From Oem Supplier To A Global Leading Company

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What does it take to build a cross-cultural team?

A culture can be defined as the ideas, social norms, and behavior of a person or a community. Culture is derived from heritage or norms found in a society. In organizations, cross-cultural teams are defined as a group or a team that manages to work in different cultures across demographical boundaries (Wu & Lee, 2014). These teams might be formed out of a country, ranging from more than two countries working for a single purpose. We live a modern world, where globalized companies make teams that are arranged on different timezones, workplaces, and continents. Even for a local company, the activities of their labor across the boundaries mean that the company is observing cultural diversity in their workplace (Wu & Lee, 2014). Organizing and maintaining a team in this global marketplace is different from the past, as cross-cultural teams are emerging rapidly.

Accepting cultural diversity and looking to high-performance cultural teams can help companies build their own cross-cultural teams. However, some things should be kept in mind to create an efficient cross-cultural team. The case chosen for this study shows how Giant, the bicycle company, moved from being a supplier to a whole new manufacturing company. It was of great importance that the company was first supplying materials to the US companies, and when China became their competitor, they tried to make them a whole new company instead of nonexistent. In implementing this business strategy, they had to be diverse with their cross-cultural teams, as the company was multinational (Wu & Lee, 2014). The characteristics to build a strong cross-cultural team are:

Acknowledge and respect cultural differences.

To build a strong cross-cultural team, it is important to keep in mind the factors of cultural differences. It is of great importance if the company is globalized and working in different cultures. Addressing the existence of diverse cultures and the need to approach the differences is important in optimizing team performance. These differences can be termed as language, behavior, norms, values, different cultures, and different actions attached to them (Wu & Lee, 2014). Giant addressed these factors effectively by evaluating the cultural backgrounds of their labor force and interacting personally with each other. A useful approach to highlight these differences is Geert Hofstede’s model, which explains and contrasts international cultural differences (Wu & Lee, 2014). This model consists of six contrasts: power distance (the ability to equally distribute power among cultures), Uncertainty avoidance (a society’s ability to tolerate errors/mistakes), individualism vs. collectivism (the ability of a company to pursue groups or individuals in a culture), masculinity vs. femininity (giving rewards vs. eliminating errors), long term vs. short term orientation (innovation vs. regular work processes), and indulgence vs. restraint (focusing on joys vs strict norms). Using this model helps a company identify which point they have to adopt and what cultural differences exist within the company.

Establish norms for the team.

The key to a strong cross-cultural team is to develop norms for the team and maintain them. These teams then contribute their efforts to the formation of the norms introduced and try to follow them. Due to the collaboration in a diverse team, the members of this team will sometimes need their own norms and rules. As a global company, their teams try to follow their own rules in some situations, but they are also derived from the main norms set by the company (Tang & Wang, 2017). In the context of Giant, they tried to set standards in their labor workforce and implement effective communication in the group. Their labor force was from different countries, and norms needed to be set for this course of action. Norms also increase easy collaboration, and ultimately, team performance is optimized.

Defining roles and responsibilities.

As for cross-cultural teams, it is important to define the role of every individual in the group. It is necessary in terms of a global business because, with appropriate role definition, there cannot be an effective business (Tang & Wang, 2017). There should be a clear outline of each member's contribution to the team, both local and global.

Over-Communication.

Over-communication is a good thing in a diverse cultural team. In most situations, the team members are not getting to the point with limited communication. Communicating with a large amount of data helps in a good flow of activities by the team (Tang & Wang, 2017). In the chosen case, Giant was becoming a whole new company, from supplier to manufacturer. These instructions were clearly defined globally and resulted in making the company strong. If they had not focused on making good communication, the global team might have thought that the company was still a supplier and their work would be affected by this. Overcommunication involves the factor of language barriers, which sometimes becomes a problem in a cross-cultural team, as every one might not know English as their basic language.

What are the challenges facing managers of

projects that cross cultural boundaries?

When a company goes from local to global level, the challenges also increase from the small to large perspective. It also creates challenges in terms of cultural boundaries, as every country/society has its own business culture. When these challenges arise in a project-based scenario, it creates a lot of external hindrances for the managers to take into account (Tang & Wang, 2017). Giant faced these issues (the company discussed in the case), and they overcame them according to their capability. The case showed that Giant increased their market share to 75%, compared to the Chinese, who were their main competitors in the bicycle business (Tang & Wang, 2017). This increase was achieved through efficient project handling in cultural boundaries. When a company is beyond its cultural boundaries, it becomes difficult for them to maintain a mutual language, i.e., English, and it creates a lot of problems for the company. At some point, it becomes a problem for the company, which might reduce the productivity of the project and lead to negative results. The language barrier mostly comes when the company tends to work in a place where people are not very skilled in different languages. Their labor force is also not skilled in such a situation, and it becomes a big challenge to overcome.

Again, the cultural differences between groups and individualism come into play as different cultures work in different patterns. Japanese-based workers might want to work without getting commands from their superiors, while US-based workers might want to work with guidance from a supervisor of their line. These challenges are most important because if a company does not match the culture of the area, the project will not give effective results (Tang & Wang, 2017). The same is the case with flexibility. Some countries, like China and Russia, do not want to work in flexible shifts and require that they be given a task that can be completed in a specific time duration. It becomes a problem when a project needs to be delivered in a certain time, and there are no appropriate workers for that task (Tang & Wang, 2017). Managers face these problems a lot because there are no suitable criteria defined for how the task should be completed. The same was the case with Giant, who could not manage to create operations in the diverse cultural context.

What strategies can be used to address these challenges?

Overcoming these challenges is as important as running a successful business because if the challenges are not eliminated, they can affect the company and create hurdles in its workflow. Companies tend to overcome their challenges in a way that does not harm their short-term and long-term goals (Chevrier, 2003). The challenges enlisted above about the Giant company, as well as the overall challenges for the market, can be reduced by developing certain business strategies. As the case shows, there were challenges for Giant in their processes, and it became a problem as the company decided to become a separate brand. In order to reduce this problem, the company managed to collaborate with the R&D department and established relations with the Industrial

Technology Research Institute of Taiwan. Doing this helped the company analyze the demographic areas where the operations of the company were not so efficient. They made separate cultural teams, which were diverse in nature, and tried to produce carbon fiber cycles, which no other company was producing at the moment. Building strong research teams, including people from different cultures, helped to overcome this problem (Chevrier, 2003).

Another aspect is that companies try to enter new markets to improve on what they have not achieved yet (Stahl & Tung, 2015). It helps in increasing the strength of the business. Giant expanded their business from being a supplier to a whole new brand. They did this because they were facing the threat of China becoming the core supplier for the US markets. So, the company was faced with the challenge of becoming liquefied. Instead of doing that, Giant started their business as a new brand in the market and became a competitor in China. They also managed to finish links with their supplier Schwinn, from where they were getting the materials for producing bicycles.

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