

# **Exploring Vertical and Horizontal Leadership in Projects: A comparison of Indian and Australian contexts (8284 words)**

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### **Abstract**

Project-based organizational forms are becoming more and more prevalent in many industries, and leadership influences projects' success ultimately impacting the organizational performance. Two types of leadership styles have been explored: vertical and horizontal. This study aims to identify the nature and balance of vertical and horizontal leadership in projects to allow project managers to consciously apply these approaches in different situations. A case study-based approach is adopted wherein, two case studies from India and three case studies from Australia are included. A comparative study of leadership styles is performed to find the best contextual fit of leadership styles.

The findings reveal that that national culture is not a major factor in influencing project leadership. Rather, organizational culture and a shared understanding on leadership practices is what influences whether vertical or horizontal leadership will be more prevalent. Senior leaders' initiatives to create and support a culture of sharing ideas and decisions, backed by project manager's approach enable effective balance between horizontal and vertical leadership. Horizontal leadership is further by regular meetings and social interactions. Prevalence of horizontal leaderships is demonstrated in technical decisions, as team members have the best expertise to address technical issues. In contrast, strategic decisions are normally discussed with the project manager and often escalated to senior leaders for decisions.

**Keywords:** Project leadership; Vertical leadership; horizontal leadership; balanced leadership

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*“An extraordinary affair. I gave them their orders and they wanted to stay and discuss them.”*

— The Duke of Wellington, after his first cabinet meeting as Prime Minister

### **1. Introduction**

The quest to define effective leadership in the project context has attracted the attention of many researchers for the past decade. This is because project-based organizational forms are becoming more and more prevalent in many industries, and leadership influences projects’ success (Turner & Müller, 2005) ultimately impacting the organizational performance (Lappe & Spang, 2014). Two types of leadership styles have been explored: vertical and horizontal. While vertical, or person-centred leadership focuses on the leadership role and skills of project managers, horizontal, or team-centered leadership, recognizes the distributed form of leadership in projects. While some view these two forms of leadership as separate, in reality, projects have to include both forms of leadership simultaneously.

This study aims to identify the nature and balance of vertical and horizontal leadership in projects to allow project managers to consciously apply these approaches in different situations. Project-based organizations of different types, sizes and industries in India and Australia are studied. A case study-based approach is adopted wherein, two case studies from India and three case studies from Australia are included. Based on Yin’s (2009) case study approach, qualitative case studies were conducted by interviewing project professionals across three levels of hierarchy – project team members, project managers, and senior managers. As a first step, to understand the leadership style being practiced in each organization, within-case analyses of each organization are carried out. In the second step of cross-case analyses, emerging leadership styles in all the case studies are compared, based on the degree of vertical and horizontal leadership. Contextual factors like nationality, project organization’s size, and industry sector are considered while deriving key insights from the analyses.

The findings reveal that that national culture is not a major factor in influencing project leadership. Rather, organizational culture and a shared understanding on leadership practices is what influences whether vertical or horizontal leadership will be more prevalent. Senior leaders’ initiatives to create and support a culture of sharing ideas and decisions, backed by project manager’s approach enable effective balance between horizontal and vertical leadership. Horizontal leadership is further by regular meetings and social interactions. Prevalence of horizontal leaderships is demonstrated in technical decisions, as team members

have the best expertise to address technical issues. In contrast, strategic decisions are normally discussed with the project manager and often escalated to senior leaders for decisions.

The contribution of this study is that above findings will help project managers to choose an appropriate balance of leadership styles to improve the project success rate.

## **2. Literature review**

Project-based organizations differ from traditional organizational forms due to the discontinuous and uncertain nature of demand; uniqueness of each project's technical, production, and financial requirements; and project complexity involving large number of interdependent activities (Hobday, 2000). These factors result in discontinuities in relationships among team members and project leader that may have an impact on project performance (Jones & Lichtenstein, 2008; Bakker, 2010; Manning & Sydow, 2011). Müller and Turner (2006) have established that project success is dependent on the kind of situational leadership consciously applied by the project leader.

Vertical leadership is discussed from the person-centric perspective by Keegan and Den Hartog (2004) and from the perspective of personal characteristics by Dulewicz and Higgs (2005). In project contexts, vertical leadership is defined as the interpersonal process through which the project or program manager influences the team and other stakeholders to carry the project forward (Müller, Packendorff & Sankaran, forthcoming). Horizontal leadership that emerges from team members is explored by researchers like Cox, Pearce and Conger (2003) and Crevani, Lindgren, & Packendorff, (2007). In project contexts, horizontal leadership is defined as the social process through which one or several members of the project team influence the project manager and the rest of the team to carry the project forward in a particular way (Müller, Packendorff and Sankaran, forthcoming).

