The Role of Cultural Sensitivity and Trust
in Relational Marketing:

An Analysis of Buyer/Seller Relationships
in the Asian Pacific Rim

By

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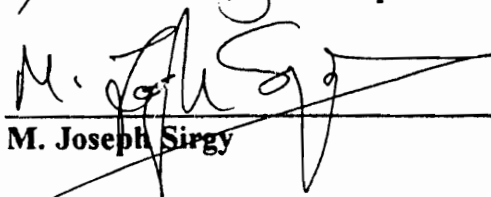
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Abstract

This study's primary goal was to specify what cultural sensitivity is and delineate the process of its formation. In addition, the role that cultural sensitivity plays within the international buying process was probed. Accordingly, antecedents and consequences of cultural sensitivity are specified.

Overall, this study empirically examines buyer/seller interactions within the Asian Pacific Rim. Based on multiple in-depth interviews of key informants, salient strategic domains emerged and are delineated within a Grounded Theory model.   .

Within the early analysis phases, trust emerged as a salient domain and a consequence of cultural sensitivity. This study examines the structure of trust as well as its role within the international buying process.

Four structural dimensions of cultural sensitivity emerged: (1) cultural declarative knowledge, (2) etic (outsiders') procedural knowledge, (3) emic (insiders') procedural knowledge, and (4) environmental scanning. In addition, the process of cultural sensitivity was found to have the following four stages:

(1) The Honeymooner; (2) The Worker; (3) The Outsider; and (4) The Transspector. Each stage was shown to vary in terms of four structural dimensions. In addition, culture shock is explained within this model.

A new conceptualization of trust emerged with the four following dimensions: (1) integrity trust, (2) caring trust, (3) benevolence trust, and (4) reliability trust. Of key importance, shared frames of meaning emerged as a new dyadic construct with the following two dimensions: (1) shared declarative frames, and (2) shared procedural frames. Finally, an overall model is introduced with antecedents, and consequences of these three focal domains: cultural sensitivity, trust, and shared frames of meaning.

Dedication

To my late Aunt Mildred Slater

meaningful feedback.   Thank you Sarah and Anna for being the wonderful people you are.   I hope this experience, as well as our future ones together, plays a positive role in all of your endeavors.

Thank you Mom and Dad for all of your caring.   Whenever the chips were down I could always depend of your consistent, unwavering support.   Thank you for modeling the importance of education.

Finally, I would like to thank the rest of my family and friends for sending your kind thoughts when I needed them the most. I really look forward to spending significant time with you once again!

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Problem Statement

International trade strongly impacts the economic and political health of the world's nations. Given the increased globalization of world markets and the emergence of large trade pacts, the importance of international trade will likely expand. For example, the 1994 level of world imports and exports was $12.6 trillion (World Bank 1996). The current growth rate of global trade is at 8% (The Economist 1996) and it is predicted to be at 7% for 1997 (Morgan and Pain 1996).

Among many business observers, the view is held that the U.S. is failing to take full advantage of this global market. One study of 3,500 U.S. companies found that only 5 percent of the chief executives thought U.S. companies were performing well in the global arena. In addition, they believed that U.S. management and most business schools ignore the impact of culture (Rabstejnek 1989).

Increasing the level of international marketing practitioners' cultural sensitivity may indeed improve performance. In fact, marketers need to be culturally sensitive while making strategic decisions across each of the marketing mix variables. For example, different perceptions of time across cultures can create misunderstandings within the organization's sales function. Many cultures (such as that in the United States) tend to be monochronic where time is compartmentalized and experienced linearly. Thus, business people focus on one task at a time and take deadlines

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seriously. Other cultures (such as Latin American and Arab countries) tend to be polychronic where time is perceived as less linear--instead of being compartmentalized, it and ebbs and flows. Thus, time is viewed as less important and business people simultaneously engage in many activities. Within polychronic cultures, deadlines are less important (Hall and Hall 1976).

Marketing failures can occur if companies are not sensitive to these differences. For instance, if a U.S. company places a sales force in a polychronic country (i.e., Venezuela) and orders its members to develop a new customer base within two months, failure will likely occur since it generally takes longer to establish relationships within a polychronic context. Given that very close, personal business relationships are generally critical to success within polychronic cultures, a strategy that is sensitive to this cultural fact will help improve the salesforce's chances of success.

Cultural sensitivity can play an important role in interfirm relationships across cultural boundaries. Organizational buyers are better able to buy effectively and, thus, negotiate competently when they are culturally sensitive. For example, being sensitive to sign languages, which are "conscious substitutions of gestures for words, numbers or punctuation (Ruesch and Kees 1956, p.132)," can help a negotiator adjust appropriately to an intercultural setting. In Thailand, WAI is a form of sign language that involves:

> the placement of the palms of both hands together vertically holding them slightly under the chin, and ending with a slight

> head bow, chin toward the finger tips. Verbal utterances
> rarely accompany this act, nor does eye contact (Smutkupt and
> Barna 1972, p. 132).

Designed to pay homage to Buddha, this sign language is performed to show greeting, farewell, deep respect, and appreciation. For many Westerners, the presence of WAI and other unfamiliar rituals that occur within the Thai culture can lead to feelings of confusion and rejection (Smutkupt and Barna 1972). A culturally sensitive buyer may be less baffled by the sign language and thus avoid confusion within the negotiation process and negotiate more effectively.

Often, marketing mix decisions and cultural factors are closely interrelated. For instance, in Japan, cultural factors are tightly intertwined with distribution and pricing strategies. Japanese manufacturers often give their distributors selective discounts. These discounts are compatible with Japanese business goals of having a good reputation and establishing close relationships with distribution channel members. In some cases, the discounts are kept secret in order to create a feeling of a special relationship among the channel members. While this type of closeness is important within Japanese culture, these tight relationships can create barriers to entry for foreign competitors.

Despite the importance of cultural sensitivity within international marketing transactions, it is a poorly understood construct that remains unexamined in the marketing literature. While researchers in diverse disciplines (i.e., counseling, teaching, law-enforcement, and business) focus on the need for

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improved cultural sensitivity, the construct is generally left undefined or poorly defined. For example, while one recent study within the psychological counseling literature emphasizes the importance of cultural sensitivity on training, it failed to put forth a conceptual definition (Wade and Bernstein 1991). Without a clear conceptual understanding of cultural sensitivity, systematic research in this area is hindered. Furthermore, while research in these other areas provides a foundation upon which to build a conceptual definition of cultural sensitivity, no research has examined how cultural sensitivity impacts the buying process.

Purpose of the Dissertation

The primary purpose of this dissertation is to delineate cultural sensitivity. While the importance of cultural sensitivity has been studied across three primary literatures (i.e., psychopathology, psychological counseling, and intercultural communications), a rich understanding of its structure and process has yet to be specified. For instance, while all three primary literature streams make a strong case for the importance of culturally-specific knowledge, they each treat this dimension relatively simplistically (Gudykunst and Kim 1984; Lefley 1990; Leong and Kim 1991). They define the knowledge dimension as facts about another culture. In addition, while skills are defined as an important component, the researcher do not agree on what these skills actually are.

Regarding the process of cultural sensitivity, the existing process models either fail to explain how people develop cultural

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sensitivity (Lopez et al. 1989), or fail to specify how the structural domains effect the development of cultural sensitivity (Stewart 1979). The primary purpose of this study is to address the gaps within the literature.

Overview of the Study

This study probes what cultural sensitivity is and how it impacts dyadic purchasing behavior within the Asian Pacific Rim. Since the aim of this study was to discover and specify relationships, a Grounded Theory approach was implemented (Glaser and Stauss 1967; Glaser 1978; Strauss 1987; Strauss and Corbin 1992). Grounded Theory is a qualitative method that helps guide the researcher in specifying phenomena and identifying intervening factors (moderators), antecedents, and outcome variables. Thus, through an iterative process of induction and deduction, the researcher is able to develop an understanding of the process and structure of a phenomenon.

Overview of the Dissertation

This section briefly reviews each chapter and the conclusions. Key conceptual definitions are introduced for each emergent domain.

Chapter 2--Methodology

The sample consisted of U.S. organizational buyers (importers/exporters) within the apparel industry who work in the Pacific-Rim area. This sample was chosen because these buyers are part of a culturally-dynamic industry and trade with a culturally diverse region of the world. Successful buying within the Pacific-Rim is probably one of the most challenging tasks since these

cultures are drastically different along many dimensions when compared to the U.S. culture. Along many key cultural dimensions, [e.g., time, space, values, and context (Hall and Hall 1967)], the U.S. and the Pacific-Rim cultures are on opposite ends of a spectrum. Studying end-points along a continuum is an appropriate starting point for delineating a phenomenon (Strauss and Corbin 1990). Consistent with a Grounded Theory approach, the same informant was interviewed multiple times until the researcher clearly understood the phenomenon.

The interviews were conducted in person at trade shows at the Jacob Javits Center, New York City and via telephone when personal interviews were not possible. All interviews were taped and transcribed. The time-frame for data collection (interviewing) was approximately thirteen months. This long-frame was necessary since many of these buyers live outside of the U.S. for up to four months at a time.

The data obtained through these interviews were analyzed in three ways. First, information was open-coded; that is, the data were broken down into discrete parts that were labeled and categorized. Based on careful investigation of the data, dimensions and properties of categories were identified. Second, axial coding was used to relate categories to their subcategories in terms of causal conditions, context, intervening conditions, action/interactional strategies, and consequences. Thus, each domain was broken into its dimensions, and related to other domains across differing contexts. For instance, cultural declarative

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knowledge was related to trust under different degrees of relational commitment. Finally, selective coding procedures were applied so as to integrate the concepts into a Grounded Theory where the phenomenon of cultural sensitivity is richly specified, and its antecedents, outcomes, and moderators are placed within a relational model (Strauss and Corbin 1990). This theoretical relationship is specified within an international organizational buying context. Thus, the goal of this study is the understanding of the cultural sensitivity phenomenon, a description of its occurrence, and the explanation of its influence on the international organizational buying process.

Chapter 3--Cultural Sensitivity as a Structure

This chapter delineates the structure of cultural sensitivity. After the importance of this domain is examined, relevant literature is reviewed and gaps are identified. Then, based on the emergent data, the four following dimensions are introduced and empirically supported: (1) cultural declarative knowledge, (2) etic (outsiders') procedural knowledge, (3) emic (insiders') procedural knowledge, and (4) external scanning. Finally, the existence and relevance of each dimension is further supported within the culturally salient contexts of time, face, and personal and impersonal communication .

Chapter 4--Cultural Sensitivity as a Process

The fourth chapter examines how one becomes culturally sensitive. First, process models introduced within the psychological counseling and the intercultural communications

literature are examined and gaps are identified. Then a model of the process of cultural sensitivity development in business, derived from the data in this study, is introduced and supported empirically. This model is shown to have four stages labeled (1) The Honeymooner; (2) The Worker; (3) The Outsider; and (4) The Transspector. In addition, the role of culture shock is explained and supported within the model, and key managerial implications are considered. Finally, the contributions of this process model are assessed.

Chapter 5--Trust, Shared Frames of Meaning, and an Overall Model

This chapter empirically supports the importance of trust and offers a conceptualization of trust. Based on the data, with help from the literature, trust is defined as the expectation that your exchange partner (1) is open and honest with you (<u>integrity trust</u>), (2) is concerned about you and has your best interest in mind (<u>caring trust</u>), (3) has appropriate skills, facilities, and equipment (<u>competence trust</u>), and (4) is dependable (<u>reliability trust</u>). Each of these dimensions is explicated and empirically supported.

The construct of shared frames of meaning emerged as a new and very important domain within this international marketing context. **Shared frames of meaning is defined as a dyadic or interpersonal zone of common understanding.** Exchange members forged a mutual understanding derived from similarly decoded information.

Two types of shared frames of meaning emerged from the data: (1) shared declarative frames, and (2) shared procedural frames.

The first dimension of shared frames involves the understanding of key cultural facts or concepts that affect business operations, while the second involves the sharing of complex cultural heuristics.

This discussion is followed by a demonstration of the three techniques used by the informants, or their exchange partners, to increase shared frames of meaning: (1) the use of a third party mediator; (2) the development of a process to mediate the dyad, and (3) the development of cultural sensitivity.

Finally, an overall model is introduced with key antecedents and consequences of the three focal constructs, cultural sensitivity, trust, and shared frames of meaning. Within this chapter, the key consequences are supported empirically.

Chapter 6--Conclusions

This section discusses key findings and their implications, and future research directions. Additionally, limitations associated with the methodology in general and this study in specific are explored.

Chapter 2: Methodology

Introduction

This chapter is organized as follows. First, an overview of the study is provided and the methodological approach is highlighted. Next, the sampling method along with the data-collection setting is described and justified. Then, the data collection techniques, ranging from participant observation to formal interviews, are described. This chapter concludes with a description of the data analysis.

Overview

Because the goal of this dissertation was a deep understanding of cultural sensitivity and its influence on exchange behavior, a Grounded Theory approach was employed (Glaser and Stauss 1967; Glaser 1978; Strauss 1987; Strauss and Corbin 1992). Specifically, I employed in-depth interviews (Briggs 1986; McCracken 1988b; Spradley 1979) and participant observation (Belk 1991c; Atkinson and Hammersley 1994; Hirschman 1986).

The first phase of data collection involved informal interviews and participant observation at the International Fashion Boutique trade show. Potential participants were identified and informally interviewed. The goal was to (1) determine whether culture was an important influence on their business interactions and (2) ascertain the viability of the study (e.g., the informants' willingness to participate and their range of cross-cultural experiences). The second phase of data collection employed open-ended, formal interviews with these same informants during which

the domains of cultural sensitivity and business exchanges were probed. In the third phase of data collection, I engaged in more close-ended interviews with my informants. The goal of this phase was two-fold: (1) to delineate underspecified domains and (2) to determine the basis for differences across informants regarding relationships among constructs. Thus, data for this project included (1) transcriptions of taped interviews, (2) field notes recorded after each interview and period of observation, and (3) analytical codes formulated during the analysis of the transcripts.

Methodological Approach

Since the goal of this research was to understand deeply cultural sensitivity and develop theory, a Grounded Theory approach and its associated methodologies were employed (Glaser and Stauss 1967; Glaser 1978; Strauss 1987; Strauss and Corbin 1992). A Grounded Theory approach involves building theory inductively based on data generated from an in-depth study of a phenomenon. In other words, a Grounded Theory is discovered, developed, and verified through systematic data collection and analysis of a phenomenon of interest (Strauss and Corbin 1992). Theory development occurs after each step of data collection. In addition, after each interview, data are analyzed, theory developed, and then the emergent theory guides the next stage of data collection. Later stages of data collection attempt to challenge and expand the proposed theoretical relationships.

Sample and Sampling Issues

In order to explore the meaning of cultural sensitivity within an international marketing context, I chose a sample of informants who were importer/exporters working within the Asian Pacific-Rim fashion industry. The informants were owners of U.S. based firms and were the primary agents involved in both the company's purchase and production functions. Locations of operation varied across firms but occurred predominately within Thailand, Indonesia, Malaysia, and the People's Republic of China.

Informants working in the Asian-Pacific Rim were chosen because of their host countries' extreme dissimilarity from the United States across key cultural dimensions: power distance, uncertainty avoidance, and individualism (Hofstede 1983). Thus, this sample was relevant because strong contrasts are most appropriate when delineating key domains in Grounded Theory (Glaser and Stauss 1967).

The fashion industry was an appropriate, as well as opportune, research context. Notions of fashion are often culturally embedded. Moreover, success in international fashion likely requires a strong understanding of cultural trends in both the host countries as well as in the home markets. The informants' success depends on the ability to communicate, negotiate, and work across different cultures. Finally, the researcher had close contacts with a business owner within the trade who agreed to be a key informant.

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Informal interviews were conducted with 28 participants. From these initial participants, a series of two formal interviews were conducted with a subset of buyers. Participants were interviewed until I reached the point of redundancy, which occurred at 12 informants. Strauss and Corbin (1992) advise that redundancy occurs when incrementally little new information surfaces with additional interviews. My informants also varied in terms of the depth of their experience within their host cultures. Specifically, these twelve informants were selected to maximize variance across the following domains: (1) cultural knowledge, (2) cultural experiences, and (3) cultural attitudes (See Table 1 for the characteristics of each participant and company).

