Evaluating and Transforming Workplace Culture in Vietnam Companies by Applying Lean Management

Thi Nham Le*, Chia Nan Wang, Ying Fang Huang

Department of Industrial Engineering and Management, National Kaohsiung University of Applied Sciences
Kaohsiung City 80778, Taiwan

ABSTRACT

Vietnam is on the way to develop, workplace culture is to be a not-so-emphasized concept. Under the pressure to compete with strong rivals and boost up performance, the awareness over culture aspects in Vietnam companies has been risen recently. However, many companies and organizations do not completely understood their culture, their current status and orientation to build up culture, which requires more research to study in-depth. The purpose of this paper is to outline the definitions of workplace culture and discussed different approaches to study this field in terms of business culture models in Vietnam. It is clear from the literature that workplace culture is an important yet complex notion that every organization should pay close attention. These studies will be a good foundation for any organizations that plan to implement Lean management for their own business and ensure a more successful result for both the companies and its customers.

Keywords: workplace culture, organizational culture, lean culture, business culture, Vietnam culture

INTRODUCTION

For the past decade, Vietnam has been a long period of continuous high growth and macroeconomic stability. The country also attracts foreign investors and become one of the most attractive investment destinations in Asian Southern East Nations. Hence, it is not exaggerating to assume that achievement in foreign relations, along with such economic successes, have further consolidated Vietnam's position in the international arena (Vo & Nguyen, 2009) [1]. Despite the economy development, the awareness of workplace culture in Vietnam as well as its importance is rather restricted. Thus, the picture of Vietnamese workplace culture remains a potential area for future study. Meanwhile, the temporary perspective over the notion can be obtained through little literature that mostly relates organizational culture with the national culture.

The purpose of this reseach is to provide an overview of workplace culture in Vietnamese companies, Lean culture and the application of these notions in the background of Vietnamese economy. This paper begins by reviewing business culture, followed by lean culture and survey to provide the understanding of its extensive yet complicated influence over many industries. After that, the organizational culture awareness, the implementation and challenges of Lean in Vietnam will be discussed. Finally, the paper moves on to highlight the gap in literature and empirical experience of building workplace culture by applying lean management in Vietnam industries and companies, which will be examined through subsequent parts of this study.

BUSINESS CULTURE

Definition of Business Culture

Inside every individual, a culture lives and controls our attitudes and behaviors. However, that is not the only culture with which we live. Along with any social communities that we are a member of, there exists a culture that is a part of us and affects us. This is the basis for the assumption that each company is a cultural unit possessing its own common shared values and stories (Schein, 2009) [2]. For Sims (2002), the cultural aspect of an organization to provide guidance for behaviour [3]. They

are intertwined with the concept of ethic. The rules, principles, standards, or beliefs that commonly define the right and wrong. Cameron & Quinn (2006) emphasize roles by stating that business culture creates both stability and adaptability for organizations [4]. It creates stability by being the glue that holds the organization together. Culture reinforces continuity and consistency in the organization through adherence to a clear set of consensual values. Culture also fosters adaptability by providing a clear set of principles to follow when designing strategies to cope with new circumstances. It also assumes that a positive culture can benefit various business actors that an organizational unit is dealing with including employees, external clients, suppliers, stockholders and so forth.

Schein (2010) approved that organizational culture of a group can now be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid [5]. Therefore, to be taught to new member as the correct way to perceive, think, and feel in relation to those problem.

A pattern of basic assumptions that a group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, which is represented in a system of shared values defining what is important, and norms, defining appropriate attitudes and behaviours, that guide each individual's attitudes and behaviours by Pfister (2009) [6].

Herzog (2011) pointed out a major aspect of culture is that group shared or hold certain things in common [7]. These things are usually referred to as values, norms, attitudes, and behaviour patterns that form the core identity of an organization or of one of its subunits.

One of the most well-known definitions of organization culture was coined by Schein (2010) that work culture of a group can now be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new member as the correct way to perceive, think, and feel in relation to those problem. This definition has a big influence on other researchers and was advanced to a more complete notion with the adding that business culture appears under the system of shared values defining what is important, what are appropriate attitudes and behaviors for individuals.