The integration of vertical and horizontal styles of leaderships leads to balanced leadership in which a vertical leader facilitates horizontal leadership in different situations. In the context of project management, it enables shared leadership (Pearce & Conger, 2003) by focusing on interaction between team members with an important role being played by the project manager (Crevani, Lindgren, & Packendorff, 2007). Shared or distributed perspective of leadership, which emphasizes leadership as a collective activity, has been explored by multiple authors (Sally, 2002; Pierce & Conger, 2003; Parry & Bryman, 2006; Crevani, Lindgren, & Packendorff, 2007). Mehra et al. (2006) compared the effects of distributed leadership with that of vertical leadership within a network of horizontal leaders. They concluded that the proportion of vertical versus distributed leadership required differed from situation to situation. Kaulio (2008) developed

an overall project leader-role framework by analyzing 48 critical incidents dealt with by project leaders. The framework categorizes a project leader's roles, in terms of management/ leadership and external/internal roles based on type of incidence dealt with. Redick et al. (2014) developed a four-factor model for leadership within a project-based environment. The four factors that support leadership competencies are: self-leadership, managing others, psychological factors, and environmental factors. Toegel and Jonsen (2016) examined leaders' ability to enact shared leadership in the context of global leadership. They developed a new theoretical framework to examine whether leaders are willing to shift control from themselves to their followers and thus promote shared leadership in their teams. They opine that due to the need to shift control to team members, which is necessary for shared leadership, most leaders are unable to enact shared leadership. Müller, Packendorff and Sankaran (forthcoming), through a systematic review of the literature, provide a deeper understanding of the intra- and interpersonal dynamics in balanced leadership. The researchers identify future directions for research for the development of more realistic leadership theories, which will provide for more deliberate and successful leadership approaches in project context.

### **3. Methodology**

We followed Yin's (2009) case study methodology. Data collection included interviews with senior managers, project managers and team members for each of the cases. The research is cross-sectional. A case study protocol was developed and agreed upon upfront between the key investigators and then used as template for all interviews. The interviews were carried out in a semi-structured manner by at least two investigators, where feasible. The interviews lasted approximately one hour each, were recorded and subsequently transcribed for analysis. Other information, such as company information, was collected on an as-needed basis during the company visits.

The data was analyzed using Miles and Huberman's (1994) four step approach of data collection, data reduction and display, and conclusion drawing. Analysis was undertaken using template analysis, based on a coding sheet with initial entries taken from the literature reviewed above (King et al., 2004).

### **4. Findings from Within-case analysis**

#### *3.1. Case 1 — Indian Pharma Company*

##### *3.1.1. Project team members at junior level of the Indian pharma company*

The team members reflected that they were not involved actively in decision making except for occasional operational decisions. Their role was confined to integration, project planning and scheduling, and project monitoring. Decisions on matters like project control, risk assessment and mitigation, stakeholder management, product mix, project portfolio and project priority were broadly under the purview of top management and team members concurred that they should be made by senior management. Interestingly, the respondents shared that they were comfortable in taking technical decisions like experimentation procedures and mixing formulas and they appreciated the importance of ground-level details and cooperated with workers for resolving actual execution issues. One of them shared

*“Though we are working with senior management our involvement is more with blue collar workers who understand the ground-level reality.”*

One of the respondents shared his apprehension in making certain decisions, since such decisions were viewed skeptically by senior management who expected such decisions to be justified. One of the team members stated that for the execution of decisions, a lot of jostling and maneuvering is needed, along with sociopolitical support. Team members added that decision quality improves with experience, and therefore decision making should be done only by those who have ‘sufficient’ experience.

*“I would become more seasoned if I am exposed to different situations. Since at junior level, members lack experience they tend to have a very narrow and theoretical perceptive of the situation. It’s like you get back to your desk, do some Google work and come back to the team. And that may not be the best way to make decisions. Since the project heads are the ones to get the final nods and approvals as they understand people and system well, they are much better positioned to make the call. We have an understanding of hi-fi tools; however, at project management level, we need more than technical understanding.”*

Thus team members were comfortable with the vertical style of decision making and willingly left decision making to their supervisors. While they were responsible for bringing important issues to the attention of the management and escalating matters when needed, they expected senior management to resolve the same.

