

Trw case analysis



Case 4 –TRW SYSTEMS (A and B condensed) ThiviyaManikandan sridhar – 54, Devika Srinivas – 11, Prabhudeep Shivakumar-31

1. What kinds of organizational design choices has TRW made about the design Challenges discussed in chapter 4? Due to the complexity of products being produced and the interdependency between the parts, systems, various groups, divisions and companies who assembled the parts forced TRW to adopt the matrix structure, where it covers vertical flow of functionalresponsibilityand horizontal flow of product responsibility.

On the vertical side, TRW systems have functional organizations like mechanical division, physical research division, systems divisions, fabrication integration and testing division. On the horizontal side, it has program organization which controls program office. Under these two organizations, sub project managers and assistant project managers are appointed. These managers have to report to two bosses. All these employees and departments are under the control of presidents and vice presidents. This indicates a flat and decentralized structure, where managers and employees are allowed to take their own decisions.

The level of decentralization followed by TRW is appropriate for the fluctuating and complex aerospace industry, as creativity plays important role in research and development which is accomplished by TRW engineers. A program manager maintained all the management responsibility for pulling together the various phases of a particular customer project. Assistant program manager was appointed to coordinate the activities of program manager. Under assistant program manager, sub project managers were also appointed to control the total project activity.

Sub project managers are responsible for integrating and coordinating the functional organization and program organization. He also supervises the engineers and manages financial resources procured from program office. Sub project managers are the main integrating mechanism in the structure. There is too much of pressure and authority on the sub project managers, so TRW has to take drastic steps to develop its integrating mechanisms as integration plays an important role in matrix structure. TRW lacks standard operating procedures and standardized rules and norms.

This indicates a total domination of mutual adjustment. As a result of this situation, most of the engineers are facing ambiguity problems. So TRW has to bring the balance between standardization and mutual adjustment. TRW makes minimal use of formal hierarchical reporting relationships to coordinate activities. The informal network of social relationships developed over time is important in determining how teams perform, and informal status relationships between scientists are important as a means of coordination.

Team values and norms derive from informal interactions between scientists and are spread as members move between teams. 2. Are the design choices TRW has made appropriate for the organization, why or why not? From the above points, we can clearly say that the matrix structure and organic design followed by TRW systems is appropriate from the contingency perspective, as it matches the uncertain environment. But the managers are not utilizing their full potential and the employees are taking advantage of this structure by coming late to the work.

This indicates the need for centralization and standardization. Fluctuations in the aerospace environment need spontaneous decisions which can be achieved by matrix structure. TRW is high in task variability and low in task analyzability. It uses intensive technology and has reciprocal interdependence. For all these features matrix structure is the best suitable structure. A matrix would not be suitable in a simple, stable environment for routine technology and employees with routine tasks.

Here, it would promote coordination and motivation problems and raise bureaucratic costs. 3. What is TRW's structure and what problems does it cause for TRW? TRW followed a matrix structure. The employees were responsible for two officers. Some of the problems caused by this structure - The relationship between the project officer and the functional division officer is a complex one. Both the roles are mutually dependent and have equal power. Hence authority is undefined. This leads to a lot of confusion about the role of the managers.

Many employees are not comfortable with the relationship and this caused the status and authority problems within the organization. Another problem of the structure is the subproject manager is the prime mover of the organization. He is the person who brings the program officer's requirements and the lab's resources together to produce a subsystem. He has to cater to the needs of project manager as well as the functional manager. He has to keep in mind the interests of both the bosses; this puts him under a lot of pressure.

If he reacts too much to pressure from either side, it hurts his ability to be objective about his subproject and this will in turn affect the employees. Hence the success of the project is majorly controlled by a single person. The matrix structure did not have any formal rules. The informal procedures followed are useful for the higher level management but the employees are given too much freedom. Due to the complexity of the structure, a lot of time is required in setting up a new project teams.

This contributed to an increase in the cost incurred by the organization. As the structure is changing all the time there is lack of leadership. Also there exists large gap between authority and responsibility. The project manager had no authority over people working on his project. He had to work with the functional heads on these problems. This imbalance enabled flexibility and adaptively in the organization, but it was difficult to work with. 4) What problems might TRW have with its present structure as it grows?

The present matrix structure problem is that whether this matrix structure is suitable or Not for a large organization. As organization grows, it will be difficult for TRW to maintain Its Organic approach. We know that Divisions of TRW itself refused to share its R&D Information with other division. This attitude of employees will surely lead to Misunderstanding, conflicts and confusion. As the company grows, the company has to adopt For a new technology, some of the employees may not like new technology which is Complicated to understand and work.