Corporate Culture and Its Awareness in Tourism Small and Medium Sized Enterprises in Dong Thap Province, Vietnam

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Abstract: Organizational culture receives great attention both in practice and academic. Organizational culture is considered as the "personality" of a business guiding the staff behavior on their employment to the values, beliefs, interpersonal behaviors, and attitudes to stakeholders. Corporate culture plays a key factor not only in achieving organizational goals, but in attracting and keeping talents, creating a positive public image, and building respectful relationships with stakeholders.

The purpose of this study is to explore the awareness and adoption of corporate culture in tourism SMEs in Dong Thap province of Vietnam and later provide the recommendations as guidelines on improvement of the perceptions and adoption of corporate culture. To reach that objective, the study uses 2 sources of data: secondary data from the vast literature, researches and studies and primary data from the survey/interviews.

Keywords: Adoption, Awareness, Corporate culture, Dong Thap province (Vietnam), Small and medium sized enterprises.

INTRODUCTION

As a result of the emergence of a globalized economy, many issues as international competition, an increasingly diverse workforce requires all businesses to increase the concerns on how to establish their competitiveness, responsiveness and adaptability to the highly complex and turbulent business environment (Green & Bisseker, 2002; Weiss, 2001; Barney et al., 2001). In a business, the workforce diversity with various differences creates a diverse and complicated work environment (Schein, 2004). According to some scholars, the establishment and maintenance of the strong and right corporate culture is as a solution to enhance and overcome those challenges (Ojo, 2009; Shahzad et al., 2012) and to promote the capacity and promote the contribution of all staff to achieve the overall objectives of the organization (Giri & Kumar, 2007).

The concept of organizational (corporate) culture gains much attention from researchers, consultants, managers and other practitioners predominantly in the business and management field. Corporate culture is seen as intangible assets for businesses. As in the study of Chatman & Karen (1994), understanding of organizational culture can improve organizational change, positive image of the organization in the clients’ eyes and strategy implementation, influence staff’s attitudes and behaviors and also their outcomes of well-being, organizational commitment and job satisfaction. In addition, according to Saeed & Hassan (2000), understanding organizational culture is essential because it is influent to the thoughts, feelings, interactions and performance in an organization.

In the process of international economic integration, to obtain the competitive advantage and managerial effectiveness, corporate culture is the sharp weapon for Vietnamese businesses, especially for SMEs in tourism industry which require high qualified and professional services and human resources, etc. Also, as the importance of the organization culture, managers are often concerned with how employees perceive the characteristics of an organization culture, of which their perceptions of the actual enactment of the espoused organizational values are core aspects (Robbins, 2011).

This research sets out to explore the awareness and adoption of corporate culture in businesses in tourism and travel sector, particularly in the SMEs in Dong Thap province of Vietnam. From the findings of the study, the recommendations on improvement of the perceptions and adoption of corporate culture issues are also made.

LITERATURE REVIEW

The concepts and definitions of corporate culture
The concept of organizational culture has generated a large amount of literature. There are many debates and discussions among organizational culture theorists, social psychologists, and various practitioners about what organizational culture is. Therefore, there are various definitions on organizational or corporate culture by different scholars, but it is lack of a universal definition. In the study of Kroebel & Kluckhohn (1952), over 170 different definitions of that subject are collected.

The concept of “organizational culture” emerged as a widely accepted, discussed and used instrument of analysis in the 1980s and it is widely accepted in approaches to industry, commerce and organizations, including universities (Silver, 2003). However, corporate culture and organizational culture, in fact, have very little difference, and they are normally used somewhat interchangeably in describing accepted norms in companies and organizations. Corporate culture refers to the general style, beliefs, and attitude of a company and organizational culture refers to the accepted norms in a corporation. Also, in business terms, other phrases are often used interchangeably as “corporate culture,” “workplace culture,” and “business culture.” In workplace culture,” and “business culture.”

Organizational culture is collective mind programming creating difference of members of one organization from the other (Hofstede, 1980) strongly held and commonly shared values which permeate into the lives of organizational members through socialization norms, beliefs, values of a group (Enz, 1988; Peters & Waterman, 1982) and shared values (O’Reilly et al., 1991).

