Organizational culture and labor productivity of foreign corporations in Vietnam

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Abstract
This article provides information on the organizational culture and labor productivity of state-owned and foreign-owned enterprises in Vietnam. Use qualitative methods with standardized tools such as interviewing, simulation, and Denison modeling. The objective is to find the factors that influence organizational culture and labor productivity and compare the strengths and weaknesses that need to be overcome by both types of enterprises. Solutions and recommendations to improve organizational culture and productivity of enterprises, when building a well-organized cultural system will create a good working environment for employees. The increase in labor productivity, increased revenue, increased profits for businesses to promote economic development.

Keywords: Organizational culture, labor productivity, economic growth, competitiveness.

Introduction
Organizational culture is understood as the traditions, the organizational ways, the business strategies, the rules of the business throughout the operation. Organizational culture of a business as a mold helps the business management of human resources, finance as well as business strategies in the most effective way. Organizational culture can be described as a common set of beliefs, practices, value systems, behavioral norms, and business practices of each organization. The above will define the organization’s own operational pattern and behavior (Tunstall, 1983). Culture is a form of basic set-up that are invented, explored, developed by a group as they learn how to deal with issues relating to external adaptation and integration within (Schein, 1985). If you do a good job of “corporate culture,” you can turn the company into a common home for all your employees so they can devote themselves to this common home. From there, they will build and develop their own home stronger, contributing greatly in improving business efficiency as well as competitiveness of enterprises.

Labor productivity is an indicator of effectiveness. Labor productivity is the effect of human activity in a unit of time, which is expressed by the number of products produced in a single Take time or waste to produce a product. Increasing labor productivity is "an increase in productivity or labor productivity. In general, we understand that the change shortens the time required to produce more value. Increasing labor productivity is an important factor in improving the performance of enterprises, enhancing the competitiveness and profitability of enterprises, creating conditions for the expansion of production and business scale, improve working environment and quality of life for workers. At present, in the context of international integration, labor productivity is the decisive factor for the competitiveness of enterprises and the economy.

The role of organizational culture and productivity is of utmost importance. The labor productivity of Vietnam in recent years has improved significantly over the years and is a country with high labor productivity growth in the ASEAN region. However, it is still very low compared to many countries in the region. The purpose of this article is to research and find out the factors affecting the organizational culture and labor productivity of state-owned and foreign-owned enterprises in Vietnam. It then offers solutions and suggestions to improve organizational cultures as well as increase labor productivity, contributing to economic growth.
2. Theoretical Framework

Organizational culture is not just a chain of complexes but it is all the chain of troubles. Culture is not a matter of an organization but a system of organizations. (Pacanowsky and O’Donnell Trujillo, 1982).

Organizational culture can be described as a common set of beliefs, practices, value systems, behavioral norms, and business practices of each organization. The above will define the organization’s own operational pattern and behavior (Tunstall, 1983).

Organizational culture is a common system of meaning held by the members of the organization, which distinguishes it from one organization to another (Robbin 2000).

Organizational culture is one of the factors, motivational tools that contribute to improving the quality of human resources and productivity of enterprises.

Organizational culture is a system of meanings, values, core beliefs, perceptions, and thinking that all members of an organization agree and influence in a wide range of ways. Organizational culture represents a consensus of opinion, consistency in the approach and behavior of members in an organization. It has the effect of distinguishing one organization from another, so it is called identity, cultural identity. Behavior and behavior of executives play the role of motivating and motivating subordinates to identify themselves and their subordinates to receive such beliefs and values. Organizational culture has a profound impact on the organization's administration from planning, decision-making, to organizational work, testing, and conditioning (Nguyen Nguyen Dung, Phan Dinh Quyet, Le Viet, 2010).

The work of Bui Xuan Phong (2006) entitled "Business ethics and corporate culture" presents concepts, characteristics and expressions of corporate culture, factors that create corporate culture; Principles and procedures for building corporate culture. In addition, the project also presents culture in business activities such as marketing, culture in behavior, negotiation and negotiation. In the field of post and telecommunications, Bui Xuan Phong has published a number of works such as: "Sustain and develop for sustainable development and international integration" (2010); "Discuss the process of building corporate culture" (2010); "Maintaining and developing corporate culture for sustainable development and international integration" (2010). From the perspective of a researcher, the author has raised theoretical and practical issues of building corporate culture, stressing the importance of corporate culture for the sustainable development of the organizations, for example VNPT (Vietnam Post and Telecommunication). The author focuses on building corporate culture at VNPT, the immediate and long-term solutions for developing VNPT culture in the process of international integration and development.

