Innovative Business Development in Healthcare: Using Matrix Organizational Techniques.

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Abstract:

Recent years have seen an increased demand for healthcare services, presenting a need to improve organizational structures through sustainable business development. Business development has been greatly influenced by the organizational matrix. The matrix was developed in response to the requirement for a company that could handle projects of significant size and complexity. Consequently, organizational complexity rose. But it has significantly improved the adaptability and efficiency of project management. The matrix has made it possible for project management to be efficient for Health care management.

What Is an Organizational Matrix?

A matrix organization is characterized by dual or multiple levels of managerial accountability and responsibility. However, the term matrix has rather diverse meanings for various individuals and sectors (1). There are typically two command structures in a matrix, one along the functional line and the other along project, product, or customer lines. Other alternative chains of command include geographic location.

The matrix organizational form might range from one in which the project manager retains a strong managerial position to one in which he merely coordinates. To illustrate the organizational principles, a matrix depicting a balance of power between project and functional managers will be examined first. Such a balanced circumstance, deemed ideal by certain authorities, probably occurs infrequently in actuality. The Two-Boss Matrix

In a balanced matrix structure, various employees have two supervisors (figure 1). This is a departure from the age-old management principle, "Thou shall have just one superior above thee." None of the reporting correlations depicted in figure :(1) contain dashed lines. The meaning of solid- and dashed-line relationships varies

depending on local management conventions. Nevertheless, solid lines typically connect managers with their immediate subordinates, the guy above being the superior. Typically, dashed lines are used to denote staff links or reporting relationships of lesser significance. In a matrix organization, the project manager is neither a staff member nor often less powerful than functional managers reporting to the same level. The relationships depicted in Figure 1 cannot be expressed simply using phrases such as "he reports to the functional manager exclusively for technical direction" or "he reports to the project office for financial and schedule control." Such explanations are inadequate for describing how the matrix organization actually functions, as the project staff have two supervisors in fact, not only on paper. (4)
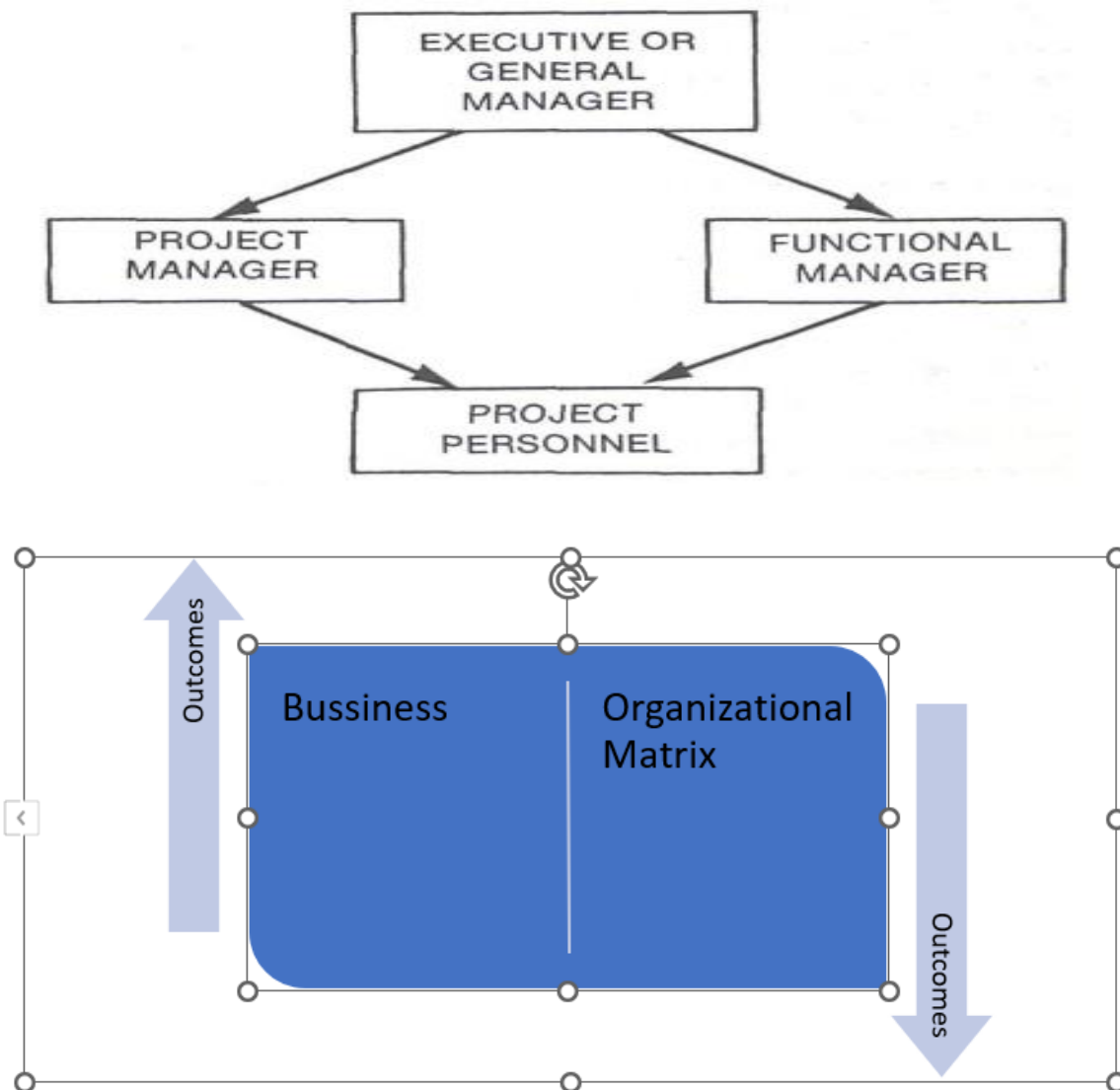
Figure 1. The basic unit of the matrix organization

