This paper explores the linkage between organizational structure and cross-cultural management. It suggests that a fluid and continuously evolving structure enables effective cross-cultural management. In support of this proposition, the paper reports on the experience of one of the world’s largest financial services corporations – a Swiss Bank. The bank adopted a different type of organizational structure for one of its units. This new structure was different from the traditional bureaucracy it had used throughout the 150 years of its existence. It was observed to be an emergent structure, evolving in response to the stimulants provided by its various cultural constituents. It was also flexible, allowing it to assimilate when necessary, the inputs provided by its diverse cultural constituents, and discard when necessary, the structural features which no longer served any useful purpose. This paper discusses and analyses the experience of Credit Suisse Private Banking’s Project Copernicus in Singapore, (October 2000 – December 2001). The principal findings of this paper are:

• Traditional modes of organizational structure are not appropriate for the management of diversity.
• Fluid and amorphous organizational structures provide the context within which cross-cultural management can be effected.
• There is a symbiotic relationship between organizational structure and organizational members’ cultural heritage.

The author had earlier highlighted (2005) the fact that current cross-cultural management research emphasises the need for multiculturalism. Multiculturalism is the management of sub-cultures within an entity like the nation-state. Organizational structures need to be designed keeping in mind the dynamics of interacting sub-cultures within a multicultural organization.

An analysis of the case study embedded in this paper reveals that cross-cultural management is facilitated by:

• The co-evolution of organizational structure and management practices. In other words, organizational structure need not be durable as has traditionally been the case. Additionally, it need not precede the creation and operationalization of management practices.
• Allowing individual members’ cultural heritage to influence the evolving nature of organizational structure. Thus a manager entering a multicultural organization would try and align himself/herself with the existing structure. Co-terminously, he/she would impact on the structure’s design. The impact would have cultural underpinnings.
• Enacting an organizational structure that overtly takes into account the cultural conditioning of individual members. Thus two managers from different cultures experiencing difficulty in interacting with each other may both have to adapt and change in order to resolve discord as well as to find a fit with the organization. Meanwhile, the amorphous nature of the organizational structure makes possible the improvisation that accompanies managers’ attempts to find a fit.
International business houses are increasingly operating with multicultural work forces. One key to competitive advantage for these business houses is effective cross-cultural management. Even conservative business houses such as traditional banks are finding that the thrust of competition requires them to manage diversity in their workforces. An example of one such traditional bank is Credit Suisse, which for the 150 years of its existence relied heavily on its “Swissness” to be highly profitable. It suddenly found recently, that it had to contend with an extremely diverse work force for the first time in its history. While grappling with this challenge, Credit Suisse experimented with an emergent form of organizational structure that enabled its Project Copernicus in Singapore, to achieve an effective cross-cultural management. This paper explores the linkage between organizational structure and cross-cultural management against the background of the Credit Suisse experience. It is the contention of this paper that the type of structure adopted affects the extent to which cross-cultural management is facilitated.

The classical views of organizational structure have emphasized the “durable arrangements” within an organization. Jackson and Morgan (1982) define organizational structure in line with the classical view as: “the relatively enduring allocation of work roles and administrative mechanisms that creates a pattern of interrelated work activities, and allows the organization to conduct, coordinate, and control its work activities.” This paper accepts this definition of organizational structure with the caveat that work arrangements need not always be relatively enduring. Under certain circumstances, fluid, flexible, continuously changing work arrangements may be appropriate as the present Credit Suisse case shows.

Early writers on the subject, including Taylor (1911), Fayol (1930), and Weber (Gerth and Mills, 1958), had stipulated an ideal-type of organizational structure for all situations. In the late nineteen sixties and throughout the seventies, the “one best form fits all” view was replaced by the contingency approach. A contingency perspective prescribes that an alignment should exist between structure, task, technology, the environment, and people (Lorsch and Morse, 1974). This approach takes into account the fact that structures can be flexible and responsive to change. Contingency theorists such as Duncan (1977), Lawrence and Lorsch (1967), Burns and Stalker (1961), Minzberg (1979), Miles and Snow (1978), and Galbraith (1973) recommended that organizational structure should be either organic or mechanistic depending on the nature of the external environment. A stable external environment called for a mechanistic structure, while a turbulent environment required an organic structure – one flexible enough to evolve. The power of the contingency theory was validated in two countries from the non-English speaking world by Simonetti and Boseman (1975), indicating that non-traditional notions of structure apply in a variety of cultural contexts.

