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Shuang Liu

Quan Liu

See next page for additional authors

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Authors

Shuang Liu, Quan Liu, and Guo-Ming Chen

Through the Lenses of Organizational Culture: A Comparison of State-owned Enterprises and Joint Ventures in China

Shuang Liu, University of Queensland
Guo-Ming Chen, University of Rhode Island
Quan Liu, Tianjin Tingyi International Food Co. Ltd

Abstract. This study compared state-owned enterprises (SOEs) and joint ventures (JVs) in light of organizational culture practices. Data were obtained via a survey participated by 781 respondents from five enterprises. Factoring identified four cultural dimensions: Participation, Teamwork, Supervision, and Meetings. All four dimensions, except Participation, were rated significantly higher by respondents from SOEs as compared to the ratings in JVs. Based on the findings, this study concluded that culture practices valued in one type of enterprise might be liability in another. The implication for management is to gear culture practices to the characteristics of the organization to make it successful. [China Media Research. 2006;2(2):15-24].

Key words: Culture, meetings, participation, supervision, teamwork

Introduction

Since the nationwide economic reform in the early 1980s, China has succeeded in attracting foreign investment in various industries. As documented in the National Bureau of Statistics of China, by 2002, there were 4,402 large and medium joint ventures (JVs) operating in China (*China Statistical Yearbook*, 2003). These joint ventures brought about tremendous challenges to the once dominant status of the state-owned enterprises (SOEs) in China's economy because they have been more productive than government controlled enterprises. According to statistics, by 1995, the average firm with foreign investment was 4.6 times as productive as an SOE (McGuckin & Spiegelman, 2002). While SOEs were closing the gap on foreign-owned and foreign-invested firms, the pace was extremely slow. According to one Conference Board Report, there was a 14% annualized output growth between 1995 and 2002, with foreign-invested enterprises showing extremely fast output growth at 28% annualized. In contrast, output growth was only 3% in state-owned and collective firms (McGuckin & Spiegelman, 2002). Over the past two decades, many SOEs tried to improve their operations by Westernizing their management practices whereas joint ventures and foreign funded firms tried to localize their management practices for their China operations. This scenario has attracted a growing interest among management and organization researchers to understand the complexities of different types of enterprises operating in the post-reform institutional environment of China (Li & Tsui, 2002).

This study intended to expand our knowledge of SOEs and JVs by comparing them on some dimensions of culture practices. Many researchers have examined organizational culture as a source of competitive advantage from different perspectives (Barney, 1986;

Fey & Denison, 2003; Lund, 2003; Pfeffer, 1994). As early as the 1980s, scholars in organizational theory argued that the time had come to bring mind back into organizational theory, and the concept of culture was expected to do so (Pondy & Boje, 1980). The expectation was that the concept of culture would overcome the shortcomings of a mechanical view of organizations by adding a qualitative perspective. Since then, the concept of organizational culture has been used widely in both academic work (Bantz, 1993; Smircich, 1983) and popular literature (Deal & Kennedy, 1982). However, in spite of the popularity and accessibility of this concept, research in organizational culture was found to be paradigmatically disparate and contradictory (Martin, 1992; Witmer, 1997). The theories that exist have predominantly been developed and applied in the USA (Kotter & Heskett, 1992; O'Reilly, 1989) and the predominant methodologies employed were ethnographies. Our study attempted to fill the gap in this line of research by quantitatively measuring organizational culture practices, with the hope of operationalizing the complex construct of culture and facilitating cross-organizational or cross-cultural comparison.

Definitions, manifestations and measurements of organizational culture

With researchers from a variety of perspectives and disciplines adopting the metaphor, the term organizational culture has been defined and conceptualized in various ways (Glaser, Zamanou, & Hacker, 1987). Some researchers adopted a normative definition of culture by emphasizing an organization's shared expectations for consensually approved behaviours (Martin, 1992; Van Maanen & Barley, 1984). Other scholars described it as patterns of belief, symbols, rituals, and myths that evolve over time and function as

the glue that holds the organization together (Pettigrew, 1979; Smircich, 1983). While acknowledging that no strong consensus has been reached on a single definition, in this study we adopted Deshpand and Webster's (1989) definition that describes organizational culture as "patterns of shared values and beliefs that help individuals understand organizational functioning and thus provide them with norms for behaviors in the organization" (p. 4). We used this definition because it stresses that organizational culture consists of patterns of shared expectations and meanings that reflect organizational functioning and guide organizational behaviours. Thus, an understanding of how organizational members perceive these patterns at work may provide insights into the managerial practices characterizing the organization.