Relation between Business development and matrix structure :

Business development is maximizing the business activity to provide the best outcomes utilizing the best allocation of the available resources hence the decision makers should create an effective matrix organization structure.(12)

Steps of matrix organizational structure :

1.Plan the future.
Consider: Where is your business headed? What do you wish to do that you have not yet done? You should plan as far into the future as possible. For younger companies, this spans the following three to five years. For more established organizations, ten years or more should be the goal. (10)
2. contemplate the past:

Consider what has worked well and what has not in relation to how departments or teams collaborate.For instance, are various departments in conflict with one another? Certain teams compete as a result of your reporting structure fostering unproductive rivalries. Consider it this way: Adding additional levels to a one-story home with a foundational fissure will only exacerbate the issue.(3)

3-Create an organizational structure:
Create an organizational structure without using any names.
At this stage, you should concentrate on establishing:
• The ideal, most effective workflow
• Achieving company objectives
• Providing excellent client service
There are a number of ways to organize your employees:
• By function (sales, marketing, finance, etc.)
• Geographically • By product line
The structure of your organization can be vertical, hierarchical, flat, or material.
Consider utilizing organization planning tools to: Create data-driven organizational charts
• Acquire a more dynamic and engaging perspective on your business.
• Observe the immediate effects of your modifications.
• Make better-informed choices.
Include five to six bullet points outlining work responsibilities for each position or box.(5)
4. Fill in the people:
If you're an established organization with existing employees, now add their names.

It's both necessary and difficult to objectively decide how an existing employee may or may not naturally be suited to the re-defined role. As an employee may not fit a role as precisely as they previously did you can identify new competencies needed.(11)

A plan can be created and executed to develop those competencies. Alternatively, perhaps the employee is now better suited for another role in the company. Determine whether each employee is a good fit going forward. Being a good fit means:

- The employee has the necessary skill level to perform well.
- The employee has the desire to take on the role.

If an employee's skill level isn't up to par, you'll have to invest money and time for training.

Conversely, an employee may have the skill set but doesn't enjoy the work, or the new role brings a level of pressure or attention that they don't want.

The principle of weighing skill versus desire also applies to recruits and new hires.(10)

5. *Balance authority and responsibility.*
No matter where they fit within the organizational structure, give your employees equal measures of authority and responsibility.

Otherwise, they can feel hamstrung and become frustrated and disengaged.

6. *Fill in employee data and metrics.*
Include key metrics on your organization chart to give you a comprehensive picture of the person identified in each role. This will also reveal a much larger story about your company.

