

# Corporate Culture—A Case Study of Hua Wei

Changcheng Wan

Jinan University Shenzhen Tourism College; English department, Shenzhen, China

---

**Abstract:** Corporate culture involves the values, beliefs and behaviors that affect the way employees and employers contact with each other and conduct daily businesses. It defines the objectives, aspirations, and missions of the company. It exerts a significant impact on the long-term development of an organization such as the vision, the values, the narrative and place, the people in the company and out of the company, the practices and so on. This essay analyzes the corporate culture and takes Hua Wei company as an example to study deeply the influence of the corporate culture. Finally, this essay gives some practical recommendations on the foundation of the reasoning mentioned above.

**Keywords:** Corporate culture; Huawei; influence; sustainable development.

---

## 1. Introduction

Corporate culture refers to the values, beliefs, and behaviors that determine how a company's employees and management interact, perform, and handle business transactions. Often, corporate culture is implied, not expressly defined, and develops organically over time from the cumulative traits of the people that the company hires. Furthermore, the phenomenon of corporate culture is a human-centered phenomenon, not a material-centered phenomenon. It is commonly accepted and universally appreciated by all members of an enterprise, rather than being unique to certain individuals in the enterprise.

A company's culture will be reflected in its dress code, business hours, office setup, employee benefits, turnover, hiring decisions, treatment of employees and clients, client satisfaction, and every other aspect of operations. And you are accessible to know about a company's culture by some most visible artifacts. These include the architecture and decor, its commonly used language and jargon, logos, as well as status symbols as cars, windows offices, titles and of course value statements and priorities.

## 2. Classification

A strong corporate culture can bring numerous benefits and advantages that are both intuitive and supported by social science. According to James L. Heskett, culture "can account for 20-30% of the differential in corporate performance when compared with 'culturally unremarkable' competitors." And HBR writers have offered advice on navigating different geographic cultures, selecting jobs based on culture, changing cultures, and offering feedback across cultures, among other topics.

But what makes up a culture? Each culture is unique, and many factors go into creating one, but as John Coleman wrote, the corporate culture can fall into six primary aspects. Those elements are instrumental in building a differentiated culture and a lasting organization.

First is vision. A successful corporate culture should hold the vision or the mission of the company as a basis. These simple turns of phrase guide a company's values and provide it with some specific purposes. Second is values. A company's values are the primary principle and the core of its culture. While a vision illustrates a corporate's purpose, values offer

a set of guidelines on the behaviors and mindsets needed to achieve that vision. Third is practices. Only the corporate practices can embody its values. If the company claims that they take respect and appreciation as their core values, then they must respect their employees and give them enough praise, verbally or financially whatever in the practical terms. In addition, there are also the people, place and so forth play a part. These components can provide a firm foundation for shaping a new organization's culture. And identifying and understanding them more fully in an existing organization can be the first step to revitalizing or reshaping culture in a company looking for change.

## 3. Corporate Culture's Effects on The Economy

A company's culture is incorporated into every aspect of a company such as the employees' morale, profits, costs, working styles and so on, and it will work in a company's overall performance. Take the marketing as an example, if a company has a kind, relaxing and cooperative culture, the salespeople may be more able to communicate with the customers and be more persuasive and talkative, compared with the company whose culture is strict and hierarchical. As a result, to build an appropriate corporate culture will have profound influence on the development of a business. Detailed and classified impact of it is showed as follows.

Firstly, in order to make the employees competitive and of high caliber as well as to provide the biggest competitive advantage, and company's culture must be strong, and reinforced. To achieve it, everyone work in the company should share their opinions and beliefs.

Secondly, a successful corporate culture is supposed to give employees satisfaction or at least do not make them feel dissatisfied. A positive company culture can ensure employees feel satisfied with their work and tasks, boost their morale, thus leading to a successful business. In addition, a good culture gives people a sense of belongings, community so that the company can retain them.

Finally, a company with good culture and values gives employees the right to get involved in important decision-making. A good company culture should enable there to communicate freely if they have any ideas or advice. After an effective discussion, the leader can know about where the weakness of the organization is, what are our strengths and

how can we do to make our company more competitive and make more profits. Everyone plays an important role in the growth of the company and their loyalty as well as enthusiasm will stimulate their company to become increasingly flourishing.

