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ANALYSIS OF ENTREPRENEURIAL COMPANYCULTURE - A CASE STUDY OF THE E-COMMERCE COMPANY

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*C*orporate culture plays an important role in the success of businesses, especially with entrepreneur-ial companies. Withresults of case study analysis, thispaper partly clarifies basic characteristics of corporate culture of entrepreneurial companies and emphasizes the important role of corporate culture analysis and adjustment to match current and future development strategies. This paper provides sugges-tions to change the corporate culture based on long term orientation of entrepreneurial companies, and also proposeslessons in building corporate culture for individuals who intend to start a business in the future.

1. Introduction

During the past decades, a large number of theo-retical and empirical studieshaveemphasized the important role of corporate culture in firm perform-ance improvement as well as its sustainable devel-opment. However, in Vietnam, the corporate culture was only clearly focused in several large enterprises, with a long established history, such asViettel Military Industry and Telecoms Group, Vietnam Electricity Group, and Vietnam Dairy Products Joint Stock Company Vinamilk, FPT Corporation, etc.Small and medium enterprises and especially entrepreneurial companiesstill pay inadequate atten-tion to building, developing and managing corporate culture. To ensure the success of start-up businesses, in addition to the professional, technological, tech-nical, creative, financial capabilities, etc.corporate culture is one of the most important elements which should be developed in accordance with the long-term strategy of the enterprises.

Regarding the researchrelated to corporate cul-ture in the world, the majority of scholars focused on building tools and criteria to analyze, evaluate and classify corporate culture. The outstanding stud-ies in this direction can include the multidimension-al cultural research of Hofstede (1990), the three cultural classes of Schein (1999), the cultural model of Deal and Kennedy (2001), Denison (2001)... A number of other studies put great emphasis on the impact of culture on firm performance, including financial and non-financial results (Ojo, 2009; Shahzad et al., 2012). On the other hand, in Vietnam, the studies on corporate culture also addressedmany diverse aspects such as: lessons learned about culturedevelopment in developed countries (Do Minh Cuong, 2016), cultural transi-tion along with different development stages of the enterprise (Nguyen Hai Minh, 2015), the role of the leadership in building corporate culture (Tran Van Trang, 2017)...

However, the number of studies analyzing the cultural characteristics of different groups of firm in line with Vietnam's economic is still limited. In par-ticular, there is a lack of research on the culture of

entrepreneurial companies, especially in the context of the Industrial Revolution 4.0, whichis creating significant changes in the external business environment as well as the internal communication of firm. Therefore, this paper aims to answer a research question: What are the cultural characteristics of entrepreneurial companies in the current context of Vietnam?

To clarify this issue, first of all, this paper provides an overview of a number of theories about corporate culture, models of corporate culture analysis and cultural characteristics of startup businesses. Next, the culture of a startup company in the field of e - commerce is analyzed by using the Organizational Culture Assessment Instrument (OCAI) developed by Cameron and Quinn (2011). Based on the results from the selected startup company, this paper proposesseveral suggestions which help managers in general, and business founders in particular, in building and developing corporate culture in order to achieve their strategicmedium and long-termgoals.

2. Basic theoretical issues about corporate culture

2.1. The importance of corporate culture

In the 80s of the 20th century, corporate culture was more frequently mentioned in the studiesfrom the management approach. At present, there is still an inconsistencyin defining corporate culture due to the diversity of approaches as well as the scope of research and the application of this concept. In a simple way, corporate culture is usuallyunderstood as the waythat the enterprise do everything to achieve success (Schneider, 1994). Corporate culture includes values, beliefs, and perceptions that all members of the organization agree with. This understanding emphasizes the consistency in corporate culture and the impact of culture on each employee's actions.

Numerous studies in the world and in Vietnam insisted on the important impacts of culture on the performance of enterprises. Some studies showed the positive impact of culture on improving the operational performance (Abraham and Nahm, 2004; Ojo, 2009; Shahzad et al, 2012). Other authors investigated the impact from some specific aspects of culture, such as leadership effectiveness,

employee commitment, to financial performance and employee satisfaction (Harris, 2000; Chen, 2004). The common point in the results of these studies is the affirmation of the indispensable role of corporate culture in organizations in different sectors, industries and stages of business development.