These metrics can include tenure and performance ratings. Doing this will help you:

- Uncover risk factors so you can plan ahead. For example, do you have an employee whose title or salary doesn't align with their tenure? This person could be at risk of leaving your company.
- Identify the kind of contribution each employee makes: loyal, hard-working, and supportive "middle of the pack," destined for increased levels of responsibility and authority, etc.

- Engage in succession planning so you can find out which employees may be good candidates to take over a role in the event of another employee's promotion or departure.(7)

7. Practice robust performance management of employees.
Review employees continually throughout the year to reduce the frequency of updates to your structure.(9)

8. Review your organizational structure every 6 months.
This helps ensure relevancy and to plan for the next 6 months.

Your structure should have an evolutionary life, not a static life:

- Does your structure still represent how you do business and what your workforce needs?
- Have any of your business goals changed, thus necessitating a change to your structure?
- Has the working relationship between any departments become dysfunctional?
- Do you need to add people? If so, where and why?
- Will this decision force you to adjust a department?
- Are you able to grow your organization without adding unnecessary layers?(3)

The decision-making process
The teamwork and leader team should have ultimate decision-making authority. However, you should crowdsource ideas and perspectives from all levels of the company.

Start with encouraging bottom-up ideas by soliciting suggestions from all employees. After all, they're heavily involved in your company's daily work, and they have an intimate knowledge of team dynamics and relationships. Don't discount their perspective on what works and what could be better.

Use that feedback to assess your company holistically. Then consider your strategic vision for the future.(4)

For example:

- Impending market changes
- Shifts in strategies or priorities
- Financial issues
- Upcoming contracts and projects

Why does it exist?

The matrix arose from the natural growth of organizational structures in response to a very specific demand in the actual world. There was a need for an organizational structure competent to manage recent extremely big and complicated programs, initiatives, and challenges, as well as manage limited resources. The conventional hierarchical management structure was unable to deal with the increased complexity and massive amount of data that needed to be handled, and conventional management theory was of little assistance in resolving these new and unique difficulties.

The majority of management theorists predicted that the absence of a clear single line of duty and authority would result in inefficient management. There is no evidence that numerous authority and role conflicts are associated with inefficiency (6).

In a large business, the adoption of the matrix is primarily motivated by the fragmentation of functions and talents across the organizational structure. Due to an inability to understand the system as a whole and a tendency to sub-optimize or address the problem inside their own field, individual functional divisions have considerable difficulties resolving extremely large challenges. An old aerospace adage states, "An engineer approaches each problem as though it had an engineering solution." How few of today's major civil and social issues have solutions that are solely technical?(5)

Micro companies were created because of the impracticality of fragmenting the problem and having separate functional groups concentrate alone on their share of the problem (1). This reflected the evolution of the pure project management structure. Rapidly, it became apparent that this option was not only extremely unwieldy but also had other disadvantages in terms of effective functional activities. The matrix was the logical progression of events.

Growth of the Matrix:

The complexity of the problems and initiatives revealed the shortcomings of the hierarchical organizational structure. At the same time, it was obvious that the organization had to be designed around the current project. Thank goodness, more adroit organizational options have surfaced. There is currently no "one optimal strategy" to organize all projects, according to management theory. Instead, there are a lot of choices from which to pick a certain project. These choices consist of various iterations of the matrix.(6)

The US economy's aerospace industry was the first to develop and document a regulated matrix style of organization in the 1950s and 1960s as the number of large, complex projects rose. Large projects frequently change into pure project organizations, where all of the resources and tasks necessary to complete the project's objectives are centralized under a single hierarchical structure. This strategy worked successfully when the project or program was very large, the government client was similarly organized, and the client not only insisted on such an organization but was also willing to pay the Matrix Organization(7)

It has been recognized that the matrix organizational structure has applications far beyond that of project (program or product) management (12). However, in this discussion the matrix will only be considered from the viewpoint of its most highly developed application — that of project management.

The term "matrix project organization" refers to a multidisciplinary team whose members are drawn from various line or functional units of the hierarchical organization. The organization so developed is temporary in nature since it is built around the project or specific task to be done rather than on organizational functions. The matrix is thus built up as a team of personnel drawn from both the project and the functional or disciplinary organizations. In other words, a project organization is superimposed on the conventional functional hierarchical organization.(1)

The main **advantage of the matrix structure** is that it can:

- improve decision-making, since there are two chains of command
- help break down traditional 'silo' barriers
- improve communication across the business(8)
- allow staff to apply their skills in different roles
- help share best practices and ideas across teams
- increase efficiencies due to sharing resources across departments

The matrix structure can also help businesses achieve quick market adaptation to changing customer needs, as it can decrease the lead time to produce a new product. This structure is most suitable for businesses operating in a dynamic environment.

