

BUILDING CORPORATE CULTURE AT TOAN CAU BUILDING MATERIAL CO., LTD. (TCBM): A THREE-LEVEL APPROACH BASED ON EDGAR SCHEIN'S MODEL

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ABSTRACT:

This study examines corporate culture at Toan Cau Building Material Co., Ltd. (TCBM), a small and medium-sized enterprise specializing in the import and distribution of premium building materials in Vietnam, through the lens of Edgar Schein's Three-Level Model of Organizational Culture (1983). Using a mixed-methods approach that combines focus group interviews (n = 6) and a Likert-scale survey (n = 30; response rate = 85.7%), the study identifies both cultural strengths and structural gaps across three levels: artifacts (Level 1, mean = 3.85/5.0), espoused values (Level 2, mean = 3.84/5.0), and basic underlying assumptions (Level 3, mean = 3.83/5.0), resulting in an overall cultural assessment score of 3.84/5.0, categorized as "Good." The findings show that TCBM possesses several valuable cultural assets, including strong team cohesion, supported by 83% employee consensus, a climate of psychological safety, and consistent leadership behavior, with a mean score of 4.03/5.0. However, three major cultural gaps remain: the lack of a formalized brand identity system and internal communication channels, a 0.64-point discrepancy between employees' awareness of core values and their behavioral enactment, and underlying assumptions such as "harmony first" and "flexibility over process," which may become organizational constraints as the company expands. Based on these findings, the study develops a three-phase culture development roadmap for the 2025–2030 period, including specific key performance indicators and responsibility assignments, thereby offering a replicable framework for SMEs in Vietnam's premium building materials sector.

Keywords: corporate culture, Schein three-level model, building materials, SME, Vietnam, organizational change.

1. Introduction

Vietnam's premium building materials sector is undergoing rapid transformation. According to Vietnam Report (2025), total output in the building

materials industry reached significant growth in 2024 - crude steel up 14%, ceramic tiles up 15% - and the sector is projected to exceed USD 130 billion by 2030 (VLXDgijatot.com, 2025). In this increasingly

competitive landscape, product differentiation is narrowing; consequently, organizational culture has emerged as the decisive source of sustainable competitive advantage.

Despite growing practitioner attention, academic research on corporate culture within Vietnam's premium building materials distribution segment remains scarce. Most extant studies focus on large construction enterprises (e.g., Cotecons, Hoa Binh Group) or apply generic organizational frameworks without industry-specific calibration. Furthermore, the application of Schein's (1983) three-level model, which probes culture to its deepest layer of unconscious assumptions - in Vietnamese SME contexts has been limited.

This study addresses these gaps by investigating corporate culture at TCBM, a 30-to-35-employee enterprise specializing in premium building materials distribution. The research asks: (1) What are the specific cultural manifestations at TCBM across Schein's three levels? (2) How do underlying cultural assumptions affect managerial decision-making? (3) What solutions and roadmap are required to develop a sustainable organizational culture at TCBM for 2025–2030?

2. Theoretical framework

2.1. Edgar Schein's three-level model of organizational culture

Schein (1983, 2010) conceptualizes organizational culture as a pattern of shared basic assumptions that a group has learned in solving problems of external adaptation and internal integration. The model distinguishes three analytic levels:

- *Level 1 - Artifacts*: All visible, audible, and tangible organizational manifestations, including physical space, logos, dress codes, rituals, stories, and observed behaviors. Easily perceived but difficult to interpret without reference to deeper levels.

- *Level 2 - Espoused Values*: Officially stated missions, visions, core values, codes of conduct, and internal policies - representing what the organization declares it believes and strives toward. A critical indicator of organizational health is the gap between espoused values and actual behavior.

- *Level 3 - Basic Underlying Assumptions*:

Unconscious beliefs, perceptions, and cognitive schemas that members take for granted. These invisible drivers are the most powerful determinants of behavior and the most resistant to change.

The model's strength lies in its capacity to explain why surface-level cultural interventions frequently fail: without addressing Level 3 assumptions, changes at Levels 1 and 2 remain cosmetic. This 'inside-out' principle - changing assumptions first, then values, then artifacts - underpins the solution framework proposed in this study.

2.2. Hofstede's cultural dimensions as contextual frame

Hofstede's (1991, 2010) Six Cultural Dimensions provide essential context for interpreting TCBM's organizational culture. Vietnam's cultural profile - high Power Distance (PDI = 70), strong Collectivism (IDV = 20), low Uncertainty Avoidance (UAI = 30), and medium Long-Term Orientation (LTO = 57) - explains the prevalence of assumptions such as 'harmony first' and 'consensus before action' within Vietnamese SMEs, including TCBM. These national cultural characteristics do not determine organizational culture but significantly shape its default trajectory.

