

A Study Of Clan And Market Cultures In Vietnamese Educational Institutions

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Abstract The study aims to examine the organizational culture in Vietnam in terms of clan culture or market culture. Through the analysis of a sample of 319 employees working in Vietnamese educational institutions, this study investigated whether the corporate culture in the Vietnamese educational sector focuses on clan culture or market culture. Results indicated a more substantial effect on clan culture than market culture in the Vietnamese context. Recommendations, implications, and limitations for further research were also displayed.

Keywords: Organizational culture, clan culture, market culture, educational institutions, Vietnam.

Introduction

In the two decades, there has been rapid economic growth in Vietnam that has paved the way for the booming local economy. An economic reform named Doi Moi was established in 1986, switching the Vietnam labor force from the agricultural to the industrial and service segments (Weng, 2015). Economic reforms were crucial to combining Vietnam into global markets, especially the East Asian market. For instance, international trade as the criterion of gross domestic product (GDP) increased from 26% in 1990 to 70% in 2007 (Tran, 2013). However, Vietnamese corporations have been accused of a bureaucratic management system and low productivity (Weng, 2015). Thereby, finding suitable ways to develop the efficiency of Vietnamese corporations is necessary. Specifically, organizational culture can support or facilitate specific objectives and hinder others in increasing the economy toward market orientation in Vietnam.

Many external and internal indicators affect the organizational effectiveness of corporations. Notwithstanding, these indicators are under corporate control. They indicate how the

corporations manage themselves to deal with external challenges, which are the most critical elements/factors in determining their performance. Hu (2001) predicted that the extent to which organizations successfully manage themselves internally and deals with external factors is subject to their corporate culture, a crucial factor in the success of the enterprises. In an organization, the complexity of geographical differences, educational qualifications, and personality is the cause of conflict (Schein, 2004). Moreover, pressures from market competition and globalization demand organizations to discover new and creative ways for existence and development. Hence, this paves the way for organizations to discover profound corporate culture routines to boost employees to achieve their primary goals and objectives.

In this research, two cultural orientations reflecting the manifestation of organization culture: clan culture or market culture, are selected as the core for the items of the questionnaire due to one reason. The research aimed to examine what is the dominating dimension in Vietnam. Vietnam's previous research papers (Quy, 2011; Phuong, Vinh &

Anh, 2015) have studied organization culture; however, they have not emphasized much on clan culture or market culture yet. The content of the research proposal included three parts. The first part displayed the literature review of the research; the second part introduced the research method, including sample and measurement, and the third part suggested the study's result, conclusion, and contribution. The below sections display definitions of culture and analysis of two cultural orientations.

Literature review

The concept of culture

Culture is a complicated concept with different definitions spreading from general to detailed scopes. In general, culture identifies the identification of people and the way they behave and act (Harris et al., 2004). In particular, the central cores of culture included patterns and behaviors transmitted by traditional symbols, artifacts, heroes, and values (Hofstede, 2001). Schein (2004) suggested that culture was an iceberg with many layers. However, only a tiny proportion of visible features might be regarded above the water, whereas under the water were the espoused values and the fundamental underlying values. Also, Trompenaars and Turner (2012) mentioned culture as a practical way many people solve issues and compose dilemmas. Overall, with all kinds of concepts of culture, they are instructions for people's work and life.

The theory of organizational culture

There is a variety of definitions of the corporate culture. The most common approach defined corporate culture as how people work around their environment (Deal & Kennedy, 1999). Thereby, changing corporate culture is considered as a means of changing tasks, including 1) flattening the organization approach, 2) displaying a new reward and compensation

system, 3) identifying a "code of conduct," and 4) regulating acceptable and forbidden behaviors. According to Scholz (1987), the organizational culture was considered the casual, imperceptible, and intrinsic elements inside the organization, which prompted the conduct of its workers. By contrast, Schein (1990) suggested organizational culture as an arrangement of standards that an organization has concocted and discovered to fit with the issues of internal integration and external adjustment, which would be taught to new employees as a correct approach to carry on, think and perceive. In this case, the theory of Schein (1990) went to the structure and the standard of conduct inside organizations. In general, organizational culture is regarded as many attitudes, normative beliefs, and values shared by members within corporations, enhancing leaders to make decisions and allocate tasks within corporations. Corporate culture can be classified into orientations, which yield their aspects to a routine in the organization. Many authors (Cunha & Cooper, 2002) characterized organizational culture in clan culture or market culture.

