



THE IIL/WILEY SERIES IN PROJECT MANAGEMENT

# What Functional Managers Need to Know About **PROJECT MANAGEMENT**

Harold Kerzner, Ph.D.  
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# PREFACE

When project management first began, the only industries that readily embraced project management as a way of doing business were aerospace, defense, and heavy construction. These industries were identified as project-driven industries, where each project had a profit target. The prime objective of project management was to generate profits, and the project managers had the responsibility for profit and loss. The survival of the company rested in the hands of the project managers.

Project managers were viewed as managing profit centers, and functional manager groups were looked upon as cost centers. The role of the functional manager was basically to assign resources to projects and to keep their costs as low as possible. If the project was successful, then the project manager could expect to receive a bonus. If the project failed, blame was placed on both the project manager and the functional managers. Functional managers were treated with indifference and often received neither bonuses nor credit for doing their job well.

Functional managers were not required to understand project management. Their role was to assign resources to projects and often relied on the project managers to provide daily direction to the resources. The reason for this was that project managers at that time were, in almost all cases, engineers with advanced degrees and they possessed a strong knowledge and command of technology, often a greater technical knowledge than the functional managers. Functional managers would basically relinquish any control over the resources once the resources were assigned to the projects.

As project management matured and the projects became more sophisticated, it became extremely difficult for project managers to maintain their technical expertise and continue to possess a command

of technology. Many were no longer considered to be technical experts. Most project managers today have an understanding of technology rather than a command of technology. The technical expertise resides in the functional areas. As a result, the accountability for the success of the project is now viewed by many executives and project sponsors as shared accountability between the project manager and all participating line or functional managers. With shared accountability, the line managers must now develop a good understanding of project management, which is why more line managers are now seeking project management certifications and credentials such as the Project Management Institute's PMP® (Project Management Professional) and CAPM® (Certified Associate Project Manager). Today, project managers are expected to focus on and manage project deliverables rather than people. Management of the assigned resources has become a line function.

Today, the technical knowledge repository of most companies resides in the functional areas. When resources are assigned to a project, the resources continue to receive technical direction from their functional managers. Functional managers are now an integral part of project management and share in the success and failure of each project. Project management is now viewed as a discipline of team leadership and team accountability.

As project management continues to evolve and mature, the relationship between the project manager and functional managers continues to mature and is getting stronger. They must work together, understand each other's priorities and problems, and resolve issues jointly. When a functional manager encounters a problem when assigning resources, the functional manager goes directly to the project manager for assistance and contingency planning. When a project manager has a resource-related or technical problem, they go to the functional managers for assistance with the identification of alternatives. Senior management may be called upon to assist in problem resolution only as a last resort if the project and functional managers

cannot reach an agreement. The success of project management may very well rest upon how well the project manager and functional managers work together.

The role of the functional manager has changed significantly. Functional managers now have the power and influence to drive any project to success or failure by the way they provide support for the project. Therefore, a positive relationship between project manager and functional manager is essential. This need for a strong project manager/functional manager relationship has become apparent in the implementation of the majority of today's projects, and senior management has finally realized the importance of functional management in making project management succeed.

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—HAROLD KERZNER, PH.D., AND FRANK SALADIS, PMP

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Chapter

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# 1

## PROJECT MANAGEMENT PRINCIPLES