3. Research methodology

This study employs a mixed-methods design aligned with Schein's three-level framework. The qualitative component captures deep cultural data inaccessible through surveys alone; the quantitative component provides systematic measurement across all three levels.

Qualitative - Focus Group Interview (n = 6): A semi-structured focus group was conducted in June–July 2025 with six purposively selected staff members representing all functional departments: Sales (2 - employee and team leader), Import-Export (1), Finance-Accounting (1), HR-Administration (1), and a mid-level manager with over two years' tenure (1). Minimum selection criterion: six months with the company. Duration: 60 minutes, audio-recorded with participants' consent. Data were analyzed using content analysis, coded thematically according to Schein's three levels, and triangulated against internal documents (regulations, SOPs, website tcbm.vn).

Quantitative - Likert Survey (n = 30): A 19-item

questionnaire employing a 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree) was administered to all staff. Items were mapped onto Level 1 (5 items), Level 2 (5 items), Level 3 (6 items), and general awareness (8 items). Of 35 questionnaires distributed, 30 valid responses were returned (response rate: 85.7%). Descriptive statistics were computed; items were classified using the following thresholds: Excellent (≥ 4.5), Good (4.0–4.49), Satisfactory (3.5–3.99), Average (3.0–3.49), Weak (< 3.0).

4. Findings - Corporate culture at TCBM across three levels

4.1. Sample profile

The 30 survey respondents were distributed across: Sales (33.3%), Import-Export (20.0%), Finance-Accounting and HR-Administration (16.7% each), and Technical-Construction (13.3%). Gender: male (56.7%), female (43.3%). Age group 25–35 dominated (53.3%). Tenure of 1–3 years was most frequent (50.0%). Staff (73.3%) and mid-level managers (26.7%).

4.2. Level 1 - Artifacts

TCBM has established a recognizable brand identity: a stylized globe-C logo with consistent blue-red color scheme across all communications. The office environment is intentionally designed as an open-plan space using the company's own distributed products - a tangible expression of the 'lives the product' philosophy that employee's rate highly (4.23/5.0 for brand consistency; 4.10/5.0 for workspace openness).

However, critical artifacts are absent: no Brand Book standardizing visual identity; no formal onboarding ceremony for new staff; no internal communication channel (rated 3.43/5.0, the lowest-scoring item in the entire survey, with Min = 1). As one sales employee noted in the focus group: 'Sometimes I learn about company updates from colleagues in the corridor before any official announcement.' This indicates informal channels are compensating for absent formal systems - a common but fragile arrangement in growing SMEs.

Level 1 overall mean: 3.85/5.0 (Satisfactory). Key gap: absence of formalized brand governance and internal communication infrastructure.

4.3. Level 2 – Espoused values

TCBM has articulated a mission ('Providing customers with the best and most satisfying building material solutions'), a 2030 vision ('Becoming Vietnam's leading premium building materials provider'), and four core values: Customer -Centricity, Professionalism, People, and Collaboration. Employee awareness of the mission and vision is high (4.17/5.0), and leadership is perceived as consistent with declared values (4.03/5.0) - a critical prerequisite for top-down cultural change.

The most significant finding at Level 2 is a 0.64-point gap between value recognition (4.17) and behavioral enactment ('I know how to express company values through specific behaviors': 3.53/5.0). A middle manager stated: 'I understand what the company wants, but sometimes I'm not sure exactly what I need to do differently to demonstrate professionalism more concretely.' This 'knowing-doing gap' is characteristic of organizations where values remain declarative rather than operationalized through behavioral indicators.

Level 2 overall mean: 3.84/5.0 (Satisfactory). Key gap: absence of Code of Conduct, behavioral indicators per core value, and decision-authority matrix.

4.4. Level 3 – Basic underlying assumptions

Six foundational assumptions were identified through focus group analysis:

- *'People are inherently trustworthy'*: Manifests as minimal supervision and high autonomy. Positive effect: psychological safety (4.13/5.0); risk: weak accountability mechanisms.

- *'Harmony first'*: The most influential assumption. Employees avoid direct confrontation in group settings. One finance staff member shared: 'I know that decision wasn't optimal, but I didn't want to make everyone uncomfortable at the meeting, so I let it go.' Positive: friendly climate; negative: delayed problem recognition, slower decisions.

- *'Flexibility over process'*: Operations rely on situational judgment rather than standardized procedures. Positive: agility in supply chain disruptions; negative: knowledge dependency on individuals.

- *'Consensus before action'*: Decisions undergo multiple informal rounds. Positive: high implementation buy-in; negative: decision velocity insufficient for fast-moving markets.