Organizational culture influences behaviour because it contains the social knowledge organizational members use to know what they are expected to do and what rewards and punishments may result from their individual and collective efforts (Heath, 1994). Some organizations value teamwork whereas others value individuality; some organizations prefer collective decision making whereas others follow authoritarian leadership style; some organizations stress supervision from senior employees to junior employees whereas others expect newcomers to learn how to do their jobs independently. The GLOBE project conducted by a team of social scientists from 62 cultures across the world (House et al., 1999) created a burgeoning interest in understanding the management practices of various countries in their own cultural context and within their own frame of reference. However, as our organizational contexts become more diverse, different types of enterprises within the same national boundary may be functioning under different subcultural context. For example, state-owned enterprises and joint ventures in China operate under different rules of resource allocation and distribution systems, hence, facing different institutional environment (Li & Tsui, 2002). Thus, there is a need for us to look at culture practices of different types of organizations operating within the same national but different subcultural context. The question of how culture practices of different types of enterprises differ and how well different culture practices serve the same organizational goal across organizations is worthy of exploration.

Lively debates have surrounded around how organizations manifest cultures and how cultural dimensions are linked to managerial practices. Most previous research on organizational culture focused on the shared expectations and meanings identified through stories (Louise, 1980), special language (Bantz, 1993), artifacts and norms (Lund, 2003). The commonly used methodologies are ethnographic observation, analysis of narratives, and indepth interviews to understand the

culture that is unique to a particular organization. A number of scholars have developed integrative frameworks of organizational culture (Hatch, 1993; Martin, 1992) but little consensus exists with regard to general theory (Lund, 2003). Among the early efforts to operationalize the construct and to ground the conceptual and theoretical literature in empirical data was the development of Organizational Culture Survey (OCS) by Glaser and her associates (1987). They proposed that "If organizational cultures are created through symbols, ideology, beliefs, ritual and myth, then categories are now needed to establish themes and patterns around which stories are told, legends are built, and beliefs are developed" (p. 174). Other attempts to quantify measures of organizational culture were found in Hofstede and his associates' study (1990) that employed both qualitative and quantitative measures to examine culture practices across 20 cases. Despite of the efforts made by those scholars, much work on organizational culture has been conceptual rather than empirical in nature (Sypher, Applegate, & Sypher, 1985) and the construct still needs to be operationalized to allow comparison of culture practices across organizations.

As the purpose of our study was to compare SOEs and JVs in light of their culture practices, a quantitative measure would be useful for us to see similarities and differences between the two types of enterprises. It was not the intention of this study to explore all important dimensions of organizational culture that are salient in these two types of enterprises, in which case an exploratory research would be more appropriate. What we were interested in finding out was how SOEs and JVs differed on some measurable dimensions of culture and what these differences could tell us about the managerial practices of each type of organization. Hence, we adopted OCS as our instrument in this study. This 36-item instrument measured six dimensions of organizational culture: *Teamwork, Morale, Information flow, Involvement, Supervision, and Meetings* (Downs, 1994). The reported Cronbach alphas for the six dimensions ranged from .63 to .91, which was reasonably acceptable. During the stage of its development, OCS was also used in combination with critical-incident interviews which were coded in conjunction with the six factors of the scale. This analysis reinforced the descriptions of the organization's culture that emerged from the analysis of the scale data (Zamanou & Glaser, 1989). Hence, OCS has been recognized as a fairly reliable instrument for measuring some culture dimensions that are central foci to all organizations. In addition to quantifying organizational culture measurement so as to facilitate cross-culture and/or cross-organization comparison, this study also attempted to test the applicability of a model developed in the Western context cross-culturally.

Therefore, the following research questions have been developed:

RQ1: How well do the cultural dimensions identified as central foci to all organizations in OCS apply to Chinese respondents?

RQ2: To what extent do respondents from SOEs and JVs perceive these cultural dimensions differently?

RQ3: How do demographic variables influence ratings on the identified cultural dimensions?

RQ4: What do differences in culture practices tell us about the managerial practices of SOEs and JVs?

