
Creating a winning corporate culture: experience inside the Asian telecommunications industry

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Abstract

This article introduces a process that helps companies define and develop their current and future corporate cultures. Working with the top executives within a company, the process enables participants to identify their internal organization's subcultures as well as the culture of the external business environment. The program identifies the core corporate values that need to be enhanced in order to achieve success in this environment. The program helps participating managers develop action plans to achieve these new corporate values, and company-wide cultural cement programs are implemented throughout the organization to ensure continued business success.

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What is our current corporate culture? What is the culture we should have? How do we go about making the transition from one corporate culture to another? These are the types of questions that many executives are asking in a rapidly expanding global market.

As trade barriers are reduced and free competition increases, the number of global joint ventures has been on the rise. In attempting to adapt to market changes, these ventures take advantage of new technologies, territories, and local expertise. However, successfully reacting to changes in the global marketplace requires a flexible and adaptable corporate culture. At certain critical junctures in a company's existence, the whole company's culture must be examined, enriched, and changed, if necessary.

Organizational cultures are developed over time, influenced initially by the company's ownership. This ownership hires senior management to steer the organization and develop its values. Engineering, marketing, and administration groups also influence the culture.

Moreover, as the business environment evolves due to new technology, client segmentation, regulation, competition, the requirements of local communities, and other factors, organizations must respond to these changes before their competitors. Corporate culture is a key element in ensuring that these changes are implemented effectively.

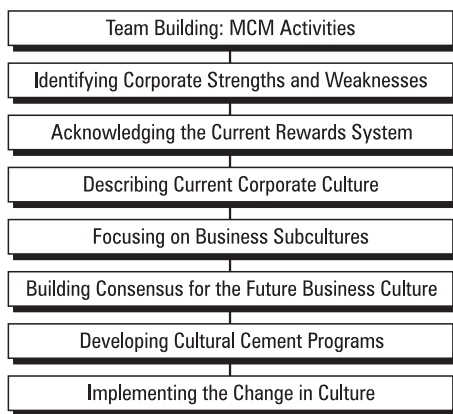
This article presents Global Success's intervention with a leading Asian telecommunications organization. The objective of the intervention was to identify the company's culture and the culture of the telecommunications industry, and to develop a program for creating a new culture that enhanced the organization's competitive position in the marketplace.

The management of the organization invited 80 senior level managers to participate in this corporate culture enrichment process. These managers were divided into four groups of 20 which met every three months in two-day workshops. The following sections describe how the corporate change process was implemented, the results achieved, and future activities planned by the organization to continue the enrichment process of its corporate culture.

Culture development process

As shown in Figure 1, the corporate culture development process begins with team

Figure 1 Enhancing corporate culture



building activities among the selected senior management. This is accomplished through the Multicultural Management (MCM) Process, which will be described in detail in the next section. Participants then focus on identifying their company’s strengths, as well as any challenges they may be facing. At this stage, participants are asked to point out the five most critical success and failure factors of their business. Responses are tallied and the five most commonly mentioned factors are taken to constitute the current state of the organization. These responses will serve as the foundation on which participants will evaluate the culture of their organization.

Group members then discuss and acknowledge the current reward and promotion systems within the organization. This discussion addresses such issues as who is promoted, why people leave for other companies, and why certain individuals may have been demoted within the organization.

Following this exercise, the group is divided into teams of five members each, and each team attempts to describe the current subcultures that exist within the organization. Specifically, they focus on identifying which characteristics are valued by the main subgroups of the corporation: ownership, management, marketing, engineering, and administration. These discussions offer the participants insight into the diverse subcultures and clashes that exist within an organization and between these functional groups. The core values of these subgroups are then identified and summarized. This exercise is followed by a series of discussions that focus on identifying the various cultures of the organization’s external

environment, which includes customers, suppliers, competitors, regulators, technology, and community.

Based on the participants’ description and identification of the existing corporate culture and its external business culture, agreement is established on what the future corporate culture should be. This new culture is the synthesis of the existing and the newly identified values.

