INTRODUCTION

This chapter will challenge the accepted notions of cultural vanilla applications for e-Commerce and e-Business on the Web. The approach taken suggests that national culture exists at all levels from the visual to the implicit behaviors that frame interpretation of business process when undertaking e-Commerce. Studies done show quite clearly that culture distorts the relationships in any trading and business situation in ways that are not always obvious. We will explore the in-depth nature of the trading relationships and demonstrate the impact of cultural practice on the trading interface both on the Web and in the negotiations for business.

Globalization, Culture and e-Business

Note that e-Commerce and e-Business are challenging the very fabric of business. Jim Harkness, the Vice President of the TIAA-CREF Insurance Co., said in 2000 that “there is almost nothing you’re doing that you can’t figure out some way to do better, faster, cheaper using the Internet.” The world of e-Commerce and e-Business has gone global. No longer is business localized to geographical areas. With the exception of a few countries, any business anywhere in the world can exchange products, trade, negotiate, invoice and conduct payments for goods and services in real time over the Internet. While the acceptance of Internet commerce at all levels
of business is slow, since many small and medium enterprises see Internet commerce as a challenge in terms of their skills and in terms of its impact on costs, there is growth and change across all parts of the world. Internet commerce is beginning to frame new ways of conducting business.

However, this raises a challenge for business. Global business creates situations where culture can affect the nature of business and the nature of trade. In management studies there has been an acceptance for a long time that culture does impact on the way management processes happen in the same organization in different countries across the globe. This was demonstrated very clearly by very large studies done by Hofstede (1991) and Trompenaars (1993). It is from their work that we are beginning to see the impact of culture on e-Business and the impact of that culture on the interface for e-Business produced by the World Wide Web.

The Culture Paradigm in e-Business

A culture cannot, as one might naively expect, be defined simply in terms of the nation in which it exists. Examination of only cross-national differences misses a wide range of characteristics that distinguish people and therefore might be useful for predicting their needs (Ankomah, 1985; Negandhi, 1985). There are several models of national culture suggested in the literature (Parson and Shils, 1951; Kluckhohn and Strodtbeck, 1961; Rokeach, 1973; McClelland, 1961; Glenn and Glenn, 1981; Hofstede, 1991). All of these models are structural and therefore prescriptive constructs. Hofstede’s framework has been widely accepted by many researchers attempting to understand culture differences between nations, especially in management research (Shore and Venkatachalam, 1996; Sekaran and Snodgrass, 1986; Kedia and Bhagat, 1988; Kogut and Singh, 1988; Tricker, 1988; Rodriguez, 1991; Ueno and Sekaran, 1992; Morris et al., 1994; Shane, 1994). The popularity of the Hofstede model comes from its large sample and use of empirical data to demonstrate cultural difference. However, alternative frameworks are emerging (e.g., Burn, Davison and Jordan, 1998) which enrich the detail present in existing models.

There is also substantial empirical research, which suggests that national culture can be used to indicate differences in behavioural patterns in different countries (Komin 1990). Robbins (1989 in Komin, 1990, p. 215) defines national culture as “primary values and practices that characterize a particular country.” However, there are many different views on culture, on what culture is and on its implications (Deal and Kennedy, 1982; Molin, 1987; Peters and Waterman, 1982; Pettigrew, 1979; Schein, 1984). Whilst there is no commonly accepted definition of culture, for this chapter the definition of culture relies on Hofstede’s concept of “software of the mind” (Hofstede, 1991, p. 4) which he defines as “the source of one’s mental programs lie within the social environments in which one grew up and collected one’s life experiences. The programming starts within the family; it continues within the neighbourhood, at school, in youth groups, at the workplace and in the living community.”
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