Method

Research site

The three SOEs under study were situated in Northeastern and Southern parts of China. The national wide economic reform during the past two decades brought about great changes to their operational environment as well as to their managerial attitudes. Traditionally, SOEs were required to remit all profits to the state government, and the state covered all their losses (Liu, 2003). Employees enjoyed lifetime employment, enterprise provided health care and pension after retirement. After the reform, the government steered SOEs into the market, holding them responsible for their own profits and losses. Moreover, the implementation of labour contracts in the late 1980s began to threaten the security of employment, known as “the iron rice bowl.” While pressed to undergo marketization and privatization, many of the large SOEs were constrained by regulative requirements that held them back (Lau, Tse, & Zhou, 2002). SOE employees, mostly frontline workers, were concerned about losing their jobs because their chance of finding employment in an over-supplied labour market was dim. Hence, SOEs were reluctant to accept the changes brought about by the reform. The three SOEs in this study were similar in that a) They were established between 1950-1960s; b) They had a workforce of over 6,000 employees; and c) They were burdened with old machinery and a large number of retirees. Like many old SOEs, they had been struggling to compete with joint ventures and/or private firms to secure their position in the market.

The two JVs under study were both located in Southern China. Along with the reform in SOEs, was the continuous expansion of the private sector that gave birth to enterprises of different ownership. Starting from 1979, Sino-foreign joint ventures were introduced to accommodate the entry of foreign financial capital and technology (Lau et al., 2002). Many of those joint ventures were set up in capital cities or southern region where the climate was more favourable. Motivated primarily by making profits rather than by meeting state quotas, joint ventures and private firms in China laid more emphasis on efficiency and they were more

receptive to new technologies and organizational changes (Lau, Ngo, & Chow, 1998). Employees in JVs may not have lifetime employment but they enjoy more performance-based remuneration. Over the past years, the output of JVs has been reported to surpass that of SOEs. The two JVs in this study were similar in that they were established at approximately the same period of time post the economic reform and they both had foreign partners from Asia Pacific region (Japan, Taiwan, and Malaysia). It would be interesting to see how some cultural values (e.g. group orientation and respect to hierarchy) shared among Asians were reflected in organizational culture practices in joint ventures.

Participants and procedures

Data in this study were gathered via an anonymous survey, with the assistance of gatekeepers in the five enterprises. This procedure of questionnaire administration eliminated the problem of poor return rate. Approximately 891 questionnaires were distributed and 781 respondents voluntarily participated in the survey, making a very high response rate of 88%. Of the 781 respondents, 626 (80%) were from three state-owned enterprises and 155 were from two joint ventures. The pool of the respondents was equally balanced in gender. People between the age of 26-45 formed the largest percentage in SOEs (76%) and JVs (62%) respectively. The respondents' work experience in their respective enterprises ranged from less than three years to over 20 years. As far as position was concerned, workers and clerical staff formed the overwhelming majority (91%); the remaining 9% came from middle or upper level management. Approximately 51% of the respondents received tertiary education.

Instrument

The survey questionnaire was comprised of 41 items in total, 36 of which were adopted from OCS and measured on 5-point Likert Scale with 1 standing for *a very little extent* and 5 representing *a very great extent*. Of the six dimensions identified by the original OCS, *Teamwork* (N = 8) was related to coordination of effort, honesty, support, conflict resolution, concern, and cooperation, and a feeling of open group communication; *Morale* (N = 7) was concerned with good working relationship, respect for workers, fairness, sense of family, trust, and organizational character; *Information flow* (N = 4) asked about whether or not one had sufficient information to do one's job, communication about changes, and contact with other work areas; *Involvement* (N = 4) aimed to solicit information on employees' input of ideas and participation in decision making, and the extent to which workers were encouraged by management to offer their thoughts and ideas; *Supervision* (N = 8) was

related to employees reporting on the amount, valence, and clarity of their immediate supervisor's feedback about their work performance; *Meetings* (N = 5) addressed the issues such as how productive and democratic meetings were, as well as the extent to which decisions made at meetings were put into practice. In addition, five demographic questions on gender, age, point of entry, position, and education were put at the end of the questionnaire to obtain more information of the respondents.

Analysis

A principal component analysis was first performed to verify the factor structure proposed by the original OCS. A standard varimax rotation was applied to the resulting factor pattern and factor loadings for each of the items of each retained factor inspected. Cronbach alphas of items contained in each factor were examined to determine the reliability of each scale based on the factor structure. The average scores for each resulting scale were calculated and used for subsequent analysis.