A highly significant factor which seemed to discourage team members for making decisions and influence decision making process in the organization was the culture of the organization. The pharma company was proprietor driven and the respondents believed that most decisions in the organization were made by the proprietor and his coterie. Even the project heads had limited say. One of them shared,

*“The team of senior management here are learned but autocratic. The top man has great business sense but listens only to selected lieutenants. Project heads are only used for blaming and passing the buck if things didn’t work out. When our project head has no say, I am not sure if we can make any difference, at all. We don’t attempt to and live with what is given.”*

### 3.1.2. Project managers/project heads of the Indian pharma company

While most of the project managers agreed that team-centric leadership would be ideal as it could enhance the quality of inputs, they felt that this style of decision making was not ‘appropriate’ in their organization due to the existing culture. Most operational as well as strategic decisions were taken by senior management who were believed to be the most ‘qualified’ to make and execute decisions. Explaining this point of view, one of the project shared,

*“Although this is a professionally driven organization, the senior management team is constituted of people who had a long tenure with the organization. Many of them consider the project head as nobody, or someone who could be given unimportant work, using them as a punching bag, to blame when things go wrong. Not only junior team members, but even I, a project head, don’t take decisions. Basically, the style of working here is that you have to have very low self-esteem, you have to be thick-skinned. You have to be a yes man. People here make matters personal and don’t keep them professional.”*

One of the managers shared that the ability to manage softer issues was a primary skill required to deal with projects in this organization. Especially relationships with top management and the trusted lieutenants of the MD were believed to be paramount to getting work done. One of the shared,

*“Only people with necessary ‘skills’ for survival, who are mature and seasoned to handle the organizational politics can take decisions here.”*

### 3.1.3. Senior managers of the Indian pharma company

The analysis of the interviews with the senior management also suggested that the power to take decisions was concentrated in the hands of the proprietor of the organization and some of his trusted lieutenants, who took all the critical decisions. One of the respondents stated, *“There is no collective decision making. The proprietor and his people make all the calls. They just want someone to take notes, monitor what’s going on, carry their bags, go to the villages, and do little bit of logistics.”*

Senior managers also shared that as a result of over involvement of the MD and his powerful cartel of people, organizational decision making and functioning was adversely affected.

*“Over involvement of the MD impacts the performance of project teams. All critical information is shared only when the MD is in the room, and if he’s not in the room then they keep it to themselves. So quality decisions can’t be made.”*

Senior management observed that while, with the changing competition, the proprietor does feel the need to empower project heads and their teams, there is a strong cultural lineage, and his personal values and assumptions make him resist empowering people.

*“On an intellectual level, he understands completely that he needs to change his management style. Sometimes, you’ll catch him in a meeting and he would say, oh no, I don’t want to discuss this. You guys deal with the technical detail. But in practice, the MD and his people call all the shots.”*

The respondents also shared that over time, the culture of the organization was pretty much like the personal values of the leader. As a result the whole organization ethos had become like that.

*“In India, people are very sensitive to what’s going on around them. They know which side of their bread is the buttered. They know exactly what the relationships are between people and where the power is. I think they’re very good at that. So they gradually get into the mould the organization has created for them and make the right noises. As the MD does not delegate, and the people below him also don’t believe in the need to create a collaborative and participative decision making culture. But all this is impacting the overall performance of the organization in the long term.”*

The senior manager also shared that people have begun to feel the need for change.

*“The company has been extremely successful following that model up to the present. So far, one man and his very good lieutenants could manage the company without delegating responsibility. However, given the changes in the external environment, we need more diverse ideas and prompt decisions.”*

### 3.2. Case 2— Indian Power Transmission Company

#### 3.2.1. Project team members at junior level of the Indian power transmission company



Project team members in the power transmission organization explained that decisions were collectively taken and the process was participative. They shared that while the project manager by virtue of his/her experience may contribute, for all technical and operational matters, views of people from the field were regularly sought and respected before decisions were made. The project heads did not intervene unless necessary, for instance if it was found that project teams had not done their due diligence. Other times when project heads intervened were in situations which were unique in nature and where financial approvals were needed.

*“Sometimes, we can’t take this decision because it’s not part of contract, it’s not part of any agreement, and it’s not part of the budget.”*

When asked about the decision-making procedures in the organization, one of the respondents doubted as, *“is there any other way of making decisions than by getting the teams involved”*. He added, *“We are part of all decisions concerning projects. In fact, if my boss has to reply to a mail, which is critical for the future and may have implications, he calls 2-3 of us and checks with us about the content. Many times we disagree and explain to him our perspective which he respects and also accepts. Other times he discusses why matters need to be looked differently. So in all cases, either he convinces us or we convince him. We believe that one person cannot decide on his own and that’s how things work in this organization.”*

However, respondents added that strategic decisions, which may have long-term implications and where the reputation of the organization is involved were always the prerogative of the top management.

*“In case of ABC project, at a certain point of time we were under a dilemma whether we should commission this plant or not since the tariff which we’d quoted had a back-up calculation of a certain coal price which was not enough for profit. The top management asked us for our views since we had been part of the team which executed the project. While they listened to us, they took the final decision of going ahead and commissioning the project, even though majority of us disagreed. In retrospect, they were right. Going back on our commitments would not have been fair and would have hampered long-term relationships as well as the reputation of the organization.”*

Respondents explained that the culture of the organization was a great force and encouraged team-centric decision making. Management had consciously built a culture of collaborative decision making. Interviewees shared example of some of the project heads who have been coached to develop team skills

and be participative in decision making. It also emerged during the course of the interviews that the managing director calls for virtual meetings and encourages people to open up and ask questions.

