

ABSTRACT

The financial industry is one of the major pillars in Macau economy. However, Macau banking sector did not have a smooth sail in its recent operation because of global economic recession and interest rate deregulation. As a result, the profitability has shrunk due principally to limited intensity of loan granting. For banking sector which is undergoing significant changes, a good understanding of corporate culture will be important (Odom et al., 1990). In order to succeed in this competitive world, it is important to manage organization's culture (Cameron & Quinn, 1999). This research study seeks to obtain an initial understanding of banks' culture in Macau by using Competing Value framework developed by Quinn (1988). He identified four different cultural types, namely the Team, the Adhocracy, the Hierarchy and the Firm. Those cultural types which are adjacent to each other are supposed to be complementing one another. On the other hand, those cultural types which are opposite to each other will be competing with one another.

As of 31 December 2002, there are twenty-two authorized banking institutions in Macau. This study found that some similarities and differences exist between the banks in Macau. The Tai Fung Bank Limited (TFB) and the Banco Nacional Ultramarino, S.A. (BNU) were found to have similar cultural plots with strong focus on the Hierarchy quadrant. The Bank of China Macau Branch (BOC) and the Luso

International Bank Limited (LIB) were found to have similar cultural patterns with more emphasis on the Firm quadrant. The Wing Hang Bank (WHB), the Banco Comercial de Macau (BCM) and the Hong Kong and Shanghai Banking Corporation (HSBC) were found to have similar cultural patterns with extreme focus on the Firm quadrant.

On the other hand, all the banks, with the exception of the Seng Hang Bank (SHB), were found to have the Hierarchical and the Firm cultural types which orient toward stability and growth simultaneously. The result suggests that a “typical” Macau bank focuses both on the Hierarchical and the Firm organizational cultures. This cultural plot is found to coincide with the study done by Cameron & Quinn (1999) who found that the organizational culture under the finance, insurance and real estate group are having the Hierarchy and the Firm type. Desphande, et al (1993) mentioned that the Team, the Adhocracy and the Market culture are associated with best performance where as the Hierarchical culture is associated with poor performance. Indeed, there is no best culture for an organization (Odom et al., 1990).

This study also observes that cultural type of a particular bank is often connected to its own unique history, though the local culture also has a strong influence on shaping of organizational culture.