The disadvantages of a matrix organizational structure:

A matrix structure may not be well suited for businesses working in a more settled environment, with set customer requirements.(2) Because of its complexity, and the need for employees to report to two bosses, it can lead to:

- confusion regarding roles, responsibilities, and priorities
- divided loyalties between project teams
- blurred lines of accountability.
- difficulties in coordinating tasks or functions.
- power struggle between the project manager and the functional manager.
- large overhead costs, on account of having multiple managers.

Reasons for changing your organizational structure:

Typical reasons for organizational change vary. They range from disruptive technologies and changing market conditions to the need to improve quality, productivity, or profit.(4)

Many **types of organizational change** exist. Change can be:

- planned or unplanned
- transformational or incremental

- remedial or developmental

Different external or internal factors can cause or trigger organizational change.

What causes organizational change?

The main reason for restructuring a business is to execute a **new strategy**. A strategy sets out a plan that determines how a business will use its major resources to meet its strategic objectives.

When you change your strategy, you often have to adapt your **business structure** to ensure that the two elements continue to support each other. This may happen, for example, when you:

- transition from a start-up to a scale-up company
- take on a partner, or introduce change in management
- move into new product lines
- prepare your business for growth
- expand your business overseas

Find out more about **strategic planning for business growth**.

External factors affecting organizational change

External factors that might prompt a change in your business structure include having to(2)

- address new markets
- react to changes in product or service demand
- keep up with new technologies or products from competitors

Other external events that can affect either your business or your rivals can also stimulate organizational change. These include, for example:

- **mergers and acquisitions**
- **joint ventures and business partnerships**
- **preparing to sell your business**

## Internal factors affecting organizational change

Internal business needs can also prompt business change. For example, these may include the need to(3):

- raise capital, improve cash flow or profitability of your business

- improve working practices and processes
- eliminate excess job positions and duplicate management roles
- reorganizing internal functions, such as sales and marketing, for efficiencies

Prepare for organizational change:

Being able to recognize the signs of oncoming organizational change can help you prepare for the change and implement policies that will ensure your business' growth.
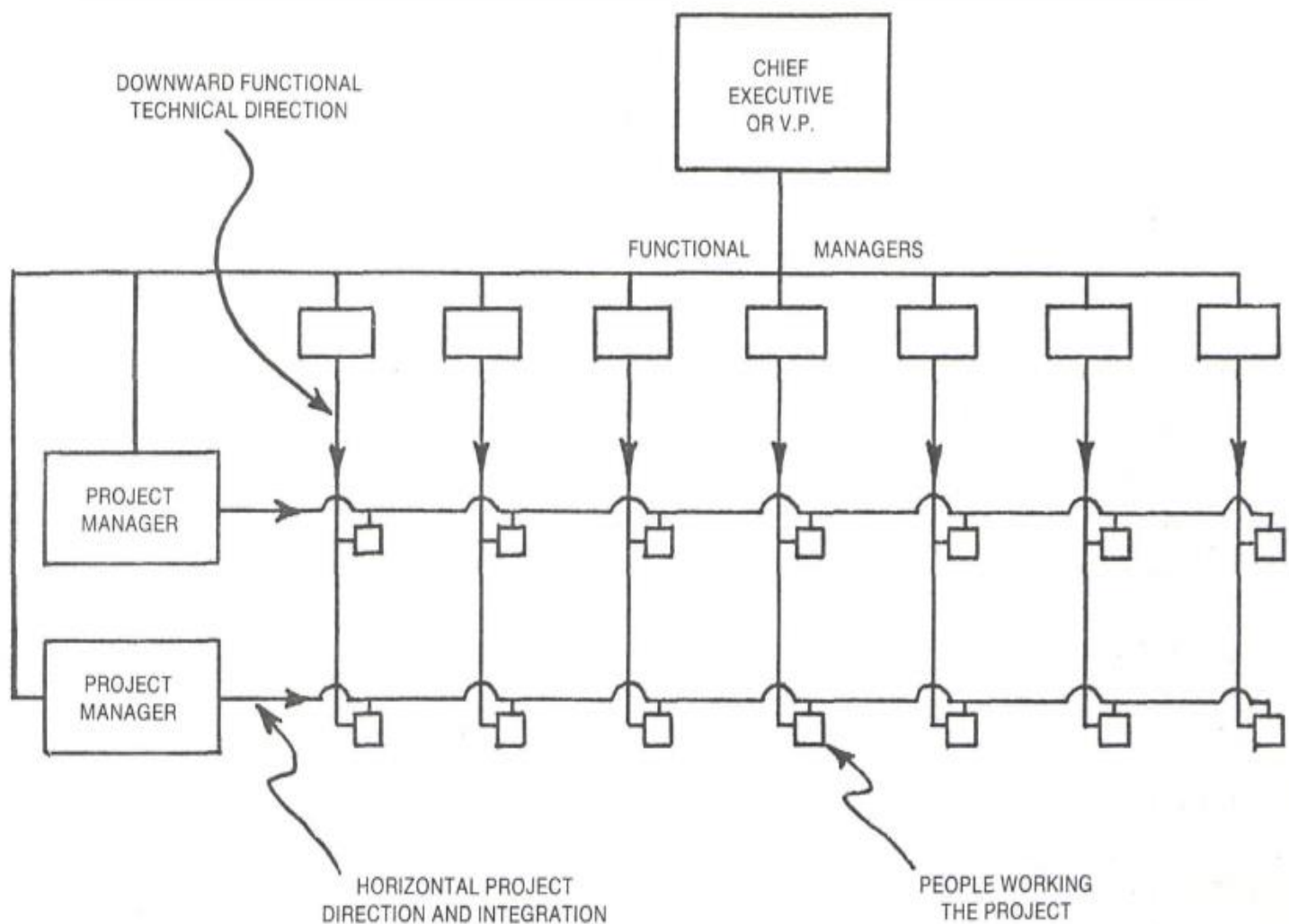
Figure(2). Simple matrix organization in business growth :