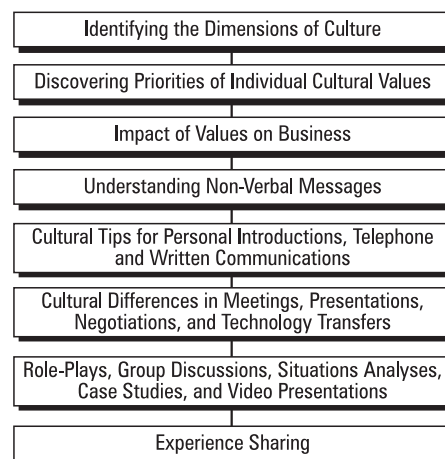
Finally, participants develop a *cement program* to achieve the newly agreed-upon corporate culture. In brainstorming sessions each participant develops an action plan for one or two of their identified values. These action plans are executed on-site over the next three months by the participant within his or her work groups.

When the participants next meet three months later to share their experiences and describe what they have learned, they will fine-tune their action plans for the next three months. After completion of the one-year development process, recommendations that concern new policies and action items for the continuation of the change process are made to the Board of Directors for approval. Once approved, the changes are passed on to other lower level managers, who implement them throughout the rest of the organization.

The MCM process

The MCM Process (see Figure 2) is a multicultural team building process. It helps participants identify their own cultural value priorities in addition to those of other team

Figure 2 The MCM process



members. This helps participants better understand the reasons for the culture clashes that team members have experienced.

The MCM Process begins by addressing the definition of culture and exploring the various dimensions of culture. Participants learn that culture consists not only of such things as art and food, but also includes values, religion, language, non-verbal communication, time and space orientation, and customs and traditions. They learn that culture consists of the behavioral norms that a group of people have agreed upon in order to coexist. The focus then shifts to one of the most important elements of culture: values.

From a list of 20 values, participants are asked to select five they consider to be most important. Participants are then asked to compare their answers with those of other team members. Because each member has come from a different cultural background, differences in value priorities become apparent. An Indonesian, for example, might emphasize relationships, group harmony, cooperation, and religion, while an American might value freedom, equality, risk-taking, and openness.

The next step is to emphasize, through role plays and group discussions, how the above values impact daily business activities such as meetings, telephone conversations, and written communication. Members also discuss how differences in non-verbal messages (e.g. facial expressions and other forms of body language) can create many misunderstandings.

Participants then share some of their own experiences in multicultural meetings, negotiations, training, and performance reviews. They are asked to discuss what may have frustrated them in these exchanges, and are asked to explain their own behavior. In the meantime, video presentations, case studies, and artwork create an atmosphere designed to enhance the multicultural team's future performance. In the process of sharing their experiences and some of their most important values, participants typically gain a measure of understanding and respect for each other and for other cultures. While the differences between respondents always stand out, participants are usually surprised to discover that they have many similarities with their counterparts, as well.

Discovering corporate strengths and weaknesses

Participants are now better acquainted and respect each other. They now begin discussions related to the state of the organization's business. This step in the process of enhancing corporate culture is used to determine the corporation's strengths and weaknesses in an open and frank discussion. Each participant is asked to list five examples of the company's strengths and weaknesses. The following are examples of some of these.

Current organizational strengths

- Market leader with a brand name,
- Monopoly,
- Investment in new technologies,
- Employee loyalty and teamwork,
- Large customer base and growing market,
- National coverage,
- Technical competency and financial strength.

Current organizational challenges

- Overly bureaucratic,
- Technical expertise dependent upon vendors,
- Inconsistencies in programs and regulations,
- Lack of customer orientation,
- Lack of competition,
- Not proactive to external business changes,
- Not focused on core business.

Participants agreed that the above weaknesses could not be overcome by simply acquiring more money or equipment, seeking new technologies, or increasing market share. Participants also agreed that these challenges were due to the current organizational culture. Enhancing, enriching, and creating a new culture will strengthen the current state of corporate affairs while also overcoming the current weaknesses.

Identifying reward systems

After these strengths and weaknesses have been identified, participants are ready to move on to the next phase of the program: discovering the current reward system of the organization.

In their groups, participants evaluate the reward system within the organization. We ask pertinent questions, such as What values

are being rewarded? and Who is being promoted? Each group is then provided with a list of 20 values and each individual is asked to select the top five rewarded values from this list. Based on the input from individuals, the top five per group of 20 each are shown in the following table. The top five values from the four groups are then identified as the current most rewarded values in the organization (Table I).