Approach to Business Culture

We are living in an ever-changing economy where strict demands from the market, speedy development of technology as well as increasing concern for the environment that requires organizations to change regularly to survive and rise to the top for the highest profit possible. In addition, an increasing number of mergers, acquisitions, joint ventures and special projects demand the mix-match of different members from different organizational units (Cameron & Quinn, 2006) [4], which means organizations have to figure out how to combine unfamiliar factors with their existing ones to relentlessly vary themselves successfully. Organizational culture might be the answer for this question, as Osborne & Brown (2005) stated in order to achieve a successful change effort there is a requirement to work systematically with the set of values, beliefs, and behaviours that 'embody' organizational culture to enable change to occur [8].

On the path to adjust one business culture, the very first step to initiate is to assess that culture. Just as the variation of the term's definition, many approaches have been conducted to study this issue. To illustrate the variety of models and dimensions represented, a few are mentioned here. Regarding types of organizational culture model, Deal & Kennedy (2000) based on two influences in the market place [9]. The nature of risk in the organization and the rate of feedback regarding the success of what they do and suggest four types of organizational.

The great amount of dimensions proposed results from the extremely broad and extensive in scope of organizational culture. For each dimensions, there are different criteria to measure. Accordingly, the approaches to collect data for assessment of the culture are plentiful. Denison Organizational Culture Survey is a well-known tool comprising of 60 items that measure specific aspects of an organizational culture in each of the four traits and outlined in the Denison Model (Denison et al., 2012) [10]. Cameron & Quinn (2006), on the other hand, propose the Organizational Culture Assessment Instrument in order to measure six key aspects that form organizational culture and create a current and preferred culture profile for organizations [4].

LEAN MANAGEMENT

Established in April 1937, Toyota Motor Corporation had to struggle during the early years of operation. The company produced poor-quality vehicles with primitive technology and had little success. Even before World War II, Toyota realized that the Japanese market was too small while demands were not compatible for the mass production as in U.S. The post war economy even got worse when most industries had been destroyed, the supply base was ill and consumers had little money. Toyota had no other ways but produced low volumes of different models using the same assembly line as Ford's because consumer demand in their auto market was too low to support dedicated assembly lines for one vehicle, not to mention the company had no cash and operated in a small country (Liker, 2004) [11].

Impressed by Ford's production to achieve simultaneously high quality, low cost, short lead times, and flexibility, the president and then chairman of Toyota, and other managers decided to took study tour of the USA plants in 1950s and learn about Henry Ford's production philosophy. Over the years, combining empirical experiences and ideas from the Ohno and his colleagues had come up with the new Toyota Production System (TPS) (Liker, 2004), which is more commonly known as Lean manufacturing [11].

The heart of TPS is, as Liker (2004) claimed that shortening lead time by eliminating waste in each step of a process lead to best quality and lowest cost, while improving safety and morale. In addition, TPS does not stand still but has continually been developed to reduce and eliminate waste in processes within the organization (Womack, Jones, Roos, & Carpenter, 1990) [12].

In Toyota, operation excellence is a strategic weapon (Liker, 2004). This excellence results from a variety of tools and quality improvement methods. However, they are only what people see on the surface of the iceberg. The underneath, invisible and central part that ultimately retains Toyota's control on the quality is its ability to cultivate leadership, teams, and culture.

People define Lean culture mainly based on their empirical experience with the notion. Provided that all of their opinions have some level of merit, the effort to figure out a valued definition of Lean culture may lead to an exhausting result (Integris Performance Advisors, 2013) [13]. Instead, the attention should be paid on what is more important what Lean culture means to people and organization. For Mann (2010), Lean culture results directly from the management system [14]. It is heavily driven by the style of management and greatly influences the failure or sustainable success of a Lean effort (Atkinson, 2010) [15]. Lean culture decides whether workers can contribute to the continuous improvement of the system or improving themselves. In contrast, organizations become more dependent on workers to reduce inventory, identify hidden problems, and fix them (Liker, 2004).

With such an enormous impact on the overall performance of a so-called Lean organization, the culture manifests itself in most patterns of the organizations. For the sophistication, sufficiency, and validity, a set of 14 principles suggested by Liker (2004) was exploited in this study [11]. These principles illustrate Lean Culture and group in to Philosophy, Process, People and Partner, and Problem Solving.

On analysing the trends to build up Lean cultural factors within an organization, the '4P' model of the lean culture proposed by Liker (2004) [11]. This model comprises four categories, all starting with "P" are Philosophy, Process, People/Partners, and Problem Solving.