LITERATURE REVIEW

In the past twenty-five years, several researchers have made a case for viewing organizational structure in terms of transient features rather than durable ones (Tables 1 and 2). Duncan’s work (1977) was among the earliest in this genre. Duncan advocated a bifurcated initiation and implementation structure for creative organizations. It then became possible to envisage structures that were bifurcated in other ways, such as those that have organic and bureaucratic structures existing coterminously as described by Peterson (1981). Here, the segment of the organization that engages in creative activities is separated from the rest of the organization, which is essentially bureaucratic. Just as creativity exerted a pressure for organizations to adopt transient structures, lately, knowledge generation and transfer in high information-intensity and velocity contexts have likewise exerted pressures for looser structures. Miles and Snow (1995) have argued for flexible networked structures for such organizations. In their literature review piece, Child and McGrath (2001) too note how continuously changing structures, are de rigueur in knowledge-based organizations.

Coulson-Thomas (1991) has predicted that corporations dealing with complex operations would opt for “flatter and more fluid organizational structures that can develop into networks” as well as have “greater flexibility and responsiveness to customer needs.” This would be accompanied by “a management approach which pushes organizational hierarchy to individuals, who require access to expertise and specialists.”

Pepper (1995) advanced an even more dynamic perspective on structure, which incorporated such elements as working relationships, actual experiences of members, and interpretations of occurrences. He suggested that structure should be treated like a document
that is authored by organizational members.

Weick (1995) also postulated a dynamic view of structure. He talked about “enacting organizations” which are a function of organizational members’ preferences. He observed, “Organizing is a continuous flow of movement that people try to co-ordinate with a continuous flow of input.”

Taking off from the notion of ‘enactment’, is that of inverted firms. Quinn, Anderson, and Finkelstein (1996) have recommended that hierarchies be dispensed with in certain contexts; instead, structures be organized in the form of patterns tailored to specific needs.

Also closely related to the notion of enactment is that of improvisation. Improvisation connotes flexibility of form, an area a few contemporary researchers are currently discussing. Volberda (1999) holds that the extent of flexibility of a firm’s structure should be aligned to the extent of turbulence prevalent in its environment. Additionally, a firm may on the whole be averagely flexible but have both a unit that is extremely flexible and a unit that is extremely rigid, functioning within it. Gold and Hirshfeld (2005) have demonstrated how the principles of improvisation underlying jazz music can be used to promote strategic renewal within organizations.

McHugh and Wheeler (1995) described a particularly fluid structure called holonic network. This is “a set of companies that acts integratedly and organically; it is constantly re-configured to manage each business opportunity a customer presents. Each company within the network provides a different process capability and is called a holon.” This capacity for frequent re-configuring has been termed more recently by Galunic and Eisenhardt (2001) as “architectural innovation.” Here, the different capabilities of an organization, including its structural components, are re-combined in various ways to enhance performance.

Looking at organizational structure in terms of a historical perspective is useful, since it underscores the fact that its components do not have to be durable. Thus due to several imperatives, organizational structures are assuming flexible forms. Cross-cultural management can be a further reason why organizations should adopt flexible structures with transient features. That personnel can have preferences for structural forms that reflect their cultural heritage is indicated by the INSEAD Study of Stevens (cited in Hofstede, 1991). In this study, MBA students from Great Britain, France, and Germany were presented with a caselet about an interpersonal problem in a corporation. The students were requested to present a solution that involved re-engineering of the structure. The interpersonal problem was that two department heads could not see eye to eye. The British students diagnosed the problem as being one of poor communication between the department heads. The problem could be resolved, according to the British students, by providing training in interpersonal skills to the feuding department heads. The French students suggested that the problem be referred one level up to the President of the corporation. The German students recommended that there should be greater clarity regarding the roles, responsibilities, and spheres of activity of the two department heads. These roles, etc., the German students opined, should be described and specified unambiguously.