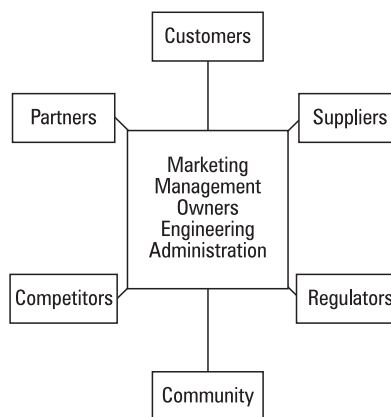
These are the values currently rewarded in the organization. If an employee wants to be promoted, he or she has to be loyal to their boss, show cooperation with team members, give attention to customers, provide quality services, and establish good relationships both within and outside the organization. Note that this is a source of friction in a multicultural joint venture, and should be handled by developing multicultural team-building skills between the partners in the venture. Values selected by an Asian organization may not be fully representative of the reward systems in a Western organization. Perhaps for a Western company, competition, bottom line, empowerment, and risk taking would have been highlighted.

Current corporate culture

Participants then discussed in detail the subcultures of their organization as described in Figure 3. Focus is placed on ownership, management, engineering, marketing, and administration. In a team of five, participants brainstorm for the representative values of these subcultures. Table II presents the group’s (80 members) final agreement on the subculture values.

It is interesting to note the uniqueness of each of the above subcultures’ values as perceived by participants. Ownership naturally values the company’s image, making a profit, growth, and customer satisfaction. Management stresses teamwork, customers, loyalty, innovation, and hard work. Note also

Figure 3



the differences and potential sources of clash between the values of the marketing, engineering and administration departments.

To determine the values of the organization as a whole, participants choose from among the values already listed for various subcultures. The five chosen values are representative of the organization’s overall culture.

Now note the similarity between the current corporate culture values and the previously identified rewarded value (Tables I and II). These two sets of values were developed from two different processes of consensus.

Corporate business culture

Participants now focus on the corporation’s external business culture (Figure 3). They consider the subculture values of their suppliers, regulators, partners, community, competitors, and customers. Each of these entities has its own culture and interests. The corporate culture must respond to each of these groups successfully, while also predicting possible changes in values.

What are the unique values of each of these external cultures? Again in the same teams, the participants interpreted the external culture values, and after much discussion developed the descriptive values of each as presented in Table III.

Table I Most rewarded values of organization

Group 1	Group 2	Group 3	Group 4	Group consensus
Loyalty	Customer focus	Loyalty	Customers	Employee loyalty
Hard work	Innovation	Relationships	Hard work	Hard team work
Teamwork	Relationships	Quality	Innovation	Customers focus
Cusotmer focus	Loyalty	Hard work	Image	Quality services
Quality services	Teamwork	Integrity	Quality	Relationships

Table II Organizational subcultures and current corporate culture

Owners	Marketing	Administration	Current corporate culture
Image	Selling		
Profit-oriented	Competition		
Growth	Customer satisfaction		
Quality	Flexibility	Bureaucratic	Profit and growth oriented
Customer satisfaction	Hard work	Central decisions	Teamwork
Management	Engineering	IT oriented	Employee loyalty
Teamwork	New technology	Efficiency	Customer satisfaction
Customer-oriented	Quality-oriented	Group harmony	Quality services
Loyalty	Reliability		Relationships
Innovation	Hard work		
Hard work	Innovation		

Table III Business subcultures and future corporate values

Community	Partners	Customers	Future corporate values
Donations	Win-win solution	Quality of services	1. Business entrepreneurial spirit
Social awareness	Cooperative	Competitive price	2. Team work
Small business	Trust	Responsive	3. Customer focus and satisfaction
Environment	Team work	Variety of service	4. Quality consciousness
Benefits	Value added	Ease of use	5. Cooperative partnership
Suppliers	Regulators	Competitors	6. Adaptability and flexibility
Profits	Fair competition	Mutual respect	7. Aggressive marketing
Relationships	Loyalty to Government	Fairness	8. Price competitiveness
Less bureaucracy	Agents of development	Cooperation	9. Innovation and new technology
Fairness	Quality of services	Compete w/Business	10. Environmental and community responsibility

As pointed out, each of these groups has unique values and expectations. Customers, for example, expect quality service at competitive prices. They also expect the organization to respond to their needs, offer a variety of services, and produce easy-to-use products. In contrast, suppliers expect a profitable business relationship, marked by fairness and less bureaucracy.