Research by Tran Thi Kim Dung (2007) studied the influence of organizational culture and leadership style on the performance of employees and their loyalty to the organization. This is one of the first studies in the field of organizational culture, a survey research of 656 samples conducted in the area of Ho Chi Minh City.

The work of Do Thi Phi Hoai, (2009) [2] entitled "Corporate Culture" deals with diverse aspects of corporate culture, including concepts, levels of corporate culture, the impact of corporate culture on business operations; Factors influencing corporate culture, stage of formation and structure of changing corporate culture; types of corporate culture.

In the works of Do Minh Cuong (2011) [3] entitled "Business personality and business culture in Vietnam"; "Innovation of leadership culture, management: theory and practice", there are systematic presentations on both theoretical and practical issues of business culture, culture of the world and Vietnam.


The work of Duong Thi Lieu (2012) [15] entitled “Business Culture Textbook” builds on the syllabus of business ethics, corporate culture, business spirit of prestigious authors in and outside the country. Through lectures and surveys, summarizing successes as well as failures of well-known enterprises at home and abroad, the curriculum equips learners with general knowledge about business culture and skills necessary to organize, apply and develop the knowledge on business culture in economic and business activities.

Strong culture can have negative or positive effects on the organization and behavior of employees. The positive effect of strong culture can create organizations with tremendous success in business. Strong culture can contribute to the reduction of labor turnover, which improves the consistency of behavior. Culture has the effect of enhancing organizational commitment and increasing consistency in employee behavior. These things clearly bring real benefits to an organization. On the contrary, culture can also be a burden when the common values of the organization do not fit, with elements that promote the effectiveness of the organization. This situation is most common when the environment of the organization is very active. As the organization’s environment is experiencing a rapid change, the organization's inherent culture may be almost no longer appropriate. (Bui Anh Tuan, Pham Thuy Huong, 2013)

Vietnamese enterprises are limited in building a business learning environment, adapting to change and applying advanced management methods, and lack of incentives for workers in the improvement activities. It is needed to invest in science and technology, improve the quality and skills of labor. Of the few companies that have goals and productivity strategies, the implementation is not effective. The main reason is not yet delivering the benefits of productivity improvement to workers who directly implement these productivity strategies. Delivering with improved slogans is not really meaningful, but more importantly, workers realize the benefits of their innovative efforts. This requires the sharing of interests, similar to the mutual benefit between the employers, the manager of the business and the employees. Businesses should propagate the benefits of productivity enhancement to create interest, consensus and cooperation of the three parties: Government - Employer - Employee. Assist the business to build a culture that improves the productivity and industrial sense of the worker. (Nguyen Thanh Hai, Nguyen Thi Le Hoa, 2016) Other scholars such as Schein (1985) have suggested
that the best understanding of culture is: a set of psychological tendencies that members of an organization possess and cause them to think and act in specific ways. While this view is widespread, many scholars, including Eldridge and Crombie (1974), acknowledge that behaviors are just as important. Choosing the right cultural definition is closely related to the way we study it. Finally, we can derive three organizational culture identities through this book: Cultural organization refers to the form of beliefs, values, and habits developed throughout the history of the organization. This is reflected in the behavior of the members. Therefore organizational culture is the leading determinant of organizational performance.

The work of Greert Hofstede- Gert Jan Hosfstedt- Michael Minkov (2010) entitled “Culture and Organizations” is a comprehensive cultural study book of 70 countries in the world and within 40 years of writing on cultural characteristics, the positive and negative aspects of culture, cultural formation and its effects on organizational culture. The book of Edgar H. Schein (2012) entitled “Corporate Culture and Leadership” is a study of organizational culture, its characteristics, types of organizational culture, the role of the leader in the creation and design of culture in the organization, management styles of leaders when there is a change in organizational culture.

Organizational culture is a set of norms, systems of beliefs and values built into an organization that control the interaction between members and guide the behavior of individuals in that organization. The results of the survey of 15 companies representing four industries in the service sector show that firms with a stable organizational culture will survive and be more diversified in their industries. (Jennifer A. Chatman & Karen A. Jehn, 2017) 

Organizations that use complex planning, recruitment and selection strategies will have a positive and significant impact on labor productivity (Marianne J. Kock, Rita Gunther McGrath, 1996).

According to the Wallach model (1938) there is a causal relationship in organizational relationships with the performance of employees. In the innovation culture, employees are expected to be highly motivated and confrontational in their work. The supportive culture is expressed by teamwork and working environment, encouragement, friendliness and trust. In the administrative culture, employees will create hierarchies, regulations, division of work, responsibilities and adherence to clear principles.