2.2. Models of corporate culture analysis

Corporate culture is approached from many different points of view. Today's theoretical studies of corporate culture could be categorized into three main groups: Integration, Differentiation and Fragmentation. The differentiation and fragmentation approaches are primarily concerned with the differences and complexities in the culture of each individual, small group or group; and emphasize interactions and conflicts between cultures. Meanwhile, researches based in integration approach indicated that "all cultural aspects are consistent and complementary" (Martin, 2002). In an organization, there is always the cultural unity. This is also an approach used primarily in management-oriented studies, which helps decision makers and business owners to take necessary measures to effectively build and develop corporate culture.

Thispaper focused on comparing four cultural models based on an integration perspective, including: models of Harrison (1987), Deal & Kennedy (2000), Schneider (1994), Cameron and Quinn (2011). The advantage of these models is that it allowsfirms to change their corporate culture at a certain time; to determine the type of culture that they aim to build, therefore they could make decision ondeveloping appropriate culture. The comparisons of these four models are shown in Table 1.

The culture model of Harrison (1987) showed four organizational ideologies including: task orientation, person orientation, power orientation and role orientation. The difference between these four ideologies is assessed based on the degree of concentration of power and the formalization of those powers through specific texts and rules. In particular, family - owned companies or newly established businesses are often power - oriented. Specifically, in power - oriented businesses, leaderstry to maintain absolute control over their subordinates. Employee compliance is always more appreciated than their performance. In the meantime, a role ori-

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entation organization is directed towards a clear order. Competition and conflict are resolvedthrough agreements, rules and procedures, etc.

The task orientation organizations consider achieving the goal as the highest destination. The structure, functions and activities of the organization are carried out to fulfill the tasks set. According to Harrison (1987), task - oriented culture is often seen in factories, companies having just started their businesses, or operating in high - risk sectors, research organizations or in military organizations. Person orientation organizations aim to meet the needs of each member being involved in the organization. Each person's authority will be assigned based on competence. The culture of person -oriented companies is characterized by trust between individuals, and between individuals and organizations. Person orientation is linkedto consulting companies or small groups of professionals working in the research and development department of the enterprise.

The culture model of Deal and Kennedy (2000) is developed based on the fact that corporate culture is shaped by external factors such as competitive environment, competitors, specific products, etc. Based on two main groups of factors: the level of risk and the response to changes of business environment, Deal and Kennedy (2000) classifiedcorporate culture in four groups: tough - guy culture, process culture, work hard/play hard culture and bet - your - company culture, etc. In particular, tough - guy culture, with the promotion of individualism, is often linked to venture capital firms, construction, cosmetics and publishing. Individuals working in such organizations are required a tough attitude to face fierce competition within the enterprise.

The model of Schneider (1994) divided corporate culture into four main groups: cultivation, collaboration, control and competence. Specifically, cultivation culture and collaboration culture promote the cohesion between individuals in the organization, which is built on mutual trust (cultivation) or interdependence to achieve common-goals (collaboration). In contrast, control culture and competence culture emphasize objectivity. Control culture values the decisions being objectively made based on analysis and examination of

external factors. Meanwhile, the basic value that cultural competence is interested in is knowledge and information. The success of an organization of competence culture is based on the need for each individual to demonstrate his or her ability, or even superior ability compared to others.

The model of Cameron and Quinn (2011) considered corporate culture in four core values: flexibility, stability, internal focus and external focus. A special feature in the model of Cameron and Quinn (2011) is that along with the development process of the firms, corporate culture is not fixed but tends to move through a predictable model about the changes of firm, which starts from adhocracy culture to clan culture, moving to hierarchy culture and then market culture. Although this trend is summarized through a large number of empirical researches in the world, it does not mean that this is a mandatory trend and is suitable for all businesses.

Adhocracy culture emphasizes an open and free workspace that allows employees to create and promote their new ideas, thereby providing customers with special products and servicesthat have not appeared in the market. Adhocracy culture is often associated with companies in the field of information technology, electronics, etc. with high - risk investment projects. Meanwhile, hierarchy culture emphasizes principles and regulations that help to maintain order in the organization. The leader is the one who controls and ensures that the output products must meet certain standards.

Besides, creative businesses requiring high interaction among members often build clan culture which is characterized by friendly atmosphere between employees and superiors. The relationship between individuals in the organization is like that of a family. The rope that binds members is loyalty, striving for the common goal. In contrast, market culture creates a healthy competitive environment for individuals to strive to achieve their goals and to show their superiority. Companies linked with this culture focus more on the ultimate result than on used process or methods.