- *'Experience over standardization'*: Knowledge transmitted through observation and apprenticeship. Risk: organizational knowledge 'leaves' when individuals resign.

- *'Culture self-forms - no deliberate building needed'*: The most dangerous assumption. Explains why TCBM has no explicit culture strategy despite 17+ years of operation.

Level 3 overall mean: 3.83/5.0 (Satisfactory). Critical gap: 'Clarity of authority and responsibility' scored 3.47/5.0 (Average, Min = 1) - a direct consequence of the 'flexibility over process' assumption.

Target: reduce decision latency while preserving the collaborative ethos.

- *Psychological Safety and Radical Candor*: Establish anonymous feedback channels; introduce quarterly Radical Candor sessions; reward employees who raise uncomfortable but accurate assessments.

- *'Flexibility within the system' transition*: Systematize best practices into Standard Operating Procedures (SOPs) for core processes (order handling, customer onboarding, incident reporting), while explicitly defining which situations allow discretionary adaptation.

- *Knowledge management*: Convert tacit expertise into documented procedures; establish an internal lesson-learned library to reduce knowledge dependency on individuals.

Table 1. Survey results summary by Schein level

Level	Highest-scoring item	Mean	Rating	Critical gap
Level 1 - Artifacts	Brand identity consistency (4.23)	3.85	Satisfactory	Internal communication channel (3.43)
Level 2 - Espoused Values	Mission/vision awareness (4.17)	3.84	Satisfactory	Value behavioral enactment (3.53)
Level 3 - Underlying Assumptions	Friendly work environment (4.13)	3.83	Satisfactory	Authority clarity (3.47)
Overall	Team cohesion/mutual support (83%)	3.84	Satisfactory	Culture systematization (53%)

(Source: Authors' survey, 2025)

5. Proposed solutions and implementation roadmap

Following Schein's 'inside-out' principle, solutions are structured from Level 3 (deepest) outward to Level 1, then organized into a three-phase roadmap (2025–2030).

5.1. Level 3 solutions: Reframing underlying assumptions

- *Decision Authority Matrix*: Classify all decisions by type - who decides independently, who must be consulted, who must approve - replacing informal consensus with structured, time-bounded deliberation.

5.2. Level 2 solutions: Operationalizing declared values

- *Core Values and Behavioral Indicators*: Conduct cross-functional workshops to co-create behavioral descriptors for each value (e.g., 'Professionalism' = 'Reply to emails within 24 hours'; 'Report incidents within 1 hour'). Embed in onboarding, office displays, and annual performance evaluations (minimum 20% weighting).

- *Code of Conduct*: Draft and ratify a formal Code of Conduct covering internal communication standards, customer interaction protocols, conflict of

interest management, and quality commitments. Mandatory training for 100% of staff.

- *OKR Framework and Culture Ambassadors:* Deploy Objectives and Key Results at company and department levels; designate one Culture

establish an annual cultural events calendar (founding anniversary with employee recognition, quarterly culture review, bi-annual team building).

5.4. Three-phase implementation roadmap (2025 - 2030) Table 2

Table 2. Three-phase culture development roadmap for TCBM (2025 - 2030)

Phase	Period	Priority Actions	Key KPIs	Lead
Phase 1 Foundation	Q4/2025 - Q4/2026	Brand Book & visual identity Core values + behavioral indicators Code of Conduct Decision Authority Matrix Structured onboarding Internal communication channel	Brand Book completed Q2/2026 100% staff sign CoC New staff integration ≤ 4 weeks	Board + HR
Phase 2 Diffusion	Q1 - Q4/2027	100% staff culture training Culture Ambassador programme Culture KPIs in performance reviews OKR deployment Quarterly culture reviews	100% training completion Culture items ≥ 20% of PMS Staff retention +15% vs 2026	HR + Mid-managers
Phase 3 Sustainability	2028 - 2030	Bi-annual culture surveys Benchmarking vs peers TCBM employer brand development Leadership succession with culture fit	Internal culture score ≥ 4.0/5.0 Retention rate ≥ 85% Unsolicited applications +30%	Board + HR (jointly)

(Source: Authors' survey, 2025)

Ambassador per department responsible for value propagation and monitoring.

5.3. Level 1 solutions: Formalizing cultural artifacts

- *Brand Book:* Develop a comprehensive brand identity manual standardizing logo usage, color palette, typography, and imagery across all touchpoints (documents, uniforms, physical space).

- *Internal Communication System:* Launch an official internal channel (structured group chat, monthly newsletter) for announcements, success stories, employee recognition, and cultural updates.