*“We believe that if everybody sitting in the meeting has to just say ‘yes’, then there’s no requirement for any meeting. This is our culture. I’ve seen this coming down from the MD. Even the lowest person in hierarchy sitting in that meeting can ask any question to the MD and he responds very well. He never reacts badly, however weird the question might be. He is very open to other views and ideas.”*

It also emerged that the organization had adopted the concept of cross-functional teams (CFT), which were accountable to achieve milestones through collaborative decision making. Even critical decisions like project acquisition, project feasibility and risk assessment were taken by the CFTs, and top management’s views and inputs were sought before going ahead. The teams identified issues and specified where they needed senior management intervention.

*“Earlier, senior management used to review projects and address issues. Now that the CFT philosophy has been introduced, the ball is in the court of the teams now, who have to specify where they need the senior management’s intervention.”*

### 3.2.2. Project managers/project heads of the Indian power transmission company

Project heads of the power transmission company reflected that the decision making depended on the nature of decisions. The organization had robust processes and all technical decisions were taken based on the schedule of authority (SOA) and standard operating procedure (SOP). There was a due diligence done for every project, the SOA was strictly adhered to, and the teams were empowered to make decisions.

*“So ideas are nobody’s monopoly. There’s simply no embargo. Anybody can come and share ideas.”*

Project leaders delegated the responsibility of taking decisions to team members and were more involved in monitoring how the teams were performing. They preferred acting for de-bottlenecking the issues that hindered the team’s progress rather than getting involved in every trivial issue.

Further, elaborating the role of the culture and how people were encouraged to take decisions a project manager shared, *“There is this one person in my team who would come to me for almost every little thing. Even if he wasn’t asking for a decision, he would come to update. His habit of spoon-feeding had to be broken, so, finally, I called him in one day and told him, ‘You will spend ten minutes in the morning and*

*ten minutes in the afternoon every day with me. You choose the time. We'll have only ten minutes. Come with the key points and then begin to take decision on your own."*

In terms of the nature of the projects, the heads added that while operational matters were completely delegated to teams, people matters involving resolution of interpersonal and inter-functional conflicts were brought to the project head for resolution, which someone with authority was needed to resolve.

*"Sometimes in projects the leader has to play a role. In any project, the civil and electrical departments won't see eye to eye. The resources are limited and needed by all. In such matters, the project heads need to intervene proactively and not leave it to the wisdom of the teams. As a project head, I am expected to remove the bottlenecks."*

While decision making was delegated to the teams, however, project managers opined that the project head needed to always have a grip of their projects and not be hands-off *"No project manager can afford to be hands-off. His endeavor should be that he knows as much as all the people put together down below. Now once he knows as much, that doesn't mean he needs to take all the decisions. People under him should take decisions but keep their boss informed. The project heads needs to keep their house in order, they have to be pretty much be hands-on, and it's only then they'll be able to deal with their own team and earn their respect."*

The role of organizational culture in fostering a team-centric decision-making style was endorsed by the project heads.

*"The DNA of the organization is team-centric and consultative in nature. At least in a company like ours, which is process-centric and where the means justify the ends. I've actually worked in organizations where the ends justified the means. Here it's different."*

Highlighting the role of culture, it emerged that the culture of the organization includes believing in participative decision making and accepting wrong decisions with equanimity.

*"People in our organization are not pulled up for making wrong decisions and there is delegation with some flexibility in allowing them to do what they think best within reason. Of course, the project heads talk to the teams and go through the reasoning of how they arrived at that decision. So, I think that's where the*

*culture of a company also plays a role and it comes from the top, because if my boss is like that with me, I'll also be more tolerant and willing to let others do what they think is correct."*

However, despite an organizational culture that supports horizontal leadership, interviewees reflected shared leadership is also dependent on the personal value of the project heads.

*"It's also about the kind of project head. Not all project managers allow decisions to be taken. They are insecure and tightfisted. Although the system would identify and coach such people, they resist empowerment."*

### 3.2.3. Senior managers of the Indian power transmission company

Senior management of the power distribution company were of the firm view that decentralized systems and processes should be set up to encourage all people involved in the project to contribute. Shared goals should be created by openly and clearly communicating goals so that the team knows which direction they are heading to.