Steven’s study specifically suggests that flexible structural forms may be appropriate in cross-cultural management contexts. Chang’s paper written more recently (2002), notes that culture has implications for job design. Thus managers from individualistic ethnic cultures will value personal accomplishments. Meanwhile managers from collectivist cultures would place a premium on working harmoniously with others. The challenge is to design structures so that managers from both types of cultures can work productively together. We present here the experience of Credit Suisse’s Project Copernicus to suggest that a fluid, flexible structure enables cross-cultural management. The fluid, flexible structure at Project Copernicus enabled managers from different cultures (collectivist and individualistic, high power-distance and low power-distance, etc.) to work synergistically with each other. Flexible structures obviate the sense that a structure or work pattern is being imposed by one cultural group on others. It provides a mechanism whereby culturally different work patterns can be ‘reconciled’ in a meaningful fashion. (Reconciliation is a term used by Trompenaars (1993) for the process he developed to work through the tensions created by cultural differences.)

**RESEARCH EFFORT**

This study constitutes an exploratory effort to examine how a fluid, flexible organizational structure facilitates cross-cultural management. Miles and Huberman (1994) have recommended that when a deeper understanding of management contexts is sought, qualitative research
Table 1: How Our View of Structure has Changed over Time - I From Durable Structures to Flexible Structures

<table>
<thead>
<tr>
<th>Theorist</th>
<th>Kernel of Theory</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weber, Taylor, Fayol</td>
<td>One best form of structure that is largely unvarying, durable, and bureaucratic.</td>
<td>Early 20th Century</td>
</tr>
<tr>
<td></td>
<td>Focus was on establishing order and maintaining predictability.</td>
<td></td>
</tr>
<tr>
<td>Duncan, Lawrence and Lorsch;</td>
<td>Structure should not be consistently unvarying. A stable environment necessitates</td>
<td>1960’s and 1970’s</td>
</tr>
<tr>
<td>Burns and Stalker; Minzberg;</td>
<td>a mechanistic structure, while a turbulent environment calls for an organic and</td>
<td></td>
</tr>
<tr>
<td>Miles and Snow and Galbraith</td>
<td>flexible structure. The type of structure adopted should be contingent on the nature</td>
<td></td>
</tr>
<tr>
<td></td>
<td>of the environment.</td>
<td></td>
</tr>
<tr>
<td>Duncan; Peterson</td>
<td>A creative organization should have certain elements of structure that are flexible.</td>
<td>1970’s and early 1980’s</td>
</tr>
<tr>
<td>Child and McGrath; Miles and</td>
<td>A knowledge generation and transfer organization should have a flexible structure.</td>
<td>1990’s and early 2000’s</td>
</tr>
<tr>
<td>Snow</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: How our View of Structure has Changed over Time - II Different Imperatives for Flexible Structures

<table>
<thead>
<tr>
<th>Theorist</th>
<th>Kernel of Theory</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coulson-Thomas</td>
<td>Complex, high-performance organizations require flat, fluid, flexible structures</td>
<td>1991</td>
</tr>
<tr>
<td></td>
<td>that enable responsiveness to customer needs. These structures can develop into</td>
<td></td>
</tr>
<tr>
<td></td>
<td>networks.</td>
<td></td>
</tr>
<tr>
<td>McHugh and Wheeler</td>
<td>Complex, high-performance organizations require a fluid structure that enables</td>
<td>1995</td>
</tr>
<tr>
<td></td>
<td>re-configuration suited to each business opportunity that arises. These structures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>can develop into holonic networks.</td>
<td></td>
</tr>
<tr>
<td>Pepper</td>
<td>High-performance organizations require flexible structures capable of incorporating such</td>
<td>1995</td>
</tr>
<tr>
<td></td>
<td>features as actual experiences of members, etc. These structures enable employee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>participation in and ownership of organizational processes.</td>
<td></td>
</tr>
<tr>
<td>Weick</td>
<td>High-performance organizations require flexible structures that enable to “enact”</td>
<td>1995</td>
</tr>
<tr>
<td></td>
<td>their work-related preferences. These structures promote efficiency and employee participation.</td>
<td></td>
</tr>
<tr>
<td>Quinn, Anderson and Finkelstein</td>
<td>High-performance organizations sometimes require inverted structures that enable the removal of hierarchies. These structures can be tailored to specific needs.</td>
<td>1996</td>
</tr>
<tr>
<td>Voiberda</td>
<td>High-performance organizations should be internally differentiated so that units have varying extents of flexibility. This promotes efficiency and alignment with the environment’s demand.</td>
<td>1999</td>
</tr>
<tr>
<td>Galunic and Eisenhardt</td>
<td>High-performance organizations should emphasize the “architectural innovation” capability of its structure. This enhances performance.</td>
<td>2001</td>
</tr>
<tr>
<td>Gold and Hirshfeld</td>
<td>High-performance organizations require structures that are capable of improvisation.</td>
<td>2005</td>
</tr>
<tr>
<td></td>
<td>This enables strategic renewal.</td>
<td></td>
</tr>
</tbody>
</table>

