

# Culture, leadership and the matrix organisation

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Omar Zein explores the influence of national culture on project performance within the matrix organisation, and asks if the matrix works better in some countries than others. He also presents leadership tips for the international professional managing a project in a matrix organisation outside their own culture.

*Interest in the 'matrix organisation' peaked in the 1970s and 1980s, and although many experts agree it is an inherently flawed structure, there are sound reasons why we sometimes just can't do without it.*

*In this article I explore the influence of national culture on project performance within the matrix organisation, and ask if the matrix works better in some countries than others. Together, we will also explore leadership tips for the international professional managing a project in a matrix organisation outside their own culture.*

Throughout this article, whenever the word 'matrix' is used it is always in reference to the 'matrix organisation'.

## The matrix emerges

It was during the 1960s that the earliest known form of a matrix organisation emerged within the US aerospace industry.

The zeal for the matrix structure increased and a variety of forms of matrix organisations emerged, with interest in the 'matrix organisation' reaching a peak during the 1970s and 1980s. Since then, many aspects of the matrix model have been identified and closely analysed. Eventually, and almost unanimously, most major studies agreed that the matrix model was inherently flawed, yet essential to evolving market needs. (See my companion article, [Managing the matrix](#), for a discussion of the main conclusions of the studies.)

The project matrix organisation is a compromise between the functional organisation and the project organisation, in that it is a mix of both. There are weak matrix, moderate matrix and strong matrix organisations catering for different extents of project management needs. For example, an electronics company such as a mobile phone manufacturer releasing various models each year (projects) will require a strong matrix to be efficient. Indeed, the '[Archibald-Prado organizational project management maturity model](#)' suggests that an organisation must be at least a strong matrix organisation to achieve higher maturity levels.

If the first dimension of the matrix is 'function', the second dimension can be a number of things – 'product', 'location/site' or 'industry', and so on. The decision behind what the second matrix dimension should be depends on the specific nature and needs of the organisation concerned, with the 'needs' being directly influenced by the increasing complexity of the global market.

## Why the matrix?

Although projects can be efficiently implemented in a traditional functional organisation, this efficiency is confined to projects that do not cross functional boundaries. For example, an internal engineering project developing a new production technology may be confined to the engineering department, and apart from information requirements from production and other

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units, it does not cross the engineering boundaries. In such scenarios, where most of the management dynamics and almost all project resources are confined to one functional area – or better still, one division within one functional area; for example research and development (R&D) within engineering – the advantages of the functional organisation becomes prominent, with clearly established lines of hierarchy, responsibilities and authorities. Project management and leadership will enjoy the support of an optimum structure.

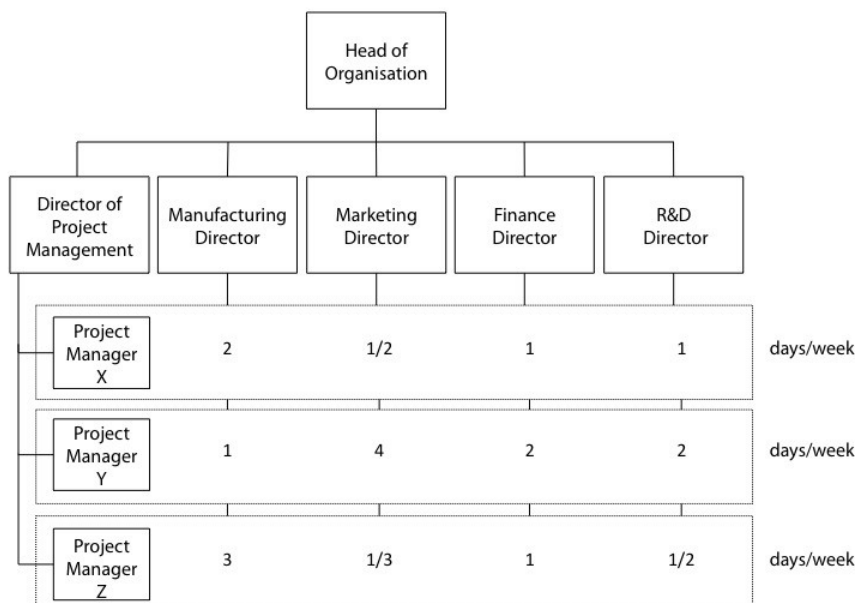
This advantage, however, will rapidly turn into a disadvantage when a project needs to cross functional boundaries. For example, a new product development project within an IT company cannot be confined to R&D; not even to the entire technology department. The rapidly changing customer requirements and increasingly competitive global industry mean that if the project is to stand a reasonable chance of success it must actively involve many other organisational functions including production, marketing and finance. These crossings of functional boundaries have come head-to-head with the principles of the functional organisation, with the following results:

1. The project manager lacks authority over project resources that are outside their functional area
2. Functional managers from ‘other than the project’ department resist the project manager’s use of their resources; often, even when such use has been pre-agreed
3. Whenever conflicts arise due to resource shortages, functional needs take precedence over project needs, regardless of where true priorities may lie
4. Management support for the project is scarce, because the sponsors (often being functional managers) cannot extend such support outside their functional area; and trying to do so could result in political conflicts with other functions

Here, the matrix organisation comes to the rescue because it aims to preserve functional authority while adding a new layer of project authorities.

