don’t manage to meet time, cost and other requirements are not achieved; experts feel underutilized; no one takes responsibility when the project tends to failure, among others.

According to Mockler, apud Cleland and King (1975), the traditional organizational structures, with their rigid divisions of responsibilities and authorities were too inflexible to meet the needs of the dynamic business environment of the 1960s. As result, a general philosophy of “no best way” to organize caused a substitution of traditional organization models for the development of an individualized and flexible approach to take care of particular situations. At this time, appeared the currently known approaches for structures of projects management as alternative to the functional structure. Matrix management, for instance, began in the 1960’s as an organizational alternative to meet the aerospace industries needs (Larson and Gobeli, 1997).

In the functional organization, the projects occur in the company structure departments. Since it is easy, to the functional manager, to obtain human resources, the majority of the projects are completed inside of the foreseen stated period and the cost (Kerzner, 2001). As the functional structure places the project to be executed of one of the departments of the company, the responsible one for the project is the functional manager of this department.

As an alternative to the rigidity of the functional or traditional organizational structure appeared the pure project structure and the matrix structure (Patah and Carvalho, 2004). According to Meredith (2000), the pure project structure has presented a fast growth in the last decades. The author argues that many are the reasons for the popularization of this type of organizational structure.

According to Kerzner (2001), the biggest advantage of the pure project structure is that an individual manager of each project, keeps a complete authority on the project as a whole. Between the extremities of the functional structure and the pure project structure there are some types of matrix organization that combine characteristics of the two (Slack et al, 1999).

3 THE CLINICAL RESEARCH IN BRAZIL

Clinical researches are typically projects. It does not exist one equal to another, it has objectives defined clearly and the results are extremely uncertain. The management of a project of this nature involves the several areas of the Projects Management.
4 FIELD RESEARCH DESIGN

The present study aims to verify if the advantages and disadvantages presented in literature for functional and pure project structure are perceived by people. In order to do such verification, it was chosen a company which promoted a radical alteration in its structure, from functional to pure project in the end of the year 2003.

The advantages and disadvantages, presented in literature, have been grouped in Table 1, where it indicates the structure in which, in theory, the research would have to demonstrate best scores.

Two questionnaires with the same questions were elaborated and the collaborators were random distributed in two groups: one to answer the questionnaire for functional structure and other to answer the questionnaire for pure project structure. As criterion for qualification of the respondents, it was adopted that the collaborators would have to be in the company at least 4 years, so that the same ones had lived deeply for equal time both the structures. From the criterion above, it resulted that from the 38 collaborators (also 3 directors), 31 were qualified to answer the questionnaires. To have equal samples in the two groups, one of the collaborators was discarded of the research.

A Likert scale of 5 points was adopted for the questionnaire, varying from ‘disagrees it total’ (1) to ‘agrees it total’ (5). The questionnaires were applied between days 8 and 22 of August of 2005, personally for the researcher. All the selected collaborators answered the research.

5 CASE STUDY ANALYSES

The analyzed organization is a service company of management of clinical research, in the market since 1992, currently with 38 collaborators of which 25 with concluded university study (doctors, druggists, statisticians, systems analysts, bachelor in letters), 5 attending an university study and 8 with average education. In its foundation, the company was structuralized in functional form. In the early 2003, the company initiated a process of reorganization with the objective to improve the loyalty of customers, culminating in the end of the same year for an alteration for pure project structure. Table 2 shows, for each characteristic, the results of both the questionnaire with its averages and standards deviations.

Table 2. Results

<table>
<thead>
<tr>
<th>CHARACTERISTICS</th>
<th>FUNCTIONAL QUESTIONNAIRE Average/Standard Deviation</th>
<th>PURE PROJECT QUESTIONNAIRE Average/Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility in the use of resources</td>
<td>1,20/0,65</td>
<td>1,30/0,58</td>
</tr>
<tr>
<td>Focus in the customer</td>
<td>1,50/0,64</td>
<td>1,40/0,54</td>
</tr>
<tr>
<td>Professional growth</td>
<td>2,00/0,85</td>
<td>3,00/0,99</td>
</tr>
<tr>
<td>Responsibilities in the project</td>
<td>2,10/0,8</td>
<td>4,80/0,41</td>
</tr>
<tr>
<td>Fulfillment of stated periods, budget and scope</td>
<td>2,80/0,94</td>
<td>4,30/0,59</td>
</tr>
<tr>
<td>Communication between individuals</td>
<td>2,60/0,34</td>
<td>3,70/0,49</td>
</tr>
<tr>
<td>Commitment of the teams</td>
<td>2,20/0,94</td>
<td>4,40/0,51</td>
</tr>
<tr>
<td>Implementation of polices and principles of the company</td>
<td>2,50/0,25</td>
<td>3,80/0,77</td>
</tr>
<tr>
<td>Uncertainties related to the future after the ending of the project</td>
<td>2,70/0,72</td>
<td>3,90/1,06</td>
</tr>
</tbody>
</table>

REFERENCES


Resolução 196 Conselho Nacional de Saúde, Brasília, 1996.