designs may be appropriate. Similarly, organization theorists like Marjoribanks (2000) and Vogel (1996) have deliberately used fine-grained case studies to capture how institutional diffusion occurs. The present study employs qualitative methods and a substantive case study to observe and report the co-evolution of a fluid, flexible organizational structure and cross-cultural management practices.

Credit Suisse’s corporate office in Zurich had a structure which embodied the traditional notion of organizational structure. Its durable features which were essentially bureaucratic had served the bank well for the slightly more than the century and half of its existence. This corporate office was staffed predominantly by Swiss managers. The bank had thrived operationalizing the notion of “Swiss-efficiency.” The unwritten premise was that Swiss managers would be most conversant with this notion of “Swiss-efficiency.” In the case of Project Copernicus, ab initio, it comprised individuals from 19 countries. The multicultural composition of its personnel indicated that a fluid, flexible structure would be more appropriate than the extant structure at CSPB.

Thus, neither the mechanistic structure of Credit Suisse’s corporate headquarters in Zurich, nor the “Swissness” underlying Credit Suisse’s corporate headquarters culture was considered appropriate for Project Copernicus. The hypothesis that emerges here is:

While traditional definitions of organizational structure may apply in situations where the nature of the work is routine and the workforce is monocultural, more contemporary approaches to organizational structure may apply in situations where the workforce is multicultural.

The data about the structure that evolved at Project Copernicus were collected through in-depth interviews that were undertaken from October 2000 to December 2001. The Project Managers were interviewed individually several times from October 2000 to December 2001, when the project ended. The interviews were taped and then transcribed.

During Project Copernicus’s existence, its workforce increased in size and diversity. It did not commence operations basing itself on the bureaucratic structure that prevailed in other Credit Suisse units. On the con-
However, it allowed a structure to emerge and evolve which reflected the new realities of its diverse workforce. It is the participants who fashioned the organizational structure at Project Copernicus who are best suited to explain how this happened. Hence narratives were elicited from these participants as events unfolded. Special emphasis was placed on the interplay between structure on the one hand, and new entrants into the workforce on the other hand. This was done to infer how a new entrant’s cultural heritage played a role in influencing the existing structure. It also helped to assess whether a new entrant’s cultural heritage caused him/her to react to the existing structure in some unique way.

Given that Project Copernicus evolved a fluid structure that was new to Credit Suisse, two points have to be made. Firstly, Project Copernicus Managers felt a fluid structure that evolved would allow them to add elements to the structure that favourably impacted on the work behaviour. It would also enable them to jettison those structural elements that negatively impacted on the work behaviour. The additions and divestures would reflect the cultural orientations of Project members.

Secondly, Monday Meetings were made integral to the structure from the beginning. Structures in reality have a few long-term elements, and the Monday Meetings were the anchor-point of Project Copernicus’ structure.

THE CSPB CASE-STUDY: BACKGROUND IN BRIEF

Credit Suisse Private Banking (CSPB) as a business entity came into existence in 1997, when the Credit Suisse Group’s private client business was consolidated into a single holding. It became one of the Group’s four business units. Since then, CSPB has become a multinational bank with branches in 43 countries. Its net profit in 2003 was CHF 1.914 billion. Credit Suisse is the oldest of Switzerland’s private banks, and the Credit Suisse Group is one of the world’s leading financial services corporations.

CSPB has had a branch in Singapore since 1971. In 2000, it was decided that the branch in Singapore would launch facilities the following year, which would allow its clientele to have complete access to its product range 24 hours a day. These facilities were to be located in the Global Private Banking Centre (GPBC), Singapore. This centre became operational in 2001. A project team labeled Project Copernicus developed the required facilities.

