Book Review

Sheng Ye, *Corporate Spirit:*
A Complete Manual of Business Culture Management

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Based on experience and the real situation in China, Guangzhou Economic Prosperity Enterprise Management Consulting Co. Ltd. created a "Triple-Circulated Model of Corporate Competition". It is also called "Strategy-Culture-Human Resource Triple-Circulated Consulting Model". This model has a core competitive advantage with three layers that emphasizes strategy as its guide, corporate culture as its core, and human resource as its warrant.

Corporate Spirit: A Complete Manual of Business Culture Management is written by Dr. Sheng Ye (pen named Peng Ye or Ye M), the Director of Hong Kong Economic Prosperity International Group, Ltd. and the General Manager of Guangzhou Economic Prosperity Enterprise Management Consulting Co. Ltd. Dr. Ye is a famous scholar of Corporate Culture and a representative of the philosophical school in the field. The book, published in May 2004, is the first one in the serials of Practical Corporate Culture. Distinguished from various terms sharing the same concept, such as organizational culture, corporate culture, enterprise culture, and business culture, Corporate Spirit is used by Dr. Ye to emphasize the importance of corporate culture and its relationships with enterprises and their behaviour. Besides the organizational culture, which includes the culture of governmental institution, other terms all mean the culture of non-governmental legal entities. The definition of corporate culture is diverse due to two reasons. First, there are more than 160 definitions of culture, which certainly affects the definition of corporate culture. Second, people interpret the culture of enterprises from different perspectives.

All enterprises have corporate cultures! Only successful companies have outstanding business cultures! Mankind is great because of her dreams; a company is prosperous because of her culture. But what is a corporate culture? In his book, Dr. Ye defines corporate culture as the common value system under the guide of corporate philosophy. The most difficult contradiction in any companies exists between profit and the lofty ideal. Good companies pursuit for practical idealism. That is, according to the author of *Corporate Spirit*, corporate philosophy. With this soul, all employees will work hard for their missions. With this spirit, the company can make long-term and stable profits. Corporate culture is the personality of a company. And culture cannot be globalized even in the age of globalization.

How to judge a corporate culture? As *Corporate Spirit* explains, the concrete content of corporate culture is in the answers to the following questions: Within a company whether anybody or only those who have the privileges can ask questions? Does the company encourage employees to take risks or not allow them to have any mistakes? Do employees work with positive attitudes or negative attitudes?

Do employees respect each other? Can individual employee ask or get help from colleagues? Is individual employee proud of company's achievements? Are employees willing to follow their boss? Is a department willing to invite people from another department to its internal discussions? Is the door of the top manager's office always open or closed? Can you get the information about the company through many means or do you know anything about the company? How do employees solve the problems among themselves? Are employees willing to sacrifice their vacation time for the company? Do employees solve their problems through regular meetings? Do employees believe that they can get what they deserve from the company, and that they can reach their potential in the company?

Emphasizing both practices and theories, *Corporate Spirit* presents many important concepts, popular ideas and models, and related knowledge in the field, such as the theory of corporate culture as water, as I will explain below, the three layers of corporate cultural philosophy, two dimensions of corporate culture, the theory of corporate culture as religion, the concept of corporate core competitive ability, etc.

As the term itself has its different versions, the definition of corporate culture varies. In Dr. Ye's definition, corporate culture is described as water. A company should be run with a spirit not by a system. A system can only stop those who are going to commit the crime. But a spirit can turn those who have the chances to commit the crime to those who do not want to commit the crime. The functions of corporate culture are like the functions of water in the following ways:

1) Tender like water:

   The managerial function of corporate culture is to supplement the shortage of a system through an unforceful spirit with its soft effect.

2) Poking the rock like dripping water:

   The cultivating function of corporate culture is to gradually form a behaviour model for all employees, through which to achieve the goal of an enterprise.

3) Like water to fish:

   The influence of corporate culture on an enterprise is like the water on fish. A business cannot survive without a good culture, and only good business culture can guide a company towards success.

4) Return drips of water with a spring

   The coherence of a company under its corporate spirit will have a powerful effect on the company itself.

5) Ditch forms when water comes

   Only with persistence of the leadership and participation of all employees can a corporate spirit be formed.