Next, t-tests were conducted to measure the significance of differences between the two types of enterprises (SOEs and JVs) on each identified scale. Finally, correlations between scales representing culture practices and demographic variables were obtained to further compare differences between the two types of enterprises.

Results

Structures of OCS

RQ1 asked whether or not the cultural dimensions identified as central foci to all organizations in OCS applied to Chinese respondents. To answer this question, first a principle component analysis was performed to verify the original dimensions of OCS. Results indicate that our data factored nicely into four dimensions instead of six, with relatively low cross loadings. Taken together, the four factors accounted for 62% of the total variance. Kaiser's Measure of Sampling Adequacy yielded an extremely high value of .96, justifying factoring. Examination of rotated factor loadings revealed that the original dimensions of *Involvement*, *Information flow and Morale* loaded primarily on Factor 1 that accounted for 19.4% of the total variance. As the 14 items contained in this factor generally tapped at employees' participation in work related activities, this factor was labeled *Participation*. Factor 2, explaining 16.6% of the total variance, consisted of nine items, all of which, except one, were from the original dimension of "teamwork." Hence, this factor retained its original

label of *Teamwork*. Factor 3, accounting for 16% of the total variance, was comprised of eight items, uniformly from the original dimension of "supervision." Thus, this factor was named *Supervision*. The remaining five items, explaining 9.6% of the total variance, loaded on Factor 4. As all five items were from the original dimension of "meetings," this factor was also labeled *Meetings*. Cronbach alphas for the four factor-based scales ranged from .86 -- .93, indicating a very high level of reliability and consistency of items in each respective scale.

The grouping of the 36 items in this study was different from the original factor structure of OCS. This might suggest that the interpretation of some cultural dimensions probably varied across different organizational contexts. Hence, whether OCS is optimal for applying in the Chinese context may need further warrants. Table 1 presents the results of factor loadings.

Differences in culture practices across enterprises

RQ2 was concerned with the differences between SOEs and JVs in terms of the perceived cultural dimensions in practice. Results from two-tailed t-tests comparing SOEs with JVs on their ratings of the four dimensions illustrate that significant differences existed between the two types of enterprises on *Teamwork* ($t = 3.68, p < .001$), *Supervision* ($t = 4.32, p < .001$) and *Meetings* ($t = 3.27, p < .01$), with respondents from SOEs reporting higher scores on three out of the four dimensions. Table 2 illustrates the results.

Impact of demographic variables on ratings of cultural dimensions

RQ3 addressed the potential impact of demographic variables on the ratings of cultural dimensions. Results indicate that respondents with higher level of position and education perceived a higher level of *Teamwork* in SOEs (position $r = .12, p < .01$; education $r = .12, p < .01$) whereas opposite relations were found in JVs (position $r = -.25, p < .01$; education $r = -.19, p < .05$). Moreover, respondents with higher level of education in SOEs also perceived more *Supervision* ($r = .21, p < .01$) whereas opposite association between the two variables was found in JVs ($r = -.17, p < .05$). In general, people in SOEs reported a positive relationship between tenure, position, education and ratings on the four cultural dimensions. However, such relationship was either negative in direction or not strong enough to reach significance level in JVs. Table 3 presents the results of correlations.