Data Collection Site

The data gathering process involved three discrete phases. The first phase or point of entry involved participant observation and informal interviews at an international trade show that all of the informants regularly attended. The primary goals were to (1) determine the importance of the focal phenomenon of cultural sensitivity, (2) establish the viability of the study (i.e., would it be possible to access an adequate, relevant sample) and, (3) begin to build rapport and trust with my future informants (Strauss and Corbin 1992).

In order to achieve these goals during the first phase of data collection, I attended six International Fashion Boutique trade shows over a 26 month period (1/93-2/95) at the Jacob Javits Center, New York City. This trade show is the largest of its kind

TABLE 1

CHARACTERISTICS OF INFORMANTS, THEIR BUSINESS, AND OUR INTERACTION

Informants' Name[1]	Country Served	Number of Employees	Number of Subcontract Employees[2]	Gross Annual Sales[3]	Year's Business Existence (Company's Existence)	Years of Experience Living Outside of U.S.	Mode of Interview (in-person = i; telephone = t)
Red	Thailand	5	150	$1,200	10	30	t, t
Cal	Indonesia	21	600	$4,000	9	1	t, t
Gail	Indonesia	3	30	$150	2	2	t, t
Leigh	Indonesia	7	400	$1,400	8	3	i, i
Mary	China	6	200	$1,100	8	30+	t, t
Kirk	Indonesia	3	150	$300	4	2	t, t
Sam	Indonesia	3	300	$550	10	3	t, i
Jan	Japan	18	450	$800	10	4	t, i
Dan	Thailand	3	150	$1,200	4	16	t, t
Alan	Thailand	2	25	$350	4	3	t, i
Will	Thailand	3	50	$750	6	2	t, t
Deb	Indonesia	5	250	$600	4	1	t, t
Mitchell[4]	Thailand	4	50	$600	4	3	t, t
		6.38[5]	215.77	$1,000.00	6.38	7.69	
		(36.25)	(211,155.77)	(959,166.67)	(8.25)	(109.44)	

[1] Pseudonym used to protect identity.
[2] Est.
[3] In thousands of U.S. dollars.
[4] Key Informant.
[5] Mean score and variance among the informants.

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in the world with up to 20,000 companies represented and over 40 aisles of booths. It took the researcher (at an extremely fast pace) over 40 minutes just to walk through the entire 3 mile show. Buyers and sellers from five continents converge for an intense 4-day period. The site is brightly lit with a constant loud buzz of talk and music. Additionally, an array of models walk through the aisles in order to attract buyers to their firms' product lines.

For the selling companies, it is a grueling time between the setup (which on average takes 16 hours), and the selling process (which on average takes 4 days). The booth rental costs between $6,000 and $10,000, depending on the show. The average booth is about 180 square feet and is operated by three sales representatives. The majority of many firms' annual sales comes directly from contacts made at these trade shows. For the buyers, the purchase decisions made here have a profound impact on their future profit. Accordingly, the buyer/seller negotiations are often intense.

Data Collection Techniques and Evolving Design

Three phases of data collection occurred. Phase 1 is discussed next and includes participant observation and informal interviews. Phase 2 involves formal interviews while phase 3 entails focused interviews.

Phase 1

Participant Observation. I participated in six International Fashion Boutique trade shows over a 26 month period (1/93-2/95). At first I worked for my key informant Mitchell (see table 1)

setting up his booth and selling his product line. Over time, I dined with most of my informants and attended a number of evening social events on ships and at nightclubs. This contact gave me the opportunity to strengthen my relationship with my informants and ask them about their experiences in informal settings. However, I also developed a better understanding of the fashion import/export business, which helped me grasp relevant issues in the interviews and aided in my subsequent analysis of the data. For example, the experience provided me insight into the competitive structure within the market, varying company business philosophies, and informants' relationship networks.[1]

Site Exploration and Informal Interviews. At the show, I gained access to informants through my key informant and by scanning the trade show. First, my "key" informant Mitchell, a friend who heads a firm based in Thailand, introduced me to three different company owners who worked within the Asian Pacific-Rim region. On seven different occasions, I dined with these three owners and discussed their business activities, including problems and opportunities they commonly faced. Field notes were taken after each interaction.

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[1]   Ironically, the participant observation probably ended just in time. Shortly after the last trade show I attended, there was a major FBI investigation related to mob activities at the Jacob Javits Center and sophisticated surveillance systems were implanted throughout the complex. The goal was to quell mob-related corruption. This new environment engendered paranoia and fear among trade show participants. Therefore, continued recording of interviews at this site would have probably become problematic.

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Based on information obtained during these informal interactions, it became evident that many of the business opportunities and problems arose because of the cultural environment. For instance, some of the owners had trouble obtaining their quotas from the host country. They saw the development of relationships with factory owners as key to meeting this goal. Participation in and understanding of local rituals was viewed as important to relationship development among those owners who had acquired their quotas.

Another serious problem discussed was order mispecification. For instance, the owners discussed communication problems they were having with their producers regarding the importance of color consistency. They believed that this problem was exacerbated by their exchange partners' unwillingness to confront them directly when different points of view arose. Although they understood the nature of these differences in styles of communication, some owners were unable to solve this problem. Two of the owners became part of my sample and these issues were probed more deeply in later interviews.

Second, I met informants by walking the entire trade show. Over 5,000 firms were represented at each of the six International Fashion Boutique shows. Throughout the day, I identified potential informants by walking through the aisles and identifying U.S. based firms that worked solely within the Asian Pacific-Rim. Specifically, I analyzed the product offering and spoke with the trade show representative. Upon introducing myself, I broadly

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described my study as one that focused on the role of culture within business and explored the representatives' interest in participating. This scanning/introduction process at the trade show took over 50 hours to complete. By the end of the third trade show, I had identified 28 potential informants who had agreed to participate and who fit my selection criteria.

In one of the cases during this process, the owners were not present and I obtained their phone numbers for future correspondence. In all other cases, I immediately had informal interviews with the heads of firms, ranging in length from 5 minutes to 2 hours (the average informal interview lasted about 25 minutes). After completing each informal interview, I went into a sitting area within the center and recorded field notes into my micro cassette recorder highlighting important observations.

With the exception of one overextended owner of a small fledgling firm, each owner I contacted agreed to participate in this study. This commitment involved agreeing to participate in three in-depth interviews over a two-year period. I believe that the high rate of participation was based on the owners' belief that cultural sensitivity was important (as well as the time I spent in the field developing contacts and gaining expertise in the industry). Throughout these contacts and the initial informal interviews, the informants asserted that culture was a key factor that drove myriad business tactics and strategies. For example, the following excerpt from my fieldnotes captures a typical reaction by the owners to the study: "I think Gail is really

excited about joining this project. She feels she sells cultural concepts more so than mere clothing, and her understanding of how Asian culture works drives her success. She spent close to an hour talking about how the Chicago-based U.S. commodity firm she used to work for blew a big deal because they didn't care about their Asian trading partner's customs." In summary, at the end of phase one, the domain of cultural sensitivity did indeed seem important and the study was viable.

Phase 2

Formal Interviews. During each of the next two phases of the research, these twelve informants (see table 1) were interviewed either in-person or over the telephone. Given that they were busy during the trade show and traveled so extensively, most participants generally preferred telephone interviews. They tended to talk freely and the quality of the data from the telephone interviews was rich. For other informants, personal interviews at the trade show worked best given their schedules.

Prior to each interview, I assured the informants of the measures that would be taken to protect their confidentiality. As called for by university policy, all informants signed release forms (1) indicating the voluntary nature of each interview, (2) allowing them to terminate their participation at any point within the process, and (3) permitting them to review their transcribed interview if desired (see Exhibit 1 for a copy of the release form). Additionally, through the release form, I promised to protect their identity by using pseudonyms. No monetary

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inducements were offered for participating in the study. The only

inducement for taking part in this project was that each informant

was offered a copy of the final research report.

Each formal interview involved two distinct parts. The first

part of the interview focused on rapport building, in which we

discussed such issues as (1) the study's purpose, (2) measures to

insure confidentiality, (3) how the information obtained would be

used, and (4) key social events that occurred at the last trade

show. The primary goal during this part of the interview was to

ask a series of informal questions intended to help the informant

feel comfortable with the researcher.[2]

In the second stage of the interview, I asked informants to

take the initiative and discuss specific instances of their most

recent buying/product specification experiences in Asia. Exhibit

2 includes questions within six domains that were asked during the

initial formal interview. These questions were open-ended and

informants were encouraged to direct the interview. I did ask the

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[2]   With the permission of the informants, I tape recorded
        all interviews either onto a microcassette recorder or my
        home answering machine.   All recordings were then
        transcribed.   When interviewing over the telephone, I
        did not notice any reactivity responses to the recording
        device (Hirschman 1986).   Informants soon forgot they
        were being recorded.   However, those people who were
        interviewed in person tended to speak more freely when
        they were not being recorded; therefore, I made a point
        to speak with them after the tape recorder was turned off
        and later I took notes on these discussions. I also tape
        recorded my impressions immediately following each
        interview and added any other insights.

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participants to talk about concrete experiences in order to get specific details about buying experiences, rather than have the informants form their own generalizations across exchange encounters.

Specific, closed-ended questions were put forth only when the informant finished addressing a particular domain. A range of questions and probes was used to get the informants to discuss their (1) lifestyle and specialized education, (2) cultural sensitivity, (3) trust and conflict within business relationships, (4) access to business information, (5) attributions and motivations regarding import/export events, and (6) perceptions and stories regarding business success. Based on an initial literature review, the aforementioned domains were expected to be related to cultural sensitivity.

Lifestyles and specialized education play a role in the development of cultural knowledge and attitude (i.e., lifestyles might influence how one chooses to live within the culture, and education might filter what one sees). **Cultural sensitivity** is the focal domain within this study. It was felt that cultural sensitivity might be related to ones adaptability within the business culture and ones interrelationship with host-country exchange partners.

Trust has always been an issue within cross cultural encounters. Within international politics, lack of trust has always been associated with conflict. Thus, given the

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international nature of this study, it was expected that trust would play an important role within dyadic relationships.

Within the fashion industry, and especially within this strange cultural setting, it was anticipated that **access to information** would be a challenge and important as well. In other words, it was anticipated that access to information might be salient because of difficulties associated with cross-cultural communication.

Attributions are peoples' interpretations of events. It was deemed important to see if the accuracy of one's attributions change over time. In addition, it was deemed interesting to examine the informant's **motivations** for entering this context of business. An understanding of one's motivation was perceived as important in examining why people interact with new cultures.

Finally, it was deemed important to gain an understanding of how **success** and if it was related to any approach. What makes people successful is generally a worthwhile issue to consider when conducting marketing studies.

The goal was to help specify these domains and determine which ones were salient within the international import/export context. In addition, given the open-ended nature of the initial questions, unanticipated domains relevant within this context could emerge.

Phase 3

Focused Interviews. Based upon the analysis of the first round of interviews, I developed a group of general questions for all informants (see exhibit 3) as well as specific questions for each

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individual (see exhibit 4 in which specific questions for two informants are provided). During the second round of interviews the questions for each specific informant were designed to (1) clear up any sources of confusion, (2) obtain additional insights on emerging domains, and (3) explore inconsistencies between and among participants regarding emerging research relationships. With one exception (i.e., an informant who went out of business, left the country permanently, and could not be contacted), all informants were reinterviewed in this final round.

Analysis

The data included transcriptions of interviews and field notes (approximately seven hundred pages of single spaced typed interviews, one hundred typed pages of participant observation notes, and one hundred pages of typed interview notes).

Data Analysis

I employed a hermeneutical analysis of the data collected (McCracken 1988; Spradley 1979; Strauss and Corbin 1992). A hermeneutical analysis involves an iterative process that takes place between the researcher and the text. Domains emerged as the data were iteratively analyzed with the researcher going back-and-forth between the text and the emerging interpretations. As this analysis evolved, relationships across domains were specified and clarified.

The data analysis occurred in three stages. The first stage was an open-coding analysis of data for each informant (Strauss and Corbin 1992). During this stage, I found domains that described

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each informant's buying experience. Each domain was coded and sorted using a computer program developed for this project. This analysis required five readings of the text and the generation of fifty pages of notes from the data. Next, data was analyzed across informants. By comparing the interpretations across the informants, a general delineation of each category emerged.

The goal of the second stage of analysis was to (1) respecify and enrich constructs, and (2) resolve inconsistencies regarding relationships across domains. I tried to determine if inconsistencies in informants' interpretations of relationships across domains were due to either (1) varying definitions of domains, and/or (2) moderating factors. Axial coding was conducted and involves examining each domain across informants and looking for inconsistencies regarding definition, antecedents, and consequences over varying contexts (e.g., stages within the cultural sensitivity process). Inconsistencies may be due to differing definitions, moderators, or differing contexts (Strauss and Corbin 1992). Thus, informants' interpretations of relationships across key theoretical constructs were delineated under multiple contexts.

The third stage employed selective coding to respecify emergent domains into an integrated theoretical model (Strauss and Corbin 1992). An across informant analysis was conducted to reexamine every domain and subcategory in relation to each emergent construct. For instance, cultural sensitivity was reexamined in relation to its antecedents and consequences, as well as to the

domains it is indirectly to within the model. This stage involved the development of a Grounded Theory model that richly specifies the focal domain of cultural sensitivity, as well as its antecedents, outcomes, and moderators.

Chapter 3: Cultural Sensitivity as a Structure

Introduction

The major purpose of the first part of this chapter is to delineate the structure of cultural sensitivity. First, the importance of cultural sensitivity is established and insights from past literature are offered. Next, four emergent dimensions of cultural sensitivity are explicated and then supported with data. This discussion is followed by a section in which these four dimensions are more fully explored in three specific contexts-- perceptions of time, face, and personal and impersonal communication.

The Importance of Cultural Sensitivity

Cultural sensitivity can play an important role in inter-firm relationships across cultural boundaries. Organizational buyers are better able to buy effectively and negotiate competently when they are culturally sensitive. For example, being sensitive to sign languages (Ruesch and Kees 1956, p.132), can help a negotiator respond appropriately in a cross-cultural business encounter (Smutkupt and Barna 1972). Although cultural sensitivity appears important within international marketing exchanges, it is not well delineated in general, and remains unexamined in the marketing literature in particular. The importance of cultural sensitivity has been studied, however, across three primary literatures: psychopathology, psychological counseling, and intercultural communications.

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Psychopathology Literature. Within the psychopathology literature, much energy has been devoted to the culture-free versus the culture-bound debate (Fox 1992; Gerdes 1985). Simply put, on one side of the controversy, therapists contend that all people are born, live, and die and these universal, transcultural experiences make therapy basically the same world wide (Campion 1982). An understanding of the clients' culture is only important for forming a place to begin therapy. On the other side of this debate, therapists argue that inner experiences mean different things cross-culturally and these differences will strongly alter therapy (Ahia 1984; Joy 1985). Thus, when Lopez et al. (1989) offer one of the few definitions of cultural sensitivity in this literature, they seek to balance these two competing groups: the culturally sensitive therapist is able to balance universal knowledge truths (i.e., the shared human experience) with culturally-specific realities.

While this definition is probably of limited relevance within a cross-cultural business context, this literature does point to one important idea. Across the psychopathology literature, a consensus does exist on the need for culturally-specific information in order to understand behavior and facilitate accurate diagnoses. Thus, in this literature, cultural sensitivity is generally equated with having the knowledge needed to read appropriately cultural information into a diagnostic decision sequence. For instance, Lefley (1990) describes the need for cultural sensitivity and emphasizes the importance of understanding

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differences in time, space, and noise across cultures in order to define psychopathologies. Misunderstanding these differences has often led to improper diagnoses of mental illness. While this literature does consistently point to the importance of culturally-specific information, **no effort has been made to define or explore different kinds of knowledge and their impact.**

Counseling Literature. The psychological counseling literature also focuses on the significance of cultural knowledge. For instance, Gim et al. (1991) discuss the importance of cultural sensitivity and suggest culturally-sensitive counselors are "appropriately empathetic and acknowledge the importance of ethnicity and cultural values in the client's experience (p. 58)." Here, the domain of cultural sensitivity is expanded to include both cultural knowledge and empathetic skills. Yet culturally-specific knowledge is narrowly confined to issues of ethnicity and values. It is not clear why knowledge is presented in such a narrow fashion when clearly a broad range of cultural information would influence cross-cultural interactions (e.g., notions of time, meaning of gestures, rituals of greeting, and so forth). In addition, while cultural sensitivity must involve some skill component (i.e., somehow cross-cultural mediators must monitor and scan the environment in order to fashion appropriate responses), empathy as a skill is problematic. Empathy, or the ability to feel another person's emotions, may not be the most important skill needed. Even people from within a culture can respond in a culturally appropriate manner without empathy, for example.

