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<th>Meaning making in organizations: Lessons from Australia Dairy Company</th>
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Do you like scrambled eggs and pieces of toast for your breakfast? If you ask for the best scrambled eggs and the best toast in Hong Kong, your local Hong Kong friends may refer you to Australia Dairy Company, a tea restaurant which has survived and thrived on the Parkes Street, Jordan, Kowloon for more than two decades. Australia Dairy Company’s success as a chef rests on its recipes. However, its success as a business, we argue, is based on cultural management. Moreover, Australia Dairy Company lives a paradigm distinct from Disney World and the Hilton Hotels: first, cultural
management creates competitive advantage at Australia Dairy Company by enhancing efficiency, not highlighting customer services; second, the flow of organizational culture does not stop at employees, it overflows to customers. And customers’ cooperation in believing and upholding the reality constructed by the organization is central to the viability and sustainability of cultural hegemony.

The business strategy of Australia Dairy Company is differentiation and cost-leadership. First, Australia Dairy Company’s star products (namely scrambled eggs and toast) are differentiated from that of other tea restaurants. Second, the high rent (a fixed cost to a tea restaurant) in Hong Kong which Australia Dairy Company faces, is shared by its high sales volume. The lower average fixed cost than other tea restaurants contributes to Australia Dairy Company’s outperformance. To attain and maintain a high sales volume, Australia Dairy Company squeezes as many customers as possible into limited time and space.

The source of high table turnover at Australia Dairy Company, its competitive advantage, is its organizational culture. On average each customer spends 10 minutes per visit at Australia Dairy Company under the pressure of Australia Dairy Company’s culture. Drawing on the ‘Onion’ model of organizational culture, Australia Dairy Company’s culture will be examined layer by layer:

**Physical structure:** at Australia Dairy Company we may observe that seats are very crowded and tables are very small. For example, 4 customers are crowded at a 40cm × 100cm table. Figure 1 shows that the space between a pillar and the wall are not wasted, and a table of 3 to 4 is squeezed into the space. The layout of tables and seats suggest that one of the strategies which Australia Dairy Company adopted to maximize sales volume is to minimize the area of the seats and tables and to house more customers in a limited space.
Artifacts: another strategy which maximizes sales volume is to minimize table time and to serve more customers in limited business hours. To minimize table time, two conditions have to be met: first, Australia Dairy Company’s products must be attractive, so that customers are willing to line up outside. Second, customers must finish the seamless activities between seating customers, ordering food, serving food, feeding customers and paying bill within a short time. Actually, they did it. Their waiters speak with authority, and customers obey waiters. When waiters tell them to order, they order right away; when waiters serve them food, they eat in a rush; when waiters take away their food, they pay and leave in response. Customers will do whatever they are told to do, no time is “wasted” to communicate with customers or handle customer complaints. The Chinese calligraphy piece hanged at the cashier, shown in Figure 2, on which the company’s motto “I alone am the honored one” (唯我獨尊) is written, indicates the reason underlying this cooperation. Through this motto, leaders frame the attitude of their employees that they are the best in this industry. Similarly, through this motto, employees are also
confidence enough to deliver the meaning that customers need to follow the rules of this company for tasty foods.

**Fig. 2. “I alone am the honored one”**

**Metaphors and Stories:** The hegemony culture of Australia Dairy Company could be reflected from an interesting metaphor. Customers educate other customers to expect “to be treated as prisoners and to be served by jailers” through blogs and word-of-mouth. The prisoner-jailer metaphor emphasizes that waiters will bring food to customers and will keep the order in the restaurant (no customers should stay in the restaurant for more than 20 minutes), and eliminates customer expectations that they should be treated with respect and with courtesy, because such expectations will cost efficiency. Even if the
customer is a celebrity, exception will not be granted and efficiency will not be sacrificed. A waiter’s encounter with Sandra Ng, a Hong Kong actress, is a story which educates waiters and customers that “waiters are always jailers; customers are always prisoners”. In the story, Sandra Ng asked a waiter, “How come the scrambled eggs are so smooth?” The waiter scolded her, “Are you nuts? How can we tell you our business secrets?” To some extent, we believe that the language from employee is rude, but the meaning expressed under this dialogue is still their self-confidence and efficiency consciousness, which is the core of their organizational culture.

Rituals: Of course, not all the customers would be cooperative, but waiters have their rituals in response to customer uncooperativeness. Customer uncooperativeness should be punished so that they will not recur and harm efficiency further. If customers cannot order food in 3 seconds after they are seated, waiters will despise these uncooperative customers with their facial expressions, and ask, “What are you considering?” If customers still cannot make up their mind, waiters will harass and hurry them further, “Breakfast set, fast set or tea set, that’s all. There’s nothing to be considered!” If customers show a sign that they want to slow down and enjoy food, waiters will take away their food. For example, if a customer leave her macaroni aside and taste a mouthful of scramble eggs, the bowl of macaroni will be collected immediately, even though the customer only scooped the macaroni once.

Hegemony and values: when waiters treat customers as prisoners and when customers acknowledge their status as prisoners, they are not forced to concede power or control to Australia Dairy Company. Rather, they become convinced that (i) Australia Dairy Company’s interests are the same as their interests, the company wants to minimize table time hence every party’s time is saved; (ii) it is in their interest for Australia Dairy Company to be in power, because Australia Dairy Company has the professional knowledge, business information and other resources needed to minimize table time; and (iii) Australia Dairy Company deserves to rule because of its ‘natural’ superiority. Customers and
employees believe that Australia Dairy Company is superior because being a capital owner, being fast and being efficient are socially desirable in capitalist Hong Kong\(^1\).

In other words, national culture empowers Australia Dairy Company to exercise its hegemony, because Hong Kong culture educates local customers and employees to value speed and efficiency, and condemn tardiness as a sin, for a tardy person “blocks the Earth’s rotation” (阻住地球轉). On the other hand, tourists may encounter difficulties and surprises when they adapt to or interact with Australia Dairy Company’s culture, if they have never been exposed to Hong Kong culture. In fact, many tourists visit Australia Dairy Company out of an intention to explore and experience Hong Kong culture, and their “intended learning outcomes” are achieved.

In conclusion, Australia Dairy Company showcases a success of cultural management. The company borrows the cultural values from Hong Kong society, assimilate customers and employees into internalizing these values, and attrite customers and employees who cannot comply with or identify with these values. In return to its cultural management effort, the company has effectively implemented its cost leadership strategy, and has successfully cultivated a competitive advantage of high table turnover and low average fixed cost.

\(^1\) Article 5, Chapter I of the Basic Law of the HKSAR states that, “The socialist system and policies shall not be practised in the Hong Kong Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years.”
References