Moreover, as ruhai Zhang (2022) said that on the context of the internationalization and continuing change of the climate of market as well as the internal environment of a company, a company has been changing its management style at a push to keep abreast of the ever-changing economy. As a result, the innovative cost management culture has developed, and corporate culture has been proved to be an integral part in declining the overall costs in a company's operations. A good corporate culture enables employees to be innovative and creative, which leads to a cost-effective business. In addition, a great culture can decrease the costs on supervision. When a company establish a good and long-term relationship with their employees, there will be a contract of positive moral and trust, thus they will have a closer value standard. Lastly, a good corporate culture is a barometer of a company's long-term performance (ruhai Zhang,2022).

In addition, core competencies in a business are the resources and capabilities that comprise the strategic advantages of a business. The core competences of a company determine its overall performance and make sure it is in prime position to compete against other company and keep its survival. Therefore, it is important for organizations to focus on their competences and draw their strengths from this when they want to get ahead of their competition. A company's core competence depends on its ability to innovation, while innovation is closely related to the culture of an enterprise. So, it is important to develop a healthy corporate culture (Kadiliya,2020). The corporate culture is a unique corporate characteristic formed in the process of long-term accumulation, is a spiritual and cultural wealth that is rooted

within the enterprise. The culture is deeply penetrated in every aspect of a company's daily operation, and it features an organization's core competence (simin Zhang, weiwei Zheng, jiyuan Liu, 2014).

When it comes to marketing, the corporate culture plays an important part in the marketing. An outstanding corporate culture promotes a customer-focused services because it can leave a good impression on their customer, which is beneficial to establish a long-term and harmonious relationship with their clients and keep the customers' interests to a maximum (Gao jiahui,2017). By this means, the company can reinforce their customers' loyalty; create a sense of belonging in their customers hearts.

## 4. Case: The Enterprise Culture Construction of Hua Wei Company

### 4.1. The overview of the Hua Wei company

Founded in 1987, with it headquarter in Shenzhen, China, Huawei is a leading global provider of information and communications technology (ICT) infrastructure and smart devices. Its products include personal and commercial products, such as switching networks, transmission networks and so on, providing hardware, software services and solutions to telecommunications operators and professional network owners around the world. Huawei announced its 2022 results report on March 31st, 2022. Its full-year sales revenue of RMB 642.3 billion, up 0.9% year-on-year and net profit for the year was RMB 35.6 billion, down 68.7% year-on-year. Full-year research and development expenses in Huawei were a RMB161.5 billion, accounting for 25.1% of annual revenue. Following is the profit of Huawei company in last 5 years. (The figure stem from the Huawei official Internet.)

Huawei's Five-Year Financial Performance						
	2022		2021	2020	2019	2018
	(USD Million)	(CNY Million)	(CNY Million)			
Revenue	92,379	642,338	636,807	891,368	858,833	721,202
Operating profit	6,071	42,216	121,412	72,501	77,835	73,287
Operating margin	6.6%	6.6%	19.1%	8.1%	9.1%	10.2%
Net profit	5,114	35,562	113,718	64,649	62,656	59,345
Cash flow from operating activities	2,560	17,797	59,670	35,218	91,384	74,659
Cash and short-term investments	53,709	373,452	416,334	357,366	371,040	265,857
Working capital	49,608	344,938	376,923	299,062	257,638	170,864
Total assets	152,993	1,063,804	982,971	876,854	858,661	665,792
Total borrowings	28,353	197,144	175,100	141,811	112,162	69,941
Equity	62,859	437,076	414,652	330,408	295,537	233,065
Liability ratio	58.9%	58.9%	57.8%	62.3%	65.6%	65.0%

Note: Converted into United States dollars ("USD") using the closing rate at the end of 2022 of USD1.00 = CNY6.9533.

