ATTITUDES TOWARD INTERNET ADOPTION BY SMALL AND MEDIUM SIZED ENTERPRISES (SME's); A CROSS CULTURAL COMPARISON OF THE THAI AND BRITISH EXPERIENCE

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Abstract

For well over 40 years now change management has been an area on which managers and students of management have devoted much attention (1). Implicitly much of the rationale for the need to manage change within organisations has been the recognition of resistance to change being likely to exist within the workforce (2). Change management models though often have a lack of any cultural reference, being a "one size fits all" type of model which makes no reference to the cultural context in which the organisation may be located. In a sense there ought to be no surprise in this as writers were generally looking at change management in the context of the cultures they were operating in, without feeling the need to make clear the cultural assumptions/paradigm that they were utilising.

It is worth noting, though, that the implications of national culture and identity on the behaviours of individual's have been the subject of much thorough study. Arguably the seminal writer here is Hofstede (3), and it is to his work that we refer/defer in this article. Hofstede identified certain key dimensions of values, which have then been researched and applied to respondents from over 70 nations. The results, in this case focussing only on Thailand and Britain, allow us to identify aspects of cultural values and use them to predict likely differing responses to facing up to certain situations.

Here we utilise the analysis to predict likely differences in adopting the use of the internet in Small and Medium Sized Enterprises (SME's), and then go on to compare these predictions with surveys about this issue carried out simultaneously across

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samples of SME's in Bangkok and Chesterfield in 2004. In doing this we hope to gain some insight into the extent to which Hofstede's work, originating over 20 years ago, still has the ability to predict the effects of cultural differences which exist between countries.

INTRODUCTION

Ecommerce, the use of Information and Communication Technologies (ICT) to conduct business transactions or exchange information, is seen by many as a vital way forward for organisations, with forecasts for the likely volume of traffic likely to use this conduit continually emerging (4). The UK government has demonstrated its commitment to assisting organisations to embrace the possibilities that the internet and world wide web may hold through such channels as UK government online (5). The extent to which the Thai government too is intent on promoting the use of the internet and e commerce in order that the Thai economy does not miss out on the gains possible from increasing the use of the internet can also clearly be seen, with the paper by Karetho and Limslit being arguably the clearest exploration of this area. (6).

However whilst there may be implicit common agreement on the possible gains from developing the uptake of e commerce opportunities in the two countries, it would be unwise to simply regard this as a technical matter. The acceptance of new technology and the willingness of organisations to involve themselves in substantial change depends upon the desire of people who work within the organisation to face up to the challenges that substantial organisational change inevitably throws up.

At times it is surprisingly easy to reify organisations and to forget that they are composed of people and as Rohitratana succinctly described it:

> "…no system can run in a vacuum. It needs people to operate and become involved in the system…….the people who use the system carry values, perceptions and attitudes influenced by their own culture." (7)

Further research efforts reinforce this idea that workers do not or cannot abandon societal values and attitudes when they enter their place of work (8).

Much has been written about globalisation, of American cultural hegemony and its threat to the maintenance of the cultural identity of individual countries (9). Certainly no visitor to Thailand can fail to notice how large the presence of Mcdonalds is. Yet we know that significant cultural difference exists between countries – British people visiting Thailand frequently, indeed maybe almost always, make what is essentially a clear cross cultural comparison between the two countries which tends to find most common expression about the apparent gentleness, thoughtfulness and kindness of the Thai people they meet (10). Whilst it is easy to characterise such comments as being romantic, subjective comments, perhaps they take on more significance if we consider them as being repetitive comments on aspects of Thai culture which are found worthy of comment because of the implicit comparison that is being made with typically British behaviours. There are, though, more explicit and carefully constructed frameworks to help us compare and contrast the cultures of different countries, and it is to this that we can later turn.

METHODOLOGY

We propose in this article to use the analysis of national cultures made by Hofstede to compare Thai and British cultures, and use this analysis to generate a small number of predictions of the likely differences we may see between Thai and British SME's with regard to introducing and using the internet in their business. These predictions will then be compared with the results of a survey of SME's in Thailand and Britain undertaken simultaneously in the two countries in late January 2004, across a sample of 100 SME's in each country.

A copy of the questions contained in the survey is available (Appendix 1), the questions being "borrowed" from "Business in the information Age, an International Benchmarking survey 2002", (11) which is actually a survey which has been carried out annually since 1997. Not only are the questions already well tested, but they give the additional bonus for interested parties in reviewing answers to these issues over a number of years, and across a wider sample of UK business (as opposed to here just a focus on SME's alone) and of business across Europe.