Regulators, on the other hand, position themselves as agents of development, expecting loyalty to the government, fair competition, quality service, and customer satisfaction. Partners expect a win-win relationship, cooperation, trust, and teamwork. The competition will expect mutual respect, fair treatment, cooperation, competition, and win-win solutions. Finally, the community expects the corporation to be concerned about the environment, to give donations to schools and hospitals, and to provide opportunities for small businesses. The above represent the external business cultures that must be adhered to by the corporation.

Future corporate values

After discovering their organization’s external business values, current corporate culture values, and the reward system, participants brainstormed for new corporate values. The groups develop several examples of possible corporate values. These values provide a base from which the final values are selected. Table III also presents the five values chosen by participants as representative of the culture they would like to see their corporation adopt.

As can be observed, these values include the current values identified earlier: teamwork, customer focus, quality consciousness, and cooperative partnership. Combined with newly identified values of adaptability and flexibility, aggressive marketing, business entrepreneurial spirit, price competitiveness, innovation and new technology, and environmental and community responsibility, participants now set up what should be their future corporate cultures. Agreement is achieved by those senior level working managers. The selection methodology used to

determine current corporate culture is also employed to determine future corporate values. They will be the ones to carry the ball in the implementation process!

Implementing corporate culture change

Participants have built consensus on the organization’s current and future cultures. The next task at hand is to develop how the organization can achieve these corporate culture changes in the day-to-day activities of the business.

It is important to note that the process of corporate culture change began when participants started to develop the current and future values, for in so doing they recognized the benefits of cultural change. The next step for them is to begin their work as mentors for introducing value change to others in the organization. They do so with personal action plans, which are part of the whole implementation process outlined in Figure 4.

Also note that team support is a strong factor in the success of implementing value change. Within their groups the participants share their experiences, both successful and challenging, for formulating the new corporate culture. It is for this reason that participants meet every three months in two-day workshops. Teamwork is also essential for the success of action plans among employees.

Personal action plans

Personal action plans are extensive blueprints for successfully introducing one or two of the ten specific future values. Participants develop them at the end of their first

workshop. They include action items, as well as measurable criteria for the changes in values. Participants are free to choose the values they want to implement. They make presentations on their plans, fine tuning them based on the feedback they receive from the other members of the group.

After three months, participants meet again, eager and ready to present the results achieved and problems encountered as they introduced their action plans. Other workshop participants and the consultant discuss these problems and then help each other fine-tune their action plans.

During the third meeting, a full nine months into the program, advanced business-related topics are presented to further enhance the participants’ business skills. These include negotiating, marketing, and technology transfer skills. This meeting serves as a team building activity and also expands members’ professional business knowledge.

Participants then make presentations to update each other on the last three months they have spent applying their plans in the field. Again, the results and problems encountered are shared and plans are fine tuned based on others’ feedback. Table V presents sample action items and the results achieved.

Corporate culture change manual

In the last meeting, 12 months into the process, corporate culture enrichment manuals are developed by participants, which include guidelines for managers on implementing the change process. The manuals contain the identified future values and also provide practical ten-point guidelines for each of the ten previously identified future values. These guideline are supplemented by specific examples for implementation based on the 80 managers’ one-year implementation process.

Table IV presents examples of guidelines developed by participants for Customer Focus and Satisfaction.

Culture cement programs

Recognizing that the corporate culture change process takes time, culture cement programs are developed to facilitate the introduction of new values (Figure 5).

Figure 4 Implementation process



Table IV Guidelines for customer satisfaction

- Nominate 4-5 team members to foresee the progress and problems related to customer satisfaction within your department. They will act as a Think Tank team
- Establish an online system with adaptable procedures to provide customers with one-step services, total solutions, immediate responses, therefore exceeding customers expectation
- Establish customer databases that will include information on customer segmentation, prime customers, sources of complaints, and degrees of satisfaction or discontent
- Provide employees with training on the efficient use of new equipment for providing immediate solutions for customers
- Develop within your team a customer-oriented attitude. Be responsive, flexible, adaptable, caring, assertive, and provide total solutions. Give employees specific training to improve attitudes when dealing with customers
- Periodically evaluate customer satisfaction, retention, and sources of complaints. Make employees aware of these indicators
- Pay close attention to prime customers by establishing account executives who will communicate often with them to maintain their loyalty
- Develop and circulate within departments a newsletter or briefing on the degrees of customer satisfaction
- Establish departmental reward systems for employees who contribute to excellent levels of customer satisfaction. Acknowledge winning teams in formal ceremonies
- Develop and circulate mottoes related to customer satisfaction, such as "Think Like a Customer", "The Customer is the King", "Customers Pay Our Salaries", "Exceed Customer Expectations", and "Be In Touch With Your Customer"

