

DEVELOPING CORPORATE CULTURE IN ENTERPRISES OF VIETNAM

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ABSTRACT

Today corporate culture is gradually becoming a resource and asset of each organization. In order to contribute that asset to the stable development of the enterprise, leaders need to fully realize and build solid foundations for their own culture's values of the enterprise. Private enterprises in Vietnam have taken the lead in this activity with cultural values that have become the pride of every member. Moreover, enterprises with certain successes in business hope to have been known with their cultural characteristics more and more in the trend of expanding international cooperation. The paper analyzes cultural aspects within Vietnamese enterprises and the impact of corporate culture on business activities of domestic private enterprises. Thereby, confirming the trend and correctness of building corporate culture as the foundation for internal cohesion and promoting business activities with characteristics of the enterprise. The research also shows that factors of corporate culture have a strong influence on the stable development consists of personality and responsibility of the leader, corporate mission and direction, empowerment and communication between the enterprise's members.

Keyword: corporate culture, organizational culture, stable development, Vietnamese enterprises.

1. INTRODUCTION

Corporate culture is known as all the spiritual values that an enterprise creates in the business process, affecting the emotions, reason and behavior of members as well as the stable development of the enterprise. In addition to resources such as material, human resources and capital, corporate culture is increasingly concerned and considered as the adhesive to effectively exploit the advantages of the enterprise [5].

Corporate culture enables all members to realize the unique nuances that an organization wants to reach. It also creates a voluntary commitment besides each individual's beliefs and values[4]. Building and developing corporate culture in our country today has a very important effect in improving the efficiency and competitiveness of businesses according to the requirements of national economic development and international economic integration. The main difficulty is the lack of proper identification and evaluation that can point out the characteristics from management's point of view of the corporate culture to build and promote cultural factors as an organization's strength through enterprise management measures. In recent years, building corporate culture has become an action program that widely deployed with seriousness and caution in many large economic enterprises in our country such as FPT, Viettel, Vinamilk,...The

efforts of these businesses have achieved initial success in brand positioning, cohering to members and affirming their foothold in the market. In that respect, businesses are still ambiguous about building and developing corporate culture that can be learned from initial successful businesses.

2. LITERATURE REVIEW

According to Edgar H. Schein (1985) –an expert on researching organizations, corporate culture is a synthesis of common concepts that company members learnt in the process of solving internal and external problems[10].The International Labor Organization considered corporate culture is a special blend of values, standards, habits, traditions, attitudes and rituals that are all unique to a known organization [8].According to Pham Xuan Nam, “Corporate culture is a system of key meanings, beliefs and values, perceptions and thinking methods that all members of an organization agree on and have influence on in the wide range of ways to actions of each member ”[6].Do Minh Cuong defined “Corporate culture including values, cultural factors that enterprises create in the business process, creating the identity of the business and affect the emotions, reason and behaviors of all its members [1].It can be said that the corporate culture shows the association between the truth, the goodness and beauty values to create a business instinct in order to achieve the stable development of businessmen. Corporate culture is also a management tool to build the brand for an organization. From this, we can define corporate culture from the perspective of operational management as follows: Corporate culture includes a system of key meanings, values and beliefs, perceptions and judicial methods that all members of the organization share and influence in a wide range of ways of the members' actions. The operational definition of organizational culture emphasizes the following three notable points:

- + In terms of content: corporate culture is a system of values (measures) and philosophy (applied principles) chosen by the organization to create their own image, and how to make decisions and typical actions to create a distinctive style;
- + In terms of purpose: the above contents are developed and deployed to help members to realize and form a consistent capacity for actions;
- + In terms of meaning: the implementation of organizational culture in terms of management is to support the process of transforming awareness into motivation, and capacity into specific actions. The voluntary and consistent actions of many members of the organization will help shape the style of the organization.

Some basic characteristics of corporate culture are known as below:

Firstly, corporate culture related to perception. Individuals are aware of the culture of the organization through what they see and hear within the organization. Even though members may have different qualifications, different positions, they always tend to describe corporate culture in the same way. That is the sharing of culture.

Secondly, corporate culture is unique. Each organization or unit has different operating conditions, sizes and objectives and is driven by a team of people with different business's personalities and philosophies. Moreover, the benefit of building corporate culture is to create specific characteristics and identities for enterprises to distinguish one enterprise from others, so it has different characteristics and strengths.

Thirdly, corporate culture unifies communication behaviors of everyone in the same organization.

Fourthly, cultural culture has a process of building, nurturing and developing. However, corporate culture is not immutable, it is still changed by managers to suit the new development trend of enterprises.

With characteristics above, corporate culture plays an important role. It helps define behavioral boundaries for members of an enterprise in accordance with the core values of that enterprise [9]. It facilitates and encourages the members of the business to implement chains of commitments. Additionally, culture enhances organizational stability, creates cohesion among members, a common standard of behavior towards achieving results and developing together. It can be considered as a tool to help guide behavior in the business; thereby, creating a common identity[11].