Table 1. Factor loadings of 36 items of organizational culture survey

Items	Participation	Teamwork	Supervision	Meetings
I get enough information to understand the big picture here.	.74	.15	.22	.10
I know what's happening in work sections outside of my own.	.74	.17	.13	-.03
The organization values the ideas of workers at every level.	.71	.15	.30	.28
When changes are made the reasons why are made clear.	.70	.07	.26	.09
This organization treats people in a consistent and fair manner.	.67	.20	.21	.33
This organization respects its workers.	.67	.23	.19	.37
My opinions count in this organization.	.62	.10	.30	.25
Working here feels like part of a family.	.62	.28	.24	.35
I have a say in decisions that affect my work.	.61	.20	.32	.10
This organization motivates people to be efficient and productive.	.59	.16	.15	.40
I get the information I need to do my job well.	.57	.25	.24	.11
I am asked to make suggestions about how to do my job better.	.56	.23	.43	.10
This organization motivates me to put out my best efforts.	.55	.27	.24	.37
Labour and management have a productive working relationship.	.43	.40	.36	.38
People I work with are cooperate and considerate.	.15	.79	.18	.08
People I work with are concerned about each other.	.15	.77	.16	.14
People I work with function as a team.	.13	.76	.18	.15
People I work with resolve disagreements cooperatively.	.14	.75	.19	.12
People I work with are good listeners.	.18	.74	.16	.12
People I work with are direct and honest with each other.	.18	.73	.08	.12
People I work with accept criticism without becoming defensive.	.16	.70	.14	.00
People I work with constructively confront problems.	.15	.70	.16	.12
There is an atmosphere of trust in this organization.	.39	.55	.14	.29
My supervisor is a good listener.	.24	.16	.77	.27
My supervisor takes criticism well.	.33	.19	.75	.19
My supervisor is approachable.	.25	.24	.71	.24
My supervisor gives me criticism in a positive manner.	.24	.12	.71	.15
My supervisor delegates responsibility.	.34	.16	.70	.15
My supervisor tells me how I'm doing.	.25	.18	.68	.28
When I do a good job my supervisor tells me.	.33	.26	.63	.19
Job requirements are made clear by my supervisor.	.23	.32	.56	.20
Time in meetings is time well spent.	.27	.17	.25	.71
Meetings tap the creative potential of the people present.	.35	.09	.35	.63
Decisions made at meetings get put into action.	.27	.19	.41	.60
Our discussions in meetings stay on track.	.15	.25	.39	.57
Everyone takes part in discussions at meetings.	.28	.20	.47	.53
% of variance explained (62%)	19.4	16.6	16	9.6
Eigenvalues	6.98	5.96	5.78	3.44

Table 2. Two-tailed t-test comparing ratings on cultural dimensions

Variable	N	Mean	s.d.	T
Participation				
SOE ^a	603	3.00	.91	.66
JV ^b	152	2.94	.94	
Teamwork				
SOE	607	3.63	.80	3.68***
JV	153	3.36	.85	
Supervision				
SOE	601	3.42	.96	4.32***
JV	153	3.04	.94	
Meetings				
SOE	615	3.45	.89	3.27**
JV	154	3.18	.99	

Note. ^aSOE=state owned enterprises, ^bJV= joint ventures; **p<.01, ***p<.001

Table 3. Correlations of cultural dimensions, demographics, and satisfaction

Variable	Enterprise	Participation	Teamwork	Supervision	Meetings
Gender	SOEs ^a	.08*	.07	.12**	.11*
	JVs ^b	.07	-.16	-.00	-.01
Age	SOEs	-.04	-.12**	-.13**	-.10*
	JVs	-.01	.15	.09	.10
Tenure	SOEs	.13**	.13**	.22**	.19**
	JVs	.12	-.02	.05	.02
Position	SOEs	.21**	.12**	.16**	.14**
	JVs	.09	-.25**	-.04	-.02
Education	SOEs	.16**	.12**	.21**	.20**
	JVs	-.15	-.19*	-.17*	-.14

Note. ^aSOE=state owned enterprises, ^bJV= joint ventures

* Correlation is significant at the .05 level (2-tailed).

** Correlation is significant at the .01 level (2-tailed).

Discussion

This study employed OCS to compare the ratings on some dimensions of organizational culture practices in SOEs and JVs. Factor analysis reduced the original 6-dimension structure to a 4-dimension one, maintaining the original three factors of *Teamwork*, *Supervision*, and *Meetings* while collapsing the other three factors of *Morale*, *Involvement*, and *Information flow* into one factor. This result suggests that the manifestation and interpretation of some organizational cultural traits may vary across national boundaries. This argument was supported by evidence from a previous research indicating that the link between concepts and behaviour could vary across countries (Denison, 1996). On the other hand, the confirmation of the structure of the other three factors in the original OCS, to a certain extent, lent support to the existence of core culture as central to organizational performance (Deal & Kennedy, 1982). Much of the past literature in organizational culture either explicitly or implicitly embraced the need for qualitative research such as ethnographic observations and interviews (Carbaugh, 1985; Pacanowsky & O'Donnell-Trujillo, 1983). Such research has the potential to provide indepth accounts that move beyond

description to interpretation and meaning. Nevertheless, this type of research alone is often limited by its ability to resist systematic modes of assessment and the lack of precise criteria for evaluating cultural interpretations (Glaser et al., 1987). While the linkage between theoretical concepts and the actual behavioural patterns that exemplify them revealed by this study suggests the possibility of using operationalizable and quantifiable dimensions to measure organizational culture, more research efforts need to be devoted to testing and verifying different quantitative measures with findings from exploratory research in different organizational contexts.