A Brief Comparison of Thai and UK Cultures

* All scores quoted in this section arise from the work of Hofstede

The content of this section arises just about entirely out of the work of Hofstede (12). This work, analysing over 100,000 employees across the world, enabled Hofstede originally to identify four key components of societal culture: Power Distance (PDI), Individualism (IND), Masculinity (MAS) and Uncertainty Avoidance (UAV). A fifth component was subsequently added (13), sometimes referred to as Confucian Dynamism (CD), otherwise known as Long Term Dynamism. Whilst Hofstede has used this framework to analyse seventy national cultures, what we intend to do here is focus down to the two national cultures that we are specifically interested in, The Thai and UK cultures.

Power Distance (PDI)
Thailand 64 UK 35

Power Distance (PDI) reflects the degree to which society accepts unequal distribution of power, the higher the score the greater power inequality and the acceptance of it. A high score is likely to mean that not only will managers tend to be more autocratic and paternalistic but also that the workforce are actually comfortable in being told what to do rather than being involved in the decision making process. Indeed Confucian teaching has at its heart notions of reciprocity, with the superior looking after the subordinate, who in return favours their superior with loyalty, respect and obedience – such feelings do not permeate UK society so strongly. These PDI scores indicate for example that in a Thai organisation questioning the authority or decisions of a superior is pretty much out of the question, whereas in UK organisations this would nowhere near be so much the case.

Individualism (IND)
Thailand 20 UK 89

This is a measure of the extent to which the society values individual independence as opposed to group membership; the lower the

score on this category, the more important is a collective focus. Thais thus appear to have a much higher degree of collectivism than people from the UK, with group goals and objectives likely to be seen as having greater importance than say individual preferences within a Thai organisation, with dissent from common shared goals being something to be avoided.

Masculinity (MAS)
Thailand 34 UK 66

The higher the score here, the more prevalent are masculine values in terms of ambition, assertiveness and the acquisition of wealth, whilst the lower the score the more prevalent are values such as caring for others, with achievement being defined more perhaps by the quality of relationships

Uncertainty Avoidance (UAV)
Thailand 64 UK 35

This refers to the extent to which individuals feel threatened by ambiguous or uncertain situations. The higher the score, the less comfortable individuals feel with ambiguity, change, risk or deviant behaviours, and the greater is their likely attachment to rules. Subordinates in high scoring UAV cultures are likely to be reluctant to use their initiative or make recommendations because of the risk that such actions expose them to, of recommending courses of action their superiors may not approve of or that their actions may trigger conflict if out of line with prevailing actions or beliefs in the organisation either now or in the future.

Confucian Dynamism (CD)
Thailand 56 UK 25

The greater the score gained here, the greater is the focus on the future, with a likely stress on perserverance and long term survival being more important than the attainment of short term gains. Looked at another way, the higher the score gained here, the more likely is there to be a preference for cautious, incremental change.

Comparing Thai to British culture then, we might summarise the key differing elements prevalent in Thai culture as being:

1. a greater acceptance of power inequalities, and a belief in the superior knowledge and decision making skills of people occupying the higher reaches of the hierarchy of an organisation.
2. less belief in the significance of the individual and and a greater willingness to defer to the interests of a group one is a member of, with maintenance of group cohesion being seen as a significant matter, with dissension from group norms being socially unacceptable.
3. a much greater focus on considering the thoughts and feelings of others.
4. a greater predilection toward risk avoidance and acceptance of the status quo.

These four main differences arguably give rise to what Thanasankit (14) sees as the most influential Thai values:

a Pu Yai – deference to the (legitimate) power of superiors

b Kreng Jai – refusal to criticise, question or disagree so as not to discomfort another person

c Face Saving – in all interactions attempting to maintain the ego of the person being dealt with

d Bun Khun – acting out of goodness, so that when all subscribe to the notion reciprocal kindness is likely to prevail

To these four values one might add a couple more too – the importance of fate, with success or failure being predetermined and beyond the control of any individual (15), and the concept "mai pen rai", it doesn't really matter/ it is not important.

Some tentative predictions about internet adoption by SME's

Prediction 1

Thai SME's would have a higher response rate to a survey than British SME's reflecting the influence of Bun Khun.

Prediction 2

Thai SME's will be proportionately more responsive to the wishes of directors with regard to the takeup of ICT opportunities than to the other stakeholder groups – reflecting the acceptance of power inequalities and Pu Yai, directors being likely to be seen as the stakeholder group possessing legitimate power with regard to the organisation

Prediction 3

Within Thai SME's there will be a greater desire to see benefits arising from internet adoption brings, reflecting the influence of Pu Yai and Kreng Jai and a cultural tendency to want not to question the wisdom of the decision making of others.

