

# Index

## A

ABB: complex spreadsheet, 165;  
geography-business matrix, 102–106;  
global account teams, 115–117; infor-  
mation system supporting planning,  
154; matrix experience, 246–247

Accounting systems, and power distribu-  
tion in matrix, 78–79

Aerospace industry, 8–9, 188. *See also*  
Boeing

Ahold, 168

Albans, B., 173

Allianz of Germany, 132, 133

American Express, 26, 247

American Express International, 187

Anderson, R., 246

Aramco, 241–242

AT&T, 240

Axelrod, B., 183

## B

Bain & Company, 191, 194

Balance of power *See* Power balance

Balanced matrix, 76, 77, 102–106

Barnevik, P., 154, 246

Bartlett, C., 183, 187

Baton pass model, 22, 51–63; in  
consumer goods industry, 51–54;  
in matrix within a matrix, 71; in  
pharmaceutical industry, 54–63

Bechtel, 9, 245

Beer, M., 215

Berry, L., 181, 182

Best Buy, 109

BMW, 144, 151, 163–164

Boeing, 8–9, 236–238, 245

BP, 82

Bucy, F., 244

Budgets, and power balance, 80–81

Bundling products, 125

Bunker, B., 173

Business lite matrix, 76, 79

Business-dominant matrix, 77, 81–82,  
106–107

## C

Canon, 171–172

Capabilities: and matrix execution,  
231–234; and matrix implementa-  
tion, 218–226

Carrefour, 126, 168

Carroll, D., 239

Center for Effective Organizations  
(USC), 245

Chrysler, 47–50

Ciba-Geigy, 46

Citibank: complex team design, 165,  
167–168; front-back structure,  
116–117, 125, 127; implementa-  
tion of matrix, 224, 225–226, 230;  
rotational assignments, 188–189;  
shift in matrix, 94

Citigroup, 131, 132

Clark, K., 58

Colgate Palmolive, 76

Collaboration, for matrix implementa-  
tion, 10, 229

Communication processes, 140,  
143–151; formal, 14, 145–150, 151;  
importance of, 143–144; informal,  
143, 144–145, 151

Compaq, 173

Complex matrix organizations, 87–89;  
complex team design in, 165,  
167–170; examples of planning in,

Complex matrix organizations  
(*Continued*)  
170–172; meetings for planning in,  
172–178; multiple levels in, 161–164;  
planning spreadsheets for, 162,  
164–165, 166. *See also* Four-  
dimensional structures; Front-back  
hybrid model; Three-dimensional  
structures

Computer industry, 79. *See also* HP;  
IBM; Intel

Conflict, acceptance of, 202–204

Conflict resolution: creating culture  
for, 189–190; jams for, 175–178;  
large-scale meetings for, 172–175;  
leadership role in, 201, 203–208;  
and planning processes, 153, 156

Consumer goods industry: baton pass  
model, 51–54. *See also* General Electric  
(GE); Procter & Gamble (P&G)

Coordination: cross-border, 92–95,  
99; mechanisms for, and planning  
processes, 156–157

Corporate function–business unit  
matrix, 248

Corporate function–profit center matrix,  
25–30, 69

Costs, fixed, and cross-border coordina-  
tion, 92–93

Crane, D., 179

Credit Suisse, 188–189

Cultural differences, and two-hat  
structure, 43

Customer profit centers, 225–226

Customers: and cross-border coordi-  
nation, 93–94; as dimension of  
global accounts, 115, 116; and four-  
dimensional structure, 115, 126–127;  
and front-back hybrid model,  
116–117, 123–126

## D

Davis, S., 9, 201

Decision accelerators (DAs), 173, 175

Decision authority, and power  
balance, 80

Degussa Catalytic Converters (DCC),  
162–163

Degussa Chemical Company, 197–199  
Departmentalization, as dimension of  
structure policies, 15

Digital Equipment Corporation (DEC),  
9, 149, 245

Dispute resolution. *See* Conflict  
resolution

Distribution of power. *See* Power  
distribution

Dotted-line relationships, 29–30, 241, 247

DoubleClick, 185

Downey, D., 14

Doz, Y., 95

Dual-authority system. *See* Two bosses

## E

Eccles, R., 179

Electronics specialty industry, matrix  
within a matrix in, 65–66

Eli Lilly: baton pass matrix structure,  
54, 55–63; budgets given to product  
managers, 80–81