*"Teams become a direct part of the project success or failure. But if you centralize it, then it's very difficult to create shared leadership."*

A senior manager used a term "reverse auction" in explaining how his decisions/viewpoints are openly deliberated and discussed among his team members and opinions were sought. Explaining this view, the interviewee shared that as a project goes through different life cycles and work is executed in stages, project members too may change, leave or have shifting responsibilities. Given the transitory nature of work, the onus of the project lies with the project managers, who needs to have an overview, control as well as accountability for all that is happening in the team. Further, they emphasized that a project manager should be agile in his decision making and should be able to get it implemented as soon as possible.

*"If you don't have leaders who are agile, then you are dead ... If you have leaders who are not taking decisions, again you are dead."*

However, the senior managers maintained that the while a participative leadership is desirable, it needs to be balanced with vertical leadership. Depending on the nature of project and its life cycle, decisions should be made by teams or taken by the head. At time the most important role in decision making should be played by the project manager. Explaining his point of view, one of the managers shared, *"Teams keep*

*either changing, subtracting or adding. The role of a project manager is right from beginning until the end. He cannot be hands-off in any situation and not play a role. Since projects evolve over time, a project manager plays a very critical role. We should not equate teams with project managers. In any project, a lot of things can go wrong. For instance, engineering can leave gap, sequence or supply can leave gap, bad logistics can leave gap, poor erection quality can leave gap and even the supply quality can leave gap. Someone has to have the responsibility of filling these gaps and moving on. Teams are finally the project manager's responsibility, and he needs to have a grip and give directions to his team. If project managers don't do that and if they're just sitting in their AC cabins making reports on the contractors, you can be sure there'll be a lot of rework and delays. At the end of the day, it is the project head on whose shoulder the responsibility of timely completion of the project lies."*

Further elaborating on reasons for which a project manager needs to have a control of the project is that, besides the 360-degree view, for which the project managers need to manage the project well, another reason that project heads were expected to take decisions was because during the life cycle of a project there may be situations where several unpleasant decisions need to be taken. The person who takes these decisions should not follow the path of least resistance. It has to be someone who can point out to people the issues that need to be surmounted. Junior team members may not have the confidence to do this, or may not have the legitimate power and position to do so. So other than the positional power and acceptance, it was also the maturity with which all these uncomfortable decisions have to be taken that was important.

Explaining the point, the senior manager added, *"If required, he [the project manager] will have to say, 'Mr. Engineering, everybody is suffering because of you. You'll need to pick up.' If civil people are delaying, he'll say 'Mr. Civil, you're delaying the work. Everything is suffering because of you.' The decision maker needs to do this deftly, without upsetting others. The PM has to connect, be assertive and lead from the front. Thus someone who takes the final decision should also be able to see it through."*

The senior manager also shared that besides the understanding of issues and having a broader view of the problem, the project managers have to manage a fine balance between making necessary decisions themselves and empowering the teams to make decisions.

*"If you just leave it to the team, I'm very sure they'll delay your project like anything. They'll just not give you delivery. On the other hand, if you take all decisions by yourself, the team feels at a loss and may not be able to connect with the project. The PM has to lead from front and he needs to make sure that shared*

*goals are created and delivered. Else people may perceive things negatively. The project manager has to be a good shepherd."*

### *3.3. Case3– Australian financial services and insurance company*

#### *3.3.1 Project team members at junior level of the Australian financial services and insurance company*

Team members in this organization explained that horizontal leadership works very well in their department. For example, one of the team members interviewed said that decision making is very collaborative.

*"We don't have a lot of top-down decision making other than our strategic direction. Each team is the expert in what they do. Certainly technical decisions are made within those teams. The influence that the leadership team has is where there are options, which option we choose, so there's a lot of comparison of options, presenting pros and cons of each and explaining that to the leadership level. It's a very democratic model, so the decision is made as close as possible to the person who is implementing the change, so as much as possible, we don't need to seek authorization."*

He explained that horizontal leadership is supported by a culture open to experimentation and initiatives where team members know that mistakes are not punished.

*"The concept is that if you make a mistake, as long you own up to it, it's not your fault if you tried something that didn't work. It's better to try something that may have had a good benefit and failed than to have not tried. We have this concept of 'technical debt'. It's where you make a decision mainly in the interest of speed, but which you may later regret because you've done something technically bad. We accept that as a consequence of moving so fast."*

Another factor that supports horizontal leadership is the team members' willingness to share their knowledge cooperate and support each other.

*"So everyone is keen to spread the knowledge around. It's self-preservation. We also have a - I don't think it's a principle - but it's a thing we do here that they call leaning in so that when there is a problem we are expected to go where the problem is to help with it. There are people who just move between teams and make things their own. We are quite quick to form swap teams, slider teams, things like that, to help out the team that is in trouble. Sometimes it's to fix a particular problem, sometimes it's to give them breathing space so that they can focus on other things."*

The team members felt that this culture of sharing was supported by regular meetings across projects that enable team members to keep track of progress across the whole program.

