

PROCESS MANAGEMENT IN A FUNCTIONAL ORGANIZATION

A process organization structure merely creates a different kind of white space . . . between processes. Furthermore, it may require additional people, obstruct sharing of learning and resources, and erect career path barriers. In most process-based organizations, functions remain as “centers of excellence.”

How does an organization establish effective vertical and horizontal structures? In our experience, the key is measurement. Establishing customer-focused, process-driven measures is the first step. In a process-driven environment, each functional manager is still responsible for achieving results, allocating resources, and developing policies and procedures.

The only difference between a process-focused organization and a traditional (purely vertical) structure is that each function is measured against goals that reflect its contribution to processes.



Line managers have as much authority as in any traditional organization. There is no tug-of-war between two bosses, as in many matrix-managed organizations.

A department always contributes to the greater good. In an institutionalized process management environment, that greater good is the processes that serve the organization strategy. Because process management fosters symbiotic, “we’re all in this together” relationships between suppliers and customers, functional managers may need assistance in managing the “white space.” That assistance is available from the process owner.

In summary, process management can coexist quite peacefully with the functional organization because it:

- Doesn’t change the direction of the business.
- Doesn’t (necessarily) change the organization structure or reporting relationships.
- Ensures that functional goals are aligned with process goals.
- Doesn’t change accountability or power.
- Changes how the business is conducted only because it ensures that processes (which are there already) are rational.

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