Clearly, this ‘other’ authority presents a conflict in itself. It is important to note that this is not an ‘oversight’ of the first proponents of the matrix organisation. It was acknowledged from the early days that the matrix organisation is inherently flawed and that the reason we may still opt for it is that the advantages outweigh the disadvantages, and because it is the best option at hand; just like democracy!

The diagram below shows a simplified example of a strong matrix organisation.



A main feature of the strong project matrix over the balanced and weak forms is the role of ‘manager of project management’, which holds the same weight in the organisation as the functional managers and can better support cross-functional projects by directly mediating at the senior functional levels. The title varies from one organisation to another. Throughout my career I have come across the titles: organisational programme manager; manager of project managers; head of projects and programmes; and projects and programme director. They all meant the same thing!

### **The matrix culture**

What do I mean by the ‘matrix culture’?

Culture can be defined as the collective ideas, customs and practices of a particular group; and that group can be a nation, an organisation, a school, a club and so on.

When people spend enough time together, they develop their own group culture (consciously or organically) – a culture that most members of the group accept and adopt. The primary aim of this emerging culture is to preserve and protect the group as a ‘group’. For a society, this could be how we relate to the authority of our elders; while for an organisation this could be how we perceive procedures and hierarchy.

A matrix culture is therefore a culture in which the matrix will flourish. Let us review three key cultural assumptions of the matrix organisation:

1. A flatter relationship to power
2. Comfort with ambiguity
3. Perception of context

#### **1. A flatter relationship to power**

The matrix requires that stakeholders have better and more direct access to each other. With projects crossing functional lines and the project manager having to coordinate at various levels of management, it is necessary to encourage a culture whereby those with power and authority are not seen in the light of hierarchal superiority and inaccessibility, but rather as colleagues who have reached senior positions due to their knowledge and experience; and these are senior managers/colleagues that we can approach and discuss our perspective with.

The [social psychologist Geert Hofstede](#) calls such orientations towards power ‘power–distance’, when applied to a national culture.

Power–distance looks at how far a culture encourages superiors to exert power. In a high power–distance culture, being the boss means just that: inequality is accepted. The ethos can be summarised as ‘a place for everyone and everyone in their place.’; employees are frequently reluctant to express disagreement with their bosses, and prefer to work for managers who take the decisions (and responsibility) and then simply tell them what to do. This is often reflected in the country’s social organisations and political structure, whereby a one-person autocracy, such as the head of the family, organisation or the state, is accepted and respected.

In a low power–distance culture, managers and their staff consider each other to be equal, and both believe that social inequality in any society should be minimised. Employees have no trouble disagreeing with their bosses and expect to be consulted before any decisions that may impact their work are made.

In order to function at its best, the matrix organisation requires a lower power–distance culture. The lowest power–distance countries are the Nordic Countries, while the Far East, the Middle East, South America and Russia are among the high power–distance group. The United States, where the matrix organisation was first developed, is of a moderately low power–distance culture; and so is the UK.

## 2. Comfort with ambiguity

Roles, responsibilities and authorities, as well as project scope, objectives and plans may all be well defined and communicated (and they should be). Yet in the matrix, ambiguity will remain. There is no escaping the fact the people in the matrix will have to perform multiple and frequently changing roles and that many employees will have to report to more than one boss; often not knowing 'who for what' and 'who can authorise what'.

Clear role definitions will certainly reduce ambiguity but will not remove it, and this makes working in the matrix a stressful experience for those not comfortable with it (ambiguity).

Here again, we find that some national cultures are more comfortable with the matrix culture than others. The British, for example, are more at ease with ambiguity than the Greeks (archetypically speaking). Indeed, in the UK, job descriptions, work procedures and exact responsibilities within procedures are seldom so intricately defined and detailed as they are in Greece.

This higher comfort with ambiguity does not necessarily imply chaos, nor does the opposite necessarily imply order. Not formalising and stabilising all our roles and procedures in detail gives the much-needed flexibility in a changing environment; while doing the very opposite may render us rigid and unresponsive to changing needs. This cultural orientation is called 'uncertainty avoidance'.