Credit Suisse’s decision to adopt a new form of organizational structure occurred within a particular context. Credit Suisse was induced to expand its banking operations in Singapore in 2000, due to the emergence of this location as an attractive offshore banking centre or OFC. It is an OFC that has been designated by the Financial Stability Forum (FSF) of Basle, Switzerland, as worthy of membership in the elite Group 1 Category. OFCs in the Group 1 Category adhere to the highest possible internationally acceptable standards of supervision, information sharing, and disclosure. These OFCs possess high-quality legal infrastructure as well (Report of the Working Group on Offshore Financial Services, April 5, 2000). In recent times, the three OFCs other than Singapore in the Group 1 Category, have lost some of their appeal with investors. Hong Kong has become part of China; Luxembourg and Switzerland are under pressure from the EU countries to become more transparent. By contrast, Singapore has a banking law that permits client confidentiality of the highest order. It is also perceived as a location that affords stability for financial investments. It has a population of approximately four million today. In 2000, at the time that the case study reported here unfolds, this small country had 661 financial institutions. Of these financial institutions, 83 were offshore banks (www.mas.gov.sg).

Conditions however changed in the twenty-first century, with more competition emerging in the area of private banking than ever before. Worldwide, no single bank had more than 2-3 per cent of the market share. Additionally, a new breed of millionaires had arisen who were prepared to move their money from one bank to another, if the latter could offer them a higher return on investment (The Economist, 2001).

CSPB’s decision to employ a multicultural work force for its Project Copernicus was a response to its intensely competitive environment. (Project Copernicus comprised 130 individuals from about 20 different nationalities.) It needed what Boris Collardi, Head of Project Copernicus, described as the “best-of-breed” professionals (Collardi, 2001). After all, CSPB’s clientele are among the richest 1 per cent of the world’s population. An individual desirous of being CSPB’s client has to deposit a minimum of 1 million Swiss francs with this bank. CSPB had found, at the start of the twenty-first century, that it was becoming increasingly more difficult to expand its client base. The Economist noted in 2001, “the sleepy Swiss banks are waking up to the growing
threat posed by foreign competitors especially the American ones, which now account for some 25-30 per cent of the foreign money managed in Switzerland.“

**PROJECT COPERNICUS’ INITIAL STRUCTURE**

When Project Copernicus was launched, it was allowed to develop its own structure. Collardi, who headed Project Copernicus, liaised with CSPB, Zurich. When he went to CSPB, Zurich, to report on project milestones, he had to function within the structure of CSPB, Zurich. However, CSPB, Zurich gave Project Copernicus a free hand to constitute its structure and processes. Collardi observes: “I was told that I could design a structure that would be appropriate. I kept in mind the fact that Credit Suisse was employing managers from so many different nationalities for the first time. Hence I decided that a structure that could accommodate such diversity would be the most appropriate.”

When Project Copernicus started functioning, its structure was described by Collardi, using the terminology of Peters and Waterman (1982), as “loosely-coupled.” The team was not hierarchically ordered, and all members were on an equal footing. Collardi described himself as a ‘first among equals.’ There were no specified or formal reporting systems. Alex W Widmer, then Head of CSPB for Asia-Pacific, Middle East, Egypt, Greece, and Turkey, comments as follows:

All offshore operations are interlinked with the global network in a way that does not apply to onshore banks. Hence there was no difficulty in allowing Project Copernicus to structure itself on its own terms….. A person who has been working for CSPB for quite some years heads the offshore branches. I think it is important that the person understands the way we operate the business, the way we are organized, and to see that the branch meshes in with CSPB, since it has to work well with all units of the organization….. Boris Collardi had been with us for seven years. He also had an open mind.

The amorphous nature of Project Copernicus’s initial structure allowed it to change its form as the Project progressed. Collardi had suggested that leadership should be distributed at the first Monday Meeting, and Project Copernicus members had concurred. Hence there was no permanent allocation of authority to a set of individuals. The driver of task completion was mainly peer group pressure.

**SYMBIOTIC NATURE OF PROJECT COPERNICUS’ STRUCTURE**

As Project Copernicus’s structure evolved, it was characterized by a symbiotic relationship between members’ preferences regarding structure, and the structure that unfolded. This was particularly noticeable when a new member joined the Project.

