Chapter 8

A Synthesis of Globalisation, Business Culture and E-Business Adoption in Vietnam

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ABSTRACT

The pace and intensity of social change in modern society is increasing, particularly through advances in modern technology and the remarkable innovations in information and communications technology (ICT), as well as through social movements, especially globalisation (Synott, 2004). This chapter will discuss the concept of globalisation and its impact on the economies, cultures, and international business in developing countries and, in particular, Vietnam. The chapter provides an insight into how national culture and technology affects business operations, including current issues in technological readiness for e-business adoption in Vietnam. By applying theories of globalisation to explain changes and progress in Vietnamese economic development, the chapter also provides a better understanding of the complex mix of culture, technology, and business operations in Vietnam. Recommendations are also made for the development of an appropriate environment for e-business in small to medium enterprises that will further strengthen the country’s international business operations.

INTRODUCTION

The pace and intensity of social change in modern society has increased through advances in modern technology and the remarkable innovations in information and communications technology (ICT), as well as through social movements, especially globalisation (Synott, 2004). Synott (2004) points out the term ‘globalisation’ has been adopted to define the complex changes occurring at the present time. The author emphasises that some of the contemporary changes indicated above...
can be attributed to the profound influence of the technology revolution, namely, mobile phones, computers, the Internet, and television. The current world-wide phenomenon of globalisation and, in particular, the effects of economic, cultural, and global changes in business, which were major forces for contemporary change in all societies in the late twentieth century, are the main focus of this chapter.

There is an established body of literature and research reports on a variety of topics in relation to the economic reforms and transition in Vietnam (e.g., Beresford, 1988; 1989; Beresford & Tran, 2004; Dang & Beresford, 1998; Taylor, 2004; Van Arkadie & Mallon, 2003). For example, Meyer, Tran, and Nguyen (2006) investigate the economy, culture, society, investment strategies and policies in Vietnam and implications for foreign investment in Vietnam; Truong, Heijden and Rowley (2010) study human resource management in Vietnam in the context of economic reform and globalisation, and argue that a better way to manage human capital should be found in Vietnam; Beresford and Tran (2004) discuss the sustainability of economic development in Vietnam. However, to the authors’ knowledge, little has been done with regard to the relationship between globalisation, culture and technology in the Vietnamese context although the country has experienced substantial change as part of global economic integration and technological development in the last 20 years. The growth in the Vietnamese economy and international business reflects the process of global economic integration and technological development in the last 20 years. The growth in the Vietnamese economy and international business reflects the process of global economic integration, indicating the importance of a better understanding of Vietnam’s own business operation style, characteristics and prejudices. Therefore, Vietnam is adopted as a case study to understand the interrelationship between globalisation, culture and technological adoption in this country.

Specifically, this chapter answers the question of how national culture and technology affect business operations, including current issues in technological readiness for e-business adoption in Vietnam. This chapter will discuss the concept of globalisation and related theories, and review the debate on the overall effects of globalisation on the economies, cultures and international business in developing countries and, in particular, in Vietnam. Using four main approaches of globalisation as a theoretical framework, this chapter will also discuss how culture and technology affect business operations in Vietnam through an analysis of relationships between national culture and business practices, and an adoption of e-business by Small to Medium Enterprises (SMEs) in Vietnam.

Our analysis shows the concept of globalisation cannot simply be applied to a developing market without the requisite thorough understanding of the host country’s culture, business environment, and government policies to optimise business success. This chapter contributes to the theoretical and practical understanding of interrelationships between globalisation, culture, and technological development and their impacts on an emerging economy such as Vietnam. This chapter also discusses the implications for the long-term growth of the Vietnamese economy and for success in international business operations in Vietnam, as well as other developing countries with similar cultures experiencing rapid economic development.

GLOBALISATION AND THE GLOBAL ECONOMY

Globalisation in its most basic form refers to the widening and speeding up of global interconnections (Held, McGrew, Goldblatt, & Perraton, 1999), and to the increasing interdependence of different parts of the world (Seitz, 2002; Sklair, 1999b). There are several major elements in globalisation. First, there is integration of the financial and currency markets, or, in other words, the enhanced integration of economies across the world (Bacchus, 2004; Burbules & Torres, 2000; Fenna, 2004; Ngok & Kwong, 2003). Second, globalisation involves the incorporation of pro-
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