- *Structured Onboarding and Cultural Events:* Design a four-week onboarding program including TCBM history, values, and culture orientation;

6. Conclusions

This study has produced three substantive contributions. Theoretically, it provides empirical evidence for the application of Schein's three-level model in a Vietnamese premium building materials SME - a context previously absent from the literature. Methodologically, the mixed-methods design (focus group + Likert survey) enables simultaneous exploration of tacit cultural assumptions (Level 3) and systematic measurement of all three levels, advancing the analytical toolkit available to researchers and practitioners alike.

Practically, the findings reveal that TCBM possesses genuine cultural strengths - high team cohesion, psychological safety, and credible leadership

- that form an authentic foundation for deliberate culture development. The three identified gaps (formalization of artifacts, operationalization of values, and transformation of constraining assumptions) are addressable through the proposed three-phase roadmap, which provides specific KPIs, responsibility assignments, and a budget framework (1.5 - 2% of revenue in Phase 1, declining as culture becomes internalized).

The study's limitations include its single-case design, small purposive sample (n = 6 focus group), and insider researcher position, which may introduce observation bias. Future research should conduct longitudinal evaluation of the proposed solutions post-

implementation, comparative analysis across peer enterprises in the premium building materials sector, and deeper investigation of the mechanisms by which underlying assumptions are transformed in Vietnamese family-owned SMEs.

The experience of TCBM illustrates a broader pattern in Vietnam's SME landscape: organizations that have grown rapidly on the strength of relational trust and operational flexibility face a critical juncture when scaling - the 'culture systematization challenge'. The framework developed in this study offers a replicable model for navigating this transition without sacrificing the cultural assets that fueled initial growth ■

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XÂY DỰNG VĂN HÓA DOANH NGHIỆP TẠI CÔNG TY TNHH VẬT LIỆU XÂY DỰNG TOÀN CẦU (TCBM): TIẾP CẬN THEO MÔ HÌNH BA CẤP ĐỘ CỦA EDGAR SCHEIN

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TÓM TẮT:

Nghiên cứu này xem xét văn hóa doanh nghiệp tại Công ty TNHH Vật liệu Xây dựng Toàn Cầu (TCBM), một doanh nghiệp nhỏ và vừa chuyên nhập khẩu và phân phối vật liệu xây dựng cao cấp tại Việt Nam, dưới góc độ Mô hình 03 cấp độ văn hóa doanh nghiệp của Edgar Schein (1983). Bằng cách sử dụng phương pháp nghiên cứu hỗn hợp kết hợp giữa phỏng vấn nhóm tập trung (n = 6) và khảo sát thang đo Likert (n = 30; tỷ lệ phản hồi = 85,7%), nghiên cứu đã xác định được cả những điểm mạnh về văn hóa và những khoảng trống về mặt cấu trúc ở ba cấp độ: các yếu tố hữu hình (Cấp độ 1, điểm trung bình = 3,85/5,0), các giá trị được tuyên bố (Cấp độ 2, điểm trung bình = 3,84/5,0) và các giả định nền tảng cơ bản (Cấp độ 3, điểm trung bình = 3,83/5,0), từ đó đạt điểm đánh giá văn hóa tổng thể là 3,84/5,0, được xếp loại “Tốt”. Kết quả nghiên cứu cho thấy TCBM sở hữu nhiều tài sản văn hóa có giá trị, bao gồm sự gắn kết đội nhóm mạnh mẽ với 83% nhân viên đồng thuận, môi trường an toàn tâm lý và hành vi lãnh đạo nhất quán, với điểm trung bình đạt 4,03/5,0. Tuy nhiên, vẫn tồn tại ba khoảng trống văn hóa lớn: thiếu hệ thống nhận diện thương hiệu và các kênh truyền thông nội bộ được chuẩn hóa; sự chênh lệch 0,64 điểm giữa mức độ nhận thức của nhân viên về các giá trị cốt lõi và việc thể hiện các giá trị đó trong hành vi thực tế; cùng với các giả định nền tảng như “ưu tiên sự hài hòa” và “linh hoạt hơn quy trình”, những yếu tố có thể trở thành rào cản đối với tổ chức khi doanh nghiệp mở rộng quy mô. Dựa trên các phát hiện này, nghiên cứu đã xây dựng lộ trình phát triển văn hóa gồm ba giai đoạn cho giai đoạn 2025–2030, bao gồm các chỉ số đánh giá hiệu quả hoạt động (KPI) cụ thể và phân công trách nhiệm rõ ràng, qua đó cung cấp một khuôn khổ có thể áp dụng và nhân rộng cho các doanh nghiệp nhỏ và vừa trong ngành vật liệu xây dựng cao cấp tại Việt Nam.

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