Leong and Kim (1991) also identify knowledge and skill components of cultural sensitivity. However, knowledge is defined more broadly to be the culturally-specific knowledge of the group being counseled. The skills component is clearly defined as the ability to interpret and send verbal and nonverbal communications both accurately and appropriately. While empathy may not be the crucial skill needed in intra- or inter-cultural interactions, this ability to both interpret and send messages is essential to communication. Leong and Kim (1991) also include an attitude component which they define as the counselor's ability to be aware of his or her own cultural biases. While this issue of a cultural bias is interesting, such a bias may be hard to identify because it may permeate perceptions much as a rose-tinted lens would systematically change perceptions of the world. Thus, cultural bias may be more than an attitude; it may implicate a person's world view or way of seeing the world.

Intercultural Communications Literature. Finally, the intercultural communications literature focuses on the importance of cross cultural sensitivity for effective dyadic understanding (Brislin 1981). Gudykunst and Kim (1984) suggest that one's intercultural communication competence involves cultural knowledge, skills, and affect. Their conceptualizations fail to define, or distinguish clearly, these three dimensions from each other. For instance, affect is defined as (1) empathy toward people in the host culture, (2) the ability to perceive accurately differences and similarities between the host culture and one's own culture,

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(3) being open-minded and non-judgmental, and (4) establishing meaningful relationships with people in a host culture. Clearly, this definition of affect encompasses empathetic and relationship development skills, culturally-specific knowledge, and attitudes.

To summarize, while these three literatures all stress the importance of cultural sensitivity, progress in developing a clear definition has been slow. Three main problems exist. First, while each of the literatures make a strong case for the importance of culturally-specific knowledge, they each treat knowledge in a fairly simplistic manner. Knowledge is facts about another culture (or some subset of relevant facts). Second, while many researchers across these literatures suggest that cultural sensitivity involves some type of skill, little agreement exists as to what this skill actually is? Finally, cultural sensitivity involves somehow limiting the "bias" of one's own culture but how this bracketing occurs is unclear.

Four Dimensions of Cultural Sensitivity

Based on the emergent data of this study, with help from the literature, four dimensions of cultural sensitivity emerged: cultural declarative knowledge, etic (outsider's) procedural knowledge, emic (insider's) procedural knowledge, and environmental scanning. In the following section, the four dimensions are defined and empirical support is provided. Subsequently, each of these categories is further supported and explored within the contexts of time, face, and personal versus impersonal communications.

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While literature suggested that cultural sensitivity somehow involves culturally-specific knowledge, it offered little direction on how to organize, classify, or understand this knowledge. The field of cognitive psychology, specifically the research on the cognitive structure of experts and novices, offers some potential guidance. Based on the categorical model of memory (Rosch 1975), this research suggests that categories are cognitive structures that organize information about a topic. The organized knowledge can be declarative (i.e., simple facts) or procedural (i.e., rules of thumb or action linked to a category) [Chi 1978; Larking 1979]. For example, an international buyer may have a category in memory labeled "Japanese exchange." Associated with this category of Japanese exchange might be declarative knowledge, such as MITI mediates and is involved with Japanese trade deals. Procedural knowledge, such as "hire an agent with past ties to MITI," may also be linked to this category. Thus, in applying these ideas to this study, declarative knowledge provides the building blocks for understanding a cross-cultural exchange, but procedural knowledge offers guidance in how these building blocks can be used (Weitz, Sujan and Sujan 1986).

Categorization is important for helping people deal in a complex environment. Without categorization, all new information would have to be explored and understood anew. Instead, people compare new events, people, and objects to categories stored in memory. Based on similarities and dissimilarities to these

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categories, people are able to respond more efficiently (Rosch 1975).

Research on experts and novices suggests that their cognitive structures may be different. For example, when compared to novices, experts have a larger number of categories (Mervis and Rosch 1981), they organize these categories in a hierarchical manner so information is more detailed [in other words, they organize information around abstract ideas but have subcategories with more specific information (Rosch et al. 1976)]; and they classify more accurately because they rely on category characteristics that reveal the deeper structure of the category (Sujan 1985).

An analogy can be made to cross-cultural exchange: culturally sensitive buyers can be viewed as experts in cross-cultural exchange. And insights from the cognitive literature are useful in organizing the different types of knowledge that culturally sensitive buyers in these data exhibited. For example, highly sensitive buyers exhibited high levels of declarative knowledge.

Instances of procedural knowledge were also found in the data. However, this concept needed to be extended into etic (outsider's) procedural knowledge and emic (insider's) procedural knowledge. Procedural knowledge (or rules of thumb) develops from within a cultural world view or way of life. In other words, people evolve heuristics that they link with categories through experience. To the extent to which buyers relied on procedural knowledge from their home culture (etic or outsider's procedural knowledge), they

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were culturally insensitive. However, to the extent to which

buyers developed and relied on procedural knowledge from their host

culture (emic or insider's procedural knowledge), the buyers were

culturally sensitive. The next section defines and distinguishes

the four dimension of cultural sensitivity and provides empirical

support.

Dimension One: Cultural Declarative Knowledge

Declarative knowledge involves simple facts (Fiske and Taylor

1984; McPherson and Thomas 1989; Stillings et al. 1987). For

instance, declarative knowledge of baseball would likely include a

mental representation of all possible field positions (i.e., first

base, second base, catcher, etc.).

Similarly, **cultural declarative knowledge is simple facts

about a culture.** Based on the data from this study and literature,

it became clear that it is necessary to have this type of knowledge

within a number of key areas in order to understand the host

culture[3]. The culturally-sensitive informants within this study

possess cultural declarative knowledge across key domains such as

time, face, political systems, religion, and family. For example,

one form of cultural declarative knowledge that was particularly

important to the buyers was knowledge of the political system.

Specifically, the role of government agents and the prevalence of

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[3]   The cultural declarative knowledge that emerged as
     important within this study was **emic declarative
     knowledge** (i.e., facts about the <u>host</u> culture). While
     etic declarative knowledge certainly exists (i.e., facts
     about the <u>home</u> culture), it was not discussed by the
     informants, or probed by the researcher.

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bribery ("grease") were of vital interest. First and foremost, one must understand the role of government officials within the host culture where they are underpaid and rely on bribes in order to make a living. Knowledge of the officials' role/perspective was necessary to negotiate successfully. These officials also have knowledge crucial to obtaining quotas and expediting the timely delivery of goods. Below, Gail refers to the role bribery plays within the Indonesian culture.

GAIL: The immigration officials basically are government workers and they are not very high on the totem pole or the caste system in Bali and they, in general, have been third and fourth caste people, traditionally. So, they are not, often times – and there aren't many exceptions to the rule – they are not very wealthy people. And, they know they are going to be in government work the rest of their lives and this is all their income is....I mean, it is so corrupt and they are trying to move away from that, but you really can't. It is so ingrained in their system. So, these people don't care if you are living and operating a business on the island. What they really want is to get their fair share from it.

Given that government officials are members of a lower caste and are usually poor, they count on bribery to make a living. Similarly, Alan discusses how bribery is ingrained within the system. As a result, government officials will call certain items sensitive in order to facilitate bribery-based revenues. Knowledge of the Thai government's practice is important in obtaining quota.

ALAN: Oh, the Thai government sets everything up as a bribe system so that there will be certain things that they don't want out of the country....They basically set up a

> bribe system intentionally so that you will bribe them to
> get stuff out of the country. Anything religious they
> call sensitive.

Along with Alan, Sam appears to understand the significance of bribery. However, he is less culturally sensitive because he lacks the declarative knowledge as to who collects the payment. To alleviate this lack of knowledge, Sam relies on a host-culture agent.

Sam: It's very aggravating, very frustrating, whether it's
        having to pay bribe money to get your stuff out, what
        they call quota, which is totally illegal, it's such a
        messy system, it's impossible to follow, we didn't know
        who or where to pay....Our agent takes care of it.

Thus, the first dimension of cultural sensitivity is cultural declarative knowledge. Knowledge of these facts, such as the role of government officials and bribery, is crucial for business success. However, the necessary cultural declarative knowledge was far reaching and included facts about religion, aesthetics, climate, growing seasons, space, time, cross-generational and cross-gender power, and friendship, to name a few.

The next section broadly introduces **procedural knowledge** as a dimension of cultural sensitivity. The second and third dimensions build on this concept.

Procedural Knowledge

A number of disparate definitions in marketing exist for procedural knowledge (Leigh and McGraw 1989; Szymanski's 1988; Weitz, Sujan, and Sujan 1986). Since this term was developed

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within the field of cognitive psychology, a brief review of this literature was conducted. While procedural knowledge was interpreted somewhat differently among researchers, a common thread was found that procedural knowledge involves having representations in memory that are linked to goal-directed actions (Anderson 1985; Best 1989; Gangne 1984; McPherson and Thomas; Stillings (et al. 1987).

Based on Anderson's (1985) work the following definition was used: **"procedural knowledge fundamentally has a problem-solving organization...People often use general problem solving methods for deciding what sequence of operators to use in solving a problem. These methods are called heuristics when they often lead to problem solution"** (p. 198). **These rules of thumb help guide goal directed behavior.**

Early within this study, the importance of procedural knowledge emerged as a central theme. Procedural knowledge helps the international marketer to interact effectively with exchange partners.

Based on the data within this international context, however, two types of procedural knowledge emerged: (1) etic procedural knowledge (i.e., rules of thumb/heuristics derived from within the home culture), and (2) emic procedural knowledge (i.e., rules of thumb/heuristics derived from within the host culture).

Dimension Two: Etic (Outsider's) Procedural Knowledge

With **etic procedural knowledge**, the person's categories are organized around facts that are derived from within the home

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culture and linked to heuristics that lead to problem solutions at home. As a result, to the extent to which this knowledge collides with the host culture, s/he is potentially less able to operate effectively in the new environment. Thus, the traveler is operating abroad in a foreign culture as though still at home and is assuming that differences do not exist. Consider Kirk, who tries to use his etic procedural knowledge to get his exchange partner to agree to perform a task on time. When he tries to incorporate the Western-oriented (etic) procedural knowledge (i.e., when dealing with an important issue be serious, be direct, and stare into your partner's eyes), his etic approach does not appear to work. Clearly, early in his business career, his application of etic procedural knowledge is not in harmony with the Indonesian culture.

KIRK: Everything that you take for granted, all the various
            rules of commerce are tossed out the window. You really
            have to start over especially when you become accustomed
            to a new culture. You need to learn that if so and so
            says, "it's completed" or says "it will be ready Monday",
            it doesn't necessarily mean Monday....When I first
            started doing business in Indonesia, I would say to Jones
            (exchange partner), "you must have the order ready by the
            end of July or we're both in trouble", I'd look in his
            eyes with a serious look and explain how our survival
            depended on having the order delivered by a certain
            date....After he agreed we shook hands. It (the order)
            took two months (and was late)...

    Thus, etic procedural knowledge involves action structures based on home culture facts. Obviously, culturally sensitive buyers have low reliance on etic procedural knowledge. The next

dimension of cultural sensitivity describes emic (insider's) procedural knowledge.

Dimension Three: Emic (Insider's) Procedural Knowledge

With **emic (insider's) procedural knowledge**, the person's **categories are organized around concepts that are derived from within the** host **culture and are linked to heuristics that often lead to problem solutions in this context.** As a result, s/he is better able to operate effectively in the new environment and is more culturally sensitive than one who relies on etic (outsider's) procedural knowledge structures. Based on the data, when informants have high cultural sensitivity, their understanding of the host-culture tends to become more independent of their home cultural concepts. Consider below how Gail evokes the idea of a "drama" to frame her dyadic interactions. Gail understands that the concept of face is a different type of cultural declarative knowledge. Yet, to be effective, she must link to this concept the rules of thumb/heuristics that are appropriate to this cross-cultural encounter. She has organized her understanding of face in a way that allows her to know how to act.

GAIL: ...you go through this process of pretending you are
            angry and bargaining because their whole system in
            Indonesia is bargaining. So, you go through this system
            where you, at first, you are very respectful, very humble
            and you do all the greetings with respect and then you
            talk about prices and you start to roll your eyes a
            little bit and you do the `pretend you are walking out'
            thing and `get all angry' thing and then you bargain.
            You reach a price and then you end up making amends, kind
            of, even though it wasn't an argument. You end up making
            sure the person knows that you are a good person and that
            "boy it sure is hot and boy I sure am hungry" and kind of
            make it why or that's why I am so anxious to get to a

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price. That kind of thing. I just find that happening
                    over and over for this kind of play, this drama in order
                    to get to a price, but I have been told that I do it
                    well. So, it must be the way to do it...

Gail is almost poetic in her description as she explains the

subtleties of her emic procedural knowledge. She understands that

negotiation occurs in a ritualized drama where confrontation is

acceptable only within clearly defined boundaries. Thus, to save

face, Gail must attribute her anger to "acceptable" causes such as

the hot weather or her hunger. Gail resists the categories of her

culture--this is not an argument. She forms the idea that

negotiation is a drama and links to this drama appropriate

heuristics--start the drama with respect, build to an angry climax,

and soften interactions once an agreement is reached.

        Similarly, Cal's procedural knowledge is embedded in her

knowledge of the Indonesian culture. In other words, her actions

are not guided by home culture knowledge but rather by how people

behave in the host culture. Here she discusses heuristics relevant

to Indonesian culture that are associated with bowing across (and

within) castes.

CAL: ....If they are going to go between two people talking,
                they will slightly bend forward and walk through as if
                you are going to break through a wave or something like
                that and I'll imitate that. Even though there, there's
                a caste system and I'm sure different caste levels do
                that to more extent. Like a real low class person (low
                caste, I mean): it might be their nature that they bend
                all the way down to the waist when they go between two
                people talking or they might turn around and go and find
                another way to go around to people talking depending on
                what caste the two people that were talking are and what
                caste they are...You forget how people act back in
                America...

Thus, emic procedural knowledge involves cultural declarative knowledge linked to heuristics appropriate to the host culture and is less dependent on home cultural declarative or procedural knowledge[4].

Cultural sensitivity, however, is more than just having cultural knowledge. The final dimension of cultural sensitivity is related to how one acquires knowledge and is described in the next section.

Dimension Four: Environmental Scanning

Based on Leong and Kim's (1991) work, this dimension is defined as **the ability to interpret and send verbal and nonverbal information both accurately and appropriately.** Environmental scanning is especially important for boundary role members within an organization (Adams 1983). These people spend much of their time working closely with constituents from different parts of the channel (e.g., buyer or suppliers) and, as a result, are often on the periphery of their hiring organization. Clearly, many international marketers fall into this category.

To be culturally sensitive, new information must be added to one's culturally specific knowledge pool and organized for subsequent retrieval. In contexts with high environmental uncertainty (i.e., the Asian-Pacific Rim countries), there is far

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[4] The informants who were culturally sensitive had formed emic procedural knowledge and a large number of quotes exist within the data to support this dimension. Few informants were as eloquent, however, as Gail and Cal. Existing research suggests that people find it is difficult to express this form of knowledge (Stillings 1987).

more ambiguous information to scan; thus the need for active scanning likely becomes more crucial to success. This scanning skill interacts with one's cultural declarative and procedural knowledge. The scanning process fills in and develops one's knowledge pool. Conversely, one's knowledge structure can improve one's scanning skills.