The Denison model (1990) divides culture into four elements: integration culture, mission culture, adaptive culture, and culture. Inclusive culture focuses on the participation of members to respond to the rapidly changing external environment: leadership style, teamwork and development capacity. Mission cultures are concerned with meeting the demands of the external environment but do not need to make rapid changes: strategy, vision, goals. Adaptive culture emphasizes norms, beliefs that enhance the capacity to detect, process, and transform signals from the external environment into organizational adaptive behaviors: job creation, customer interest, training and development. Consistent culture focuses on the issues within the organization and on the persistence of building and maintaining a stable environment: corporate values, cooperative exchanges and reward policies.

The Ginevicius-Vaitkunaite model (2006) reveals 12 factors: customer care, adaptation, learning, strategic direction, reward and motivation, communication, integration, collaboration, communication, management systems, approval, coordination affect productivity and the result is the work of the worker. This group of factors is designed to build harmony and solidarity among the senior members who are always interested in meeting the aspirations of subordinates to create the most effective organization.

3. Research Methodology
Evaluating corporate culture helps enterprises to recognize the strengths and weaknesses of corporate culture in relation to the long-term goals and objectives of the business, thereby enabling the delivery of complete solutions to improve the efficiency and competitiveness of enterprises. According to Schein (2004), if one only cuts along cultural levels without deciphering the values and concepts implicitly, one cannot really understand the corporate culture. The essence of corporate culture will be revealed when one can point to implicit values in relation to organizational behavior. According to Herzka and Turáková (2010), corporate culture is created by people, so the enterprise needs to be considered as a social system, an important element of that system is employees, the interaction of employees with the values, principles, goals and business strategies of the business. Corporate culture can be analyzed using a variety of methods which can be divided into two main groups:

- Qualitative methods are equipped with standardized tools as interviews, simulations. These methods require the evaluator to be an expert with deep understanding, independent and objective judgment, and time-consuming.

- Quantitative methods recognize different business cultures on the basis of uniformity, allowing the comparison of data between systems and assess the reliability of the data. To that end, Daniel R. Denison's (1990) corporate culture model is ideal. This model has been used by over 5,000 companies and researchers worldwide for more than 20 year. This model answers the four following questions:

- Do you have a clear understanding of the direction and path of development? Evaluation results show that members' perceptions of long-term orientation, also known as organizational mission, include: (i) strategic direction; (ii) work objectives; and (iii) vision.

- Did the company understand the market and customers, to translate into concrete actions? Evaluation results show respect for cultural values through the effectiveness of business processes and systems, also known as consistency, including: (i) coordination and mount; (ii) consensus; (iii) core values.

- Have enterprises already had systems to effectively implement business orientations? The assessment results demonstrate the ability to build capacity and accountability of employees, also known as participation, including: (i) delegation; (ii) group coordination; (iii) capacity development.

- Are the staff committed to the goals and directions set?
Evaluation results demonstrate the ability of firms to translate customer demand into specific actions, also known as adaptability, including: (i) learning organization; (ii) customer orientation; and (iii) innovation.

As can be seen, the Denison model gives the user clear advantages in evaluating corporate culture: (1) Identifying weaknesses and strengths in the corporate culture; (2) allow the definition of the content or scope of an adjustment plan in the corporate culture; and (3) help businesses identify the direction of the development of leadership and corporate culture.

4. Research Results and Findings

The results of the corporate culture assessment below were conducted at a company with more than 20 years of experience in building corporate culture.

Step one, interview the CEO and founder of the company to understand the vision, strategic direction, business philosophy, management policy and development. Human resources, challenges and success in developing corporate culture. Subsequently, the interviews were repeated with three members of the steering committee. Board members were also asked to evaluate corporate culture in a questionnaire based on Schein's three-level corporate culture with 17 criteria. The purpose of this step is to clarify the direction of corporate culture that the company leader wants to pursue, as well as the consistency in management perception and direction.

Second, the questionnaire consisted of 60 Denison model questionnaires distributed to all employees at the company headquarters, managers from the team level at the company's branch offices. The total of 105 votes out of 125 issued.

Finally, the results of the questionnaire analysis will be compared with the development orientations identified in step one to provide an assessment of successes and constraints in the development of corporate culture, as well as the implications of lessons learned for other businesses.

Results were analyzed from 105 questionnaires answered by staff, helping to give a picture of corporate culture of the company. The results in the initial conclusion: the company has created corporate culture with its own identity, but is in the process of finishing. The measured values give an average distribution of 3.54 to 3.89, averaging 3.75 on a 5-point scale, which is quite good, but not outstanding and clear.