6) Floating or turning over the boat

   Good corporate culture will support the business like water floating the boat. But bad corporate culture can otherwise turn over the boat.

Corporate philosophy decides corporate culture. It is the way of thinking of a company as a whole. It is also the way of a company dealing with society, its employees, customers, and related interest groups. The three layers of corporate philosophy are: first, the value of a company's existence, in other

words, the issue of "who am I?" or the mission of a company; second, the goal of a company, in other words, the issue of "what do I want to do?" or the vision of a company; third, the methodology of a company, in other words, the issue of "how to do what I want to do?" or the strategy of a company.

According to the author of *Corporate Spirit*, corporate culture has two foundations: its cultural roots and its interest focuses. They are also considered as the breadth and the depth of corporate culture. The corporate culture of a company rests on divisional culture, regional culture, national culture and world culture. In order to survive, a multinational corporation has to fusion its corporate culture with local national culture. The depth of corporate culture comes from its interest focuses, or its ethical consideration. A small company may have to focus on its own interests when it starts. But a big company has to focus more on consumers', societal (including employees'), and national interests. Thus, it will have more space and time for the company's development. The following graph explains the dynamics of the breadth and depth of a corporate culture and a company's development.

Breadth / Corporate Culture

- World Culture
- National Culture
- Regional Culture
- Divisional Culture

Company's Consumers' Societal National Interests / Depth
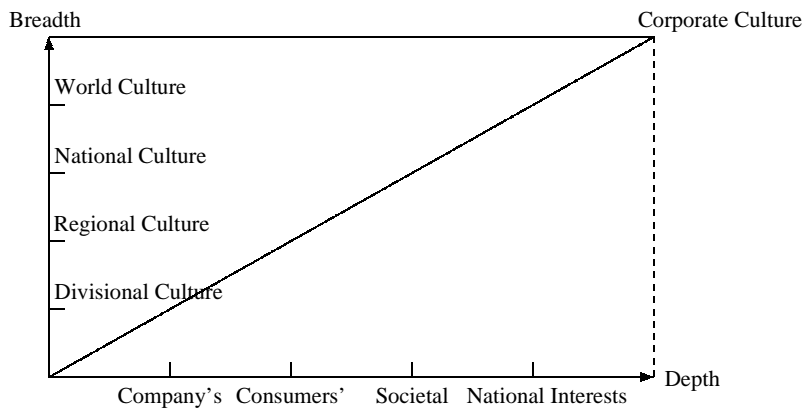
Dr. Ye is the first scholar to analyze the relationships between corporate culture and religion. His theory of corporate culture as religion is extracted from the research of Japanese business culture. Japan is the first country to practice a business culture. The success of Japanese economy has been depended on Japanese corporate culture that has reached the most advanced level, according to Dr. Ye. At the first level of corporate culture, employees identify their company's culture as slogans and activities; at the second level, employees start sharing the common values with the company; at the third level, the common values of the company are transferred to the common behaviour of the company, and at the highest level, the employee's identification of the company's common values becomes an absolute loyalty that they would scarify their own interests for their company's interests. Japanese companies either have their own shrines or they organize religious activities as important events. They have morning meetings and evening gatherings. They sing the song of the company together. Some Japanese companies even have their own graveyards to pay the respect to their late employees. All these are the practices of Japanese corporate culture as a religion.

The concept of corporate core competitive ability used in this book is to distinguish the outstanding corporate culture with others. It is not the most advanced technology but the core values which condensate employees who manage the technology. The core competitive ability of a company

is something that exists within the company. It cannot be stolen or taken. It will not stream away or be bought somewhere else. No one can change it or separate it from the company. The core competitive ability is the key to a company's long-term competitive advantages.

Cross-cultural management raises the challenge of corporate culture. The employees can be trained to master the advanced technology. But they cannot be trained to completely accept a corporate culture rooted in another national culture. The corporate culture of a Joint venture is based on the commons and advantages of two cultures, and a newly unified value system. This process can be smoothening through cross-cultural trainings and the localization of management.

Besides the above-mentioned concepts and theories, *Corporate Spirit* lists and analyzes various models of operation and process, and reformation of corporate culture with many cases. It also explains the relationship between Corporate Identity System and Corporate Culture. It is a theoretical book with many suggestions for practice.