Market culture

Market culture displayed the extent to which employees followed the targets and tasks of organizations (Cameron & Quinn, 2006). According to Cunha and Cooper (2002), this cultural dimension displayed assessments based on the organization's goal and performance and determined the employees' responsibility to satisfy goals and tasks. The organizational culture model of Cameron and Quinn (1999) specifies four items, including the adhocracy culture, the clan culture, the market culture, and the hierarchy culture; the third one is recognized as market culture because of focusing on goal-focused and management work process, specifying external focus with control. In detail, it estimates the ability to take risks to exploit new ways to gain profits.

Clan culture

Clan culture reveals the emotional sides and the area in which relations are recognized in organizations (Cameron & Quinn, 2006). This cultural dimension concerned the extent to which an organization built a relationship with employees and how employees connected to the organization (Cunha & Cooper, 2002). In the organizational culture model of Cameron and Quinn (1999), clan culture refers to a corporation that emphasizes internal focus with the flexibility to highlight harmony, consensus, and communication within a group. This also related to the clan culture because it concerned how to work as a team and build human relations to create a healthy bond among members of the organization. This cultural dimension aimed to address the emotional issue and find a way to estimate relations in the organization.

Factors affect the organizational culture in Vietnam

This section displays three dimensions relating to corporate culture in Vietnam, including traditional culture, legislation, and economy.

For a long time, Chinese culture, including Confucianism, Yin, and Yang, has significantly impacted Vietnam. The most significant ancient thinker who influenced Vietnam's cultural tradition was Confucius, who created the core value of Confucianism that highlights persistence, a top-down approach, and humility. The belief system pervaded Vietnam in 111 BCE when the country was a colony of China and has persevered to the present (Zhu, 2003). According to Edwards and Phan (2013), Confucianism accentuated the role of consensus, kindness, and benevolence, which have been the central part of current Vietnamese culture.

Apart from Confucianism, another core value system in Vietnam is Yin and Yang, which derived from Taoism and came to Vietnam along with Confucianism (Jamieson, 1995). In this system, Yang represents the positive side of the

world, the sun, and heaven, while Yin is a metaphor for the negative side of the world, the moon, and hell. In Vietnamese views, the former related to masculinity, dogma, and a top-down approach, while the latter represented femininity, equality, and consensus (Rowley et al., 2007).

Vietnamese system of legislation is based on the combination of Imperial laws followed by Confucianism and modern laws derived from German and Japanese legislation systems. Vietnam has imported many Chinese Imperial laws and featured them into the legal system, and these laws were also blended with French civil law and Soviet legal ones (Gillespie & Chen, 2010). In the management field, the legal systems affected the relationship between organizations and employees in the Vietnamese workforce, which displayed a framework for labor contract law and labor code (Warner, 1996).

In the 1980s, Vietnam was a poor, agricultural country that was harmfully influenced by an incompetent and bureaucratic socialist system. About 75% of the workforce was related to agricultural production, but people lived abject poverty (Tran, 2013). As a result, Vietnam had to depend entirely on international aid to feed its people. To sum up, the country was entirely less-developed. Under the pressure of the country's survival, the Sixth Communist Party established a financial reform called the "Doi moi" policy, which shifted the national economy from centralization to market orientation (Weng, 2015). Vietnam embarked on the transformation from a state-centralized direction to market orientation in 1986, which adjusted its economy from a centrally bureaucratic system to a socialist market, focusing on economic policy through cooperation among corporation ownerships, including small and medium enterprises (SMEs), multinational enterprises (MNEs) and state-owned enterprises (SOEs). As a result, the government restructured the state-owned

enterprises, encouraging investment from foreign corporations and private enterprises (Quy, 2011).

Prior studies on the organizational culture in Vietnam

In the Vietnamese context, Quy (2011) compared the organizational culture of privatized and public ownership in Vietnam. Based on the model of Cunha and Cooper (2002), the author divided corporate culture into the items below:

Table 1. Organizational culture items (The reference is compiled by the author based on Quy, 2011, p9)

Cultural types	Items
Market orientation	Common objectives Estimating tasks Responsibility for the outcome Fair bonus Consumer's right
Clan orientation	Encouragement derived from an individual capability Support to individuals' learning Working as a group Promotion is found in an individual working result. Bonus depended on task completion.
Organizational integration	Accountability Respect for regulation and direction Communication Charge of individuals Cooperate as a team
Task orientation	Research and development Search for new markets Competition

Based on the above criteria, the author compared the organizational culture of the two organizations. Seven hundred ninety valid

surveys were collected, including 352 surveys from private enterprises and the rest from state-owned enterprises. The result is displayed below:

Table 2. Corporate culture in privatized ownership and public ownership (The reference is compiled by the author based on Quy, 2011, p10)

Culture	Privatized ownership	Public ownership
The strongest culture	Task orientation	Task orientation
The second culture	Market orientation	Organizational integration
The third culture	Organizational integration	Market orientation
The weakest culture	Clan orientation	Clan orientation

The result displayed that orientation to the market was the second influential culture in both ownerships to complete jobs and aims of the

organization. By contrast, clan culture was the weakest culture in both types of corporations. The reason is that under the highly competitive

market, both sectors were more estimated toward the market, so market orientation was the most compatible with market changes.