Based on the results of the Denison model of corporate culture, combined with the interview and field results, the characteristics recorded in the corporate culture of the company includes:

1. Members treat each other as family members, stick together and share with each other. Employees are always confident in the decisions and policies of the company and express the spirit of solidarity, teamwork in the work. Corporate culture has been understood by each member of the company, creating strengths and differences in the business as well as competitive advantage of the company in the market.

2. The company has built a culture of character, from costumes, jewelry, ways of communicating how to work. Especially, the company applied the policy of recruiting staff very closely, carefully selected based on the criteria of corporate identity. The careful selection has shortened the time of new employees to integrate into the work environment, quickly integrate with the organization and development orientation of the company, creating the most favorable conditions for the development team.

3. Corporate culture demonstrates the management philosophy of work efficiency. In every situation and work assigned, the members are oriented towards efficiency and quality of work. This culture has been formed and developed since the establishment of the company. Management philosophy is spread from the top leaders to the management team, who are ahead, experienced and pillar leaders, who lead and instruct the followers. Therefore, all members are developed and work towards the efficiency of work.

4. Leadership of the company is always a mirror, a symbol, cheering for business activities. Leaders actively take the policy of managing, searching and developing talents in the company, spreading the ideas and management philosophies to the managers and spreading them to the staffs.

In addition to the strengths noted above, corporate culture of the company also revealed the following limitations:

1. Staff development is not paid due attention and proper investment. The results and successes are mainly derived from the role and pressure of the leader and the process of recruiting employees in accordance with the company's value standards.

2. The involvement of staff in the process of formulating strategies and objectives, promoting the creativity of each member is limited.

3. There is a lack of communication and coordination in the organization, which reduces the effectiveness of the organization. The process of collecting research data is difficult, longer than the plan, and partly reflects this limitation.

4. The proactive role of employees in meeting the needs of their clients to be further enhanced to create engagement with work, share vision, and improve innovation within the company.

Labor productivity of the whole economy in 2015 at current prices is estimated at 79.3 million VND / labor (equivalent to about 3.657 USD / labor). At constant prices in 2010, Vietnam's labor productivity in 2015 will increase by 6.4% compared to that in 2014, the average growth rate in the period of 2006-2015 is 3.9% / year (GSO, 2016). In line with the renovation and economic development, Vietnam's labor productivity has improved remarkably over the years and the relative distance of labor productivity with ASEAN countries is narrowed down. However, labor productivity in our country is still low compared to other countries in the region, the absolute distance is increasingly in the rise.

In the Vietnam Economic Annual Report 2018 with focus on "Understanding labor market to increase productivity" was announced on 8/5, Institute of Economic and Policy Research (VEPR), labor productivity average Vietnamese labor force at current prices increased from VND38.64
million in 2006 to VND60.73 million by the end of 2017. In terms of international comparisons, labor productivity in Vietnam is in line with In relation to Northeast Asian countries (Japan, Korea, China and ASEAN (Singapore, Thailand, Philippines, Indonesia...), however, VEPR said that by 2015, The low productivity of labor is one of the long-standing problems for the Vietnamese economy. In particular when recent studies increasingly indicate distance away with the countries in the region. (Nguyen Ha, 2018) [14].