Pursuant to Morgan’s study (1998), organizational culture is defined as the set of beliefs, values, and norms, together with symbols in which they represent the unique character of an organization, and provides the context for action in it and by it. With Schein (2004), “Corporate culture is a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct ways you perceive, think, and feel in relation to those problems.” This is considered as the most general definition of corporate culture. Schein identifies three distinct levels of organizational cultures: “Artifacts” as any tangible or visible elements in an organization (Denison, 1990); “Espoused values” as the stated values and rules of behavior in the organization and “Basic assumptions” as taken-for-granted behaviors which are deeply embedded, usually unconscious and hard to recognize from within.

Furthermore, Lawson & Shen (1998) point out organizational culture involves with social expectations and standards as well as the values and beliefs that individuals hold central and that bind organizational groups. Moreover, Aycan et al. (2000) state organizational culture as “common patterns of beliefs, assumptions, values and norms of behavior of human groups and represented by societies, institutions and organizations”. Hill and Jones (2001) describe organizational culture as consisting of the artifacts, experiences, beliefs and values of an organization.

Jones (2004) defines organizational culture as the set of shared values and norms that control organization members’ interactions with each other and with suppliers, customers, and with other people outside the organization. And organizational culture is a management philosophy and a way of managing an organization in improving the effectiveness and efficiency of its performance (Kotter & Heskett, 1992; Ooi & Arumugam, 2006). Later, Sun (2008) presents corporate culture is a system of shared values and beliefs that interact with a business’s people, organization structures, and control systems to produce behavioral norms.

As analyzed from the above definitions, to summarize, corporate culture is as stable attitudes, beliefs and values held in common by organizational members, shared normative beliefs and behavioral expectations. As expressed by Tohidi & Jabbari, (2012), every organization has a culture. The main components of an effective corporate culture are the organization’s mission and goals, work environment, management style, organizational practices and policies, recruitment and career development, benefits and rights.

Types and components of corporate culture

As known, various definitions of organizational culture exist but is it generally refers to the “norms, values and beliefs that the members of an organization maintain rules of conduct, leadership styles, administrative procedures, rituals and customs” (Elsass & Veiga, 1994; Larsson & Lubatkin, 2001; Teerikangas & Very, 2006; Tettenbaum, 1999). More of that, many scholars try to allocate it into groups, create the distinction among them and the distinction of which comparison is only on a relative basis is based on (1) the dominant characteristics or values, (2) the dominant style of leadership, (3) the bases for bonding or coupling and (4) the strategic emphases present in the organization (Cameron & Freeman, 1991; Wilkins & Ouchi, 1983).

Additionally, in the research of Nahavandi & Malekzadeh (1988), every organizational culture has multiple interacting subcultures which interact
with each other and a general organizational culture is depends on the level of integration of the subcultures (Nahavandi & Malekzadeh, 1988). It is a mistake if seeing the culture of an organization as unified because subcultures may need to be managed differently (Nahavandi & Malekzadeh, 1988; Teerikangas & Very, 2006). An organization as a whole may be characterized as having a particular type of culture and hence, many different types of micro-cultures may co-exist within an organization (Dalkir, 2005).

According to Maher’s study (2000), there are two dimensions of corporate culture as control versus flexibility and internal focus versus external focus which need to balance between the competing values of each dimension. This model leads to four types of corporate culture: the hierarchy culture; the market culture, the clan culture and the adhocracy culture. Goffee & Johns (2000) identify four main types of organizational culture based on two dimensions: “Sociability” as friendliness in relationships between people in an organization and “Solidarity” as measurement of the task orientation. According to this classification scheme four types of organizational cultures as communal culture; networked culture; mercenary culture, and fragmented culture. Hofstede (2001) also builds up types of corporate cultures derived from his two national dimensions: uncertainty and power distance including in four types as the pyramid, the machine, the family and the village market. This study adopted Trompenaars’ organizational culture typology. The four categories in this study were originally introduced by Handy (1993).

Another classification is of Trompenaars & Turner (2012) into four main types: the Family, the Eiffel Tower, the Guided Missile and the Incubator. These four types are based on two value dimensions: equality versus hierarchy and orientation to the person versus orientation to the task. In term of the components of corporate culture, they are the symbols, the behavior norms, rituals and ceremonies, the rules and the role of the personal, the stories and organizational myths which are vastly intangibles, less visible.