Employee value propositions (EVPs),  
183–184

Escalation process, 205–206

Evaluation: and HR policies, 150; joint,  
by two bosses, 195; of manager of two  
bosses, 147–150

Exxon Research and Engineering, 240

## F

Fayol, H., 7

Fluor, 9, 245

Function–business unit matrix, 248

Ford, 246

Four-dimensional structures, 88,  
115–116, 126–127. *See also* Front-  
back hybrid model

Front-back hybrid model, 88, 116–127;  
business unit model compared to,  
119, 120; combination of matrix  
model and, 119, 121, 122; future use  
of, 248; IBM example of, 88–89,  
129–137; reasons for choosing,  
123–126; structure of, 116–119

Fujitsu-Siemens, 137

Function–profit center matrix, 25–30, 69

Future Search—The Network, 173

## G

Galbraith, J., 9, 12, 14, 97, 123, 167,  
216, 229, 238

General Electric (GE), 119, 120, 190, 193

General Motors, 126  
 Geography-business matrix, 76, 77, 102–106  
 Geography-dominant matrix, 76, 77, 98–102  
 Ghoshal, S., 187  
 Global account teams, 115–116, 127  
 Goals: alignment of, and planning process, 153–155; rewards distributed on basis of, 79–80; two-boss manager managed by, 148, 149; voice in setting, 79  
 Government participation, and international matrix form, 95–97, 99  
 Grove, A., 170, 190, 240

## H

Haggerty, P., 244  
 Handfield-Jones, H., 183  
 Hemp, P., 176  
 Henderson, R., 35, 37  
 Hewitt Associates, 181  
 Hofstede, G. H., 43  
 Horizontal processes, 16  
 HP, 78–79, 137, 173  
 Human capital: defined, 180; and recruitment and selection, 180–186, 197; and talent development, 186–190. *See also* Managers; Staff  
 Human resources (HR) policies, 179–199; best models for, 179; for building human capital, 180–190; for building social capital, 196–199; and evaluation process, 150; and Star Model, 17; to support reward systems, 190–196

## I

IBM: conflict management process, 207–208; front-back hybrid structure, 88–89, 129–137; jams, 175–178; systems integration capability, 125  
 Ikea, 109  
 Implementing matrix, 215–230; by building capabilities first, 218–226; collaboration needed for, 10, 229; inappropriately and incompletely, 11–12, 241–243; incremental approach to, 226–229; using Star Model, 215–218  
*In Search of Excellence* (Peters and Waterman), 9, 244–245

Information, consistent throughout matrix, 78, 79  
 Information systems, and power balance, 78–79  
 Intel: author's work with, 240; conflict resolution training, 207; culture for conflict management, 190; global product of, 93; planning process, 170–171; use of matrix by, 9, 245  
 International business portfolio, diversity of, and international matrix form, 97–98, 99  
 International matrix: balanced matrix form of, 76, 77, 102–106; business-dominant matrix form of, 77, 81–82, 106–107; considerations when choosing form of, 92–98, 99; differentiated structures for, 107–109; future use of, 248; geography-dominant matrix form of, 76, 77, 98–102. *See also* Multinational companies

## J

Jams, 175–178  
 Janoff, S., 172–173  
 Japanese companies, planning process, 171–172

## K

Kates, A., 14  
 Kodak, 245–246  
 Kohl's, 109, 110, 111, 112  
 Kraft, 76  
 Kreulen, J., 175

## L

Lafley, A. G., 247  
 Large-scale meetings, 172–175  
 Lateral processes, 16  
 Latham and Watkins, 193–194  
 Lawler, E. E. III, 97, 245  
 Lawrence, P., 9, 201  
 Leadership, 141, 201–213; conflict resolution role of, 201, 203–208; management of top team by, 201, 208–210; power balanced and aligned by, 201–202, 210–213  
 Line-and-staff model, 7, 25, 69  
 Lorsch, J., 179, 180, 185, 193