The four models of these authors described different aspects of culture. Harrison's model focused on how to make decisions (centralization and formalization). Deal and Kennedy focused on deter-

mining what type of decision should be made and who has the right to make a decision. Schneider focused on how to think in the decision - making process (decision makers direct their thinking to individuals or organizations, at the present or future). Cameron and Quinn emphasized the values that the organization wants and the progress of culture since the start of the business until it is clearly shaped in the market. In fact, in many cases, the culture of companies shows more than one aspect that models suggested, but it focus more on a specific orientation.

In this paper, the culture model of Cameron and Quinn (2011) is selected for cultural analysis of entrepreneurial companies for the following reasons: (1) organizational culture assessment instrument OCAI is held by Cameron and Quinn developed from a model that has been widely applied in the world, with high reliability; (2) analysis results allow to find the direction of cultural movement over time, from which managers can find solutions to change the culture towards a certain direction.

However, since the model of Cameron and Quinn (2011) limits corporate culture in four dimensions, the cultural assessment through the model will not be able to express the inherent complexity of culture. Therefore, in addition to surveying with OCAI's culture assessment instrument, this paper uses in - depth interviews with a number of individuals who have important roles in the organization to explore others aspects of culture whichhave not been shown in the questionnaire.

Table 1*: Comparison of four typical culture models*

	Harrison (1987)	**Deal & Kennedy (2000)**	**Schneider (1994)**	**Cameron & Quinn (2011)**
Name of cultural groups	Power orientation Task orientation Role orientation Person orientation	Bet - your - company Work hard/play hard Process Tough-guy	Cultivation Collaboration Control Competence	Adhocracy Clan Hierarchy Market
Primary focus	Process conduction and decision making	Kinds of decisions	General way of thinking in the decision making process	Values held dear by organization
X-axis	High/low centralization	High/low risk	People/company orientation	Internal/ external focus
Y-axis	High/low formalization	Fast/slow feedback	Actuality/possibility orientation	Flexibility and discretion/Stability and control
Questionnaire's validity	Statistically validated by empirical studies	Statistically validated by empirical studies	Unknow	Statistically validated by empirical studies
Application level at the present time	Less used	Still continue to be used	Still continue to be used	Still continue to be used
Main factor determining corporate culture	Individuals of firm	External factors	Internal and external factors	Internal and external factors

(Source: Edited by author based on research of Maximini (2015))

2.3. Characteristics of entrepreneurial companies

The characteristics of startups are closely related to shaping, developing and changing corporate culture. According to Blank (2010), the difference between a startup and a business that has formed and developed over a long period of time is mainly related to goals, performance indicators and especially culture and employees. Building and developing culture is essential in determining the success of a startup because culture is one of the characteristics to keep talented employees ready to participate in the

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organization. Corporate culture is originated from business founders and is at the heart of the management process in entrepreneurial companies.

Based on research on entrepreneurialcompanies of Carlandet al. (2007), the most importantcharacteristic of startup is the rapid growth of customers and revenue over time. This growth needs to be basedon innovation, fully exploiting new technologies, new ideas that have never been on the market. Thereby these companies could provide new products, new production methods, explore a new market or even change the organization of an entire field. Some basic characteristics of start-up businesses that directly affect corporate culture can be summarized as follows:

- *Risks*: Entrepreneurial companies affirm their position in the market through constant innovation, creativity, breakthrough products, testing of products and services that have not yet appeared on the market. This requires risk, daring to cope with risks and challenges when launching a product that has not been clearly verified about the ability to attract users and increase revenue.

- *Flexibility*: Entrepreneurial companies constantly change in their products, processes as well as organizational structures. Flexibility to deal with changes in the market and within the organization allows companies to gradually find the most appropriate form in order to move into a stable development stage.

- *Creativity*: Entrepreneurial companies create a difference with other businesses in innovation, creativity, and application of modern technologies to create a leap in sales and user volume.

3. Research method

The author uses case-study research method through surveying employees at a startup in e-commerce in Hanoi. This company was established in 2015 and has achieved certain successes in business, continuously received investments from large enterprises and investment funds such as: Vietnam Silicon Valley, Hajime Hotta (Angel investor), Design One Japan, Golden Gate Venture and RekaNext Venture, etc. With the results achieved after three years of development, the enterprise has continued to affirm its position in the race of technology companies in the field e-commerce. The

results of culture analysis of this company provide several lessons for other small and medium enterprises in Vietnam and for individuals who intend to start business in the future.