*“We have a regular once-a-week catch-up. The format of that is basically we go around and say very quickly what we are working on, so that it gives us all a little bit more insight into the whole program.”*

Corporate culture, project management methodology and the training provided all supported horizontal leadership and the willingness of team members to contribute and take initiatives.

*“We’re working on a reasonably complicated program with strict time frames and we have lots of technical issues with the products, so it could be an actually terrible place to work. But I think that we have quite a good way of working that makes it much easier to work on a project. We empower people to make decisions, we don’t blame them if they get it wrong, and it just makes it a good place to work.”*

*“As soon as you start working here we get Agile training. You pretty much have a big support network of everyone who’s been doing this for years now.”*

*“It’s just part of the culture, it’s just expected that you are going to help people and I don’t mind doing it.”*

### 3.3.2 Project managers/project heads of the Australian financial services and insurance company

The project manager confirmed that horizontal leadership is encouraged and supported in the organization. Reflecting on his own management style, he explained,

*“In terms of decision making, my approach is that, you come in [as a project manager], you come in with a position of trust, and you come in with a position of ‘these people have their own skills and own knowledge’, and you rely on their skills and knowledge to get the job done. As a project manager I’m there as a point of reference: if they need any support at all or if there’s particular risk or issues that we need to address.”*

The project managers explained that one of the factors enabling horizontal leadership was the use of Agile, which aided informal collaboration, knowledge sharing and shared decision making.

*“I think that working in an Agile fashion is key because you have some of the rituals in an Agile environment, like the daily stand-up. So I think the visibility is, not of the detail, but of the direction. Also,*

*if someone gets stuck then the whole team helps with that problem. I think that is a very effective way of sharing information.”*

### 3.3.3 Senior managers of the Australian financial services and insurance company

The senior leader also attributed project success to the culture of the organization, explaining the collaborative, horizontal decision making is encouraged by senior executives and the CEO.

*“that [shared decision making] comes from the top – from our leadership team, certainly from the CEO. He wants to see teams collaborating.”*

He noted that it was not always like this in the organization and that the previous leadership team were very strict around process, which was quite restrictive.

*“Now it's probably a little bit more open. We don't prescribe what they need to do. We tell them what the outcome is, as in what we actually expect the project to deliver.”*

He agreed that this approach might bring its own challenges for some, especially less experienced project managers, but supported by senior leaders, empowering project managers leads to better outcomes.

*“I remember when one of my PMs came to me and he said, ‘How do I deliver this project?’ I literally gave him a blank piece of paper and said, ‘You come back and tell me.’ He came back and said, ‘I'm going to deliver it this way.’ We tweaked it slightly and then off he went and did it. It was a very successful project with great outcomes in what we delivered for the business, the results we got, and the stakeholder engagement along the way. Previously, it would've been, ‘You must do this. You must tick this box. You must do that document.’ If we would've done it that way, I don't think we would've got the same outcome.”*

He argued that it was important to find the right balance between vertical and horizontal leadership especially when there is a large number of contract staff with a high turnover which makes handovers difficult. One of the ways the company moved to a more ‘entrepreneurial’ style of project management was to send its PMs to a number of courses and training to help them get up to speed with the new management style. They also provide new project managers with an experienced ‘buddy’ to go to as the first port of call.

The senior leader added that often the nature of the relationship between the project manager and the project stakeholders determined the smooth progress of the project.



*“I think there is a direct correlation between the strength of that relationship and the number of escalations that we get outside of the project.”*

### *3.4 Case 4—Australian Subsidiary of a US Software company focusing on payment solutions*

#### *3.4.1 Project team members at junior level of the Australian Subsidiary of a US Software company*

The team members of this organization acknowledged that the management and decision making style in the company was hierarchical and rigid. All important decisions were made by the senior managers with project managers having a limited space for decisions. Team members only made decisions that were related to their specific technical expertise.

*“In general, the big decisions come from upstairs, from the higher leaders. We don't have control of the resources or any changes. In the case of general technical decisions, that kind of thing, between the team members we decide how to go forward and handle the situation.”*

However, they felt there was a legitimate reason for taking decisions by senior managers due to the nature of the business— payment handling with many interdependencies between systems and elements of high risk. They suggested that the advantage of this way of working was that there were fewer project failures.

*“We are stricter because we are a financial organization. Any mistake, and the company is going to get lot and lots of complaints. If we have anything we want to change, we try to first do it in a test environment before we go to production. Usually, I don't see any failures because there are lots of levels of control before changes go to production.”*

#### *3.4.2. Project managers/project heads of the Australian Subsidiary of a US Software company*

The project manager reflected that while he was open to horizontal leadership and tried encouraging team members to make decisions, the culture of the organization was very risk-averse and did not support sufficiently shared decision making.