## M

- Maister, D., 179, 181  
 Malknight, T., 55  
 Managers: communication between, 5, 146–147; country, 81–85, 102–104; global business, 79, 80–85, 102–104; joint evaluation of, by two bosses, 195; two-boss, selection and evaluation of, 147–150  
 Marks & Spencer, 109  
 Mars Pet Food, matrix within a matrix, 70–73  
 Matrix: author's experience with, 235–248; capabilities for executing, 231–234; defined, 3; examples of, 3–6; future of, 2–3, 247–248; origin of, 7–9, 25; reasons for choosing, 1–2; reasons for reduced interest in, 10–12, 241–245. *See also* Implementing matrix  
 Matrix (Davis and Lawrence), 9  
 Matrix organizations: characteristics of, 3–4; evolution of concept of, 235–248. *See also* Complex matrix organizations; Simple matrix organizations  
 Matrix structures. *See* Four-dimensional structures; Six-dimensional structures; Three-dimensional structures; Two-dimensional structures  
 Matrix within a matrix, 22, 65–73; defined, 65; design alternatives, 65–69; Mars Pet Food, 70–73; Time Warner, 69–70  
 Mayo Clinic, 181–183  
 McKinsey & Company, 185, 192, 193, 194, 245  
 McLean, A., 183  
 Meetings: large-scale, 172–175; online (jams), 175–178  
 Metro, 126, 168  
 Michaels, E., 183  
 Microsoft, 185  
 MIT, 238–239  
 Multibusiness corporations, 5–6, 248  
 Multinational companies: example of matrix structure in, 6; future use of matrix by, 248; inappropriate implementation of matrix by, 11–12; methods for balancing power in, 75–82; reasons matrix structure chosen by, 1–2; return of country managers in, 212. *See also* International matrix

## N

- Nestlé: Citibank's team design for, 167–168; differentiated structures, 108–109; diversity of international business portfolio, 98; geography-dominant matrix, 76, 98–102; regional structure for profit centers, 26  
 New York Management Center (NYMC), 239  
 Newswanger, J., 175  
 NL Industries, 241  
 Nohria, N., 215  
 Nokia, 2  
 Nordstrom, 109  
 Northwestern Bank Corporation, 240  
 Northwestern Bell, 240

## O

- Organization design: and behavior, 18, 19; and strategy, 18–19. *See also* Star Model

## P

- Palmisano, S., 176–177  
 Peck, M., 8  
 People, as Star Model design policy category, 17  
 Peters, T., 9, 244–245  
 Pharmaceutical industry: baton pass model, 54–63; example of large-scale meeting, 173–175; two-dimensional structure for R&D lab, 35–40. *See also* Eli Lilly  
 Philips, 76, 82, 108  
 Planning processes, 140–141, 153–178; in complex matrix organizations, 161–178; and conflict resolution, 153, 156; and coordination mechanisms, 156–157; examples of, in complex matrix, 170–172; and goal alignment, 153–155; jams for, 175–178; large-scale meetings for, 172–175; objectives of, 153; spreadsheets for, 157–160, 162, 164–165, 166; in two-dimensional structure, 153–160; voice in, and power balance, 79  
 Power balance, 22–23, 75–85; as characteristic of matrix organizations, 3, 5, 75; continuum of, across geography-business matrix, 76, 77; leadership's