However, the mere presence of knowledge will not necessarily make someone a good scanner. Interpersonal skills that operate independently of culturally-specific knowledge appear to be of key importance. In other words, one may possess emic cultural-procedural knowledge but still be unable to read accurately sights, sounds, and smells necessary to acquire new information and/or understand the business environment. Thus, while there may be an interplay among these dimensions, the presence of one does not assure the existence of another.

Based on the data, the acquisition of cultural knowledge requires constant environmental scanning. In this first passage, Jan eloquently discusses the skills/knowledge interplay. He describes his knowledge acquisition and communication skills (i.e., he learns through imitation and can understand discussions without knowing the language), but uses pre-existing components of culturally specific knowledge (i.e., face and distance) to build and ameliorate his skills. Jan scans and sends both verbal as well as nonverbal messages.

JAN: ... I am not a good person with the language. You think
          that would be a real problem, right? But, I am a very

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good person at observation. I have a partner who runs my
Japanese export business. He lives in Japan and he has
three stores there, and we will have business meetings
that are all in Japanese. He is fluent in Japanese, and
I will sit in this meeting and he will turn to translate
to me and I say I know what you are talking about already
because one thing you learn--and this is true for all
cultures is I learn to pay attention--I learn to pick up
every single kind of clue that I could--facial
expression, intonation, words in English that have to be
spoken in English because there is no translation, and
combine it with some of the words in Japanese I know. I
mean the most important thing that I learned and that
translates through any culture is paying attention. Then
that attitude that is paying attention and knowing what
things are culturally acceptable and not acceptable....By
paying attention, just paying attention completely, and
being aware and analyzing how you - we don't analyze how
we act in this country, it is just who we are. We do not
realize we are sending out signals right and left. I am
usually very different in Japan than I am in America. I
tend to mimic what I see, and it is little things, too.
It's just not little things like bowing, I do the bowing
and stuff - but it's also the way that I hold my body,
you know, and the way my speech patterns work....

Integral parts of Jan's external scanning are his ability to pay

attention (i.e., interpret verbal and nonverbal cues) and learning

by imitation (i.e., send verbal and nonverbal cues). Environmental

scanning appears to help in the acquisition of knowledge and in the

development of organized schemas.

The last four sections defined and empirically supported the

four dimensions of cultural sensitivity. These include: (1)

cultural declarative knowledge, (2) outside (etic) cultural

procedural knowledge, (3) inside (emic) cultural procedural

knowledge, and (4) environmental scanning. As previously stated,

these dimensions are always context specific. Thus, in the next

three section, they are discussed within the context of three

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important domains, time, face, and personal versus impersonal communications. These four dimensions could have been applied in other contexts. Time, face, and personal versus impersonal communications were chosen because of the importance of these domains in the data.

Time: The Four Dimensions Within this Salient Domain

The ability to understand different systems of time has been identified as vital within international business (Hall and Hall 1983; Kaufman, Lane, and Lindquist 1991). For example, accurate order forecasting and planning becomes problematic transnationally due to different cultural views of time. Increased uncertainty arises because of cultural differences, geographic distances, lack of infrastructure harmonization, political/legal factors, and climatological factors. Throughout this study, the concept of time emerged as an important type of cultural knowledge.

The following sections illustrate the four dimensions of cultural sensitivity within this important context. In the next section, the role of declarative knowledge in coping with time is introduced and empirically supported.

Declarative Knowledge of Time

The concept of monochronic and polychronic time is central to understanding the different perceptions of time in this study. Many cultures (such as that of the United States) tend to be monochronic, where time is compartmentalized and experienced linearly. Thus, business people focus on one task at a time and take deadlines seriously. Other cultures (such as Latin American

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and Arab countries) tend to be <u>polychronic</u>, where time is less important, and business people simultaneously engage in many activities. Within polychronic cultures, deadlines are less important (Hall and Hall 1976). Thus, within a monochronic Western business context, time is **valued** as a commodity that should be efficiently utilized. The loss of time is often equated to the loss of money (Leclerc, Schmitt, and Dube 1995). However, the value of time as a priority is different across cultural contexts. Within this study's Eastern setting, the meaning of time is not dictated by business scheduling. In highly polychronic worlds, an hour, or even a day is not always seen as a relevant unit. In other words, time is seen as so abundant that it is less valued. Thus, a salient amount of time is much larger. Accordingly, lead times vary across countries (Hall and Hall 1987, p.25).

Red's familiarity with this concept of time is an example of **cultural declarative knowledge** within this domain. He understands that, within his Indonesian and Thai marketing environment, the time of production and delivery is viewed by the hosts as relatively immaterial. Additionally, Red talks about the natural order of time where tasks take longer than expected. For instance, time is "inflated" to the point where a month is considered an immediate unit of time. Finally, Red addresses the Western monochronic `time is money' metaphor.

RED: You have to realize a month is not a lot of time in Thailand to understand the consequences of some action or a business deal, in a sense. No, it is not a lot of time. You might consider that an immediate action in a

lot of ways...but yes, I would say its time is different....Time isn't necessarily money over there although ultimately it is - but they don't look at it that way. They really do feel that things will take its natural course, and everything will work out and ultimately it does. I mean in the West it is hard to relate to that sometimes, but I think that it isn't so much an important thing there.

One consistent theme across informants was their ability to get relatively few tasks accomplished per unit of time. This reality of cross-cultural business often caused frustration for monochronic people. Dan describes the concept of **rubber time** to describe the Eastern polychronic view regarding the value of time. Once again, time is perceived as an abundant resource and it is this declarative knowledge that helps him cope.

DAN: ...they call it <u>rubber time</u>--time that stretches. You can make a plan of, "this is what I am going to do today", but you only get out of 10, maybe you only get the first thing done, and everything else is on for the next day and I've fallen into that pretty usually--one of the best examples of Balinese cultures.

Given, the existence of flexible "rubber time" in many Asian countries, monochronic Westerners often have trouble coping and adjusting. Dan has declarative knowledge regarding this concept, and tries to adjust his monochronic expectations.

However, it appears that people who are monochronic in polychronic worlds tend to have coping problems. The next section illustrates that when one has etic procedural knowledge regarding time, coping problems may occur as well.

Etic (Outsider's) Procedural Knowledge of Time

Two disparate time concepts exist within Eastern and Western cultural contexts and the use of appropriate cultural procedural knowledge is needed as a buffer against misunderstanding. What must be understood is each of the two disparate time systems, when to use each system, and which heuristics are appropriate. The informant must be able to operate within her own system of time while concurrently understanding the exchange partner's system. Within the monochronic Western context, s/he needs to know when goods will be needed for delivery; while within the polychronic Eastern context, the informant must be able to predict each leg of the production process as well as shipping limitations and quota expectations. For instance, when monochronic people attempt to do ten things in one day while in a polychronic host country, they have failed to operate within the relevant system.

Of central importance is access to key production information for the prediction of delivery times. Given the lack of priority regarding deadlines on the polychronic side, one cannot rely on the exchange partner's predictions. Instead, one must understand the entire process from the insider's perspective in order to better predict deliveries. **One must be able to operate well from within the host culture.** Deb fails to work within the host culture because she does not understand her exchange partner's time system nor their production process (i.e., she uses the heuristic of sending over a subordinate nine months before her deadline, and demanding fast turnaround). This time pressuring (i.e., "time is

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money") is a common Western-based orientation underlying this heuristic. However, had Deb understood the host culture's view of time and production schedules, she would have operated on a longer time horizon as the more successful companies do.

DEB: We don't design two years in advance like a lot of companies do. We just sent the girl over last month, August--to do Spring. That is considered, kind of a late thing to do because most people have already gone out with next Fall....last Fall (when Deb was there), I told them that "we are small, so to do business with us, we need fast turnaround"... .

However, in the next section, the informants display emic procedural knowledge of time.

Emic (Insider's) Procedural Knowledge of Time

With insider's procedural knowledge, one has the appropriate heuristics available to operate adeptly within the host culture. This point is illustrated below by Leigh who, along with understanding the production process, has developed heuristics that work within Indonesia. Thus, he seeks to schedule production goals (i.e., one quality order per day) and stresses quality. Leigh takes the production schedule into account as he plans for delivery to his U.S. customers.

LEIGH: I know every part of the production process and we try to focus on doing one thing well each day. We know our customers in the U.S. have to get things on time, but we have to be careful. I tell my supplier (in Indonesia) that "good things take time" and I smile, letting them know I believe in their quality. If you pressure them

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they just screw up...it makes things worse. That's why I know the entire (production) process.

Likewise, Cal handles one problem a day, which is a heuristic that works well with her foreign counterpart.

CAL: The other thing is to adjust how I go about explaining my
           problems, my mistrust and it might be only explaining one
           thing in a day, rather than here in America where if we
           were two people sitting down at business we might go
           through 10 different items on a list that we think we can
           correct this and this and this and that, whereas with
           them I will probably go about it a little more slowly
           like one item at a time. "Okay, let's talk about quota
           today", and then we talk mainly the whole focus would
           pertain to any kind of comments or conversations that we
           have about quota. Or maybe tomorrow I might bring up
           about increasing our quality. Or the next day it might
           be taking care of how do they take care of the workers--
           are the workers happy--so I adjust myself that way.

Thus, one must possess culturally declarative knowledge about the differing concepts of time as well as the insider's procedural knowledge to operate appropriately.

In cases of extremely high cultural sensitivity, the informants possessed emic (insider's) procedural knowledge of time. Here, they are able to operate within the host culture with an insider's understanding. The next section describes the scanning ability that facilitates knowledge acquisition.

Environmental Scanning in the Context of Time

Within the context of this study, environmental scanning requires that people have the ability to read and send messages. Given that time expands and is more flexible, exchange partners need good scanning skills to determine when important business

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issues can be discussed in a relationship. Will waits many hours, until the end of the night, when it is the right time to ask his exchange partner to provide him with quota needed to make a delivery.

WILL: Well, I think again proceeding with caution and courtesy because you don't really know what the accepted kind of cultural things are...So, I actually went--when I had one experience with this guy who was a heavy hitter, who I had met through a contact that I wanted to discuss getting, or arranging something for me for quota, and he was a pretty big league guy--and we went out and he wanted to take me out and we had dinner, went to a club and the whole thing. I didn't bring up business. He knew what I wanted and we didn't talk about business until 2:00 in the morning when he was dropping me home. He goes, "So what was it you want exactly" and I told him and he says, "Okay, I will give you a call tomorrow" and that was the whole business discussion the whole night.

Will's deep understanding of time helps him act correctly with his host exchange partner. There is an interaction between scanning and knowledge. Scanning skills are needed in order to acquire the ability to communicate within the host culture.

Or consider Alan who is able to send, and receive, non verbal cues. He understands the role of time, and has developed the necessary patience to use effectively sign language and pictures. Within this Asian context, environmental scanning appears to take a great deal of time and, thus, requires a great deal of patience.

ALAN: I've got a lot of patience. I am good at half talking, half hand signal, half making it up as you go communication/sign language--it's a key thing....To try to get by with your sign language, you have got to use the little tricks. Just like you make sure you take the

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> time to communicate it out--draw stuff. I don't know the language, but I am really good at reading people and getting my message across.

Along with time, face is another key cultural domain. The four cultural sensitivity dimensions are now illustrated within this context.

Declarative Knowledge of Face

Understanding the concept of face appears to be associated with successful relationship development over time. Face is one of the most enigmatic cultural concepts for Westerners to understand because the West lacks a corresponding concept (Hall and Hall p. 57).

Within many Asian cultures, the concept of face is tied to feelings of group identity and indebtedness. There are dual dimensions in the Chinese culture including <u>Lien</u>, focusing on one's integrity, and <u>Mien-tsu</u>, pertaining to one's social status (Hu 1944). Everyone within this culture is entitled to <u>Lien</u> and it can only be lost through misconduct. However, Mien-tsu can be lost or gained depending on how well a person performs against group expectations.

Given Mien-tsu can be lost if a request is made that a requestee can not meet (i.e., s/he does not fulfill expectations), care must be given to only put forth obtainable requests (Yau 1988). Anything else is considered aggressive behavior and is not appreciated (Hall and Hall 1987, Yau 1988).

In Japanese culture, face is termed <u>Kao</u> and encompasses pride, self-esteem, and reputation. Given that each societal member is indebted to others, both past and present (i.e., this is termed <u>Giri</u>), if one is unable to fulfill her responsibility to the group (others) then <u>Kao</u> is lost (Hall and Hall 1987).

Thus, face is interpreted here as ones psychological shell of integrity and status; a feeling in which ones involvement in a direct confrontation, ridicule, and/or devaluation within a social exchange results in one or both of the exchange partners being devalued as a person (i.e., loss of face) (Hall and Hall 1987; Yau 1988). To the Westerner, the devaluation may be analogous to the humiliating feeling s/he gets after being slapped in the face in public.

An understanding of face is critical for anyone interacting with Asian exchange partners. One must have both declarative and emic procedural knowledge as well as good scanning skills to avoid adverse direct confrontations (Hall and Hall 1987; Yau 1988).

The concepts of face and time are deeply entangled within the international relationship formation setting in the following way: polychronic (i.e., S.E. Asian) exchange partners do not deem deadlines as important but do not want to disappoint a monochronic (i.e., U.S.) exchange partner's wish for a particular delivery date.   To the Easterner, declining a request will cause both parties to lose face.   Thus, in order to save face, the Asian counterpart may promise a delivery even given his or her knowledge that the factory workers can not (or will not) meet a requested

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deadline. This **declarative** understanding is supported by Cal's statement regarding her Indonesian exchange partners.

CAL: ...Asians do not feel bad about not telling you the whole truth on things, and a typical thing that happens with people starting out in Indonesia working with someone is that they'll find that the person that they've chosen to work with will say, "Oh, yes, I will have this tomorrow, oh, yes for sure tomorrow" and that person doesn't have it done or they can't find the person. The Asians are very afraid of losing **face** by not being able to do something that they said that they would be able to do and they will tell you that they will do something realizing that they may not be able to complete what they've said in the time that they say.

Along with having an understanding of the concept of face, the international buyer must be able to apply this understanding within her interactions.

Etic (Outsider's) Procedural Knowledge of Face

Given this knowledge of face, culturally sensitive partners know that social expectations revolve around (1) not cornering the exchange partner, and (2) gaining assess to information to predict delivery without having to ask the exchange partner directly. In the following passages, Leigh appears to corner his producer when he asks him to predict production time. His procedural knowledge is etic and ineffectual.

LEIGH: ...I'll ask, "when will the dress be ready", and they look for deeper meanings underneath my question, then I'll say, "all I really need to know is when you think the dress is ready--that's all". Sometimes they seem embarrassed. It was very frustrating....

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Leigh is operating from a Western worldview where "be direct", and "be frank" are the appropriate actions to take when misunderstandings arise. The next section provides an example of emic (insider's) procedural knowledge within the context of face.

Emic (Insider's) Procedural Knowledge of Face

The ability to use insiders knowledge was critical for the marketers within this study. It appears to be vital if one is to avoid the loss of face. Consider Red, who discusses the information access he has gained through trusting relationships: the rich, **inside** information gained is vital in the determination of delivery times. Here, Red discusses his emic procedural knowledge that has enabled him to communicate effectively with his Thai exchange partner.

RED: ...I say to this person - XYZ person - "Is this really going to take a week?" and, based on my inflection, "Well no, it is going to take 10 days". And I say, "It is not going to take 10 days, it is going to take 15, right"? and they will say, "Yes." And, I have to figure it out and then I **have to specify**, have to get down and figure out why it is going to take that time. You have to get a little bit more involved in the business to understand. What is ironic is I know their business from every stage...

Rather than back his exchange partner into a corner by directly asking "Can you give this to me in a week?," Red uses the inflection in his voice to communicate that he really wants to know how long it will take. Then, he frees his exchange partner to explore other time horizons (i.e., a week, ten days, fifteen days).

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Finally, Red seeks to dig below surface meanings to find out why the production may take longer.

Avoiding the loss of face is a most subtle skill. Relevant emic heuristics include avoiding direct confrontation and indirectly seeking pertinent information. However, procedural knowledge of face must interact with effective environmental scanning. In fact, the informants with the best skills used their emic procedural knowledge of face along with their strong scanning ability. In other words, one must be able to read environmental cues in order to acquire the information needed to apply ones emic procedural knowledge. The next section supports the importance of environmental scanning.