Basically, the pyramid-shaped model demonstrates how Lean culture or Toyota Way should be built to ensure stability and sustainability for an organization. The foundation or the bottom of the pyramid is Philosophy of the organization, which mainly relate to the vision of the management in long-term. The next level is Process, this happens when various tools and instruments of Lean are implemented. Developing People and Partners is the next step to be taken. Organizations need to focus on all actors involved in the operation, from leaders, employees to suppliers in order to improve the entire organization and its supporting units. Depending on the role of actors, there will be different strategies and initiatives to deal with them. Finally, when the orientation, the process and the people are well-equipped with tools and principles of Lean, the organization reach out for the top of the pyramid Problem solving, continuous learning and improvement.

By comparing the Lean implementation with this model in term of cultural sense, companies and organizations may find their current status on the Lean transformation path. Liker (2004) also

assumed that most companies now are stagnant at only one level the Process level with most of Lean tools and techniques [11]. However, without the other 3Ps, they have just made the very first step to improve without intelligence to become the sustainable companies and organizations.

From this point, the author employed the model, together with the 14 principles of the Toyota way that lie beyond each 'P' to form 14 factors or criteria that manifest Lean culture patterns in an organization. These criteria and their explanation are introduced in Table 1.

Table1. *Main criteria and sub-criteria of the study*

Group	Criteria
I. Long-term philosophy	1. Leadership Commitment: The commitment to pursue quality in the company products and service for a long time.
	2. Purpose: Set purpose of the company to generate value for customers, society and the economy.
II. Process	3. Continuous Flow: Create and make continuous flow evident throughout the organization to bring problems to the surface.
	4. Workload: Level out the workload to avoid waste of time, materials and labor force.
	5. First Time Quality: Stop when there is a quality problem and try to get quality from the first time.
	6. Standardized Work: the take time (time required to complete on job at the pace of customer demand), the sequence of processes, and how much inventory on hand the individual worker needs to have in order to accomplish that standardized work
	7. Visual Control: any communication device used in the work environment that demonstrates obviously how work should be done and whether it is deviating from the standard.
III. People	8. Growing Leaders: So that they understand the work thoroughly, be the role model and able to teach it to their followers.
	9. Education: the trainings for individuals and teams on organization philosophy, the manner of lean principles and teamwork spirit
	10. Motivations: favorable jobs together with external factors like rewards, punishments, and measurement toward goals
	11. Respect for extended network of partners and suppliers by challenging them and helping them improve.
IV. Problem Solving	12. Understanding: going to the place to see the actual situation for understanding.
	13. Lean Problem Solving: slow decision making by consensus, thoroughly considering all options, rapid implement.
	14. Continual learning: relentless reflection and continuous improvement.

LEAN MANAGEMENT IN VIETNAM

Based on the values suggested from Hofstede survey (Hofstede & Hofstede, 2005), Vietnam Power Distance Index is 70, which means that people accept a hierarchical order in which everybody has a place, subordinates expect to be told what to do while the leader is expected to be a benevolent autocrat [16]. A score of 20 in individualism means the country is a collectivistic society. Such a society appreciates strong relationships where everyone takes responsibility for fellow members in their group. Any offence may lead to shame and loss of face. The demonstration of employee in group would control his/her hiring and promotion. Vietnam is considered a feminine society with 40 point on the masculinity dimension. They focus on working in order to live, managers strive for consensus, people value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation. An effective manager is a supportive one, and decision making is achieved through involvement. Regarding uncertainty avoidance, the country scores 30 and hence maintain a relaxed attitude in which practice counts more than principles and deviance from the norm is more easily tolerated. In such a society, schedules are flexible, hard work is undertaken when necessary, precision and punctuality do not come naturally, innovation is not seen as threatening. Besides, with responsibility taken by the group, no one stand out above the rest. Consequently, no single individual have to take responsibility for failure, but talented ones are more difficult to shine Another pattern worth mentioning is that Vietnamese are not well schooled in modern business practices. In fact, because of long accustomed to over-staffed and underproductive state-run enterprises, many of them find it tough to fit in a streamlined and stable organization (Curry & Nguyen, 2013) [17]. However, the current hybrid management practices in organization are probably in a transitional stage. As the results, even though Vietnamese in both managers and employees might

not be well schooled in modern business practices, they understand the necessity of adapting and are eager for change and willing to adopt new ways (Zhu, 2013) [18]. What they are in need now is a comprehensive tool to understand their current organizational culture and the orientation of where and how to build up the culture they want to work with.