Enterprise culture is an intangible asset of an enterprise, plays a great role in the development of an enterprise, is the foundation, the goal, the driving force and the regulation system of development. Furthermore, corporate culture is the identity, the attractiveness of the business to customers and partners; creates a brand for the business to distinguish it from other businesses and also increases competitive advantage. Corporate culture is not something intangible, but on the contrary, it is evident in both areas of business activities: in all business behaviors and communication of employees, and in products and services of the enterprise.

The expression of the **four main aspects** of corporate culture are: Mission, Adaptability, Participation, and Consistency.

- Mission includes aspects: vision, targets' system, strategic direction.
- Adaptability includes: innovation, customer orientation and organizational skills.
- Participation includes: decentralization, team orientation and capacity development.
- Consistency includes: core values, consensus, cooperation and integration.

Corporate culture has made a difference and is a competitive advantage. It affects the dedication, pride and loyalty of employees to the business. In the environment of a healthy corporate culture, all members put the organization's interests first, share difficulties with the leaders. It is the supreme art of management that each enterprise follows: managing culture's aspects and managing by culture.

3. RESULTS AND DISCUSSION

Corporate culture is the use of cultural factors in business activities, which are applied or created by business entities in the process of forming stable and specific foundations in business activities and movement. Business culture is a system of spiritual values and standards that govern all business activities. In Vietnamese enterprises, the core factors that shape corporate culture contain: people/leaders; vision and core values:

Leaders: The founders or senior leaders of an organization are the people who have the greatest influence on the culture of the organization. It is their habits and behavior that determine how the members of the organization will behave and act because it is acceptable in the organization. Every employee when entering an organization, they will live and do the way that the people there have been and are operating.

Vision: Vision can cover further goals and from that make direction clearer. Once a business has identified a direction, they will take it step by step. This is easy to see, especially in non-profit organizations, most of their vision is quite simple but full of humanity, so they will stand out from business enterprises. Vision serves as a guideline for all decisions and actions.

Core values: The core of culture is the value of the business. Although vision shows the goals of the business, but thanks to these values as a measure and a standard to adjust the behaviors and views needed to achieve that vision. And many businesses also find their values revolve around a few simple topics such as: employees, customers, professionalism, ... the unique of those values contributes to a corporate culture. Some Vietnamese enterprises have typical corporate cultures and positively affect stable development as follows:

FPT

FPT Corporation was founded by Mr. Truong Gia Binh and 13 associates. Having access to advanced education along with youthful ambitions, they have built a business with the desire to use science and technology to change the country and bring prosperous development to the country. FPT culture is encapsulated in 6 words: "TON DOI DONG – CHI GUONG SANG". The core values mean "Respect individual - Innovative Spirit - Team spirit" that members share together, and "Objectivity - Exemplarity - Wisdom" that leaders possess. The chairman of FPT Software once said: "If you do not trust your employees, do not expect to have a good staff"[13].

Promote democracy: At FPT, all personal opinions are respected. If the idea is in conflict, the corporate culture itself will harmonize and ease the general situation, creating the team spirit of the corporation. Because of respect for democracy, FPT has achieved great success today. Each member of FPT possesses corporate pride, unites with the corporation to step on the path of conquering new achievements. The leaders of FPT Corporation once affirmed: "Whether FPT will be trafficked or belong to a foreign corporation later on, FPT people are still FPT people"[13].

Strong connection among members: FPT's culture is most clearly shown through annual events. The strength and solidarity of the team is shown in team games and kick-off sessions. When participating in the team games, the company's employees are more exposed and know each other better. From there, connect people together to improve human resources and to promote open working environment to stimulate creativity. It can be said that FPT's success is the glue that connects and brings members together for mutual development.

Moreover, FPT always creates a positive and professional working atmosphere from senior to mid-level, junior level managers with all employees. They have an attitude and behavior, living habits, communication etiquette in accordance with standards and the rules set forth.

FPT is proud to be one of the few companies with its own unique and unmixable culture. FPT culture was formed with the formation and development of FPT. It is the sharing of members' beliefs and values' system. FPT culture has become the spiritual food, the quality of solidarity, a great playground, a source of encouragement and pride of each FPT employee. Indeed, the glue that connects employees with the company in a stable way. It was not wages or remuneration - material values, but culture - a high-level expression of spiritual voice. Believe that, with methods of building the unique and methodical culture, FPT will grow stronger, not only in Vietnam but also in the international arena.