The matrix in its simplest form is shown diagrammatically in figure 2, indicating how the matrix received its name.

The matrix shown in figure 2 represents a general organizational structure. To be more specific, engineering, research, product, and construction matrix organizations are shown in figures 3, 4, 5, and 6 respectively.(1)

How to Make the Matrix Work Health care business?

One may think that the issues with working in a matrix organization are insurmountable after looking at its drawbacks and issues with it. So how does a business make this intricate organizational structure work? Like any management organization, its ability to function effectively is largely dependent on the many individuals involved. The matrix must first have genuine and quick support from high management, including a detailed project charter. This charter should outline the project's goals as well as the project manager's duties and authority. Additionally, it must include as much information as possible on his relationships with the functional managers working on the project.(3)

To make the matrix operate, functional management must make many changes to their typical operational practices and managerial thinking. They may have to drastically alter how they set their priorities as a result. When functional management learns that the project must come first and that their priorities must change, it may come as a huge shock. Project management must understand that negotiating is the primary means by which their work is conducted and that they should develop their skills in this area. The project manager finds himself in a very strong position to insist that the choice be carried out and that the required goals be achieved if all significant decisions are taken with the consent of the related functional managers. The project team members must also be able to adjust to the two-boss arrangement, which might be frightening at first.

Who Is Really in Charge?

Who is the real boss is a reasonable question to ask whenever a two-boss situation arises. The project and functional managers should be able to distribute power and responsibility roughly equally, according to theory. The experts disagree on the question of whether or not a balance of power is required or even desirable.(1)

Even if there is a balance of authority, other considerations may come into play when determining who is the real boss. For instance, in a matrix organization, employees frequently view the line or disciplinary manager as the real boss. This is a logical circumstance given that the discipline manager stands in for "home base" — the place where the employee returns to get discipline after the project is finished. Additionally, when it comes to performance reviews and promotions, the disciplinary manager typically has the most sway. However, some employees frequently believe the project manager to be the true boss because of how closely they relate to the overall project. Perhaps there is a constantly shifting balance of power rather than a single true boss instead (16).

Power Relations and communications.