SURVEY

Structure of Survey

Since this study's purpose is only to find out the trend to develop workplace culture in Vietnam, the likelihood and priorities to invest in one factor or criteria over another, the culture lean structure would therefore had three levels as follows:

1. Goal: is to figure out the weight or priorities for each criteria when companies develop their culture.
2. Main criteria: are the 4P of Liker's Toyota model.
3. Sub criteria: are the corresponding factors/ principles underneath each specific 'P'.
4. No alternatives as the bottom level.

The survey was first sent to human resource managers in five large corporations who also had extensive experience in managing workplace culture for academic advices and adjustment. After that, it was translated into Vietnamese under the revision of professional translators from Vietnam. Then, a pilot survey with ten experts who fit into the survey population described above was conducted before the official survey was delivered. Finally, sixteen questionnaires were sent back for analysing via emails. However, as the servey requires the inconsistency ratio to not exceed 10%, four respondents were invited to redo their judgment on the pairwise comparison with detailed discussion to explain clearly about the inconsistent issue.

Research Assumption

The study and its survey were conducted under the following assumptions:

1. Respondents were truthful and reliable with their answer. They were informed about the confidentiality as well as the volutantary characteristics of the survey from the very begining. This ensure that their identification was protected and they could withdraw from the survey any time they want without any ramification.
2. Respondents understood about factors being compared. Definition of each factor was provided clearly at the questionnaire form. Also, a pilot survey was conducted to confirm the ability to understand factors of respondents.
3. Respondents spent enough time to make their judgement. An approximation of completing time was advised to respondents and they had been given a period of two weeks before reply could be sent.

In this part, the likelihood to invest in the workplace culture factors will be determined with regard to the scoring pattern.

The research evaluates 04 major aspects that lean culture can influence:

 Philosophy: This criterion refers to:

(1) Leadership Commitment is to pursue quality in the organization products and services for a long time.

(2) Purpose of the organization to generate value for customers, society and the economy.

Process: This criterion refers to:

(1) Continuous Flow which is created and made evident throughout the organization to bring problems to the surface.

(2) Workload which should be leveled out to avoid waste of time, materials, and labour force.

(3) First Time Quality which means the process should be stopped when there is a quality problem and the effort to deliver quality from the first time.

(4) Standardized work including the time (time required to complete on job at the pace of customer demand), the sequence of processes, and how much inventory on hand the individual worker needs to have in order to accomplish that standardized work.

(5) Visual Control which comprise of any communication device used in the work environment that demonstrate obviously how work should be done and whether it is deviating from the standard.

People: This criterion refers to:

(1) Growing leaders so that they understand the work thoroughly, be the role model and able to teach lean principles to their followers.

(2) Education which is the trainings for individuals and teams on organization philosophy, the manner of lean principles and teamwork spirit.

(3) Motivations including favourable jobs together with external factors like rewards, punishments, and measurement toward goals.

(4) Respect for extended network of partners and suppliers by challenging them and helping them improve.

Problem Solving: This criterion refers to:

(1) Understanding , which means going to the place to see the actual situation for understanding.

(2) Lean Problem Solving, that is, slow decision making by consensus, thoroughly considering all options but rapid implement.

(3) Continual Learning which covers relentless reflection and continuous improvement.

To figure out the trend to pay attention on one element over another in your organization, you will compare pairs of criteria by circling your choice on a 1 to 5 scale with:

1 = Equal likelihood

2 = Moderate likelihood

3 = Strong likelihood

4 = Very strong likelihood

5 = Extreme likelihood

In making your rating, please notice the following points:

+ Answer all items.

+ Never choose more than one score on a single scale.

FINDINGS

The findings of this survey is to evaluate and transform Lean management in Vietnamese companies by using 4P of Liker's Toyota model revealed a great deal of issues that the organizations have to overcome if they want to successfully implement Lean. Their approach and priorities are totally reverse to the procedures of Lean culture by Liker. In addition, they tend to hesitate on allocate budget on to building the culture in workplace. Finally, the avoidance of approaching leaders of the constraints of power distance will be one of the major problems for Lean transformation in Vietnam.