Phuong et al. (2015) also used the theory of Cunha and Cooper (2002) to estimate the effect of orientations on the managerial effectiveness of privatized companies, public companies, and joint ventures in Vietnam. The authors divided administrative efficiency into five dimensions: mutual relations, know-how, management, success direction, and flexibility. Otherwise, both clan culture and market culture positively influenced managerial capability. However, while the former had the most dynamic effect on administrative issues, the latter ranked third. This result is related to the study of Quy (2011), in which market culture dominated Vietnamese enterprises. From the above research, the result confirms that all culture types are somewhat present in every organization. In principle, market orientation seems more potent than clan orientation in Vietnamese corporations. The development of the Vietnam economy after

economic reform has shifted from clan culture to market culture, which is favorable to an organization's growth.

Methodology

Aims and hypotheses

The study aimed to take a deep insight into the organizational culture in Vietnam in light of clan culture and market culture. More specifically, the development of the Vietnam economy after economic reform has shifted from clan culture or market culture. Then, we hypothesized that:

- Hypothesis 1: Market culture would be more robust than clan culture in the current Vietnamese context

Participants

The sample was collected from Vietnam, with 100 percent (n = 319) of the participants working in Hanoi and Ho Chi Minh, the two biggest cities. The background information is displayed in Table 3:

Table 3. Profile of the sample

Background Information	Percentage
1. Age	
<18	0%
18-29	41.8%
30-39	41.8%
40-49	14.2%
50 or older	2.2%
2. Highest degree	
High school	1.0%
College	2.5%
Bachelor	35.8%
Master	10%
PhD	0.9%
Professor	0.3%
3. Gender	
Male	54.5%
Female	45.5%
4. Years of working	

1-2 years	15.6%
3-5 years	23.1%
More than five years	29.1%
Ten years	8.2%
More than ten years	20.9%
More than 20 years	3.1%

Measures

The dimensions of organizational culture were indicated by the Organization Culture Assessment Instrument (OCAI invented by the research of Cameron and Quinn, 2006). The participants were allowed to show their opinions on the items on a 10 – point scale ranging from "completely disagree" to "agree (Cameron & Quinn, 2006). The details include a subset of clan culture and market culture relating to organizational culture. The questionnaire was designed in English and then translated into Vietnamese. The author hired a back-translated to guarantee the validity of the translation. Finally, the items were translated again into Vietnamese. All specific managerial words were not used to make the questionnaire easy for the participants to read and answer.

Procedure

The author provided questionnaires to respondents in various Vietnamese educational institutions. Five hundred questionnaires were issued directly by the author or indirectly through the HR department of participant corporations. Three hundred fifty questionnaires were collected, meaning a response percentage of 70%. The author eliminated 31 questionnaires because of missing values. As a consequence, the final surveys comprised 319 Vietnamese respondents. Among them, 180 respondents were from educational institutions in Ho Chi Minh cities, and the others were from Hanoi, the two biggest cities in Vietnam.

Results

To examine the validity of the data in the Vietnamese context, this research attempted to use the principal components methods and Varimax rotation, which split into four factors with the plot of eigenvalues higher than 1.0 and explained 47.1% of the total variance. Besides, Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) methods were applied to test the validity of factor analysis. The result displayed that the number of Kaiser-Meyer-Olkin (KMO) was acceptable. Also, the Bartlett test of sphericity met the standard requirement with $p = 0.000$. As a consequence, results which verified factor analysis were appropriate. Secondly, the factor analysis was conducted on the condition that only items displayed loading more than 0.4 and factor loading on the chosen element must be two times higher than other factors. Besides, the Cronbach Alpha must be greater than 0.6 as a criterion for the validity of the result.

The factor analysis results establish three components in twenty-one items in Vietnamese samples. The first factor concerns market culture, such as goals and task-related issues. The author considers that all items represented the bright side of attitude towards market culture. The second factor is clan culture, which relates to communication, hobbies, and staff satisfaction. Similar to the first case, the statements reflected positive attitudes towards corporate relations. Across all respondents, the Cronbach alphas for two subscales were 0.86 and 0.74, respectively, which confirmed that the factors would be adapted in further analysis.