FPT is one of the enterprises that deliberately builds its own corporate culture and characteristics from the very first day of its establishment. The leaders of the company are always aware that ensuring the stable development of a company, apart from profits, technology, people, the cultural environment is the foundation for the most. In this fierce competition, FPT soon affirmed its own culture and brand as one of the leading IT companies in Vietnam. That name is the pride of FPT's members, where everyone has the opportunity to learn and expand their

knowledge and qualifications. FPT is a large land where everyone can find a suitable position in the present and a direction for development in the future, that is why they have the opportunity to develop their capacity and ability to explore creation.

Trung Nguyen

In 1998, with the idea "Bring new creative inspiration", created a new style of drinking coffee with the seductive flavor of Trung Nguyen coffee cup from Ban Me. By 2005, with the establishment and operation less than 9 years, Trung Nguyen Coffee Company with its coffee product brand Trung Nguyen has conquered a large number of domestic and international consumers. From the early days of start-up, Trung Nguyen's journey has always been the journey of Serving the community, and this commitment is being strongly promoted. Professor Tim Larimer of Columbia University (the USA) considered Trung Nguyen as Starbucks of Vietnam. Trung Nguyen standardizes the franchise system with the focus on depth to build each Trung Nguyen coffee shop as a place to solve creative problems and enjoy the best coffee which prepared and served by Vietnam's No. 1 coffee specialists. Now thousands of Vietnamese are familiar with Trung Nguyen coffee in "the energy coffee that changes life" and it becomes special culture feature [12].

Corporate culture creates a common centripetal force for the whole enterprise from defining the mission for the whole company to be "building top brands". The thought of doing business is not only to seek profits but also to branding for Vietnamese agricultural products has helped the company's members to better understand their responsibilities, realize their own role in the whole, from which to work harder and harder. With the view that "employees are the driving force for development", "human resource development is essential", "employees are an important asset of the company", Trung Nguyen has given employees the best working environment, professional training programs for learning and professional development have thus attracted many employees as well as created trust in each employee, and thus reinforces the loyalty of staffs [12].

Corporate culture encourages innovation and invention: The company emphasizes collective spirit, but also encourages and requires employees to work independently in order to promote the creative dynamism of its members. The salary system and welfare policy are clear and rigorous, reviewed annually, thus motivating employees to work actively and stable with the company. To encourage this creativity, Trung Nguyen continuously launches new products with many different typical flavors.

Referring to Trung Nguyen, everyone thinks of a strong collective spirit, a friendly working environment for employees, confidence in business and great ambitions, all of which are clearly shown the corporate culture of the company. These are also factors that contributed to today's success of Trung Nguyen.

Viettel

Most employees Viettel mistakenly believe that creativity will make a difference. Therefore, Viettel people realize creative ideas not only for Viettel people but also for customers. Viettel promotes new thought and respect the smallest ideas of all members in performance. Viettel people try to build an environment that encourages creativity so that each person can be creative every day and have the opportunity to participate in the "idea day" held regularly at Viettel.

Viettel people realize that the only thing that does not change is the change. Viettel people constantly think to adjust strategies and restructure their organization to be suitable for the changes and requirements of the business environment. People of Viettel are aware that the company is always the second home for living and working. Therefore, each member of Viettel must be loyal to the cause of the company, striving for the happiness of each person and of its customers. Viettel people follow the motto of mutual respect as independent individuals, sensitive to the needs of employees. Through team-working for developing individuals. Each employee through generations will contribute bricks to build a common house Viettel. Viettel people think working is to build the country. Viettel develops and each person deserves the benefits from this[14].

Vinamilk

Vietnam Dairy Products Joint Stock Company - Vinamilk founded in 1976 up to now is the number 1 company in dairy products in Vietnam and exported to many countries. Vinamilk is one of the leading enterprises in Vietnam that has successfully built the corporate culture.

With the company's slogan: "International Quality - Vinamilk Quality", the company's slogan means that Vinamilk always ensures to provide customers with the best quality products that meet international standards. With the motto "Live and work for the community", Vinamilk has received the trust and love of customers throughout the country. There are some characteristics of Vinamilk culture as below:

Vision: "To become a world grade brand in food and beverage industry, where people put all their trust in nutrient and health products." and with the goal of positioning the brand as the pride of Vietnamese people.

The mission is to deliver valuable nutrition to the community with our respect, love and responsibility. Core Values: Integrity, Respect, Fairness, Ethics and Compliance.

Business philosophy: Vinamilk desires to become one of the most favourite brands in every region and territory. Therefore, we keep in our mind and our heart that the quality and innovation are always our most important companions. We act with customer-centered approach and commit to respond to all their needs.

Development strategy is maintaining the No.1 position in Vietnam market and aiming to reach the top 30 of the World's Largest Dairy Companies in terms of revenue.

Quality policy: Always satisfy and be responsible for consumers' needs by diversifying products and services, assuring quality, food safety with competitive price, respecting the business ethics and complying with laws.