*“Here people are very held back, they don't want to make decisions and there is this mentality of if I make a decision I'll be blamed, which is very unfortunate. You need to let people fail. If you let people fall down and mess up, then they will never fall down and mess up in that same way again, they'll find another way. Here people are reprimanded for taking decisions.”*

This put him in a position when he had to attend several meetings with team members throughout each day in order to be briefed on issues and make decisions. In his view, this is quite time-consuming and inefficient. He then himself had to brief his managers on decisions he has made and to document everything.

The project manager was critical of the increasing outsourcing of tasks. He observed that horizontal decision making is dependent on implicit knowledge and the embedded experience of working on a project. In contrast, when tasks are outsourced to other countries, offshore workers do not have access to this tacit knowledge and have therefore difficulties making decisions.

*“When it’s someone in Poland, or in India, or in Dublin, they don’t know what’s happening and when we write documents, 30 to 50% of the content will be implicit and shared knowledge. If you were for example in Bangalore, in India, you don’t have that implicit knowledge. You have 17 questions when I send you a document, and then I think this person claims to be an expert and she’s asking really basic questions. That’s because she doesn’t know the environment, she doesn’t know the implicit knowledge. I found this in Poland a lot, when I realized was that we were doing three calls every night from 6pm to 8pm. We were walking through documents, and the next day we’ll have a question-answer session, and then do it all over again. This was not about the off-shore provider not being up to scratch, this is about implicit knowledge, not being made explicit on your document.”*

In general, he felt that due to the blame culture in the organization, many decisions were taking too long and were not always based on the best available expertise. This is because team members, while being happy to share their experiences and point out what should not be done, were reluctant to make decisions themselves. As a project manager, he felt that he was carrying the responsibility for most project-related decisions and he himself had to negotiate many issues with his managers.

#### 3.4.3 Senior managers of the Australian Subsidiary of a US Software company

The senior leader interviewed confirmed that most of the technical decisions were normally made by the teams in collaboration with their project manager, whereas in the case of commercial or more important decisions, the project manager and program director consulted with senior managers. The senior leader explained that he had trust in his project managers and their teams that they will follow the correct procedures and make technical decisions, which made his work more efficient.

*“As a sponsor, I don't want to know the details of the program. I have a team which I've formed. They are there to deliver it. I don't want to know all the goal details of how it played that.”*

He felt that it is important to support and empower team members and project managers to make decisions and exercise leadership and reflected that his approach to enable shared leadership is to provide goals without controlling the processes to achieve these goals.

*“The approach which I have taken is that give them the objectives, not the path, and let them work out what the best and optimal path to get there. When you focus on the object or the outcome you can see some people will go for it, and some people will ask for more help. That is my way of identifying leaders versus those who require a lot more hand holding.”*

In his experience, providing opportunities for social interactions between team members and their leaders contributes to the development of well-functioning teams.

*“I like to take the team out for lunch, and have some social drinks as well, because actually people start to open up, and the relationships get formed. I find that in high-performing teams, one of the traits is that the people love working with each other.”*

### *3.5 Case 5– IT division of a major Australian construction and property services company*

#### *3.5.1. Project team members at junior level of the Australian construction and property services company*

This data is being collected at the time of writing this paper.

#### *3.5.2 Project managers/heads of the Australian construction and property services company*

The project manager explained that the IT unit had recently undergone a change in leadership which then had led to a change in leadership practices. Whereas, previously project managers were tightly controlled by their supervisors and had to escalate most project related issues, now it is expected that project managers make decisions on most issues, together with their teams, and only escalate issues of strategic importance or those that cannot be resolved by the team or themselves.

*“My decision making was hindered in the past. I just knew that if I made a decision, someone else was going to probably make a different decision, so the path of least resistance was to wait for someone else to make that other decision, and for me to get on with it for them. Now I don't, I haven't had any of that on any of the project work. In that you're able just to go and work things out and present it. I'm not seeing that interference, there's nothing providing those constraints.”*

The project manager further explained that empowering his team to make decisions is extremely important because project managers can never have the detailed insights and time to address all issues arising in a project on their own. Sharing decision making with the team thus increases the efficiency of the project.

*“I do like my team [making decisions]. I've got enough to do in my role, let alone help everyone else. So I do like to see that they're one, empowered, and two, competent enough to run their own area themselves.”*

Yet, while his management style has changed with the change in leadership, when empowering his team members to make decisions, he always takes into account their level of expertise and their ability to make decisions.

*“I won't personally make technical decisions, because I do rely on the technical team to that. However, I have a technical background, so if I'm dealing with younger type people who I don't see have got the same sort of experience in the role they're performing. I will help things along by making decisions for them, and saying, ‘I just need you to work with this. You need to trust that I've been around.’”*

### 3.5.3 Senior managers of the Australian construction and property services company

The senior executive in this organization explained that decisions are made at the level that has the best expertise. The organization has gone through a significant change, moving from a vertical leadership approach to a shared leadership approach. This change was triggered by the CIO change.