Figure 1. Huawei's five-year financial performance report

## 4.2. The corporate culture and values in Huawei company

Huawei is doubtless a powerful and promising enterprise; and it was founded by Ren Zhengfei from scratch. He has been praised by keeping and infiltrating the culture into his company to stimulate and motivate his employees to work effectively and efficiently. As far as Ren Zhengfei is concerned, businesses exist primarily to satisfy customers' need rather than aiming only at increasing the profit and / or value. Zhengfei himself connected 'customer centricity' to employee values of 'dedication'. In his view, one is really dedicated only when he or she fulfills the need of his/her customers as the opposite is true (Keith Jackson, 2017). However, his culture has had a negative impact on the company in the past. It has suffered serious criticism from the outsiders and customers and so on due to the adoption of 'wolf culture'.

### 4.2.1. Wolf culture

Huawei is well known for its 'wolf culture', which encompasses Huawei's objectives, key values and its beliefs. It is featured by three main characters as followed (UKEssays,2018). Firstly, its employees of the company are extremely sensitive to any changes related to the market and they could respond promptly. Secondly, the workers in Huawei company are tough and press-resistant and they dare to explore new field no matter how difficult the situation is. Thirdly, it attaches great importance to partnership and cooperation, as a result, its employees are encouraged to express their opinions and join in the company's important decisions.

Owing to its 'wolf culture', Huawei has a keen insight on the customer market and allow it to change quickly to the ever-altering taste and needs of their clients, thus resulted in its high profits and low turnover.

### 4.2.2. Core values

Huawei has established a set of core values as standards of its corporate culture, which is comprised of six components: to put the customers first; dedication; continuous improvements; openness and initiative; integrity; teamwork.

## 5. The Way to Establish A Valuable Corporate Culture

To shape a better corporate culture, there are several factors which are worthwhile to be considered. Firstly, leadership plays a critical role. The leaders of an organization are the ones deciding what they are going to do and then actually figuring out how they are going to do it. They should have leadership skills of analyzing the opportunities and threats

that may exist, both currently and going forward, be able to work out what resources and abilities must be developed to deal with further opportunities and threats, otherwise, the company cannot survive in the competitive age.

Secondly, team spirit is another key factor in creating and nurturing a better corporate culture. High-efficiency teams should be formed so that employees share the same working values and can work together effectively. A poor team can never work together to meet the company's primary goals and objectives.

Finally, to energize the corporate culture, the priority is to enhance job satisfaction by providing more channels of communication among and between management and staff or providing more training programs, outdoor events, in-company seminars and so on to increase personal awareness of abilities and complementary skills in colleagues. And in turn, they will enhance team spirit and open communication.

## 6. Conclusion

To establish a strong and convincing corporate is the key to be competent and competitive in the outside market. By means of successful corporate culture, a company can gain a sustainable development. There is no doubt that corporate culture is important because it can make or break one company. As a result, it is of paramount importance to develop corporate culture so that an organization will be capable of retaining its existing workers and attracting more versatile talents, thus bringing about the eventual prosperity.

## References

- [1] Zhang Ruhai. On the influence of corporate culture on cost management. *Finance and Economics* .19(2022):56-58. doi:10.19887/j.cnki.cn11-4098/f.2022.19.030.
- [2] Kadriya Tursunjiang. An introduction to the impact of corporate culture on core competitiveness. *Business manager* .06(2020):46-47.
- [3] Zhang, S.M., Zheng, W.W., and Liu, J.Y.. An introduction to the influence of enterprise culture on improving enterprise core competitiveness. *Mall Modernisation* .16(2014):72. doi:10.14013/j.cnki.scxdh.2014.16.008.
- [4] Gao Jiahui." The Important Role of Corporate Culture in Marketing." *Chinese and Foreign Entrepreneurs*.05(2017):157.
- [5] Jackson, K. (2017). Huawei: leadership, culture and connectivity. *Asia Pacific Business Review*, 24(1), 128–130. doi:10.1080/13602381.2017.1384601
- [6] UKEssays. (November 2018). Huawei Business Model and Organisational Culture. Retrieved from <https://www.ukessays.com/essays/business-strategy/huawei-business-model-8529.php?vref=1>