The balance of power is important to how the matrix functions. Although it should be theoretically possible to allocate authority and responsibility between project and functional managers roughly evenly, this rarely happens in practice. (5)

Table (1) :Decisions Actors

Actors / Decisions	Laboratory Manager	General Manager	Project Manager	Marketing Manager	Controller
Change in Budget					
Allocate Manpower					
Change in Design Specification					
Change in Schedule					

R = Responsible
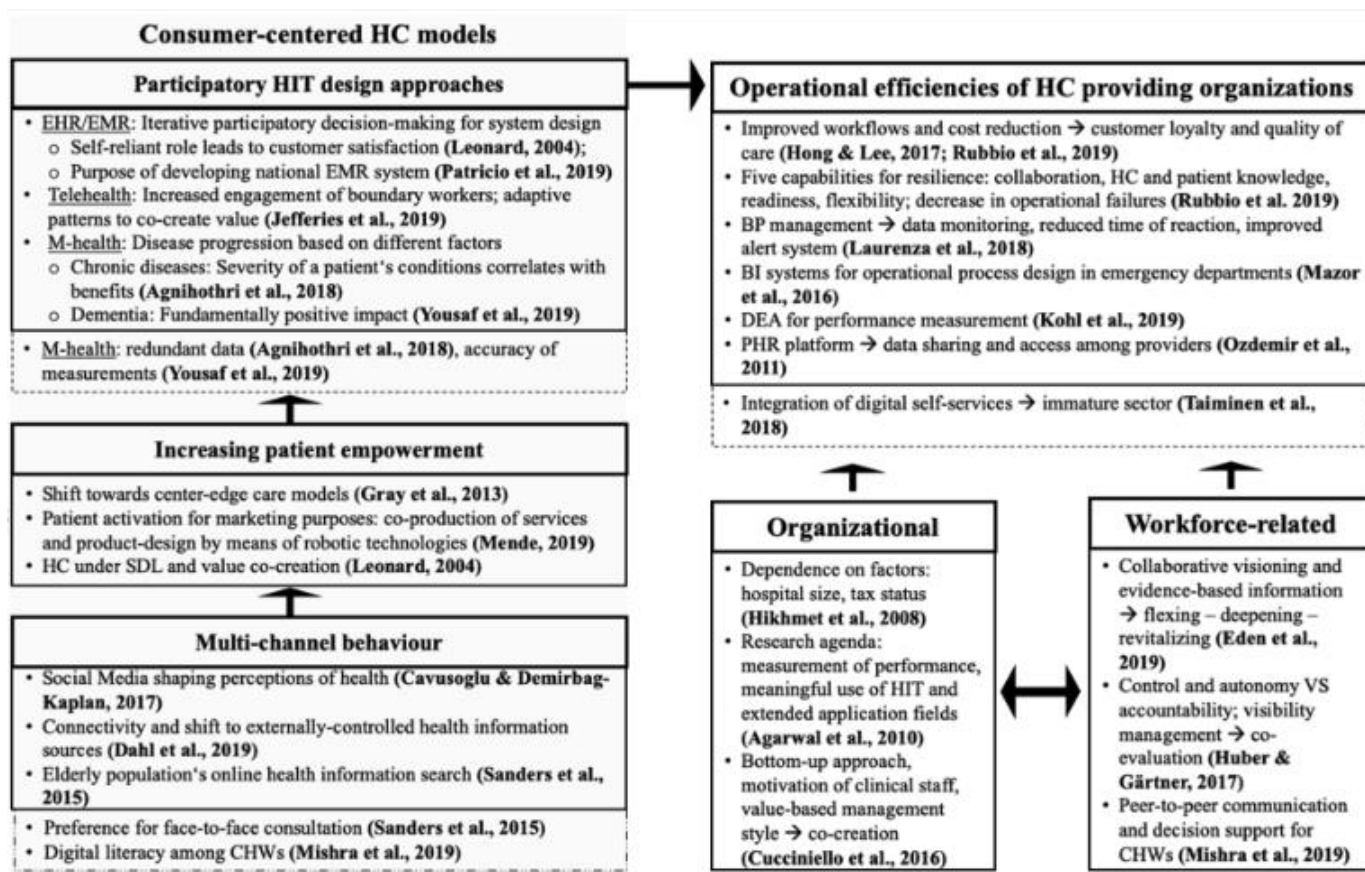A = Approve
C = Consult
I = Inform

Figure (3) Outcomes of HC Organizational model (10)

The figure is presenting the relationship between the workforce and organizational relation issues .

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