Environmental Scanning of Face

Given the concept of face wherein Asian exchange partners will not say no to a direct request, the question of determining which requests are unreasonable becomes an issue. As stated earlier, avoiding the loss of face is an important skill. In addition, determining whether a request can be made is crucial. These issues emerged as one of the chief problems facing the informants.

Those buyers most successful at knowing when a request could not be made (1) had the most developed knowledge base, and (2) were the most proficient environmental scanners. Access to information is key. Since the counterpart will not tell the informant about infeasibility, the informant must determine this on her own. The only way to access the information adequately is to develop

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trusting relationships with ones exchange partners. Consider Dan who talks about the communication ability needed to "read between the lines". He is able to scan effectively and send both verbal and nonverbal messages.

DAN: Rephrase your question a bit. Just watch your body language, don't be overly aggressive with your body language. So, what you are trying to do is set up a comfortable environment to have a conversation and from that conversation you begin to tell them what your needs [are] and then you listen to them as to what their needs are...

Westerners are so much more blunt than Asians and Indonesians so that you have to listen between the lines, too, because they are not going to come out and say no or it can't be this way because, you know, and if you come on too blunt with them you will be perceived as an aggressive and that would just hinder your temper to get your idea across – you know, communication – and I think you want to **set up a comfortable ground for them so they can listen to what you are saying and accept it and you want to listen to them, too.**

So you need to know that they might not always give you the most direct answer. As a matter of fact, they won't give you [the most direct answer], so you kind of feel them out -- what are they saying between the lines and if you don't have an underlying knowledge of their culture, you won't know what they are talking about because they don't say "no"...

Thus, scanning skills are important in understanding one's exchange partner and a firm knowledge base helps this understanding. It appears that having a rich, well organized knowledge-base, as well as being a good scanner, interplay in one's ability to be sensitive to one's cultural context.

The next section examines personal and impersonal communications as a third key domain. The four structural dimensions of cultural sensitivity are empirically supported.

Declarative Knowledge of Personal and Impersonal Communication

In the United States, it not uncommon for buyers and sellers to form relationships over the telephone that result in successful, accurate order specifications. This ability is likely due, in large part, to the fact that the United States is primarily a low context culture in which units of communication tend to have narrow and relatively unambiguous meaning (i.e., the message is in the message) (Hall and Hall 1976).

Conversely, much of the world (e.g., most of Asia, the Middle East, Africa, South America, and Southern Europe) is high context where successful communication depends on an understanding of deep background meanings and context. To illustrate this concept, close twins, who have spent their childhoods together can evolve patterns of communication that are high context. As children, they spend so much time sharing information and feelings that, as adults, when one twin makes a statement such as "it is terribly hot outside," the intended meaning of the statement may depend on a myriad of shared experiences that gives the statement a context, and meaning. Thus, the context needed to interpret messages is developed through the sharing of immense amounts of information over a long period of time. As a result, relationships tend to be more important because they provide an ongoing flow of information (Hall and Hall 1976).

Accordingly, within high context cultures, it is especially important to develop close interpersonal relationships before impersonal communications are even possible. Not surprisingly, the informants within this study who have successful, impersonal order

specifications have spent more time developing relationships with their exchange partners (and thus have more contextual information) prior to relying on the fax machine for key communications (i.e., impersonal communications).

Below, Leigh expresses his understanding regarding the importance of slowly developing relationships prior to the use of impersonal communication.

LEIGH: **We see our time spent in Indonesia as an investment.** At first we would fax our orders and get terrible quality. **It really takes a long time to develop the good understanding,** and it's a constant challenge, but once you get it, things get easier....Now with our main supplier, we can fax orders and expect the right shipment.

Thus, it is important to comprehend the fact that one must develop a personal understanding prior to conducting successful impersonal communications.

Etic (Outsider's) Procedural Knowledge of Personal and Impersonal Communication

Many business people fail to invest the time and labor necessary to develop a personal understanding with their exchange partners prior to relying on impersonal communications. Thus, they are relying a common Western heuristic in which many dyads establish order/orderee relationships without prior face-to-face meetings. This low context heuristic simply does not work within this study's setting. For instance, Deb has brief and shallow interpersonal encounters with her exchange partners, and appears to

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have extreme problems with her fax communications. She constantly employs the Western heuristic of faxing orders and they are returned from the producers as misspecified.

DEB: Probably, there is not an absolute worst because there is an ongoing problem, I mean if it's not one thing, it's another over there....The most recent one was when we sent our designs with a girl over there. Our patterns were done professionally, graded, production patterns were sent over there, and they came back and they are terrible. They are all fitting wrong.
            They decided over there, whoever this contractor is, decided they don't want to do the curves like we've done the curves. So, they decided they are going to do it their way.
            Usually, if this happens, when it happens, it will happen after a first sample. Sometimes they will do the first sample correctly, and we okay it, and we fax the order and say, "Okay we need 100 white from you" and then we run into problems. What they will do is, they'll redo the pattern--decide 'let's cut this out,' or 'let's do that,' and then what will happen is the people that we have checking, our QC (it's called Quality Control), they will be checking for stitching, but they don't check on that.
            We will get it here and it will be all wrong. I just talked to the girl up in L.A., and she said that the plus size things that we sent over there--**we faxed** production patterns which are perfect patterns. They have been tested over here, and **we faxed** it **over there**, and they are coming back fitting wrong, so we have to spend more money going to our pattern maker now.
            She has to look at the finished garment and say "This is what they have done wrong." Then we have to translate that and fax it back over there, and say, "These are the things that you are doing wrong," and hope that they will correct this. They never get it right. So, it's a difficult process.

Emic (Insider's) Procedural Knowledge of Personal and Impersonal Communication

When people follow the heuristic of developing strong personal communications first, their dyadic impersonal communications tend to work effectively. Within this study, this process tends to take

long periods of time. For instance, Cal and her partner developed clearer interpersonal communication and now experience successful dyadic impersonal communication.

CAL: It's really important to develop a strong relationship first. It took lots of patience, we spent long days, weeks, working together, it was really frustrating for both of us....This is an example of that right now: I can send them by fax some instructions of what I would like to see them create--as far as color, in a fabric. And then maybe I would, at the same time, DHL a sample of a color over to them--and within 10 days, or maybe less, I can have [it] in my hands. Here is an example of what I've asked them to create. Yeah, and that's by faxing.

Environmental Scanning in the Context of Personal and Impersonal Communication

To develop an understanding of how to develop correctly and appropriate specification processes, informants spent many hours observing the production process. In this way, they knew what could realistically be requested and thus, ensuring correct impersonal communications. This scanning led to appropriate personal communications. For instance, Cal discusses how she observed the production process in order to specify correctly an order.

CAL: Watching and observing is the most important part of this whole business. After some early problems [I realized] I would never get good product sent over unless I listened to my supplier and learned everything about his business. It took a lot of patience. I had to watch the entire production process, from A to Z--from the growing of silk, the cutting of fabric, all the way to shipping.

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Given the importance of developing personal communication, it is important that the dyad send and receive accurate information.

This section addressed the role of environmental scanning within cultural sensitivity and considered its interplay with procedural knowledge. Overall, this chapter examines the structure of cultural sensitivity and introduces four distinct but related dimensions. While the dimensions of etic (outsider's) procedural knowledge, and emic (insider's) procedural knowledge involves action-based heuristics, this alone will not provide the skills needed to be sensitive to one's host environment. The fourth dimension of external scanning is needed to pick up cues. The interplay between knowledge and skills has not previously been considered within this literature.

The next chapter considers the process of cultural sensitivity. It considers the stages within the process as well as how the structure changes across the various stages.

CHAPTER 4: CULTURAL SENSITIVITY AS A PROCESS

Introduction

Often the inaccurate interpretations that arise from cultural insensitivity have led to major international business blunders (Ricks 1983). A better understanding of the process through which cultural sensitivity is developed could help the international marketer identify her own stage of development. By understanding her stage of development, the international marketer may be better able to avoid misunderstandings and improve her level of sensitivity. Yet the process through which cultural sensitivity is developed is relatively unexplored within the business literature.

This section considers the existing literature in the area and introduces this study's findings in relation to how cultural sensitivity develops. Specifically, insights from the psychological counseling and intercultural communications literature are introduced, challenged, and extended based on the data from this study.

Review of the Process Literature. Cultural sensitivity as a process is considered within both the psychological counseling literature and the intercultural communications literature. Within the psychological counseling literature, Lopez (et al, 1989) propose a model, derived from discussions held during mental health seminars and written student accounts, that includes four stages through which a person must pass to become culturally sensitive (see table 2). During stage 1, a lack of cultural understanding exists (i.e., cultural knowledge is not acknowledged as important

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TABLE 2

CULTURAL SENSITIVITY PROCESS MODEL
(LOPEZ, *et al.* 1989)

STAGE	DEGREE OF KNOWLEDGE
LACK OF CULTURAL UNDERSTANDING	VERY LOW
AWARENESS OF IMPORTANCE OF CULTURE	MODERATELY LOW
FOCUS OF CULTURAL KNOWLEDGE ACQUISITION	MODERATE
FORMULATION AND TESTING OF CULTURAL HYPOTHESIS	HIGH

and little cultural knowledge exists). In contrast, stage 2 involves an awareness of the importance of cultural factors but little understanding of these factors. In stage 3, the therapist is hypervigilant in identifying cultural factors but becomes too overloaded to apply them effectively in treatment (i.e., too much knowledge exists). Finally, in stage 4, the therapist "entertains cultural hypotheses and carefully tests them from multiple sources before accepting cultural explanations" (p. 371). In this way, the culturally sensitive therapist is believed to be able to look at the culture from the viewpoint of the host culture, but still derive understanding grounded in the perspective of the therapist's culture (Lopez et al, 1989, p.368).

While this series of stages seems intuitively plausible, this process model fails to explain how the stages of cultural sensitivity are obtained (i.e., how does the counselor move from one stage to the next stage?). In addition, the model fails to describe how scanning skills are related to the process. For instance, scanning skills are probably necessary to apply the knowledge gained in stage four, but this connection is not made explicit. While the model implicitly suggests the importance of declarative knowledge (i.e., "cultural factors"), it does not explicitly consider the role of procedural knowledge. Perhaps when the therapist is overwhelmed at stage 3, s/he lacks procedural knowledge.

Within the intercultural communications literature the Stewart Sojourner Model (1979) addresses how the use of knowledge improves

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over time. It is an improvement over the Lopez model (et al, 1989) because it provides a richer description of the temporal changes and shows how skills influence the acquisition of culturally-specific knowledge.

Based on the analysis of Theroux's novel, "The Great Railway Bazaar: By Train Through Asia" (1975)--a traveler's written textual account of train travel within Asia, the inner-experiences of the sojourner as s/he adjusts over time were derived. While this model is rich, it is often literary (even poetic at times) which makes clearly specifying a model based on this account difficult. In the **first stage (adjustment)**, the traveler does not perceive the subtleties of the host culture and only sees the surface realities of daily life. Nonverbal communications are particularly elusive to the traveler. In the **second stage (intercultural comparisons)**, the traveler learns to live within the host culture and establishes social connections. However, understanding of the new culture is still based on comparisons to the home culture. In the **third stage (cross-cultural contrasts)**, the traveler gains a deeper understanding of the host culture and uses his or her culturally-specific understanding to search for universal knowledge. The following excerpt provides a sense of the process:

> This initial stage of <u>adjustment</u> ...the deeper levels of cultural differences which are typically perceived in nonverbal communication such as the traveler's use of time and space, tone of voice, facial expressions, posture and body movement.. which are elusive..the traveler is adrift in the social structure, lacking human links to the past and to the future.

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During the second stage of traveling, the inner experiences of the traveler become more important. He adapts to the new culture, and copes with changes in himself brought about by the new situation. Thus this stage is called <u>intercultural comparisons</u>, a period in which the traveler establishes professional and social connections and learns to live and work with cultural differences. His emotions consistently engage the **relationship between his own culture and that of the society in which he finds himself.** He is concerned with an inner experience most easily evoked by the artist, having to do with psychological competence rather than with work performance.

Only a few travelers reach the third stage of <u>cross-cultural contrasts</u> which reveals a depth of understanding penetrating to the nerves of a society. Culture and cultural differences become tools of an analysis which goes beyond the culture-specific, transcends competence in the culture, and searches for universal knowledge of human behavior in which culture is but one means of understanding (p.20).

While Stewart's (1979) Sojourner model provides a richer description of the temporal process, it has three key limitations. First, not all people reach stages two or three, yet reasons for this are not explained. Second, the model underspecifies the variables that influence ones movement into later stages (e.g., what is the role of scanning and knowledge on this process)? Finally, only the first stage was empirically supported with textual data. The bases of the final two stages are not specified. Thus, while this model is provocative, additional work is needed.

The process model, derived from the data in this study, focuses on the role of declarative knowledge, etic procedural knowledge, emic procedural knowledge and external scanning across four temporal stages. Unlike previous models, it (1) is based on data collected with the explicit purpose of understanding cultural sensitivity, (2) examines people with varying levels of cultural

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sensitivity, (3) is based on multiple interviews of each informant, (4) explicitly considers the role of both procedural and declarative knowledge within process development, and (6) addresses the uniqueness of the international business experience.

The following sections introduce the Model of Developing Cultural Sensitivity in Business and provides empirical support for the existence of four stages.

The Development of Cultural Sensitivity. Based on the data, the process of cultural sensitivity attainment is characterized by four stages. The four stages are labeled as follows: (1) The Honeymooner; (2) The Worker; (3) The Outsider; and (4) The Transspector. The following sections describe each stage while lending empirical support. Each stage is described in terms of the two emergent antecedents to cultural sensitivity development--depth of activities and attitude toward one's cultural experience. It is shown how these two domains are related to the development of cultural sensitivity across each of the four stages. Please note that I am attempting to describe a complex process that spans years--even decades. For rhetorical purposes only, I treat these phases discretely--in other words, I freeze a moment in time and try to describe the antecedents and the focal construct for that stage (see figures 1, 2, 3, and 4). Such a rhetorical approach offers greater structure and clarity than a model such as Lopez's (et al, 1989), but will strive to maintain some of the richness of the data in these informants' struggles.