5. Discussion
This article seeks solutions for overseas businesses that are better adapted to the environment in Vietnam in terms of tackling the rising costs, attracting human resources, retaining marketing success and innovation, solving quality problem and organizational flexibility. Those are the six aspects of business efficiency to be directly affected by the management of cultural diversity. Build the spirit of solidarity in the enterprise. It is important to see the business unit as a big family. Each member must be responsible for the action for the survival and development of the business. The benefits of businesses and workers are one. Create a culture of knowledge in the enterprise. Build an atmosphere of open, mutual trust in the business. Cultural atmosphere is the soul of the business, meaning the subconscious of an organization. On the one hand, it is created from the relationship of business members. On the other hand it controls the relationship as a "collective program". They view human resources as a valuable asset. Employees are streamlined to promote their passion and ability effectively with a high sense of responsibility. For example, in our case studies, we approached the Coca Cola Company in Vietnam, the satisfaction of the staff that made the company successful. Company culture: The corporate culture is defined to include seven core values: leadership, passion, integrity, cooperation, diversity, quality, and responsibility. The central promise of the Coca-Cola Company is to refresh the world in mind and inspire employees to create value and make a difference and the company has come to the conclusion that: Better if the process involved in employee decision-making is increasing. The company will continue to earn high profits. The culture of a company can be a sustainable source of competitive advantage if the culture is valuable, rare and inimitable. Maintaining the superior performance of companies like Coca Cola, Samsung, and McDonald's, at least in part, can be a reflection of their organizational culture (Peters & Waterman, 1982). Companies of no value, rare or impossible to imitate culture cannot expect their culture to be a source of sustainable competitive advantage. Such companies also do not expect their efforts to change their culture, although they can successfully combine the new valuable attributes, which will create outstanding performance retention. The stronger the organizational culture the more members of the organization accept the common organizational values, which are widely shared, intended and committed by all. Strong culture influences the behavior of members in the organization, culture is directly related to reducing the level of labor force substitution because strong culture can bring together high consensus among Members of what their organization is proposing. Such intentional unity will create bonding, loyalty, and commitment to the organization of the members. The level of business owners in Vietnam is increasing, so the awareness of enterprises on culture and motivation for workers is much higher than before. Many businesses have turned to people, increasingly interested in material and spiritual life for workers, the material and spiritual life of workers is increasingly enhanced. However, there are no policies to preserve and attract talents, and workers have not been properly paid attention, especially in private enterprises sometimes the workers are not respected, the workers only know working, being exploited to the maximum, there are also workers who were beaten. Especially, the perception of organizational culture and its impact on the motivation of employees is unclear and many enterprises still do not know what the organizational culture is. Mr. Tran Thanh Hai of Fretech Electronics Group stated that some causes of cultural reality in enterprises in Vietnam are weak as follows: First, corporate culture cannot be separated from social culture. Because members of the business are also members of the family and society. But our society has many inadequacies. One of the inadequacies is the quality of the education system, the product of the education system that is the engineers, bachelors, skilled workers graduate. Second, our society is not interested in supporting businesses in building their culture. If you are interested in this, then you learn each other. Associations, if any, operate in a formal manner. Third, managers themselves must attach great importance to building corporate culture, but most current leaders are not aware of the right place and role of corporate culture for the success of the business in general as well as motivation for workers in particular. Fourth, in our country there is no extensive propaganda about corporate culture. This is a very strange concept for many people, even those with high education.

6. Conclusion and Recommendation
From the above, we see the relationship between organizational culture and motivational issues working for employees. Businesses without a culture of demand cannot engage in activities that will change their culture and create sustained high financial performance because their transformational cultures are not uncommon and imperfect. Corporate culture is considered an intangible asset. This kind of assets can help businesses develop sustainably, especially in the context of Vietnam increasingly integrated into the world economy. However, if you do not know how to promote it, it will bring businesses quickly to bankruptcy. Companies with a culture with mandatory attributes can obtain a higher sustainable financial performance from their culture. How does a manager have to influence it so that it becomes a powerful tool for influencing labor motivation? In the context of organizational culture, as well as the perception of the relationship between it and motivational issues of Vietnamese enterprises, it is extremely difficult to answer the question because there is not yet one. Any official document on this issue, furthermore the perception of businesses on this issue is fuzzy. Based on the relationship between organizational culture and motivational issues, based on the current status of the topic enterprises, they also build up an organizational culture that can create motivation to work for the employees. Support enterprises to know how to use and maximize the cultural factors in
production and business thereby creating motivation to work for workers. Assuming, through the substantial management of spending over time, a company can modify its culture. Has this modified culture, then, been a source of sustainable competitive advantage? First, if the company mimics the precious culture of a competing company, then even if the company succeeds in modifying its culture, this modified culture will only allow it to do what the company does. Such success does not provide a stable, sustainable or otherwise competitive advantage in the field of organizational culture. A work environment in which everyone is open and cooperative makes each employee feel happier and more excited in their work. Especially working in an environment where there is a consistent and consistent management infrastructure will create employee motivation and reduce managerial responsibilities significantly. In addition, managers need to listen to employees, not to offend, this shows respect for employees, help managers understand the mind, think of employees to make appropriate managerial decisions. In order to have a corporate culture of integration in the right sense, the responsibility of each individual and business leader in Vietnam is to actively learn the provisions of international law in the field of production and business, To understand the experience of dealing with trade disputes, to study, to update business information, to follow the market to make reasonable decisions in order to bring about higher profits. Creating a favorable environment for Vietnamese business culture to form and develop. First of all, create a favorable environment for business. Economic institutions are one of the factors that affect the corporate culture and directly affect the productivity of employees as well as the business. Industry associations should support enterprises to increase awareness of corporate culture and business culture through specific activities such as propaganda on the mass media, organizing seminars, training programs, study tours or ministerial-level projects on business culture and corporate culture, creating the best conditions to promote the workforce of employees. To formulate investment strategies for people in order to bring into full play the talents and creativity of each individual in the enterprise, thus raising the efficiency of production and business to actively propagate and disseminate specialized knowledge to all members of the enterprise.

7. References