The importance of corporate culture
In term of the contribution or the effectiveness of the corporate culture, many researches show organizational culture to be positively related to job satisfaction, organizational commitment, job involvement, job stress, job performance, and coping with job tension (Ricardo & Jolly, 1997; Blegen, 1993; Mathieu & Zajac, 1990; Meyer & Allen, 1997; Ooi & Arumugam, 2006; Lu et al., 2005). Therefore, organizational culture has been related to work role behaviors, job attitudes, and a number of work and behavioral outcomes. This is highly agreed by Bal Taştan (2012) through the confirmation that “organization culture is the main issue which shapes the relations, working processes, and decision making and problem solving processes in an organization. Thus, culture has significant impact on various organizational and individual outcomes; more specifically the organizations’ and employees’ performance and effectiveness” (Bal Taştan, 2012).

Furthermore, Denison & Mishra (1995) and Zenir & Ertosun (2011) show the cause of popularity of the organizational culture is the significant relationship between organizational culture and organizational outcomes such as financial performance, gaining competitive advantage and organizational effectiveness. From the viewpoints of Huang et al. (2015), corporate culture is confirmed and concluded to be influent to organization’s performance. Corporate culture has to be designed with the right tools, from the processes to the incentives that lead to good organizational behaviors and great outcomes.

Additionally, Weiss, (2001) and Luthans, (2011) provide the effectiveness of an organization’s culture is often a function of the values and beliefs employees of the organization hold which all of them are put into policies and practices consistently. According to Brown (2011), a strong, widely internalised corporate culture is frequently the reason for the corporate success. Organizational culture often determines the way policies and best practices are communicated, understood, and accepted or rejected (Weiss, 2001). Therefore, it is crucial to understand organizational culture due to its influence to the thoughts, feelings, interactions and performance in an organization (Saeed & Hassan, 2000). This view is confirmed by many scholars as Flamholtz & Randle (1998), Köçel (2007) and Zain et al. (2009) by “an organization’s well founded culture could contribute to the achievement in every aspect of organizational and individual performance”.

According to Madu (2012), a strong organizational culture refers to the set of values and beliefs that are strongly adhered to and shared widely within the organization. However, to achieve that result, more culture specific investments must be invested and such a culture is unlikely to change. According to Ehteshamul & Muhammad (2011) and Uddin et al., (2012), to gain a stronger culture, the more universal the meaning is shared among all members in the organization which is determined by the level of shared meaning of principles, norms and values. Also, the culture will be strong and successful when staff’s goals are aligned to the organization’s goals (Karlsen, 2011).
In contrast, according to (Ashipaoloye, 2014), a weak organizational culture happens with values and beliefs not strongly and widely shared within the organization. Cultures in these organizations are not invested specifically and are more volatile (Taurisa, 2012) in which more on rules and regulations than on a shared understanding of values and beliefs are relied to guide the behavior of its members (Yeh & Chien, 2012), hence there is a strict emphasis of rules and regulations with which members’ behavior should be aligned.

**Concepts of small and medium sized enterprises (SMEs) in Vietnam**

As a key driver for business, growth, innovation and competitiveness, job creation, social stability and economic development, however, there is not a universal SME definition to date (McAdam & Reid, 2005) and the definition of SME is derived in each country and based in its role in the economy, policies and programs designed by particular agencies or institutions empowered to develop SME. To define SME, scholars and practitioners use different quantitative criteria as the number of employees, capital, profit, energy consumption, sales, value-added and market share and qualitative criteria as managed by owner-managers, lower level of hierarchy and specialization, insufficient financial resources and absence of modern managerial techniques (Dincer, 1996). According to Analoui & Karami’s definition (2003), “SME is as one that has only a small share of its market is managed in a personalized way by its owner or part-owner and not through the medium of an elaborate management structure”.

Vietnamese enterprises account for over 97% of SMEs, of which nearly 60% of them are in very small size, as well as technical conditions are backward. In Vietnam, from 2001 to 2009, the definition of SME is said in Decree 90/2001 ND-CP as follow: SME is an independent business establishment with registered capital not exceeding 10 billion VND (about US $600,000) or annual average number of permanent workers not exceeding 300. Later, SME definition is stipulated in Decree 56/2009/ND-CP as follow: Small and medium-sized enterprises are business establishments that have registered their business according to law and are divided into three levels: very small, small and medium according to the sizes of their total capital (equivalent to the total assets identified in an enterprise’s accounting balance sheet) or the average annual number of laborers (total capital is the priority criterion), concretely as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Very small enterprises</th>
<th>Small-sized enterprises</th>
<th>Medium-sized enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of laborers</td>
<td>Total capital</td>
<td>Number of laborers</td>
</tr>
<tr>
<td>I. Agriculture, forestry and fishery</td>
<td>10 persons or fewer</td>
<td>VND 20 billion or less</td>
<td>Between over 10 persons &amp; 200 persons</td>
</tr>
<tr>
<td>II. Industry and construction</td>
<td>10 persons or fewer</td>
<td>VND 20 billion or less</td>
<td>Between over 10 persons &amp; 200 persons</td>
</tr>
<tr>
<td>III. Trade and service</td>
<td>10 persons or fewer</td>
<td>VND 10 billion or less</td>
<td>Between over 10 persons &amp; 50 persons</td>
</tr>
</tbody>
</table>