In cultures that favour high uncertainty avoidance, more value is placed on 'age old wisdom' rather than the 'risky behaviour of the young and inexperienced'. At its extreme, high uncertainty avoidance risks inflexibility and loss of creativity.

In cultures that are open to low uncertainty avoidance, people are more comfortable with ambiguity and do not feel a high need for clear definitions. Furthermore, out-of-norm behaviour is generally accepted and often encouraged. As a result, there is a great deal of creativity and inventiveness. At its extreme, low uncertainty avoidance risks chaos and loss of functionality.

High uncertainty avoidant cultures include Greece, Belgium and Russia; while among the lowest are Denmark, Sweden and Singapore. The US and the UK cultures are moderately low uncertainty avoidant.

## 3. Perception of context

By virtue of its very definition, a matrix organisation is a crossing of defined boundaries, and that can give rise to resistance and/or defensive reactions resulting from a perceived undue intervention of the project manager on the part of the functional managers whose boundaries have been crossed. Such sentiments are particularly true towards the 'project manager' as a person rather than the 'project' as an initiative.

The matrix culture requires that stakeholders understand that when their boundaries of functional responsibilities are crossed by the project manager, such crossing is *confined* to the needs of the specific project and by no means implies setting a standard that would otherwise allow the project manager to interfere with their functional work.

Naturally, crossing of boundaries (even within the strong matrix organisation) must be pre-agreed from the project definition stage, and this is the main role of the 'head of project management'. Yet, the above sentiments will often remain.

In his book, [\*Riding the Waves of Culture\*](#), Fons Trompenaars speaks of 'specific' and 'diffuse' cultures. Whereby, a specific culture tends to separate life into specific areas with distinct relationships and behavioural codes for each. Thus, if we make friends at the bar this by no means implies any correlated relationship to these friends at work or at the tennis club. On the other hand, a diffuse culture does not distinguish between relationships and behavioural codes for each area but rather 'diffuses' them across all or most life spheres.

At work, employees in *specific* cultures are more horizontally flexible and willing to extend their role to areas outside their defined job description; and often they are expected to do so if

the need arises. Within a specific need or context, such as that of a project, for an employee or manager to actively participate in another's areas of responsibility would not be seen as intrusive, because such participation is temporary and specific to the current project needs.

In *diffuse* cultures the opposite is true, with employees being uncomfortable about being asked to perform a job outside their formally defined responsibilities. Participating across some else's area of responsibility is perceived as interference that would diffuse 'beyond' the current project context, and this naturally brings about conflict.

The matrix organisation flourishes most in a *specific* culture and may suffer from a *diffuse* one.

The Nordic Countries, the US and the UK are very *specific* cultures while most of the Far East, the Middle East and Russia are *diffuse*.

### **National or organisational culture?**

I must give a brief elaboration to avoid confusion or misunderstanding; national culture and organisational culture are two distinct phenomena:

- A **national culture** arises organically at a national level and holds at its core a set of values that later come to define the identity of its national members. There are cases whereby national values did not form organically and were imposed following a revolution (such as some of the values of Communism, or secular values imposed by Kemal Atatürk following the fall of the Ottoman Empire), but this is the rarer case and there are no guarantees that imposed cultural values will stick for long. Generally, the values of a national culture are held very dear by its members
- An **organisational culture**, on the other hand, can be consciously elaborated, especially in larger organisations (although it will form organically if left to its own devices). Once developed, it is designed to best serve the organisation, and although at its core it holds certain values, these values are far less dear to the heart of its members than those of their national culture

Although organisational culture is distinct (as a phenomena) from national culture, it is not isolated from it; not even during the process of the development of the organisational culture. An organisational culture is most likely to reflect elements of the national culture within which it was developed, both as a natural outcome of its being developed by members of that national culture and also because it must be so if it is to function within that national culture. Furthermore, given that members of an organisation have a national culture, they will bring that with them to work. We therefore come across both 'national' and 'organisational' cultures inside an organisation.

For example, within General Motors in the US there are elements of both American culture and General Motors' organisational culture (with the organisational culture itself reflecting elements of the US national culture). If, say, General Motors decides to set up factories in the Far East, after a time of adaptation to the local environment and its culture, we might find that within this new division of General Motors there would be elements of the Far Eastern culture as well as the American-influenced General Motors' culture. This sometimes presents a cultural conflict (American vs. Far Eastern), which is beyond the purpose of this article. Instead let's think about the national culture elements within any organisation and how they influence the performance of the matrix organisation.