In particular, the professional attitude and the working spirit of the staff and business leaders are clearly shown through 3 levels:

For enterprises/owners of enterprises: Strive to bring outstanding benefits to shareholders, on the basis of using effectively and protecting all Vinamilk's resources. The leaders of Vinamilk Dairy Products Joint Stock Company always work seriously, have a broad vision to develop the company in a stable way, ensure environmental factors and make use of the enterprise's available resources. With a large strategic vision, maximizing the company's strengths to develop while ensuring the corporate social responsibility factor has created success in building corporate culture of the company.

For employees: Treat all employees with respect and fairness. Employees' working attitude must

be always friendly and enthusiastic. Vinamilk creates the best opportunities for all employees to develop equally, build and maintain a friendly, safe and open working environment. With these, Vinamilk successfully implemented and has got new corporate cultural values with distinctive features.

For customers: Vinamilk provides a wide range of products and services. Vinamilk is committed to the highest quality, competitive price and honesty with all transactions. In building corporate culture, Vinamilk has ensured real values to customers. Especially, the leaders always know how to integrate all activities that demonstrate social responsibility.

Vinamilk improves technology constantly, researches the most suitable products, meets the most needs of customers. Commitment to international quality and quality Vinamilk has affirmed the goal of conquering customers regardless of national borders of the brand Vinamilk. Vinamilk has prepared human resources, facilities and business capabilities to actively integrating with a mark of Vietnam brand name[15].

VINGROUP

With the motto “To create a better life for Vietnamese people”, Vingroup is a place gathering Vietnamese excellent people and international colleagues - those with disciplined thoughts and actions, talent and courage, patriotism and national self-esteem, good-nature and has a strong spirit of work for good purposes. With the spirit of discipline, Vingroup culture, first of all, is the culture of professionalism expressed through the six core values "Credibility – Integrity – Creativity – Speed – Quality - Humanity". The working culture with high-speed disciplined compliance and efficiency has been instilled in all actions of the staffs, creating a synergy for Vingroup to thrive in all fields [16].

Volatility and enthusiasm are not only an outstanding feature at work, but also a characteristic culture of Vingroup in all activities. Thus, it can be seen that the building and development of corporate culture in the above typical enterprises has made a difference in the identity of the group, while positively contributing to improving the quality of customer service. Corporate culture has become a unique feature of each enterprise, especially in improving the efficiency of working cooperation, dedication and creativity to enterprises.

4. CONCLUSIONS AND IMPLICATIONS

Corporate culture consists of three parts: hardware and software connected by the manager's leadership style. Hardware consists of the operating systems, structure and association. Software includes systems related to behavioral norms, covenants, cultural implementation and surveillance systems. Managers build leadership styles associated with leadership skills to spread, maintain and develop corporate culture according to leaders' wishes.

Currently, many Vietnamese enterprises, especially in private sector, have built their own corporate culture by themselves without any models. With the experience of the pioneering enterprises above, the main points can be considered in the process of building and developing businesses as follow:

Personality and responsibility of the leaders:

First of all, the personality and responsibility of the leader play the most important role in building corporate culture. The business owner or senior leader is always the pioneer in creating values and setting standards in operating all business activities of the business. These individuals

are imbued with business ethics and have a desire to get the international level of Vietnamese products through business activities. Leadership style includes methods and skills to manage and use power in how corporate culture should be used in our efforts to help the organization. Deploying corporate culture contains behavioral standards system, activities, monitoring system.

Corporate mission and direction:

The leaders define mid-term and long-term goals with an international perspective by providing real values and high-quality service; strict requirements on standards and stimulates all members' efforts and creativity. This is the key to creating the total strength of the business to help build stable competitiveness. Thanks to the right vision and direction, the employees will increasingly believe in solidarity, collective strength and contribute to that stable strength.

All members in the enterprises need to be aware of a strong sense of purpose. Spiritual organizations build their cultures around a meaningful purpose. Besides, focus on individual development by recognizing the worth and value of individuals. They aren't just providing jobs; they seek to create cultures in which employees can continually grow and learn.

Empowerment and Communication:

Any growth comes from the spirit of solidarity. With beliefs in employees, managers know how to exploit each member's capacity to contribute to the collective strength. Employees are involved in, motivated by, and committed to long-term goals and success of the organization. Besides, employees have freedom in working by independently defining their work, exercise discretion, and taking initiative in their day-to-day activities. Managers trust employees to make thoughtful and conscientious decisions. It is *employee empowerment*. Spiritual organizations are characterized by mutual trust, honesty, and openness. Managers aren't afraid to admit mistakes. With its roles and impacts on businesses, the building of corporate culture is considered a necessary job for Vietnamese enterprises, especially in the period of international economic integration. This is the task that Vietnamese businesses have been and will have to do to be able to assert their position in the international arena, as well as build an image of Vietnamese brands.

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