**METHODOLOGY**

As the objective of this study aims to explore the awareness and adoption of corporate culture in businesses in tourism and travel sector, particularly in the SMEs in Dong Thap province of Vietnam, hence, SMEs in tourism industry sector will be objects for the study. The data used in this study come from the 2 sources: secondary data and primary data.

For the secondary data, they are collected from various sources as Google scholar, Books, Science Direct, Scopus, etc. to be founding for the primary data. As analyzed the contents and systematically with the purpose of bias reduction, the contents for questionnaire and direct semi-structured talks/interviews are created.

For the primary data, it is generated from online questionnaires and direct semi-structured talks/
interviews with 50 staff and 10 owners of SMEs operating in tourism sector in many disciplines of hotel - accommodation service, souvenir trade, restaurants or food shops, transportation service, travel service, agriculture and gardening, etc. The questionnaire is made and sent online via Google doc to SMEs in Dong Thap Province.

All of them own 2 year employment experience or above. There are 2 schemes of questionnaire: one for the staff and one for owners. In each scheme, there are 10 questions

- For the owner, the questionnaire is focused on the establishment, the importance, and corporate culture components, the organizational communication and its application into the business operation.
- For the staff, the questionnaire is concentrated on their perception/understanding, feelings and their constructive ideas to businesses/organizations.

After getting feedback/response of the questionnaires, the author conducts semi-structured and direct interviews and phone talk with them to gain their deeper information and viewpoints towards the practice/application. All of interviews are done in Vietnamese language, recorded, noted and transcribed later.

**FINDINGS AND RECOMMENDATIONS**

**Overview of the Dong Thap provincial tourism**

Dong Thap is one of the 13 provinces in the Mekong Delta of Vietnam. It is located in the middle of Tien River and Hau River. The area of the province is 3246.1 km2 with population of 1,654,500 headcounts and 144 communes of 119 wards in 8 districts.

The tourism sector of the Dong Thap Province reaches the marvelous achievement by continual increase in tourists receiving. According to the statistics of Dong Thap Department of Culture, Sports and Tourism Department, in the first nine months of year 2017, international tourists to Dong Thap gain 60,000 tourists in estimation, up 10.56% over the same period. The total number of tourists is estimated to 2.4 million, reaching 88.88% of the year plan, up 23.19% over the same period in 2016. Total tourism revenue is estimated at 450 billion, reaching 78.26% year plan, up 30.21% over the same period in 2016. The businesses providing tourism service are 10 travel – tourist service one, 85 accommodation providers, 7 provincial-level tourist attractions and others. Also, the study of

Hieu10 shows each tourist spends VND 92,000 per day (around USD 4.4) and stay not over 2 days.

**Findings from the owners:**

Concerning to the question on how the owners of the businesses understand the concept of corporate culture, most of them (87.4%) show their limited understandings on corporate culture. They can express many different notions and ideas on corporate culture because with them, their businesses are operated and managed in a family style. Therefore, the so-called corporate culture is somewhat new to them and they don’t pay much attention to that concept. This is suitable with Trung’s study (2017). Due to limited time, complex and fierce competitive environment, etc. the SMEs’s owners pay much their attention to the routine operation activities. This is not only in businesses in Dong Thap province but most of businesses in Vietnam as well. After some definitions have been provided to them, most of them agree that, they don’t know exactly the definitions but that concept is existed in their minds. And 90% of them agree that the corporate culture will bring them the corporate image enhancement, sales and service turnover increase, qualified human resources attraction, competitive improvements and of course, the customer satisfaction is also gone up.