ANTECEDENTS   FOCAL CONSTRUCT

```
┌─────────────────────┐
│      ATTITUDE       │
│      TOWARD         │
│   ONE'S CULTURAL    │╲
│    EXPERIENCE       │  ╲  Inverted U
└─────────────────────┘    ╲                ┌─────────────────────┐
                             ╲              │                     │
                              ➤             │     CULTURAL        │
                        +   ➤               │    SENSITIVITY      │
┌─────────────────────┐  ╱                  │                     │
│     DEPTH OF        │ ╱                    └─────────────────────┘
│  CULTURAL IMMERSION │
└─────────────────────┘
```
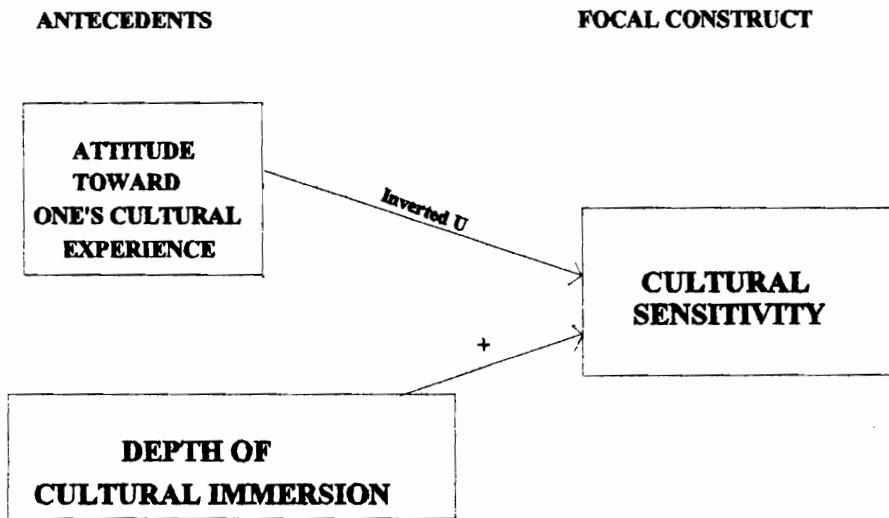
FIGURE 1

ANTECEDENTS TO CULTURAL SENSITIVITY
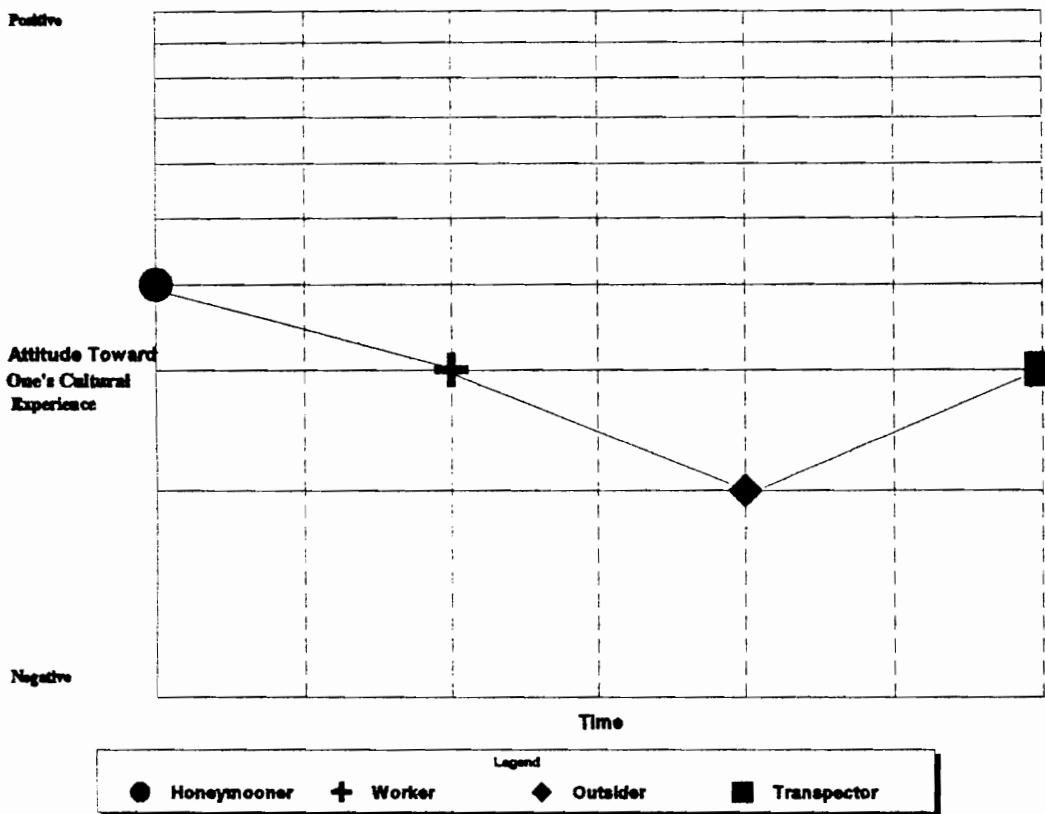
FIGURE 2

**CHANGES IN ATTITUDE TOWARD ONE'S CULTURAL EXPERIENCE
THROUGH CULTURAL SENSITIVITY PROCESS**
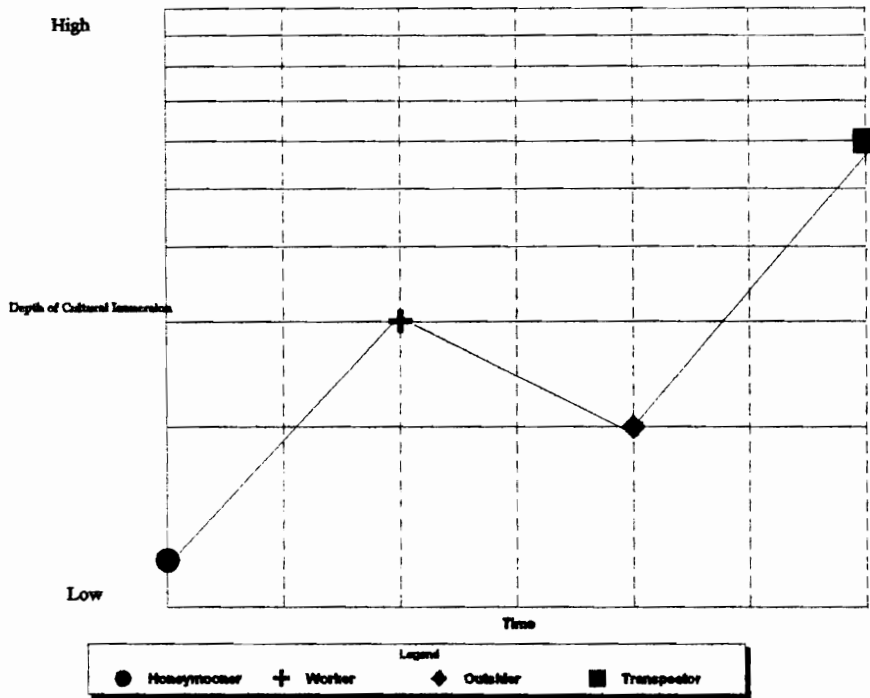
FIGURE 3

**CHANGES IN DEPTH OF CULTURAL IMMERSION
THROUGH THE CULTURAL SENSITIVITY PROCESS**
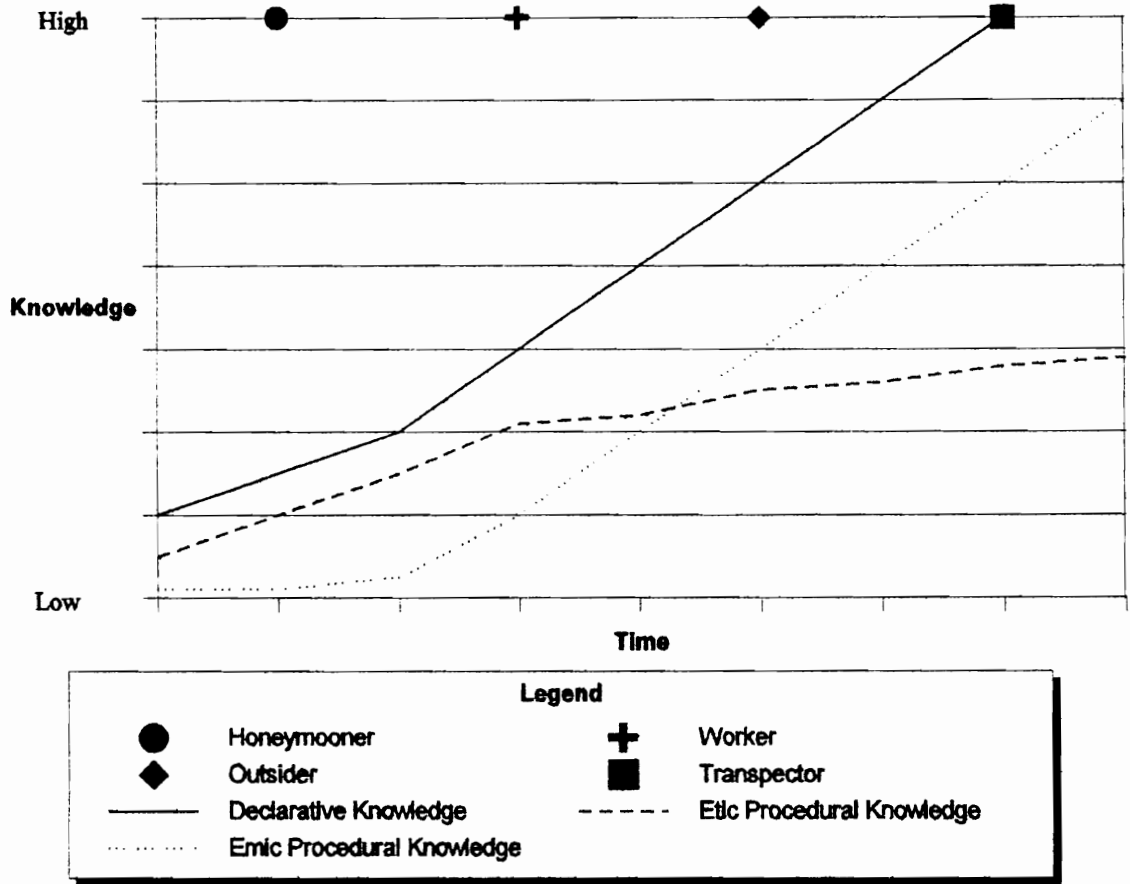
FIGURE 4

**CHANGES IN KNOWLEDGE
THROUGH THE CULTURAL SENSITIVITY PROCESS**

THE HONEYMOONER. This stage is characterized by (1) **attitude toward one's cultural experience**--a spellbinding and naive fascination with the host culture, (2) **depth of cultural activities**--a broad range of interaction within the general culture, often on a superficial level, and (3) **knowledge and scanning ability**--a quickly developing but low level of cultural declarative knowledge and scanning ability, virtually no emic procedural knowledge, and high reliance on an etic procedural knowledge-base[5].

<u>Attitude Toward One's Cultural Experience</u>. All informants (with the exception of Mary and Deb) began as sojourners within their host countries. They were, in general, fascinated by travel (they valued travel and most had traveled to and experienced a variety of cultures) and they were specifically interested in Southeastern Asian cultures. Each informant's initial entry into Asia was due to some combination of the following: interest in Eastern Philosophy, the attraction to a foreign culture, and the inexpensive price associated with travel across most of this region (which enabled the sojourner to spend more time there). Many informants viewed travel in S.E. Asia as a business opportunity, and/or they saw international business opportunities as a way to gain more cross-cultural experiences.

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[5] There is likely a prehoneymoon stage in which people have few feelings and little knowledge about a country. However, this stage was not probed, and little data were found to capture the period before the honeymoon stage for these well traveled informants.

Below, Will discusses his early stages in Thailand where he is completely in love with the culture, yet his level of knowledge is limited.

WILL: ...originally you go there and everyone is very friendly
          and very nice and this is just a very nice place. You
          fall just completely in love, I mean completely.
          Everyone is friendly and nice and very comfortable and
          all that, but then, as time goes on, you realize you
          don't know what's going on. There are so many things you
          don't know. You have trouble knowing how to deal with so
          many different social situations...originally, I felt
          just like everyone is friendly and nice – just like
          America – but nicer. I was crazy about the place, but it
          is not like that at all.

While Will clearly is enamored with Thailand, he knows few things (his declarative knowledge is low) and has trouble acting appropriately in situations (i.e., he appears to be relying on heuristics that work within his home culture--he has low emic and high etic procedural knowledge), and consequently has trouble dealing with social situations. Additionally, he incorrectly believes the Thai culture to be "just like" that of the United States's (except friendlier). Thus, he has poor scanning skills.

Depth of Cultural Activities. As tourists, informants actively participated in a range of activities, encountering an eclectic array of host culture members. Many of their interactions were experienced within the context of relatively superficial, tourist-oriented, cultural events such as town festivals and parades. In this stage, generally, all informants had limited interaction with members of the business culture (e.g., producers,

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sellers and government quota/shipping officials). Accordingly, the tourist activities typically experienced during the Honeymooner stage (i.e., broad, general, and superficial), do not offer the opportunity for plunging into the culture. Thus, one's etic procedural knowledge is not challenged and one's emic procedural knowledge does not develop.

Below, Red talks about his early pre-business traveling experiences in which he participated in an array of recreational activities and few business-related experiences. Early on, his interactions take place predominantly with average people in the general culture. Later, his interactional focus shifts to more business-oriented members.

RED: The day that I got off the airplane in Indonesia, I was
            studying Indonesian. I wanted to learn the language. I
            wanted to spend some time there and I did. I spent a
            total of probably two years there, and not all of it
            doing business, obviously. I think if I were doing
            business the whole time, I probably wouldn't be in
            business right now, but I was more into learning about
            the culture and I did a lot of surfing. I did a lot of
            hiking and learning the culture. Now, because my
            business is bigger, I spend most of my time over there
            doing business and [have] little time to [participate in]
            recreation - whereas before, I would say it was more the
            opposite. I spend more time now with people involved
            with my company.

Knowledge and Environmental Scanning. Dan discusses how his infatuation as a tourist was associated with a surface understanding of the Thai culture. He did not understand key concepts (i.e., face), lacked knowledge of how to act appropriately, and was unable to read or send nonverbal cues (i.e.,

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expressions). Thus, he is low on declarative knowledge, emic procedural knowledge, and external scanning ability within this stage.

DAN: When I first started traveling I was totally in love with Thailand, it was really a wonderful time. I had a feeling of total freedom but I didn't **really** know what was going on. I mean, I knew how to order food at a restaurant, but I had a total surface understanding of the Thai people. I didn't understand basic concepts like face and had no idea how to read people. It was not until I started doing business that I learned how to read people's expressions, how to act. Even today, communication is my major challenge.

As the informants move through the Honeymooner stage, and into the worker stage, they become increasingly involved in their business relationships and their knowledge structures become more developed. After key implications associated with the honeymooner are discussed, the next phase is introduced and supported empirically.

Key Implications. If the honeymooner realizes prior to embarking on the journey that s/he will likely become infatuated, perhaps a more balanced approach can be attempted. This may help improve one's monitoring ability. In addition, the longer one has experience within the host culture prior to embarking on marketing ventures, the more likely his or her long-term relationship development will be more balanced (i.e., less jaded). This is further discussed later in the 'Outsider' section of this chapter.

THE WORKER. To become a worker, the honeymooner must conduct business activities within the host culture. This stage is

distinguish by (1) **depth of cultural activities**--a decreasing degree of mixing with the general culture, but deeper interactions with host business members on an increasingly authentic level (which allows access to deeper cultural participation); (2) **knowledge**--increased levels of declarative and emic procedural knowledge, as well as scanning ability (all growing from low to moderate levels), and slightly increased levels of etic procedural knowledge; and (3) **attitude toward one's cultural experience**--a continuation of the high levels of interest in and attraction to the host culture, but over this stage the frustration associated with adjustment in the business arena eventually leads to **culture shock**.

Depth of Cultural Activities. The definitive feature of the worker stage is that they plunge into the culture through their business activities. Given the informants are business people, work becomes the basis for this "plunge." However, a range of activities probably exists that could give people the necessary depth of cultural activities to become more culturally sensitive. These business activities allow the worker greater depth of cultural penetration (and eventually cause frustration).

Below, Jan contrasts the worker stage with the honeymooner stage in terms of his business activity involvement. He explains how his movement into the worker stage is associated with a deeper "cultural taste".

JAN: The context of doing everyday business is you get to see
          how that country operates, and how the people operate

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within it, and what social customs go in with how they run their business--so you are really part of what's happening, even though you are a foreigner, **you are getting more of a real culture taste than you do as a tourist.** You meet very interesting people, both people who are from those countries and other people who are purchasing similar-type merchandise. I began to get more involved with the culture--I really became involved in (host culture's) people's lives.

The worker is often invited by business associates to attend select rituals. But unlike the superficial participation in parades and festival in the honeymoon stage, the worker is sometimes asked to join with host-culture colleagues and play significant roles within these cultural events. The buyers often become personally involved in cultural rituals and this involvement tends to enrich and embellish their business relationships.

Here, Cal integrates ceremonies into her production scheduling, participating in them with host-culture business colleagues. Her cultural participation is an integral part of her working relations. Additionally, growth is occurring in Cal's declarative knowledge, regarding her awareness as to when cultural holidays occur, and in her emic procedural knowledge, demonstrated by her ability to dress and act appropriately during each event.

CAL: Right, the secretarial-type person or the person in charge of doing that does the blessings. Only, when you have a monumental day like "The Machine Blessing Day" everyone is somewhat involved in that - not particularly at the factory - but they get to leave early to go home and take care of it at their village and in the temple. So, that is why it is important that those dates they get to go away, go home and participate in their own village ceremony and then as far as me, **myself**, I'm involved in like for example, the day, but I'm not involved in a

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daily manner of doing the blessings or participating in it. If I am with the owner of the factory, he's invited me to a blessing in his temple, at his home for a particular reason, I am dressed up in a Kabai [a wrap] and a Sarong [a top] and a special long belt that goes around the waist so that I can go into the ceremony. But I don't actually do any of the things myself. I just observe and I'm included as being there.