We are fully aware that culture is a complex phenomenon ranging from underlying beliefs and assumptions to visible structures and practices (Shockley-Zalabak & Morley, 1989). Hence, a 36-item instrument alone is unlikely to adequately capture all aspects of this construct. This is, perhaps, a liability of all standardized questionnaires. As Glaser et al. (1987) indicate, OCS must be seen as one means of assessing culture and it might be more desirable for it to be used jointly with other methods of data collection to capture the nature of culture through methodological

triangulation. Nevertheless, OCS, an instrument that addresses some of the major components of organizations, has utility for organizational research, particularly when we wish to compare culture practices across different organizations. In this study, for instance, the comparison of ratings on the same cultural dimensions in SOEs and JVs opened up a window for researchers to see how people from the same national culture perceived and interpreted the world of their organizations differently.

Our final research question, RQ4, addressed the link between differences in perceived culture practices and characteristics of management in SOEs and JVs. Results from comparison of culture practices in SOEs and JVs indicate that the perceived level of *Teamwork*, *Supervision* and *Meetings* was significantly higher in SOEs as compared to that in JVs. One possible way to account for this difference is to look at the characteristics of each type of enterprises. Firstly, in large SOEs such as the three enterprises under study, workers primarily work on the assembly lines that require a high level of cooperation among co-workers in the same workshop. Hence, teamwork has become an important element to ensure smooth operation on a daily basis. Secondly, many large SOEs were set up in the late 1950s or early 1960s. Traditionally, newcomers in SOEs had to work under experienced workers for three years as apprentices before they could be qualified to undertake a task independently. This practice fostered a strong tradition of supervision in SOEs that has lasted till this day. Thirdly, due to the relatively large size and higher organizational hierarchy in most established SOEs, the effectiveness and efficiency of meetings at various levels are an important part of their organizational life (Liu, 2003).

Joint ventures, on the other hand, were mostly set up in the 1990s, post the nationwide economic reform. They are generally smaller in size and with younger employees as compared to SOEs. The tradition of apprenticeship has never existed because there is literally only one generation of employees. The relatively small size of JVs, their flatter organizational hierarchy, and their looser ties with the central state government have probably reduced the frequency and importance of various meetings in their organizational life. Therefore, those differences in characteristics due to ownership of the organizations may contribute to the reported higher ratings on *Teamwork*, *Supervision*, and *Meetings* in SOEs as compared to JVs. However, to what extent productivity is linked to the three culture dimensions is another issue worthy of some further investigation, as it has been reported that productivity in SOEs in general has been lower as compared to that in JVs or foreign owned enterprises in China (McGuckin & Spiegelman, 2002).

Effective organizations empower people, organize around teams, and develop human capability (Lawler, 1996); hence, the perceived higher level of teamwork in SOEs is expected to positively contribute to organizational effectiveness. On the other hand, teamwork is also closely associated with group orientation, which is an important aspect of Chinese culture (Liu & Chen, 2000). Following this line, success for Chinese tends to be a group enterprise rather than a striking out on an individual path of self-discovery (Lockett, 1988). Hence, influenced by this group orientation, the reward mechanism in SOEs has often been based on the group, rather than the individual. For example, in theory, the performance based bonus introduced after the reform, is to enhance individual worker's incentives; but in practice, workers working in the same workshop tend to receive the same amount of bonus, if there is any, at the end of the month. Findings from a past study in SOEs revealed that in some workshops, even the honour of "model worker" was awarded to workers in the same workshop in turns because the principle was to let everyone have a chance to get it (Liu, 1999). The consequence of such practice is that while attention is paid to preserve team spirit or collectivity, it may hurt the enthusiasm of individual workers because their individual contribution to the organization is not duly recognized. As Li and Tsui (2002) point out, more research is needed on identifying incentive systems conducive to employee commitment and managerial behaviour oriented towards the organization rather than personal interests.

Higher level of supervision in SOEs, particularly represented by older employees guiding the work of younger ones, might sometimes restrict the younger workers' initiatives to innovation and change in the traditional ways of doing things in the organization. This side effect could be reinforced by the need to respect seniority in Chinese culture. Consequently, younger employees in established SOEs are often reluctant to put forward their suggestions for improving the operations of their organization to senior employees who are recognized as experienced workers. Moreover, the higher level of organizational hierarchy provides fewer chances for employees at the lower level to communicate face to face with managers at middle and/or upper level. The challenge of managers particularly in SOEs is to create opportunities for employees at all levels to voice their suggestions for improving the current practices. Once employees' ideas are listened, reinforced, and validated, higher morale and commitment may result (Glaser et al., 1987); this, in turn, may positively contribute to organizational effectiveness. Regretfully, we did not measure productivity in this study; hence, our interpretation here could only be speculative. Further research may include

such measurements to examine the relationships between culture practices and productivity.