The primary data collection process uses two methods: in - depth interviews and questionnaire survey. First of all, the author contacted in - depth interviews with HR Director and Director of Product Research and Development, who are two of the founders of the company to learn about some basic elements of corporate culture. The interview questions were established based on Schein's (2009) research, which consists of three main question groups related to: survival issues outside the company (tasks, strategies, goals, structure, system, etc.); internal issues (communication, teamwork, power, relationships, rewards, etc.); and some deeper assumptions about corporate culture (the nature of relationships inside the company, hypothetical management, how the company deals with unclear or uncontrollable issues, etc.). The two directors were then asked to answer a questionnaire consisting of 24 questions according to the Organizational Cultural Assessment Instrument (OCAI) of Cameron and Quinn (2011). The information gathered from the founders of the company helps to clarify the management orientation as well as their desire to develop corporate culture.

Next, an online survey was created through the Google Docs application, which included 24 questions similar to the questionnaire used with two directors in step one. The link to the online questionnaire is sent via personal email to all employees of the company. Using an online survey tool allows anonymous respondents to ensure objectivity of survey results. The total number of emails sent is 183. The number of survey results collected from Google Docs is 95.

The results of the questionnaire analysis are summarized and compared with the results obtained from the founders of the company in step one to find out the cultural characteristics of this company and the difference between the level of culture assessment of employees compared to the culture development orientation of the company.

4. Analysis results on cultural characteristics of entrepreneurial company

4.1. Descriptive statistics of research sample

The collected sample objects are employees working full - time at the head office and the representative office of the entrepreneurial company. The basic information of respondents to the survey questionnaires is presented in Table 2. In general, the respondents are young people under 30 years old (accounting for more than 75% of the total sample) and have a high level of education, mostly bachelor (more than 87%).

Table 2: *Characteristics of respondents*

		Number	**Proportion**
Age	Under 30	72	75.8%
	From 30 to 35	16	16.8%
	Over 35	7	7.4%
Gender	Male	52	54.7%
	Female	43	45.3%
Qualification	High school diploma	4	4.2%
	Bachelor	83	87.4%
	Master	8	8.4%

4.2. Cultural characteristics of entrepreneurial company

The results of cultural analysis of the startup enterprise are presented in Table 3. Based on these results, it can be seen that the current culture of the company is Hierarchy (D = 37.2) and Market (C = 31.1). This shows that employees in the company feel that the current working environment is very serious and organized. They always strive to maintain achievement and improve operational efficiency. They also understand that the business market is aiming for fierce competition and customers are the foundation for success. The core value of current corporate culture is stability. This result partly reflects the current development stage in the market of the company. After three years of establishment and development, the company has built and affirmed its brand as well as maintained its own

identity in e-commerce products. Within the company, the control process system is also gradually improving, allowing to strictly control the work efficiency of each individual.

Table 3: *Results on corporate culture analysis*

	Current culture	**Orientation of founders**	**Deviation**
Clan (A)	17.5	19.1	1.6
Adhocracy (B)	14.2	28.3	14.1
Market (C)	31.1	29.1	2
Hierarchy (D)	37.2	23.5	13.7

Meanwhile, the results of cultural orientation analysis show that the founders want to build market culture (D = 29.1) and adhocracy culture (B = 28.3). Specifically, market is expected to become the

mainstream culture of company in the future. With the current competitive advantage, which is based on an outstanding product of e - commerce platform between customers and customers (C2C), founders

aim to maintain theleading position in the domestic market and attract more regional and global investors. On the other hand, adhocracy culture is also the path chosen to develop by the company

founders (B = 28.3). This ratingcould be explained by usingthe results of in - depth interviews with two founders. Specifically, adhocracy and market culture are somewhat expressed in the core values

of company as "Quick" and "Creative". The current success of company relies heavily on the ability to capture and respond quickly to market needs and offer superior and innovative products compared to competitors.