*“We've gone through quite a leadership change. About 18 months ago, we changed our CIO. When here we got a new CIO, there was some quite significant changes in leadership level. That brought in fresh thinking, different ideas. The previous leadership team were very strict around process, governance, ticking boxes around deliverables, which was quite restrictive. We were saying to the PMG, ‘This is what you've got to do.’ As much as did follow that, it probably slowed us down. With a new leadership, he came in and said, ‘Right. Well some of the feedback that was happening we're too slow or too prescriptive in a way that we do things.’ So we then pushed that aside and said, ‘Right, let's give the PM's a little more freedom.’”*

For example, the interviewee explained that they do not prescribe a specific project management methodology, but let the project managers decide what is most suitable depending on the type of project.

*“We don't mandate a specific type of delivery. What we generally will do is we'll let the project manager look at the project itself and its requirements. We will allow the project manager to decide. So, they can*

*look at what they're delivering and they can work out the best way to deliver it. And then they will bring that back to their team and leadership team.”*

In order to enable this change in behaviour, there is a period of time when senior executives had to coach and mentor project managers to help them develop the confidence of making decisions and taking actions that they would previously not been responsible for.

The senior executive further explained that this expectation of shared leadership and decision making is not restricted to project managers but that project managers are expected and encouraged to work collaborative with their teams to make decisions.

*“As much as I'm saying the PM [is responsible], the PM and his team will do it. The expectation is that they are the guys, from a technology or technical perspective, who know what to deliver and they know how to deliver, and they'll come along and say, ‘You can't do that bit there, you'll have to do that phase later because there's a dependency there on that.’ They're, generally, the ones who know and have that detail so are able to make the decision.”*

#### **4. Discussion and Conclusions**

Our findings demonstrate that the two Indian cases are very different with the Pharma case being an example of a very traditional, vertical leadership with a very strong influence from the company leader, while the power transmission company case having a culture of horizontal leadership which encourages shared decision making. The Australian construction and financial services cases both demonstrate strong support and preference for horizontal leadership while in the software case, a culture of risk-aversion and control was restricting horizontal leadership practices. A cross-case comparison leads to the conclusion that national culture is not a major factor in influencing project leadership. Rather, organizational culture and a shared understanding on leadership practices is what influences whether vertical or horizontal leadership will be more prevalent.

Regarding organizational culture, it is very important that companies do not punish team members for making decisions that lead to mistakes; a no-blame culture supports taking the initiative and learning from mistake.

The power transmission company case from India and the Australian cases (except the software case) demonstrate the role of the project manager is to be "*a good shepherd*", or a steward who enables horizontal

leadership while supporting the team when needed and intervening in the case of difficult decisions. Project managers therefore have a very important role in fostering an effective balance between horizontal and vertical leadership and creating a safe space where team members feel empowered and trusted to make decisions.

The role of the senior leaders is to create and support a culture of sharing ideas and decisions. As we can see from the two Australian cases with a sharing culture, it was the change of the executive leader that triggered the development of this culture where horizontal leadership could thrive. Similarly, the Pharma case from India demonstrates that when senior leaders don't share decision making, this effects negatively the whole organization by making it less efficient and agile.

Apart from the role of the senior leaders and project managers, horizontal leadership is enabled by a range of other practices, including regular meetings between team members in which they can share what they are working on and any issues they might be experiencing; providing opportunities for other social interactions, including outside the office, that enable team members to bond and develop trust to each other; coaching and mentoring team members and project managers to help them develop the confidence to make decisions, not prescribing techniques or processes but rather manage by defining goals to be met.

In terms of contextual factors, the cases that demonstrate a support for horizontal leadership reveal that technical decisions are always left to the team as team members have the best expertise to address technical issues. In contrast, strategic decisions are normally discussed with the project manager and often escalated to senior leaders for decisions. However, even in such cases, team members are asked to share their views and contribute which demonstrate that senior leaders in these organizations have an understanding of the value of distributed knowledge. Difficult decisions or decisions related to social issues, such as a team member under-performance, are made by the project manager in the collaboration with another manager. Taking such decisions away from team is seen as important in order to keep a positive team environment.

We suggest that balancing of vertical and horizontal leadership is enabled by certain mechanisms and embedded in an enabling context. The context consists of an organizational culture that fosters information sharing and teamwork for the accomplishment of project results. This is different from companies with a traditional culture of individual heroism. The latter is on the decline, and today the majority of project-based organizations employ a culture of teamwork and team accomplishments (Müller, Shao & Pemsel, 2016).

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