Participants recommended actions such as newsletters that provide ongoing information to employees and serve as a common venue for information releases. Dress norms were also suggested as key to developing a common dress culture, with the organization implementing dress fashions for ladies and ties for men. Participants recommended these

Table V Sample action items and results achieved

Value	Action items	Results achieved
Quality	Established the core team	Customers' complaints reduced significantly
Consciousness	Formulate quality standard	Each employee can make his or her action plan
Price	Establish supervisory channel and bulletin	
Competition	Identified cost structure of each project	Projects completed on time
	Analyze dominant cost items	Quality enhanced
	Create partnership to enhance quality and lower costs	Reasonable prices to owners
		Increased company's profits
Teamwork and entrepreneurial spirit	Publish first edition of newsletter	Publish first edition
	Create policy strategy	Established enthusiastic team
	Handle daily activities	

Figure 5 Corporate culture cements



be worn every Monday and Friday. Note also how the idea of a dress code is itself culturally dependent: Asian cultures may be more prone to accept dress codes in a white collar corporate environment, while Americans usually implement dress code in the service industry and blue collar environments.

The groups also recommended planning social events for employees and their families to meet company management; community support events to establish bonds between the company and its local community, rewards ceremonies to acknowledge the employees' achievements, and training programs to serve as a venue for team building and acquiring new skills are all part of the cultural cement activities.

Culture mottoes

To maintain the change process, participants create pictorial representations of the ten new corporate culture values. Figure 6 shows some of these pictures. These pictures are placed in different locations within the organization to assist in

Figure 6 Pictorial representations of new corporate values

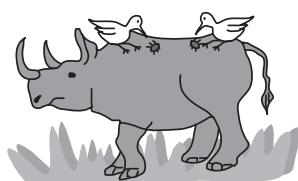
ADAPTABILITY & FLEXIBILITY



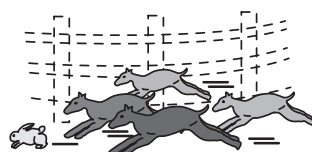
AGGRESSIVE MARKETING



TEAMWORK



COOPERATIVE PARTNERSHIP

COMPETITION
IS A
WIN - WIN SOLUTION

the change process. A picture will tell a thousand words! Because the pictures are produced by participants, they create a common forum for discussion.

Summary

The corporate culture development process is the key to building organizations that can adapt to the changing cultures of the twenty-first century. Corporate cultures must be defined by the members of the organization, not by external consultants or even the board of directors, although top management may recommend a direction and motivate people to adhere to it. Our process helps senior management identify their own values, giving them the opportunity to discover their core

business cultures. They then reach agreement on their future culture.

In order to achieve the newly identified values, participants share their experiences implementing the corporate culture change, working closely with their groups to emphasize the need for the new culture. The experience of sharing every three months, with mentoring by our consultants, has been of great value for fine tuning the participants' action items. The use of value pictures has served as a common forum for reaching the new values.

Top management's support has been a key to the successful development and integration of the change process. The change process described can be successfully implemented by organizations, independent of the nature of their business.

Participant feedback

Here is some of the feedback from participants on the process of developing new corporate culture:

- A new horizon of multicultural management is necessary in anticipation of globalization. In order to become a successful global business the manager must become skilled in the multicultural aspects of the company.
- The new corporate culture should be implemented conscientiously. Corporate values should be applied systematically to the operational level. This should be supported fully by top management.
- It is very important for staff to understand various cultures and the value of changing corporate culture. Implementation of the new corporate culture should be managed continuously, as the new corporate culture will improve the company's competence in global business.
- By learning new values, we can help prepare the guidelines for achieving these values. Also, for the global era it is very important to know several cultures. Finally, the program allowed us to design our new goal-oriented corporate culture.
- The identified corporate values are very important. Changes of culture must be initiated and supported from the top and introduced to everyone in the company.
- Every manager must take the initiative to develop one project in his/her own area, implementing one of the corporate cultures from the workshop and reporting the results to management. The program is useful and should be given to the lower staff as well.
- Building the corporate culture necessitates a strong and determined political will from top management and continuous communication in order to get some perspective and commitment. The change process is costly in time and money, and needs patience, but it will offer a worthwhile reward.