

## Leadership in Matrix Organizations – Issues and Success Factors

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If you hold a leadership position in a large or a geographically product/project dispersed organization you probably know firsthand the issues related to the matrix structure of your organization. A matrix is a grid-like organizational structure that allows a company to address multiple business demands using several reporting lines.



The matrix structure first emerged in the aerospace industry during the 1960s and remains the organizational configuration of choice today of most large, complex organizations. According to K. Hall (*Making the Matrix Work, How Matrix Managers Engage People and Cut Through Complexity, 2013*), this matrixed way of working with multiple reporting lines, competing goals, and higher levels of ambiguity is a significant step up in complexity and in the way people work together.

Although matrix organizations have inherent flaws and challenges, organizations adopt the matrix because they believe the strengths outweigh the weaknesses. Some of the common benefits in using a matrix structure include:

- Allows companies to focus on multiple business goals
- Facilitates the exchange of information
- Enables companies to establish economies of scale
- Speeds response to local commercial or functional needs
- Promotes cross-functional problem solving
- Fosters innovation as multiple perspectives focus on key issues
- Accelerates products and services to market

Some of the common challenges cited by leaders working in a matrix structure include:

- Unclear roles and responsibilities
- Ambiguous authority in decision making and problem solving
- Mixed signals from different reporting relationships
- Misaligned goals
- Internal conflict and politics
- Reduced accountability
- Lack of a “Matrix Guardian” (that is, establishing a monitoring process to detect and identify matrix performance problems because employees may be reluctant or unable to divulge problems associated with their units)

Given the challenges posed by the matrix structure, what leadership actions can be taken to promote successful achievement of organizational goals? Here are a few I suggest:

**Set Standards and Expectations.** There are many opportunities for leaders to communicate why the matrix structure exists in their organization. They include both the onboarding

experience of employees and the active teaching through Leadership Development programs and forums.

**Track progress and results.** Because of the inherent ambiguity and multiple reporting relationships associated with the matrix format, leaders need to know what is working and what is not. Is someone ultimately accountable for results and is there someone who watches over the progress and matrix-related problems in the organization? When leaders actually know what elements are working in the matrix format, they can then better extract and communicate “best practices” within the organization at large.

**Teach and model critical behaviors.** Ultimately, the matrix format is not successful because of its structure, but rather because of the behaviors and skills of the leaders and associates charged with its mission. These include: collaboration, conflict management, team and cross functioning orientation, trustworthiness, integrity, influence, emotional intelligence, political savvy and cultural and diversity awareness and responsiveness. It is therefore imperative for skills-building to be provided and behavior-modeling to be demonstrated to ensure the culture is in place for a successful matrix structure.

Bartlett and Ghoshal (*Harvard Business Review*, 1990) said it best when they quoted a senior leader: “the challenge is not so much to build a matrix structure as it is to create a matrix in the minds of our managers”. Developing a matrix of flexible perspectives and relationships lets individuals make the judgments and negotiate the trade-offs that drive the organization toward a shared strategic objective.

In summary, matrix structured organizations are common. They have many benefits but present challenges in implementation. Leaders can have a positive impact on their success by setting standards, tracking progress and displaying the critical behaviors supporting implementation.

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