The Project members met regularly on Mondays to report to each other on their work. This was deemed necessary, given the interdependent and sequential nature of their work. The Project had been divided into five streams: the Business Development Stream, the IT Stream, the E-Commerce Platform Stream, the Marketing Stream, and the Legal Compliance Stream. Although there was continuous interface and exchange of ideas between these streams, the Monday Meetings were mutually agreed on structural feature that anchored the Project’s activities. Monday Meetings could sometimes stretch for six hours. Boris Collardi officiated as the facilitator. He engaged in distributed or shared leadership described by Pearce (2004) as occurring “when all members of a team are fully engaged in the leadership of the team.” The fluid, flexible structure at Project Copernicus made distributed leadership possible. Distributed leadership in turn enabled the development of eclectic best practices. These best practices were derived from Project Copernicus members’ cultures.

The emergence of organizational structure at Project Copernicus followed some of the tenets of complexity theory, especially those discussed by Drazin and Sandelands (1992). These researchers emphasized micro processes that involve action, interaction, and causal feedback. The following provides an illustration: From the beginning, Project members were forthright in voicing their opinions. A few weeks after Project Copernicus had been initiated, a Chinese expert came on board. This expert attended Monday Meetings without giving his candid opinion about plans of action that were being decided. Later on, during the week he would “do his own thing,” rejecting agreed-on courses of action, whenever he thought they were not feasible. The Chinese expert explained his rationale, which was based on the traditional Chinese cultural mores. Traditionally, the Chinese avoid criticizing a colleague in public. This revolves around the issue of ‘losing face’. Shen (2004) has described how understanding the ‘face’ issue is important for doing business with
the Chinese. According to Shen, ‘losing face’ arises when a person is made to feel bad, embarrassed, or insulted (2004). This situation arose because as Doucet and Jehn (1997) have pointed out, cultures perceive conflict differently. What is perceived as a conflict for a person from a face-saving culture like China may be considered as a mere exchange of views by a person from the US.

Collardi observed that “as matters stood, they (Project Copernicus members) were experiencing difficulties because they were taken by surprise when he (the Chinese expert) acted differently from what was agreed.” Project Copernicus members therefore worked with the Chinese expert, and helped him appreciate that he should express his views honestly and that nobody would lose face because of this. Gradually, the Chinese expert started participating in these Meetings, discussing issues that he would have to execute during the course of the week. Whenever he disagreed with a colleague, he would do so in a non-threatening and diplomatic fashion. Thus, the Chinese expert initially reacted to the existing structure in a manner that reflected his cultural heritage. He then altered his style of functioning to suit the demands made on him by the structure. He, however, did so in a way that was conditioned by his culture.

Hatch (1995) has reported how teams are formed in the face of cultural resistance to certain aspects of teamwork. Hatch’s finding was that evolving procedural issues within a group was greeted with high acceptance by both the French and the Moroccan groups that he had studied. Our paper indicates that this is the case with multicultural groups as well. What was key in the case of Project Copernicus was an organizational structure that was flexible enough to allow the procedural issues to evolve.

The above example demonstrates a co-ordination mechanism for work activities that was used at Project Copernicus. This co-ordination mechanism emphasized arrangements that required accommodation between managers. The “Monday Meetings” was an element holding the fluid, loosely-coupled structure together. But these Monday Meetings were enacted in ways that allowed all managers equal opportunity to influence work behaviour. It was a true-life manifestation of Weick’s (1995) contention that structures should involve improvisation, enactment, and events, all of which impact on work activities. The improvisation that was advantageously exploited at Project Copernicus occurred in two arenas: in the structure that was adopted and in the cross-cultural management processes that unfolded. The work of Pinnington, Morris and Pinnington (2003) demonstrates that fluid and minimal structures are required for improvisation. It appears from the Project Copernicus experience that improvisation fostered cross-cultural management. Thus it may be proposed that fluid structures which promote improvisation be used in cross-cultural management situations.

Improvisation is also a metaphor for action as it unfolds (Cunha, Cunha and Kamoche, 2002). The following provides an illustration: Sigmund Koestler (not his real name) had worked with Credit Suisse, Zurich for a year before joining Project Copernicus. He had earlier worked in the construction industry for many years, first in Uganda and then in Iraq. Koestler had been accustomed to behaving authoritatively. So when Koestler joined Project Copernicus, he was perceived as uncouth by the Project members. The American managers at Project Copernicus had no difficulty countering Koestler’s authoritative behaviour. A few Singaporean-Chinese managers, however, experienced discomfort. Their preferred method of dealing with interpersonal conflict was to seek the intervention of a higher-up. But at Project Copernicus, there was no real higher-up, since the structure was flat and hierarchy-less. The conflict-handling behaviour of the Singaporean-Chinese mirrored the findings of McKenna and Richardson (1995), who found that the cultural value systems of Singaporean-Chinese favoured unassertiveness when faced with conflict in organizations.