- role in creating and aligning, 201–202, 210–213; methods of creating, 75–82; responsibility charts for aligning, 82–85
- Power distribution: and accounting systems, 78–79; as dimension of structure policies, 14–15; shift in, 76, 82, 108
- PPG, 125–126
- Processes, as Star Model design policy category, 15–16
- Procter & Gamble (P&G): complex team design, 165, 168–170; corporate matrix structure, 26, 28–29; customer-focused structure, 116–117; diversity of international business portfolio, 97; front-back model implemented by, 126, 247–248; shift in power distribution in matrix of, 76
- Product-function matrix model, 67–69
- Products and markets, and cross-border coordination, 93
- Profit centers: customer, 225–226; function–profit center matrix, 25–30, 69
- ## R
- R&D lab: example of matrix structure, 3–5, 25; matrix structure adopted for, 9; two-dimensional structure, 35–40
- Recruitment policies, 180–186, 197
- Responsibility charts, 82–85
- Retailers, three-dimensional matrix models, 109–112
- Rewards/reward systems: distributed on basis of goals, 79–80; HR policies to support, 190–196; as Star Model design policy category, 16–17, 240
- Roles: leadership, in matrix organization, 201–213; responsibility charts for clarifying, 82–85
- Rotational assignments, 187–189, 197
- Royal Dutch Shell, 45–46, 95–96
- ## S
- Sales organization: formal communication in, 145–150; two-dimensional structure, 30–35
- Sandberg, J., 247
- Scherer, F., 8
- Shape, as dimension of structure policies, 14
- Shell, 45–46, 95–96
- Shepard, M., 244
- Siemens, 79
- Simple matrix organizations, 21–23; creating power balance in, 75–82; formal communication in, 145–150; roles and responsibilities in, 82–85. *See also* Baton pass model; Two-dimensional structures; Two-hat model
- Six-dimensional structures, 88–89, 129–137
- Social capital: building, 196–199; defined, 196
- Solid-line relationships, 29–30, 241
- Sony, 171
- Spangler, W. S., 175
- Specialization, as dimension of structure policies, 14
- Spreadsheets, planning, 157–160, 162, 164–165, 166
- Staff: line-and-staff model, 7, 25, 69; and power balance, 76, 78; staff roles, 29. *See also* Human capital; Managers; Staff
- Star Model: categories of design policies in, 13–17; defined, 12; implementing matrix using, 215–218; implications of, 17–19; of pharmaceutical lab matrix, 37, 39–40; reward systems added to, 240
- Stewart, T., 176
- Strategy: relationship between organization design and, 18–19; as Star Model design policy category, 13–14
- Structure: altering, to shift power balance, 76; overemphasis on, 17–18; as Star Model design policy category, 14–15
- SWANs, 181
- ## T
- Talent: developing, 186–190; recruiting, 180–186, 197. *See also* Human capital; Managers; Staff
- Target, 109
- Taylor, F., 7
- Teams: complex, in complex matrix designs, 165, 167–170; core, 167–168; customer, at BMW, 163–164; extended, 167–168; global account, 115–116, 127; leadership's design and maintenance of, 204–207; stealth

Teams: (*Continued*)

matrix designs emphasizing, 246; top, leadership's management of, 201, 208–210; and two-hat model, 42, 50

Tesco, 109, 126, 168

Texas Instruments (TI), 9, 244

Thomke, S., 55

Three-dimensional structures, 88, 91–113; balanced matrix as, 76, 77, 102–106; business-dominant matrix as, 77, 81–82, 106–107; considerations when choosing form of, 92–98, 99; and differentiated organizational structures, 107–109; future use of, 248; geography-dominant matrix as, 76, 77, 98–102; retailers' variations of, 109–112

3M, 76, 107

Tierney, T., 179, 180, 185, 193

Time Warner (TW), 26, 27, 69–70, 98

Toyota, 97

Toyota Production System (TPS), 203

Training, 189–190, 197, 207–208

Transportability, and cross-border coordination, 94

Two bosses: communication between, 5; dotted- vs. solid-line relationship with, 29–30; dual reporting to, 3, 5; with four-dimensional structure, 116; joint evaluation of manager by, 195; for power balance, 81–82; selection and evaluation of manager of, 147–150

Two-dimensional structures, 21, 25–40; for function–profit center matrix, 25–30; origin and history of, 25; for pharmaceutical R&D lab matrix,

35–40; planning processes in, 153–160; for R&D lab matrix, 3–5, 25; for sales organization matrix, 30–35. *See also* Baton pass model; Simple matrix organizations; Two-hat model

Two-hat model, 21–22, 41–50; described, 41, 42; disadvantages of, 44; examples of, 44–50; in matrix within a matrix, 66–67, 71, 73; reasons for choosing, 41–44

## U

Unilever, 126

United Technologies, 26

Unity-of-command principle, 7

## V

Vadsz, L., 170

Vertical processes, 15–16

## W

Wal-Mart, 109, 126, 168–170

Walker, J., 179

Waerman, R., 9, 244–245

Watson, T., 176

Weisbord, M., 172

Welch, J., 190

Wells Fargo Bank, 125

Wharton School, 239

Wheelwright, S., 55, 58

Wilson, T., 237, 238

Winby, S., 173

Wright-Patterson (W-P) airbase, 242–243