Similarly, Dan discusses how he has become more involved in cultural rituals through his business colleagues. Within this passage, Dan's emic procedural knowledge development is shown in the way he has learned how to read the cultural situation (i.e., when and how to distribute water).

DAN: During the Water Festival, I drive every one [his host exchange partners] around and spray water all around, especially at the kids...there's nothing like it I've ever seen! It took five years before I was invited to become part of this. What a real blast!

JON: What is the Water Festival about?

DAN: My factories close for a week and people pray for enough rain to grow things like silk....I have to understand when its OK to hit people with water and when it's not. It's a lot like my business [laughs] but Naj [host-business partner] has shown me how to read things and it's a lot of fun.

Knowledge and Environmental Scanning. This deeper connection, with both cultural events and host exchange partners, is of strategic importance given its facilitation of cultural learning. As participation in the culture deepens and involvement within the culture becomes more meaningful, knowledge structures are able to develop. Specifically, **deeper interactional learning**

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takes place and emic procedural knowledge forms. This interactional learning is accompanied by as well as facilitated by extensive environmental scanning.

Below, Allen discusses his emic procedural knowledge as well as his environmental scanning. He now can read situations (i.e., environmental scanning) and has an ability to use his emic knowledge structure and act correctly. Allen has developed more than mere declarative knowledge. He forms heuristics relevant to the host country that enable him to act appropriately.

ALLEN: After I was in business awhile, I learned how to
          communicate better. Not just the stuff from the books
          you know, not just what to say, but how to act, and see.
          Now I can see what people are thinking, I can read
          people. When I look at someone's expression or movement,
          I know when to make my move...How to make an offer, what
          type to make, when to be silent...I know the act.

As one's in-depth cultural knowledge increases within this stage, business success often occurs. With this increase in work, however, there is less free time for the importer/exporter to interact with the general culture.

Attitude Toward One's Cultural Experience. When initially forming business ventures during this stage, the informants maintain their romantic notions regarding the culture. However, toward the end of this stage, the initial infatuation wears off and the frustrations of doing business leave relationships chillier.

Within this stage there appears to be a tension between etic and emic procedural knowledge. That is, the use of etic heuristics are often ineffective within this setting. Thus, one must apply

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less etic knowledge and begin to acquire (and use) more emic knowledge. The stress and the strangeness of the environment coupled with this emic/etic learning process appear to lead to culture shock. Consider Deb below, who must apply new emic heuristic to a situation that appears unsettling to her. While her cultural declarative knowledge has increased, she does not yet have the emic procedural knowledge needed to operate more comfortably within the host country.

DEB: It was a shock. It was a real shock because I didn't
              know their culture and I didn't know how they dealt with
              things--and how slow everything was there. So, it was a
              real shock because things that I had experienced here
              taking a day took a week there. Electricity was come and
              go, generators [would] go down and [it was] really a
              shock--and it wasn't so much of a shock with the
              language, because you can pretty much get over that part
              of [it]. Only meeting in the afternoon, never shaking
              your hand with a certain hand, making sure your pins are
              taken off the floor because every walks around barefoot
              there--and here that doesn't happen. You are never
              barefoot, I mean, at a work place. It is very common.
              Their arms are always covered. They wear dresses. They
              looked at me funny at first because I was always in
              shorts. It was so hot there, our natural thing is to
              wear shorts and they are wearing full-armed dresses, but
              they are acclimated to the heat, and their work ethic is
              different there. So, that was hard because I thought
              that we would give them a job and they would hurry and
              try to do it, but it is not how it is.

Culture Shock should not be seen as a failure to adjust to the host culture, but rather a signal that they are encountering challenges to their worldviews. People who do not experience this may be too rigid to see cultural differences, and thus, never adjust (Brislin 1993). Therefore, the tension between the emic and

etic becomes necessary for growth to occur (if the tension can be resolved).

Culture shock was first defined in the literature by Oberg (1960) as a psychological disorientation, or anxiety that results when all familiar cultural props have been removed from a person living in a new culture. There is a general agreement within the literature that culture shock contains the following dimensions: (1) confusion regarding appropriate behavior; (2) a feeling of loss of familiarity; (3) surprise and disgust when learning about aspects of the host culture; (4) a loss of self-esteem due to ineffective performance; (5) a feeling of rejection by members within the host culture; (6) a sense of doubt when home cultural values are brought into question; and (7) a feeling of impotence due to a perceived lack of environmental control (Ferraro 1990; Furnham and Bochner 1986; Oberg 1960). While the literature provides strong definitions regarding what culture shock is, it is not as good at explaining why it occurs. Perhaps the tension found in the data associated with replacing etic procedural knowledge with emic procedural knowledge can offer a fruitful direction for research aimed at explaining culture shock.

Key Implications. Regarding culture shock, it is vital that the business person knows that it is a normal healthy phenomenon. Everyone who develops strong emic procedural knowledge experiences it. Thus, it is imperative that one becomes educated regarding this phenomenon **prior** to its inception. Education is the best way to cope with culture shock and adjust along the stages. Clearly,

well-adjusted people are less likely to quit marketing assignments and are usually more productive.

THE OUTSIDER. This stage is distinguished by (1) **attitude toward one's cultural experience**--an awareness of one's marginal status within the host culture (either through direct contact or indirect experiences related by other Western colleagues), typically leading to a period of disappointment and/or resentment; (2) **depth of cultural activities**--decreased contact with members of the host-culture; and (3) **knowledge and scanning**--increased declarative, etic procedural knowledge, emic procedural knowledge and external scanning ability (now all at a moderate level).

Attitude Toward One's Cultural Experience. One's recognition of marginality is a key discriminating factor within this stage. This awareness typically leads to sadness, and often even detachment from the culture. For instance, Gail becomes aware of her peripheral status and also begins to spend less time with members from the host-culture.

GAIL: So, the more that I stay with only Westerners there, the
          more I feel like and the more the stories that I relate
          to. You really can never be part of [it] especially the
          Balinese culture, is very, very tight, they don't even
          let other Indonesians feel that they are a part of
          Balinese culture, but additionally it is the Westerners
          and the Balinese. It is an "us" and "them" situation.
          I don't think I could ever be a part of it, and
          additionally the laws and the way that they conduct
          business keeps you from ever feeling a part of it. Even
          people who have been there for 20 years are still hassled
          by immigration and you are you and they still aren't
          recognized as people who have lived there for 20 years.
          They aren't considered locals. They are still called
          tourists and things like that. So, I don't feel a part
          of it. I feel like I know something about it, but I

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> never feel like I am a part of it and there are a lot of
> Balinese people who go to great lengths to make sure you
> know you are not a part of it.

This outsider's status may be more intense or pronounced in this
study given the Pacific Rim context.

Depth of Cultural Activities. Thus, after establishing what
they had initially perceived as "close" relationships with host-
culture exchange partners, many informants withdraw from these
relationships and focus on other Westerners for close
companionship. They begin limiting their fellowship with host
members to strictly business interactions (i.e., they reduced
recreational and social contact). Characteristic of this stage,
the outsider gains enough understanding to realize s/he can never
'go native' because s/he will always be an outsider. Most
importantly, there is a point within this stage where some people
detach from the culture and develop Western friends (i.e.,
outsiders), while others develop a more accepting view and are able
to move into the final Transspector stage.

While there is variance regarding the degree to which people
felt marginal, each informant's cultural sensitivity progression
was accompanied by increased knowledge) and decreased general
social contact. Many of the importer/exporters became jaded as
they learned more about the host culture (this was especially true
within Indonesia). They felt they were mistreated as outsiders by
local exchange partners, the police, as well as by many other

government officials. Thus, their increased knowledge leads to changes in activities.

Below, Gail illustrates the process of cynicism. She discusses her weakening association with Indonesians and her strengthening bonds with Westerners. A feeling of ethnocentrism pervades her statements--an "us" and "them" attitude.

While she still associates with some Indonesians that she had previously known well, much of this contact is more limited and distant. A sense of strained politeness and a lack of comfort exists within many of the interactions. In this context, informants distance themselves from the 'other'. Gail feels she can never become a native within the host culture.

In this passage, she discusses how her involvement with Indonesians grows during the first two stages. However, during stage three, she becomes more cynical and begins to spend more time with Westerners. Her external scanning ability as well as her emic procedural knowledge are still moderate. For instance, Gail mistakes professional courtesy for personal closeness. She is not yet emic enough to realize this distinction within Indonesian business culture. Please note, Gail has had great problems with her business venture and, compared to the other informants, spent the least amount of time within the host country before becoming involved in a business venture.

GAIL: ...It seems to end in a feeling of resentment...You go
           there as a tourist and you think that this place is
           beautiful. It is magical. Gosh, it is tropical. It's
           wonderful. They are so nice and you are kind of in love

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with the island and everybody is...everything is cheap
and these people respect you...You go there and you are
the king and people will do anything for you and you are
served and this and that. And, it is the same way when
you start to do business. Yeah, you definitely go
through phases, and like I said, I mainly had Indonesian
friends. So, I was kind of blind to the Western people
who lived there so long see, and maybe it would have been
better if I had seen that side of it and the cynicism and
sarcasm toward it...

I would say before I spent 100 percent of my social
time with them and my business time, really, because I'm
buying from all Indonesians. But now I live with a
Western woman while I'm over there - a woman who has
lived there for six years and my friends there are
Western people. I still see a lot of my old friends and
maybe go for a bike ride with them or go to dinner with
them or something like that. I feel like - they kind of
feel like - they think they have lost me to the other
side, so there is a kind of politeness with some of them
who aren't my very, very good friends. A kind of
politeness because they know that they used to hang
around with me a lot more. It's not a warmth like it
used to be...

There is a very, very strong Western presence there,
and I used to feel more a part of the local presence, the
Indonesian presence because my only friends there were
Indonesians, and I was in a social group there that was
Indonesian, and they took me everywhere. They took care
of me. Basically they were my social life there, and the
longer I stayed there, the more Westerners I met there
who were living there. And, it is interesting in that
respect because - I don't know if this exists anywhere
else, but very, very strong in Bali the Western presence
and you get a lot of those people with all the time they
spent there, a deep-seeded - not a resentment. I don't
know how to explain it, but when I associate with the
Westerners I feel the "us" and "them" kind of attitude.

Knowledge and Environmental Scanning. In the passage below,

Kirk discusses his separation from the Indonesian culture. As his

declarative and emic procedural knowledge increases, he is better

able to communicate, yet he is distancing himself from the host

culture and spending less time within it. As a result, **Kirk's**

decreased depth of contact means his knowledge development grows at a decreased rate.

At first, he had planned to buy a house and live in Indonesia. However, as he passes into this stage he sees himself more as an "American" and changes his plans regarding a home purchase within Indonesia. Thus, Kirk distances himself from the host culture.

KIRK: I understand the culture more. I can integrate better. I can communicate better. I can interact with the people and understand more of their customs and more of their culture, and I guess I **can** be a part of the culture more than I used to be. As far as who Kirk is, or what's my personal identity, I think in that respect I have clarified that I choose not to become a part of the Indonesian culture or let it become part of me... My interactions, when I'm there, are very deeply based upon that, that I think I have identified myself more as one who would choose to - an American who would choose to live in America and choose to spend less time in Indonesia. As I said, a couple of years ago, I was considering getting a home there and spending more time there...yeah, because I think when you know less you tend to see more of the positive things and say, "Wow this is really great" and "I'm glad I'm in Indonesia" because, I think, people tend to pull out positive things. You tend to see it more realistically or you tend to see more of the picture, and that includes the negative as well as the positive.

Within this phase, many of the buyers develop strong cynicism. However, a few others accept the fact that they are outsiders, shake their cynicism, and appear to be focused on successfully developing host exchange partners. They reach the fourth stage of Transspector (Maruyama 1970).

Key Implications. It is important to attenuate ones expectations early within the process. One should realize that

progress takes time. Most importantly, one should appreciate the fact that s/he is a guest and not feel disappointed by this status (i.e., very few people truly go native).

These points are directed toward the theme of **avoiding full disconnection.** This will send confusing messages to exchange partners and thwart the marketer's ability to compete effectively. Within this study, this form of disconnection appears to be related to poor long-term relationship development.

THE TRANSSPECTOR. This stage is distinguished by (1) **knowledge**--high levels of declarative knowledge, high levels of emic procedural knowledge, moderately levels of etic procedural knowledge, and high external scanning ability; (2) **attitude toward one's cultural experience**--an acceptance that one will never be completely accepted as native, leading to a shake-off of cynicism, and a gain of **respect** toward the host culture members; and (3) **activities**--increased contact with members of the host-culture (both in business and general social contact). This stage is characterized by increasing internalization of the host culture, a developed ability to see universal threads across cultures, and a balanced and more realistic view of the host-culture.

Knowledge and Scanning. Over time, buyers may approach a point of **transspection** which involves the understanding of people from a foreign context (less dependent on one's own cultural upbringing). The distinction between transspection and empathy as expressed by Maruyama (1970), where "empathy is a projection of feelings between two persons with one epistemology while

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transspection is a trans-epistemological process which tries to acquire" foreign perspective and understandings. "In transspection a person temporarily believes whatever the other person believes (p. 55)".

Thus, transspection leads to the ability to imagine the viewpoints of roles in foreign cultures. In order to reach transspection one must be open to experiences and have the cognitive ability to see from the other person's perspective, thereby employing a well-developed emic procedural knowledge-base.

For informants who approach transspection, their assessments are seen as being increasingly realistic, and (as will be discussed in the next, 'attitude toward one's cultural experience' section) there is a dramatic improvement in their satisfaction regarding their host culture business relationships. The three informants below, I believe, come closest to reaching transspection. Red, the most culturally sensitive informant, appears to have the greatest amount of emic procedural knowledge and comes closest to approaching transspection.

Red, who has traveled the most extensively among the informants, feels the greatest affinity to the host culture, has consistently remained enamored with the Thai context as well as all new cultures he encounters. Even while his time is increasingly focused on business relationships, he is very much in love with the host culture, yet very realistic regarding his position. He feels part of the Asian Buddhist experience, and incorporates his deep understanding into his interactions within all cultures he

accesses. Red's approach is well balanced between a critical
understanding of key cultural issues and a strong multi-cultural
perspective. He acknowledges two distinct cultural experiences,
yet is able to think from within one cultural, and then move
between the different systems.

Red: I'd say I've become more enamored with the Thais.
            There's a lot to be said about the pollution and the
            change in the society in general, a lot more problems...
            I am still amazed with Bhuddist culture. It's beautiful.
            It's the way I think. I am basically a Bhuddist and I
            realized that the first time I went Thailand.   This
            philosophy is the way that I believe. I think that makes
            also a big difference. You know, if you are going to
            compare me to somebody of a different faith that goes to
            Thailand, they always look at the Thai's as Pagan or
            taking a non-practical or a non-practicing culture, like
            a foreign religion, or whatever.
                  To me, it's not. I believe the same [as] they do.
            I mean, there's a certain amount of idol worship in
            Bhuddism, but its all based on a philosophy of the
            Bhudda, and whichever way somebody interprets it, it's
            okay. It's accessible just like in business. You know,
            they accept time, they want to trust because that's how
            their religion says from the beginning, and you have got
            to believe in your Karma and your Enlightenment. And so,
            a true practicing Bhuddist has to trust. So, when you
            understand that I think you have an advantage, and you
            feel more comfortable, and they feel more comfortable
            with you...I feel very comfortable with my business
            partners. We spend all our time together...
                  The fact that I've traveled all my life, and I
            really get an exhilarating feeling from going into a new
            culture and learning how to deal with somebody - not
            everyone can think culturally the way I do, and that's
            always been a really big challenge for me and I guess I'm
            good at it - that interpersonal - I'm lucky I've got
            that.
                  That's why I'm also in business and I'm successful
            in the United States too is that fact that I like people
            to like me and I made a point of pursuing that. Yeah,
            that's why I do this. It's not for everybody - dealing
            with two sets of bureaucracies, dealing with a different
            mentality as far as relation to time. It's very, very
            difficult to understand that `yes when they mean no'
            concept.   It's very difficult to deal with somebody

completely different and not to push like you do in the West. You get a reaction in the United States by screaming, sometimes. In Thailand you get nowhere, absolutely nowhere. You scream and you get upset - you don't get anything out of the person that you are screaming at. Whereas in the West, that's the only way to get something done. Confrontation doesn't get you anywhere in Thailand. It's just the way it is.