The Singaporean-Chinese at Project Copernicus were encouraged by colleagues to assert themselves vis-à-vis Sigmund Koestler. The open environment of the unfolding structure encouraged a direct approach, which the Singaporean-Chinese gradually adopted.

Meanwhile, Koestler was sent for a leadership-training course, where he was exposed to the rudiments of intercultural competencies. He made a conscious attempt to align himself with his colleagues, and succeeded over time. During a debriefing session, Koestler introspected:

I had initially looked upon the passivity of some of the Singaporean-Chinese as an undesirable trait from the point of view of being a good manager. But I do see now that the aggressiveness that I had exhibited was more undesirable. At least the Singaporean-Chinese are easy to work with.

Had the structure been rigid and unyielding, and
the “pattern of inter-related work activities” (from the classical definition of organizational structure) held as durable, reconciling the cultural differences in the fashion described here would have been difficult.

A related issue is whether some cultures are able to work within fluid structures better than others. Lammers and Hickson (1979) have pointed out that the degree of centralization preferred by an organization could vary from culture to culture. The *prima facie* evidence of Harrison *et al.*, (2000) suggests that Chinese managers experience greater difficulty adapting to fluid teams than do Anglo-American managers. They aver that their research findings have implications for “the implementation of flexible organization structures and interaction patterns in different countries.” Thus, an organization may adapt a local branch to the local culture and adopt a tall structure with positive outcomes. It may do so in Malaysia, for instance, which according to Hofstede is characterized by high power distance. This may be appropriate for a multinational branch operating in Malaysia and comprising a purely Malaysian workforce. It is unlikely that it will be appropriate for a multicultural workforce. Our contention is that fluid, flexible structures are appropriate for multicultural teams/organizations. It is only that managers from some cultures may require greater team support when being inducted into organizations where widespread diversity exists. At Project Copernicus, it was found that managers who had been conditioned by more than one culture were able to adapt with the greatest facility to both the multicultural context and the fluid structure. Johan was one such manager. (He had been described as the manager who had adapted most easily by his peers at Project Copernicus). A German, he had spent a considerable amount of time working for an American company, DLG. He possessed positive attributes some of which were typically associated with American managers, while others were typically associated with German managers. Johan’s ‘American’ attributes were a capacity to be open-minded, and have good listening skills, a proactive orientation, and attention to the bottom-line. His ‘German’ attributes included using a structured approach in planning and implementation, as well as attention to detail. As anthropologist, Bateson (1994) has pointed out that an experience with more than one culture develops a “peripheral vision” (other ways of seeing things) as well as a multicultural perspective (cosmopolitanism).

### INTERACTION EFFECT BETWEEN STRUCTURE AND GROUP PROCESSES

At Project Copernicus, the type of leadership (shared) and group processes (participative), interacted with structure (fluid, flexible) to enable cross-cultural management.

In a sense, a “community of practice” existed at Project Copernicus. Researchers use this construct to describe processes within sub-groups of an organization. Brown and Duguid (1991) refer to a community of practice as “a tightly-knit group.” Wenger (1998), describes a “community of practice” as characterized by “mutual engagement and a shared repertoire.” At Project Copernicus, a “community of practice” was seen to evolve, resulting in a diverse work force banding together. This was a concomitant outcome of a fluid structure.

Two additional factors may have exerted an influence on the interaction effect between structure and group processes at Project Copernicus. The first factor is that Copernicus was in project mode. Persson’s article (2006) supports this possibility. The article indicates that temporary teams exert a positive influence on knowledge generation and transfer within a multicultural context. The second factor is that the work is creative. Thus fluid structures may be particularly suited for cross-cultural projects engaged in creative work.

### CONCLUSIONS

This paper is limited by the fact that its results stem from a single case-study narrative. Nonetheless, the qualitative discussion of the unfolding structure at Credit Suisse’s Project Copernicus carries two implications. Firstly, structure can be used as a mechanism to facilitate effective cross-cultural management. Secondly, the structure that enables cross-cultural management is fluid, amorphous, and continuously evolving.