The culture analysis results of the two groups of respondents and surveys are shown in Figure 1. The comparison of the founders' desires with current culture assessment shows certain differences. To the founders, the biggest change which should be made
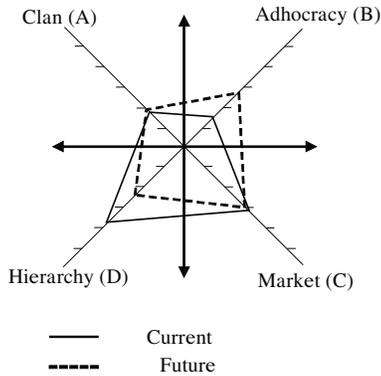
Figure 1: *Current culture and future orientation of the company*

in the future is to strengthen more adhocracy culture, with the gap between the founder's and the current culture's assessment of 14.1. In contrast, the hierarchy culture is oriented to decrease with the difference of 13.7. The difference between clanand market culture assessmentis not relatively significant. However, the rise of adhocracy culture does not mean that this culture is absolutely dominant. The dominant cult-resoriented by the founders is market and adhocracy culture, but the level of these two cultures still has a certain balance against clan and hierarchy culture.

4.3. Solutions proposedforcorporate culture changes

Based on the results of in-depth interviews, the results of surveys using OCAI tools and the theory of cultural groups, this paper proposes a number of solutions to achieve positive changes in the culture, which helps to achieve the business goals and improve performance of firm.

According to the founders' orientation, the corporate culture needs to change in the direction of increasing adhocracy culture and reducing hierarchy culture. Several solutions should be implemented, including:

- Adjusting the working space and the mode of communication between individuals in the organization in a more open way: Currently, due to the geographical distance between the main office and the representative office of the company, the grantees changes, discussions, meetings, etc. are usually done online or via email. This partly limits the friendly communication between employees in different working areas. The company could create a dynamic, free and close environment through encouraging individuals to share information more often through informal discussions.

- Changing the ways of interaction between founders, managers and employees in the company: the founders needs to act as a pioneer who give a long-term vision, suggest creative ideas to connect their employees, instead of acting as results controller.

- Adjusting the performance evaluation mechanism to encourage innovation activities: Regularly evaluating employees' innovation activities in products, processes, etc.will contribute to promoting adhocracy culture. In addition to evaluating the final results, the managers also need to set criteria to assess the process of innovation to timely encourage and support creative ideas.

- Maintaining the spirit of healthy competition among employees: Market culture, which has not significant difference between the current assessment and the desire of the founders, still needs to be maintained through setting specific goals related to the work of departments or individuals and a clear reward mechanism. Because maintaining internal competition is determined by the founders as a lever to help achievingthe common goals, ensuring that each individual's goals are united and aligned with the goals of the company.

5. Conclusions

Corporate culture plays an important role not only with large-scale enterprises developed for a long period but also with entrepreneurial companies in improving both competitiveness and economic performance. This paperreviews a number of culture models that were widely used in the world and able to be applied to the context of entrepreneurial companies in Vietnam. When the appropriatecorporate culture is determined, these models also allowto work out specific solutions to adjust and change corporate culture in line with the long - term orientation of firm. Based on the results of case-study analysis of an entrepreneurial company in the field of e-commerce, this paper partly clarifies some basic characteristics of the culture of entrepreneurial companies

and emphasizes the important role of analyzing and adjusting corporate culture to match the current and future development strategy. Limitations of thispaper relate to the scope of survey investigations that are limited to a typical enterprise, so the results of the analysis have not yet generalized characteristics of startups in other fields. Future studies may overcome this limitation by expanding the scope of the investigation to a group of enterprises operating in the same field or combining the survey of questionnaires with group discussions for comparison between different business groups.

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Summary

Văn hóa doanh nghiệp có vai trò quan trọng trong sự thành công của doanh nghiệp, đặc biệt là với các doanh nghiệp khởi nghiệp… Với kết quả phân tích điển hình, bài viết phần nào làm rõ một số đặc trưng cơ bản trong văn hóa của các doanh nghiệp khởi nghiệp và nhấn mạnh vai trò quan trọng của việc phân tích và điều chỉnh văn hóa để phù hợp với chiến lược phát triển hiện tại và trong tương lai.Bài viết cung cấp một số gợi ýđể thay đổi văn hóa theo định hướng dài hạn của doanh nghiệp khởi nghiệp, đồng thời cũng chỉ ra bài học trong việc xây dựng văn hóa doanh nghiệp cho các cá nhân có ý định khởi sự kinh doanh trong tương lai.

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