When examining the dynamics of employees with respect to their ratings on the identified cultural dimensions, we found that respondents with higher level of position and education perceived a higher level of *Teamwork* and *Supervision* in SOEs whereas opposite associations were found in JVs. As education was found to be positively related to position in both SOEs ($r = .46$, $p < .01$) and JVs ($r = .52$, $p < .01$), we could infer that the leadership body tended to be staffed by people with relatively higher level of education. These contrary directions of association between ratings on culture practices and position in the two types of enterprises might reveal some differences in leadership style between them. Specifically, we assumed that the leadership body in SOEs is more likely functioning as a team of interdependent members; and decision making is probably a group process. On the other hand, in JVs, the higher the position, the more likely the person is required to work as an independent individual; and consequently decision making is more often an individual's responsibility. One advantage of individual decision making as compared to group process might lie in its effectiveness, as the individual decision maker would feel a greater responsibility to see it implemented in practice. Group decision making also has its own advantage as it pulls together the ideas and suggestions from more than one person; however, the level of individual accountability might be compromised. The challenge for managers, then, is to strike a balance between teamwork and individual responsibility in leadership that fits into the particular organizational context.

Conclusion

This study represents a replicable effort to understand the operations of SOEs and JVs through the lenses of their organizational culture practices. Findings from this study indicate that culture practices in SOEs tended to be more influenced by group orientation both in workers' organizational behaviours and in leadership style as compared to JVs. Traditionally, SOEs enjoyed inter-dependency of employees characterized by group decision making and egalitarian bonus distribution. However, under the reformed operational environment, we might need to re-examine this culturally based advantage because the same culture practice, once desirable, could become a liability under different economic or institutional environment (Boyacigiller, Kleinberg, Phillips, & Sackmann, 2004). An organization's management principles and practices endure because they have meanings to its organizational members. However, linking management with employees' shared expectations and meanings is an important but often neglected step in management

practice in China (Liu, 1999). Considering the lack of studies using culture as a criterion variable, more research is needed to investigate how differences in culture practices influence attitudes and behaviours of managers and employees.

Findings from this study also call for further research on operationalizing the construct of organizational culture to facilitate cross-organization and/or cross-cultural comparison. The application of a survey to quantify the measurement of organizational culture practices is useful because it makes the fuzzy field of culture somewhat accessible (Hofstede, et al., 1990). By applying the model in a cultural context different from the one in which it was developed, this study has made a contribution to the longstanding debate about the wisdom of using theories developed in one part of the world to understand organizational phenomena in other parts of the world (Boyacigiller et al., 2004; Lund, 2003). The OCS has been proved to be a reliable and stable instrument focusing on the measurement of a set of culture dimensions (Glaser et al., 1987) but it does not address the interpretations of the quantitatively measured constructs; nor does it address the symbolic activities of myths and rituals that some scholars equate with culture (Downs, 1994). Therefore, to further test its applicability cross-culturally, future research could use this instrument jointly with other methods of data collection such as observations and interviewing to verify the findings from this study through methodological triangulation.

With the acknowledgement of contributions, we wish to point out a few limitations of this study. Firstly, one limitation of this study is the small percentage of participants from middle and/or upper level management, which might affect the representativeness of the reported perceptions and the validity of the interpretation on the relationship between demographics and ratings on the cultural dimensions. Future research may increase the proportion of participants from upper organizational hierarchy to examine the diversity in perceptions of culture practices in organizations. Secondly, conclusions of this study would have been strengthened if we had measured productivity and linked productivity with ratings on those cultural dimensions. Further study on organizational culture in SOEs and JVs may incorporate measures of employees' perceived productivity of their organizations and compare the reported productivity with some external measurements to explore the dynamics of JVs as well as the causes for the much to be desired performance of many SOEs in China.

Correspondence to:

Dr Shuang Liu
School of Journalism & Communication
The University of Queensland

Brisbane, QLD 4072, Australia
Tel: 61 7 3365-3070
Fax: 61 7 3365-1377
Email: s.liu1@uq.edu.au

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