### Structure Can Facilitate Cross-Cultural Management

The study at CSPB’s Project Copernicus indicates that

**Table 3: Features of Interest at Project Copernicus**

- 130 managers from 19 different nationalities
- Structure: loosely-coupled, continuously evolving and altering in response to members’ cultural background
- Structural anchor point: 3 hour long Monday Meetings
- Interaction effect of structure and group processes.
organizational structure plays a role in ensuring the effective functioning of a multicultural workforce. More evidence of the positive impact made by structure on cross-cultural management needs to be collated. Then there would be scope for presenting empirical retrospective case studies as Baden-Fuller and Stopford (1992) have done in their book on organizational rejuvenation through re-structuring.

Tall structures may be appropriate in nations where the power distance is high. Likewise, flat structures may be de rigueur for cultures where the power distance is low. However, in organizational situations such as Credit Suisse’s Project Copernicus where there is a mix of managers from cultures having high, low, and moderate levels of power distance, a fluid, flexible structure is prescribed. This makes possible the development and adoption of new practices acceptable to managers from different cultures.

Structure that Enables Cross-cultural Management is Fluid, Flexible, and Continuously Evolving

The organizational structure appropriate for cross-cultural management goes beyond being fluid and flexible. The experience of CSPB, Singapore, indicates that it should be continuously evolving as well. Volberda (1991) has pointed out that there is tremendous scope for mutation of organizational forms. Such mutation occurs “to exploit opportunities of flexibility and adaptivity.” More recently, Volberda (2006) reported that the effort to manage global talent and the development of new organizational forms go together.

Continuously evolving organizational forms can better support the culturally eclectic management practices such as crossvergence that are now emerging. Crossvergence is the fusing together of management practices from two or more cultures. Jackson (2004) has described crossvergence in his recent book, where he has referred to the “K-type” of management found in South Korea. This “K-type” of management is an amalgam of American, Japanese, and local Korean styles. A cross-cultural management concept related to crossvergence is hybridization, recently referred to by Magala (2005). Hybridization occurs when selective parts of a management system found effective in one culture, are grafted onto the system of a different culture. Hybridization is comparable, though not identical, to the concepts of bricolage and translation. Campbell (2004) has explained bricolage as the process by which different locally available practices are re-combined to yield improvement. Translation occurs when local practices are combined with new practices originating from elsewhere. While bricolage results in evolutionary combinations, translation stimulates revolutionary combinations. The concept of translation and revolutionary combinations captures to some extent, what transpired at Project Copernicus. Translation occurred when practices were fused together from different cultures. Simultaneously, the accompanying fluid structure was a revolutionary combination.

Crossvergence, hybridization, bricolage, and translation emanate from experiments with improvisation. It is suggested in this paper that through the skillful use of improvisation in structure, individuals and groups can cope better with the demands of diversity in their organizations. Improvisation encourages managers to experiment with different cultural practices. It enables them to adapt to different cultures. It helps them to adopt new management approaches that have been assembled through crossvergence, hybridization, and bricolage. The spirit pervading attempts at crossvergence, hybridization, and cultural bricolage is akin to that found in Lewis’s (2000) formulation of paradox – “Rather than polarize phenomena into either/or notions, researchers need to use both the constructs for paradoxes, allowing for simultaneity and the study of interdependence.” This paper proposes that carefully crafted fluid structures are a mechanism through which culturally different management practices may be expressed in tandem.

This paper advances the view that an answer to how effective cross-culture management can be effected lies in the design of appropriately fluid structures. This paper also suggests how a design variable like structure interacts with a process variable like group functioning to impact on cross-cultural management. Future research in this area could examine how structure can be used in concert with other variables like management practices to enable managers from different cultures to work well together.
REFERENCES


Nina Jacob is the author of the book, *Intercultural Management*, published by Kogan-Page, UK in 2003. She was a Visiting Professor of Cross-Cultural Management at the Rotterdam School of Management, The Netherlands, from November 2004–October 2005. During this period, she published “Cross-Cultural Research: Emerging Concepts” in the *Journal of Organizational Change Management*, of the Emerald Publications, UK. She also taught cross-cultural management at the IESE Business School, Barcelona, Spain, where she was a Visiting Professor from October-December, 2001, and at the KS Graduate School of Management, St. Gallen, Switzerland, where she was a Visiting Professor from May 2000-September 2001.

e-mail: ninajacob@gim.ac.in

Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives.

—William A. Foster