Prediction 4

Within Thai SME's there will be less open reservation about factors limiting the use of new technology. Such comments are likely not to fit in with the concept of Kreng Jai, implying criticism of the efforts of others within the organisation

Prediction 5

Relating very much to the previous prediction, people in Thai SME.s will be less likely than their counterparts in British organisations, to identify past problems associated with introducing new technology – such comments again would threaten the face of others within the organisation and not fit well with the concept of Bun Khun.

Prediction 6

People in British SME's will tend to more openly look to the possible benefits of of organisational change, whilst Thais will be more cautious and conservative, preferring to minimise risk and the possible conflicts and difficulties change may bring for the social group that makes up the organisation.

THE SURVEY

A questionnaire was issued toward the end of January 2004 to 100 SME's in the Bangkok area of Thailand and 100 SME's in the Chesterfield area in Britain. As mentioned earlier, the questions were "borrowed" from a much larger survey of internet use carried out a number of times by the UK Department for Trade and Industry.

A high response rate was attained with over 75% of the Thai organisations responding and almost 50% of the British organisation. There was some minor variations in the composition of the organisations between the 2 samples, the British responses containing a slightly higher proportion of SME's employing 25–99 people, whilst the Thai sample contained slightly more larger SME's. There was a slight imbalance in favour of service industry in the Thai sample, whilst slightly more manufacturing industry featured in the British sample.

The first significant differences appeared when looking at drivers for technological change within the organisations. Given the choice of drivers for technological change of customers, directors, suppliers, employees and competitors, out of a maximum possible 100% score, the Thai organisations scored all the drivers in a band 50 – 58% with the exception of customers who were the main driver at 64%. The British respondents scored customers as the main driver at 70%, followed by directors and competitors both on 63%, suppliers on 53% and employees on 46%.

The question probing how internet technology had benefited the organisation throws up significant differences in the perceived gains. Looking at the top five gains from the point of view of the Thai respondents:

%	Highest scoring benefits in Thai SME's	in British SME's %
92	increased speed of access to information	78
70	improved communication with customers	90
70	increased IT knowledge	66
66	simplify processes	24
66	improve reliability	15

Repeating this analysis but this time looking at the top five gains as perceived by the British SME's:

%	Highest scoring benefits in British SME's	in Thai SME's %
90	improved communication with customers	70
78	increased speed of acces to information	92
78	improved communicatio with suppliers	48
66	increased IT knowledge	70
60	keep up with competitors	62

Overall Thai SME's seemed to perceive benefits arising from adopting technology more strongly than the British, identifying overall the equivalent of 33% more areas of benefit that they enjoyed.

When it comes to factors limiting the ability of the organisation to use internet technology:

%	Top 5 Thai limiting factors	% of British SME's
4	lack of time	45
40	customers lacking on line access	27
38	lack of knowledge	18
37	security concerns	12
35	set up costs	33

Turning now to the British SME's:

%	Top 5 British limiting factors	% of Thai SME's
45	difficulty integrating IT systems	24
3	bandwidth restrictions	10
28	lack of skills, suppliers & customers	15

Some other areas of limiting factors also showed significant disparity between organisations in the two countries with lack of skills in the staff within the organisation being cited by 24% of British respondents but by only 4% of Thai respondents, and whilst 45% of Thai organisations were able to state they experienced no limiting factors only 15% of British respondents were able to claim the same.

As regards experiencing adverse effects from introducing new technology, then again taking the Thai perspective:

%	Top 5 adverse effects experienced by Thai SME's	and % of British SME's
41	system crashes	60
31	cost too much	21
30	keeping information up to date too time consuming	15
29	took too long to implement	33
24	staff did not like system	39

There is little to be added by including the top 5 adverse effects as perceived by British SME's here as they all feature in the table above. The only other factor of note is that while 18% of Thai SME's identified that customers did not like the new system, only 3% of British SME's noted the same.

Finally, when asked about the organisations attitude toward change, more than half of the organisations in both countries saw the change as "definitely the way forward", but whilst 20% of the SME's in Thailand saw such change as "not being useful", "never really thought about it" or saw it as "too difficult to implement" – none of the British SME's responded to these options.

And so what of the Predictions?

Prediction 1 definitely came true – the Thai response rate to the questionnaire far exceeded the British response rate.

Prediction 2 – that the Thai SME's would be more responsive to the wishes of directors with regard to ICT takeup seems not to be true in that over 63% of British SME's saw directors as being a key driver for introducing new technology whilst the figure for Thai SME's was only 53%.

Prediction 3 – that Thai SME managers would be more likely to accept and point to the benefits of introducing internet technology, again seems to be born out by the survey with Thai respondents identifying 33% more benefits proportionately to their British counterparts.

Prediction 4 – that Thai respondents would register less reservations about factors limiting the use of internet technology was not reflected in the survey, with once again Thai respondents identifying 33% more limiting factors this time than their British colleagues.