### **Working across cultures**

To say that the matrix works better in Western cultures, especially Western Europe and the US, as compared to the Middle East, the Far East, or Eastern Europe will be no surprise to many international professionals. Nor is it to many researchers; after all, the matrix was created in the US. But thinking about the matrix in terms of the three cultural characteristics (power–



distance, uncertainty avoidance and specific versus diffuse) helps to reveal ‘why’ it is so – essential if we are to understand the implication of working in a matrix organisation outside our own culture.

There are two ways that understanding the relationship between the national culture and matrix efficiency can help:

- From an organisational strategy perspective, this understanding will allow the organisation to anticipate the pitfalls to expect when implementing the matrix organisation within a specific national culture and, as a result, devise a strategy to address these pitfalls
- From the project manager or executive perspective, understanding this relationship can help them better lead and manage project stakeholders in a matrix organisation outside their own familiar cultures

**This is what you can do:**

### 1. Be culturally aware

By this I mean being aware of the differences between the culture you normally work with and are familiar with, and the culture where you are about to manage (or are already managing) a project in a matrix organisation; particularly where it affects project leadership and management.

This you can do by finding your own cultural scores and those of the target culture, and comparing them. The cultural scores are freely available on the internet. Look for a credible source such as a reputable consultancies or research firms' websites. Look out the scores of power–distance, uncertainty avoidance and specific versus diffuse orientations.

You should address this as a comparison between your own culture and the target culture scores and never only as an absolute score of the target culture. Unless you look at the target culture in comparison and relativity to your own, any speculations you make are likely to be incorrect.

You need to know if and to what extent that target culture differs from yours in terms of the three cultural characteristics.

### 2. Speculate on what to expect

Now that you know how your target culture compares to your own, you can speculate on what to expect. Here are some scenarios:

- a) If the target culture is of *significantly* higher power–distance orientation than yours, then it is likely that you will face more resistance from employees when you approach them and they are likely to ask you to go through their boss. Likewise, their boss is unlikely to become your friend or support your role if you bypass him or her
- b) If the target culture is of *significantly* higher uncertainty avoidance orientation than yours, then you are likely to face higher anxiety in the stakeholders assigned part time to the project, and they are likely to resort to their clearly defined functional roles, emphasising their familiar functional priorities whenever possible
- c) If the target culture is *significantly* more *diffuse* (or less *specific*) than yours, then you are likely to face some barriers, especially from functional managers who might perceive your project role within their functional boundaries as an infringement on their area of responsibility and authority

I have emphasised the word *significantly* in each of the above scenarios. A small difference in score between two cultures is likely to be more misleading than helpful if considered as impacting on project leadership within the matrix organisation. The margins of error in the cultural scores are not very small, and as such, you are advised to consider small differences in scores as nil.

### 3. Let your common sense empowered by your knowledge guide you

There are no absolute hard and fast rules on how to better lead within any environment. Each environment is different, as is each situation and each group of stakeholders. Rather, experience coupled with common sense and better judgement that takes into account as many viable factors as possible (including culture) is your best option.

In this article, I have outlined some key cultural factors.

As examples (*and only as examples to clarify my intentions*), if you find yourself in scenario (a) above, you may want to go through the boss the first time you approach his or her staff; thereafter and once you have gained their confidence, you may want to ask the boss for permission to bypass them in the future. It may be a good strategy to outline that such suggestion is for their own benefit so as not to disrupt their time on each and every need. If you are successful, do ask them to communicate such permission to their staff and make sure to let them know should something out of the standard happen. High power–distance managers hate surprises.

On the other hand, if you find yourself in scenario (b), you may want to suggest allocating resources full time whenever possible. This removes much of the ambiguity with regard to the roles and responsibilities during the project. However, this is rarely given as an option. What you may want to suggest, as an alternative, is that a percentage allocation be identified for exact dates of each week and not left as ‘fluid’. For example, a 40 per cent allocation of a particular resource can be agreed for each Monday and Tuesday of the week. Another thing you should do is add clarity whenever possible by outlining exactly what needs to be done and how. This may prove frustrating if you come from a particularly low uncertainty avoidance culture, but is likely to be worth the effort in this scenario.

Finally, if you find yourself in scenario (c), then it is always advisable to delicately emphasise the temporary nature of your project roles, indirectly alluding to the fact that, whatever protocol of coordination and intervention is agreed with the concerned functional area, it will only last for the duration of the project and will disappear once it is complete.

### Further reading

Omar Zein is the author of [\*Culture and Project Management: Managing Diversity in Multicultural Projects\*](#), published by Gower

Read the supporting article to this Guest Editorial: [Managing the matrix](#)

Read David Morley's related article to this Guest Editorial: [Building project teams that succeed in the matrix organisation](#)

Omar also recommends “The Clash of Cultures Within a Matrix”, Chapter 3 of *Project Management for Supplier Organizations* by Adrian Taggart, which is available via [GpmFirst](#)