In Vietnam, Lean has integrated for more than a decade, initiating by foreign incorporations like Nike with their supply chain in the country, but it was not until recent years that companies in Vietnam started to pay attention to Lean, under the pressure to promote creativity and utilize resources. According to the research, 75% Vietnamese companies know and apply Lean for their operation, however only 2% of these companies achieve the success.

The problem for Vietnamese companies is that they have mistaken a particular set of Lean tools for the entire concept of Lean. Based on the Toyota Way, the foundation principles of the Toyota culture involve far deeper and more pervasive cultural transformation than most companies can begin to imagine. Therefore, a long-term success for Lean, which benefits both organization and its customer to external and internal ones often involve changes in culture.

CONCLUSION

The purpose of this paper was to outline the definitions workplace culture and discussed different approaches to study this field in terms of organizational culture model, and assessment tools. It is

clear from the literature that organizational culture is an important yet complex notion that every organization should pay close attention. Along with this, a brief overview of Lean management is a philosophy, a culture that emerges from Toyota Company and now spread to many countries and industries in the world was introduced. Despite the effectiveness and advantages that Lean possesses, it is not easy to achieve success with Lean if organizations just focus on tools and methods but overlook the culture that appears through management principles, behaviors and attitudes of the entire organization.

Considering the virtue that Lean could bring to production and management, an increasing number of organizations are implementing Lean in long term basis to improve quality, reduce cost, improve delivery and queue times. Moreover, Lean has overspread its influence over the territory of manufacturing approached other industries as well.

REFERENCES

[1] Vo, T. T., and Nguyen, D. A. 2009. Vietnam after Two Years of WTO Accession. Journal of Southeast Asian Economies, 26(1), 117-135.

[2] Schein, E. H. The Corporate Culture Survival Guide. San Francisco, California, United States of America: Josey Bass, 2009.

[3] Sims, R. R. Managing Organizational Behavior. Westport, United States of America: Greenwood, 2002.

[4] Cameron, K. S., and Quinn, R. E. Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework. San Francisco, California, United States of America: Jossey Bass, 2006.

[5] Schein, E. H. Organizational Culture and Leadership (4th ed.). San Francisco, California, The United States of America: Jossey Bass, 2010.

[6] Pfister, J. A. Managing Organizational Culture for Effective Internal Control: From Practice to Theory. Lancaster, United Kingdom: Physica-Verlag, 2009.

[7] Herzog, P. Open and Closed Innovation: Different Cultures for Different Strategies (2nd ed.). Gabler Verlag, 2011.

[8] Osborne, S. P., and Brown, K. Managing Change and Innovation in Public Service Organizations. Oxon: Routledge, 2005.

[9] Deal, T. E., and Kennedy, A. A. Corporate Cultures: The Rites and Rituals of Corporate Life. Cambridge MA: Perseus Books, 2000.

[10] Denison, D., Hooijberg, R., Lane, N., and Lief, C. Leading Culture Change in Global Organizations: Aligning Culture and Strategy. San Francisco: Josey Bass, 2012.

[11] Liker, J. K. The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer. New York, The United States of America: McGraw-Hill, 2004.

[12] Womack, J. P., Jones, D. T., Roos, D., and Carpenter, D. S. Machine that changed the world. New York: Rawson Associates Scribner, 1990.

[13] Integris Performance Advisors. Achieving Lean Culture: An implementation Roadmap Using the Four Dimensions of Lean Culture. Integris Performance Advisors, 2013.

[14] Mann, D. Creating A Lean Culture: Tools to Sustain Lean Conversions (2nd ed.). New York: Taylor & Francis Group, 2010.

[15] Atkinson, P., 2010. Lean is a cultural issue. Journal of the Institute of Management Services, 54(2), 35-41.

[16] Hofstede, G., and Hofstede, G. J. Cultures and Organizations: Software of the mind. New York, The United States of America: McGraw-Hill books, 2005.

[17] Curry, J., and Nguyen, J. C. Passport Vietnam: Your pocket guide to Vietnamese business, custom & etiquette (3rd ed.). (B. Szerlip, Ed.) Petaluma, California, The United States of America: World Trade Press, 2013.

[18] Zhu, Y. Culture and Management in Vietnam. In M. Warner (Ed.), Culture and Management in Asia (pp. 249-261). New York: Routledge Curzon, 2003.