Due to the family-styled business operation, 98% of the surveyed SMEs run without written and clear mission or vision statements, development strategy or plan and even the business philosophy. Trung (2017) states “90% of SMEs in Dong Thap Province are not familiar or don’t have ideas of strategic management”. Also, 93% don’t pay attention to build up their corporate development history.

In relation to the visual symbols as staff uniforms, corporate brochures, logo, etc., 80% of the SMEs in this study don’t have these activities. As per their viewpoints, financial issues as well as their knowledge are limited. Also, most of their customers (tourists) are from the local; therefore, it is not necessary to think about these activities and issues.

In addition, some components of corporate culture as code of conduct, business internal meetings, and other activities are also passed away. 94% of them don’t have these activities. As per their opinions, due to the small size and family operation, these issues are not necessary. Furthermore, only 50% of them have the notice board in which is to inform or delivery any information to staff (employees). In case to meet with or inform any news to staff, the owners or managers use phones.
Finding from the employees/staff

As same as the results surveyed from the owners or managers in the businesses, 98% of the staffs own their limited understanding or concept on what is called “corporate culture”. This is caused by many reasons: First, most of staff are local people (near the businesses), and most of them know or are the relative with the owners. Hence, the working and management style are toward the family-styled management. Second, it may be upon to the local characteristics of the south west of Vietnam of which inhabitants are open-minded, easy-going... and the so-called “corporate culture” is not cared. The owners and staff behave each other like family members. However, in relation with the loyalty with the businesses they are working for, 50% of them show that they have no idea/thought on the loyalty, 50% feel happy to work in the organization. 50% express that they don’t like this working environment because with the family-styled management, many issues are not clear and transparency. They expect to have internal code of conduct, job descriptions, job performance appraisal, etc. 60% of them don’t find values and the organization’s values similar. Thus, 60% of them don’t think that they are proud to work in these organizations, recommend this organization to my friends as a great organization to work for, or devote all the best to the business development. As a consequence, the staffs are not strongly putting their beliefs into the organization. More of that, 75% points out business uniforms are accepted and they are willing to wear or use those.

Recommendations

SMEs must consider to the crucial issues as human resources in an organization, working environment, customer-benefit orientation and concentration, etc, as the foundations to build up and develop the strong corporate culture. As from the result of the study, some of the following recommendations are made to develop the business from the corporate culture perspectives.

In term of the owners, corporate culture is really important not only for the development but also competitive enhancement of the organizations. As from the analysis results, the most important issue is to raise the awareness of owners, of course staff inclusion about the role, nature and importance of corporate culture. The SME’s owners should find related documents to read or follow a course on this subject to widen their understandings. Additionally, development the human resource of the organization is a must because the service quality and customer satisfactions are based on their qualities. To implement this activity, the training courses on this subject should be provided to them. When they understand, they will have close cooperation, value share and development with the organization. Additionally, the development of the collective programs, rituals and meetings, internal - external communication system must be created and applied into routine activities. Besides, other tools (cultural symbols) as company logo, brochure, staff uniform, job descriptions, job performance, code of conduct, written internal labor rules etc. must be created.

As a staff of an organization, as know, to gain the high effectiveness and efficiency of the organization, the contribution of staff in the organization is a must. To achieve that objective, the first “must to do” is to understand the corporate culture. Staff should study or find documents, discover the development history of the organization themselves or by study at the training center to gain ideas or concept and to understand corporate culture. In case, staffs understand and increase attention to corporate culture, they will more devote and feel happier with their employment, etc. to give the best services, high quality products and high satisfactions to customers which make organizations to develop quickly.

As in roles of the local authorities and administrators, it is necessary to provide consultation or training course and legal to SMEs to increase the awareness of the corporate culture to both employees and owners. Besides, many supportive programs as market expansion and seeking, taxation incentives, capital support, etc. from the State and local authorities should be done.

CONCLUSIONS

The importance of understanding, establishing and maintaining a strong and appropriate corporate culture in SMEs cannot be underestimated in terms of its impact on organization’s effectiveness and efficiency. However, the awareness of the corporate culture of the staff and owners in SMEs are very limited. Therefore, this paper is to explore and raise ideas of awareness and to formulate recommendations which help tourism businesses increase corporate culture’s awareness and adoption. As a result, this process will benefit the businesses and the society not only for SMEs but all other types of business as well. However, this study limits in the scope because the study is conducted only in SMEs in Dong Thap province and the sample collection in the convenience method. Therefore, it is not representing for the whole industry, to cover the limitations, further research should be done.

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