Prediction 5 – that Thai respondents would be less likely to identify past problems with new technology, again was seen not to be the case with Thais once more recognising 33% more problems proportionately than the British respondents

Prediction 6 – that Thais would be more cautious and conservative than the British when it came to looking generally at new technology, proved to be just about true in the survey – it was only Thais, 16% in all, who "don't believe it is useful for our business" / "never really thought about it" or thought it "too difficult to implement"; such reservations were never voiced by British respondents.

Six predictions then yielding a 50% success rate.

A FINAL CONCLUSION

It would appear that over the years the Hofstede model has retained some degree of predictive validity. Such a conclusion though clearly begs the question of why predictions seem to work sometimes but not at other times. It might be argued that that some of the predictions made and the questions used to test

them were either inappropriate or some possibly open to more objective technological interpretation than others but again one would have suspected that cultural factors, if important, would have played a more significant moderating role. To attempt to argue in some areas for objective interpretations of reality and in others more subjective culturally biased interpretations is probably disingenuous.

The answer to this issue is more likely to be found in reflecting on the nature of the Hofstede model, which marks out country averages against the dimensions of culture. The model would not claim for a minute to accurately predict scores for an individual on the dimensions, but it is generating rather an idealised aggregated measure for the nation as a whole. Nor should we necessarily expect that using the model to look at groups of people would give us parallel scores to the national averages – in a pluralistic society the Hofstede scores would be averaged from a variety of groups whose sectional group averages might vary significantly from the overall national averages. In this study it is quite possible that the group of people responding to the survey, managers in SME's might differ in their beliefs to some degree from the national average, either as a result of their experiences in the organisational worlds of SME's or they may have gravitated to work in SME's as maybe the result of some cultural trait they shared which maybe differed slightly from Thai society overall (an argument most neatly summarised by Tom Sharpe in the novel Wilt (16) where at one point the issue is raised as to whether college teachers are strange and that attracts them to teaching in college or whether it was working in college that made them become strange).

Models such as that of Hofstede are there for us to try to enhance our understanding of complex social issues. Because of the nature of what we are looking at and its complexity, we ought to use the model with care and understand the possible limiting factors that may apply. We would be unwise to expect the model to allow us to draw unequivocal simple conclusions but rather would hope that judicious use might enable us to enhance our understanding incrementally, and of course raise other questions to be pursued.

REFERENCES

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5 www.ukonline.gov.uk

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9 See for example travel brochures issued by Kuoni, Asia or Saga in the UK

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Appendix 1

Internet usage

1 How many employees does your organisation have?

1-4
5-9
10-24
25-49
50-99
100-199
200-249
250-499
500+

2 How would you best describe what your organisation does?

Manufacturing
Service
Not for profit

3 Does your organisation have

Internet access	Yes	No
Website	Yes	No
Internal e mail	Yes	No
External e mail	Yes	No

4 To what extent does technology change come from the following "drivers" – mark 0 if it does not affect you at all, 10 if it has great impact? Please mark under the appropriate score for each stakeholder:

	0	1	2	3	4	5	6	7	8	9	10
customers											
directors											
suppliers											
employees											
competitors											

5 How has internet technology benefited your organisation? Please tick those benefits you feel you have experienced:

a reduce cost
b simplify processes

c reduce paper use
d increase turnover
e increase share price
f increase market share in existing markets
g increase market share in new markets
h increase speed of access to information
i increase range of products/services
j improve communication with customers
k improve communication with staff
l improve communication with suppliers
m improve quality of products/ services
n improve reliability
o improve delivery time
p keep up with competitors
q keep up with progress
r develop homeworking
s customer demands
t supplier demands
u management demands
v integral to the type of organisational activity
w increase it knowledge
x none
y other
z don't know

6 What has prevented or limited your ability to make use of internet technology ?

a set up costs
b running costs
c lack of time
d poor reliability
e lack of technology
f security concerns
g customers not having online access
h lack of skills (suppliers/customers)
i lack of skills (staff)
j reluctance of staff
k reluctance of suppliers
l not relevant to business
m no benefits
n legal issues
o insufficient government assistance
p difficulty of changing processes
q difficulty of integrating IT systems
r lack of involvement of board members
s bandwidth restrictions
t lack of knowledge
u other
v none
w don't know

7 When you introduced new technology in the past did you experience any of the following adverse effects?

a system crashes
b customers did not like new systems
c suppliers did not like new systems
d staff did not like new systems
e cost too much
f took too long to implement
g exposed too much information to customers
k keeping information up to date too time consuming
l not able to cope with increased demand
m none
n other
o don't know

8 Which of these best describes the way your organisation responds to change?

a don't believe it is useful to our business
b never really thought about it
c too difficult to implement
d it could offer some benefits
e it is definitely the way forward