The comparison among orientations

Table 4 and 5 highlights the results of paired sample statistics and the paired sample T-test for two cultural orientations according to the respondents. Table 4 shows that the Vietnamese respondents reported an average higher score on clan-oriented (mean = 7.5) than market-oriented (mean = 6.65). In more detail, the result of paired sample T-test in table 7 indicates that the final column named sig. (2-tailed) was significant at the below 0.005 level (0.000), which confirms the

remarkable difference between both orientations. Overall, the author hypothesized that after economic reforms, the corporate culture in Vietnam has changed from clan culture to market culture, denoting that Vietnamese respondents would follow market culture rather than clan culture. However, the analysis displays a contradictory result and confirms a wrong prediction of the assumption.

Table 4. Paired samples statistics of two orientations

Cultural orientation	Vietnamese educational institutions	
	Number	Mean (SD)
Market culture	319	6.65 (1.58)
Clan culture	319	7.50 (1.35)

Table 5. Result of paired samples T-test

Paired sample	Paired Differences		Sig. (2-tailed)
Cultural orientation	Mean	Std. Deviation	
Clan and market	.87600	1.50214	.000*

Note: $p < 0.05$

Discussion

This study discusses the effect of organizational culture (clan culture and market culture) on Vietnamese educational institutions. Efforts were made to compare all these dimensions in paired samples T-test. The above result indicates a wrong hypothesis prediction when the results display a more significant impact of clan culture than market culture in Vietnamese organizations. Vietnamese respondents considered clan culture the primary organizational culture in their organizations when it means the highest in the data. Above all, despite economic reform and the movement from a state-centralized economy to a market economy, the values of clan culture still have the most significant impact on Vietnamese corporate culture. The author goes into more detail below on explaining the reason for this

result concerning national culture and highlights the surprising discovery of the negative attitude of Vietnamese employees in their workplace.

As the above literature review's argument, the dominance of Confucianism nurtured by decades of a one-party and bureaucratic economy had a significant impact on the Vietnamese context. This above result confirms theories in the literature review about the dominance of relations and collectivism in Vietnamese traditional culture. In general, Vietnamese organizations had a hierarchy of "family" and superiors as "surrogate parents" (Redding, 1996). Therefore, employees consider organizations as "in-group" and have a duty to follow the regulations and performance indicators created by the corporations. Francesco and Chen (2004) suggested that collectivism played an essential

role in countries in East Asia such as China, Japan, and Vietnam. In these countries, individuals tend to follow the group intention rather than themselves.

Moreover, under the affection of Confucianism, Vietnamese traditional values are absorbed into the workplace. Employees tend to see directors and managers as "fathers" or "uncles," emphasizing the importance of harmony, modesty, and consensus. Clan culture has favored the economic rise of Vietnam in recent years. These primary characteristics of clan culture are profoundly highlighted, including formal communication, hobbies, and employee satisfaction. This above result confirms theories in the literature review about the dominance of relations and collectivism in Vietnamese traditional culture.

Contribution

The research attempts to apply a valuable model of statements to find out the organizational culture in Vietnam toward clan culture and market culture. To fulfill this objective, the study provided a proficient methodology for testing the questionnaire created by Cameron and Quinn (2006) on the clan culture and market culture scales. The results displayed the more substantial effect of corporate relations, confirming the linkage between traditional and organizational cultures in Vietnam. Under the influence of Confucius values, Vietnamese participants might highlight collectivism in workplaces; for instance, as they prioritized the organizational goal rather than their own goal, respecting the top-down approach through calling directors or managers by titles to express a high level of respect.

In this research, there are several limitations. Firstly, this research confirms several findings concerning Vietnamese corporate culture, given that Vietnam is a complicated country. Due to the geographical and financial difficulty of data

collection, it was hard to collect data from all provinces in Vietnam. Thereby, a more diversified sample should be done to develop the size of the various groups for future research. Secondly, this research only identifies organizational culture in light of clan culture and market culture, so other dimensions, such as task orientation and organization integration, were overlooked. The last limitation is that Vietnamese respondents who participated in the current research had a variety of cultural backgrounds. Thereby, it is hard to define whether the corporate culture's differences were derived from geographical or position distance.

Implications and conclusions

Based on the results, we suggest that clan culture still plays an important role. This means that to coax practical results, a corporation should play the "second family" role and create a sense of stability. Employees who feel safe about their job will be loyal to the corporation. In conclusion, the current research was completed to investigate organizational culture in Vietnamese educational institutions. The results provide insight into two orientations of corporate culture in Vietnamese educational institutions to find practical solutions. Moreover, foreign companies might find an influential corporate culture to work in Vietnam. Otherwise, considering the advantages, these limitations might bolster future studies to have a proficient and better result.

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