As Red develops his emic procedural knowledge, he is better able to perform tasks effectively within the host country. In addition, he can implement differing emic procedural knowledge-bases, based on which culture he is functioning. Along with a strong declarative knowledge-base (i.e., he understands the 'no concept'), he has the emic procedural knowledge necessary to know when, where, and how to apply these concepts.

Or consider Leigh who, along with high declarative knowledge, has well developed emic procedural knowledge-base that he uses in each of his exchange environments (i.e., Eastern and Western). Leigh understands how to conduct business within both systems, has achieved a degree of transspection and is an excellent scanner.

LEIGH: I think as I learned the system, that they don't have fixed prices--that it is buyer beware, that they even try to charge high prices to each other, I felt like less of a piece of tourist meat. I have picked up a little bit of language skills, I understand the rhythm of asking the questions. Although there are many times when people approach us, and try to price gouge on something, I don't even give them the time of day anymore, because I know the system--and I know when someone is a bull-shit artist. I think it came with so many trips, and more language experience, and more Indonesian experience as to how it works....You have to leave money on the table for your vendor, otherwise it is a very lopsided relationship. You need stability, and the difference is whether you want long-term stability, or a one-shot deal

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which is not business. So, you have to know your vendor's costs, I know what the fabric costs unprinted. I know what the labor costs me and we share all [of] the information. I know the cost and I will tell you I know it, it doesn't mean I am afraid of making a profit. "Let's lay it all out and show each other," and I'll say, "you might think I might make a huge profit, and I have huge expenses too". I do shows and coming to Bali, and I think the suppliers have been able to understand that, and we have all be able to get along so I think a buyer has to be empathetic....I know the system on both sides, you need to in this business, or else you don't make it in the long-run. I go though a similar process with my buyers here in the U.S., the way we go about it is different, but I am just as successful.

Transspectors are adept at integrating their diverse cultural experiences within their home culture. They rely on well developed emic procedural knowledge and tend to traverse easily and adapt wholly to each new cultural experience. Interestingly, these are the most successful companies in terms of sales and quality of relationships.

Depth of Activities and Attitude Toward One's Cultural Experience. For informants who reach this stage, the love for the host culture does not get lost as they passed through the previous 'outsider' stage. The informants who progress into transspection tend to be those who have traveled the most extensively and are spiritually and/or religiously aligned within the culture before commencing business operations. They are able to move beyond their feelings of marginality and cynicism and develop a more realistic and balanced view of the host culture.

Below, Leigh discusses how, at one point, he became more critical of the Indonesian culture, but later took a "middle

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ground" (realistic) approach. Subsequently, he more fully acknowledges multiple facets within people. With this new view, he has learned to approach his exchange relationships more appropriately. Leigh sees cultural universals and has great respect for the host culture. He really likes his Indonesian exchange partners.

LEIGH: You know, I think it kind of goes from like "aren't these people the greatest, and they know everything, and they are really in touch with the important things life", to like "these people are screwed up", you know. I think you kind of go back and forth a bit and [I] get frustrated and I think the truth is the middle ground. They might look like they are more in touch with reality than Westerners and in a lot of ways they are, but they have their own sets of neuroses too...
          I think normally, in the beginning, one would be enamored and overwhelmed and then as you realize some of them, they are just human beings, they can be greedy, some will cheat you and [there are] nice ones too. And then you begin to understand or let's say you are enamored and then you meet your first bad relationship -- somebody rips you off or something and then you can't get something done and you are just frustrated, so then maybe you might take it out on the people sub-consciously and then you go back to being enamored and I think with maturity, over time, you realize there's a middle ground there.
          That on the whole, I'm really still 3/4 enamored with them, you know, and I like them as a people. But I understand they are human. They are capable of jealousy and greed and some back stabbing and they are capable of love, too, you know, so like anybody else.

Based on this studies emergent data (i.e., three informants who have reached this stage), as compared to the outsider, transspectors appear to have developed better relationships during the earlier process stages. While they tend to associate with fewer people over time, they experience increasing depth within

their existing relationships. They are able to move beyond the feelings of cynicism to develop realistic perceptions of their business counterparts.

In Jan's case, while he may now feel less a part of the host culture, he has established an ability to **dip** into cultures and his business relationships have become more solid. Jan discusses how he originally mistook professional courtesy for personal friendship, but once he developed an improved emic procedural understanding thereby allowing his exchange partner more distance, he was actually able to develop a closer dyadic relationship. For example, he is even invited to sleep at his exchange partner's home (very unusual within Japan).

Associated with this new satisfaction is Jan's ability to link cross cultural understandings (i.e., he incorporates choice cultural fragments together within his home culture and he can overempathize within the host culture). This skill likely has led to an improvement within his relationships. Additionally, his acceptance of his marginal status and his respect for the Japanese and Indonesians, has probably enabled him to develop relationships and allowed him to dip deeply into the host culture.

JAN: I feel less part of it than I did when I started. When I started, I was really gung ho and then I realized that I never could be part of it and instead I have relaxed and enjoyed it more, in a funny sort of way. If that makes sense. I **dip out of it.** I take things out of it that I like. I love the food in Japan and Indonesia – observed the social customs and I'm aware of them and stuff, and I enjoy that. I like meeting new people, but I don't necessarily want to become Japanese or become Indonesian. I want to take the best parts out of those

cultures and incorporating them into part of me from the United States....

When I first went to Japan, you tend to be the naive American. You tend to think everything is wonderful. You tend to always hit the surface of things. I was amazed at how helpful people are. You ask them for directions, they wouldn't just tell you where to go, they'd actually walk you over to where you are supposed to go -- or they gave you the wrong address and hurry down the street and say, "no, no, no, this way". People extended themselves right and left everywhere and you have a **naive assumption** about that. You sit there and say, "Wow, the Japanese are the friendliest, warmest people I have ever met". Over time, I don't feel that way any more. I am much more aware that there is a sense of group obligation in Japan and a sense of social obligation which I think has a lot of value, don't get me wrong, but it rarely extends all the way into the heart....

I have been doing business in Japan and in 10 years I can't really say that I've made any bosom buddies there. I have some good relationships and I am very aware of little things they do that make me realize that I'm honored like the last time -- I have been doing business with this one guy in Japan for 10 years, and the last time I was there he took me to his brother's sushi shop. I never even knew he had a brother. I knew he had a brother -- I didn't know he had a sushi shop in Tokyo, and we went there and we sat around and we drank sake and ate sushi and that and sumo wrestling matches -- that was a very big honor. I was brought over [to] his house one night and was allowed to sleep over [at] his house. That's an amazing honor. Japanese never invite you into their house, let alone [to] sleep over night because they are usually embarrassed about their houses and sizes and stuff.

So things happen -- you are aware of the little things that go on and you realize how much more. In the beginning, you just accept it for "I'm the American and look how they are treating me" and then as **time goes on,** **you realize that a lot of this is just social business** **obligation so when you get a real clue** - something like **they invite you home or something** - that is much more **valuable than taking you out to dinner and spending $200** **or something. So you are aware of that -- so my sense of** **[the] Japanese has changed** - I **loved them when I first** **went to Japan, then I went through a period of not really** **liking them very much, and now I've ended up in the third** **place where I don't consider them the friendliest people-** **like I consider them very insulated, but I really admire** **and appreciate specific Japanese things.**

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It appears the more time given to cultivate procedural knowledge within the early stages, the more likely the informant is to become a Transspector with less cynicism and better relationships. Additionally, the less cynical (i.e. Transspectors) importer/exporters appear to enjoy the most business success. Given they have more developed knowledge and better relationships, this finding is not surprising.

Key Implications. Given the rarity of people within this stage, firms should hire transspectors and put a premium on keeping them, because they are superior in developing long-term strategic relationships. Because of the importance of cultural sensitivity, transspectors should become teachers within training programs whenever possible to share their rich knowledge-base. In addition, when appropriate, firms should ask transspectors to introduce their key exchange partners to home-firm members given the likely degree of trust likely developed by the transspector. This should only be done if the home-firm members are adept at communicating effectively with host cultural exchange partners. Thus, transspectors can often provide the firm with key strategic contacts.

Conclusion. As the informant's culturally specific declarative, emic procedural knowledge, and external scanning ability increases (etic procedural knowledge increases at a slower level), s/he becomes immersed in business-related relationships while, simultaneously, generally disengaging from interactions with members of the general (non-business) host society. In addition,

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at the end of the process, many of the importer/exporters tend to develop a cynical view of the host culture. This skeptical vision often permeates business relationships as well.

As knowledge acquisition evolves, the informant becomes jaded and either becomes more acutely aware of the 'dark side' of the culture, or simply becomes more ethnocentric and judgmental over time. During the Outsider stage s/he progresses from being 'intrigued' to being 'cynical' about the host culture.

It is uncertain as to why some importer/exporters become more jaded than others. This finding may be due to differing experiences with host culture members (either direct or indirect). The informants who appear less jaded (and are able to accept their marginal status) are the ones who had spent the most time living within the culture before starting their business endeavors [the honeymooner stage]. Thus, perhaps, their expectations regarding business relationships are the most realistic upon business commencement. For instance, both Red and Dan are the least jaded yet the most experienced pre-business sojourners within their host countries.

Perhaps informants who spend less time within the culture before becoming involved in business have less time to reflect, learn, and decrease their naivety. Thus, their expectations are more likely to be unrealized while they enter into, and focus upon, the international business environment. Additionally, it is possible that informants who have more time within the earlier stages of the process develop the knowledge needed to (1) associate

with appropriate exchange partners, and (2) diagnose more home cultural assumptions, thus reducing their personal ethnocentrism.

This chapter examined the process of cultural sensitivity. Subsequently, a four stage cultural sensitivity process model emerged including (1)the Honeymooner; (2)the Worker; (3)the Outsider; and (4)the Transspector. The elements of the model were discussed and they were positioned against the literature.

The next chapter examines trust as a key domain to emerge from the data. First, a discussion regarding relevance of trust within this study is put forth. Then, a data-driven conceptualization, grounded within the literature, is introduced.

CHAPTER 5: TRUST, SHARED FRAMES OF MEANING, AND AN OVERALL MODEL

Introduction

This chapter examines trust and introduces shared frames of meaning as two focal constructs within this study. In addition, an overall model is introduced and relationships among constructs are described and empirically supported.

Trust

A key emergent domain within this study is the central significance of trust. Finding a trustworthy exchange partner is of critical strategic importance and impacts successful long-term relationship development within this study's Asian-Pacific Rim context.

This section examines the concept of trust. First, the importance of trust is discussed within this dynamic international environment. Specifically, the ways in which trust becomes paramount to business survival for these informants is addressed. Then, trust as a multi-dimensional construct is examined, defined, and empirically supported. Concurrently, the emergent findings are compared and contrasted with conceptualizations within the marketing literature.

The Importance of Trust

The social sciences appear united regarding the central importance of trust within human interactions. Rotter, Chance, and Phares (1975, p. 131) state, "There is no single variable which so thoroughly influences interpersonal and group behavior as does trust." Bok (1978) correlates the destruction of trust with the

collapse of societies, while Zucker (1986) views trust as being vital in the maintenance of societal collaboration within commonplace interactions.

The marketing literature also views trust as important, particularly within a high-uncertainty environment (Arhrol 1991). Trust may help facilitate coordination across relational dyads and lessen the need for legalistic and/or hierarchial controls (Arhrol 1991; Granovetter 1985; Husted 1989).

International managers view trust as an integral part of relationship formation in Japan (Blenkhorn 1990) and Europe (Lynch 1990). Similarly, the U.S. managers who were informants within this study stress the primary importance of trust given the inconsistent, unexpected nature of their exchange environment. The informants' collective view appears as follows: **trust makes business possible**. For instance, consider the statement made by Gail.

GAIL: I spent a decent amount of time there--about 4 months at
          one time...[until] I found a manufacturer that I trusted.
          Until I was able to find this, I couldn't develop my
          business.

Gail believes that finding a trustworthy exchange partner is critical to doing business.

Leigh also discusses how mutual trust is needed to stay in business. People trust he will pay his bills and he trusts people will correctly fulfill the specifications of his orders. Additionally, given the uncertain nature of the international

environment, Leigh frames trust as a prerequisite to business formation.

LEIGH: That [trust] is very important. In fact, like this year--it was a very difficult year in the first part of the year because of the weather. I was very worried about my finances in terms of being able to do purchases in Japan and all my suppliers in Japan trusted me for about $90,000 worth of merchandise. I didn't have to pay for it until after I received it. I think trust is real important. It goes both ways. I put down deposits on merchandise in Indonesia, trusting it's going to be done right--if I am going to receive it. You start getting a sense in business. I mean, a lot of other businesses are doing import/export and there is a lot of change in Asia. I have to be able to trust my supplier's word. Without this, things are too nebulous to have a business.

Thus, the informants view trust as an important factor, especially given the unpredictable nature of the Asian business environment.   A trustworthy partner helps one deal with uncertainty.

Given the importance of trust within this study, a clear conception of this domain is critical.   In the next section, a conceptualization driven by data from this study is proposed.

A Definition of Trust

Based on the data, trust is defined as **the expectation that your exchange partner (1) is open and honest with you (integrity trust), (2) is concerned about you and has your best interest in mind (caring trust) , (3) has appropriate skills, facilities, and equipment (competence trust), and (4) is dependable (reliability trust).**   While some research treats trust as unidimensional

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(Anderson and Weitz 1989), the conceptualization of trust as a multidimensional expectation is strongly supported by the data. The following sections introduce these four emergent dimensions.

The Underlying Dimensions of Trust

The four following distinct dimensions of trust emerged from the data: (1) integrity trust; (2) caring trust; (3) competence trust; and (4) reliability trust. In the ensuing sections, each domain is defined, empirically supported, and positioned within the marketing literature.

Integrity Trust

The first dimension, **integrity trust, is defined as a truster's belief that an exchange partner (i.e., trustee) is open and honest with the truster.** That is, the truster believes the exchange partner will <u>liberally</u> disclose <u>accurate</u> information to her.

Leigh discusses the lack of integrity trust within his early interactions in Indonesia. Note how integrity trust is delineated by a trustee's degree of openness (e.g., they are always making excuses for things and thus they are not forthcoming), and honesty (e.g., you do not deal with people who lack integrity).

LEIGH: When I first started doing business in Indonesia, I met one or two characters that were not trustworthy and we are not in business any more and they are not in business with me -- that's for sure. And you just get a **gut feeling.** You just don't trust the way that they are acting, and they always have **an excuse for something,** and they are not really interested in doing the right thing,

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or the kind of job, **and you just move on**...You don't want to deal with people who lack integrity.

Similarly, Kirk frames integrity in terms of whether an exchange lacks hidden agendas (i.e., it is open).

KIRK: I think trust is very important. Integrity is [based] on where they are coming from...There's no hidden agendas. This effects whether I trust them.

Obviously, an exchange partner with hidden agendas is neither open or honest. Or, consider Sam's accusation that some exchange partners are just plain thieves.

SAM: If one of my customers calls me up and they say they want a dozen sweaters, and they want a certain style, and they call you up and order a specific style, you are relatively sure that as a customer you are going to get what you asked for. If not, you can stop payment on your check and there's different types of balances. When you are overseas, you are sending thousands of dollars to people up front to deposit, and you always have to pay half up front at least for a deposit, then you have to pay the rest of it C.O.D., sometimes even before I see it. It's easy to get burned. It happens all the time. There are one million horror stories. People have got screwed for thousands of dollars because they have trusted the wrong person. <u>There are a lot of thieves out there</u>.

In this international environment where fewer safeguards exist, trust becomes increasingly important. When exchange partners lack integrity trust, the monetary losses can be high.

Integrity as a distinct dimension of trust has not been examined within the marketing literature. However within

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management, integrity trust is identified as an important dimension of trust but it is labeled as openness trust (Kirkpatrick and Locke 1991; Mishra 1995; Nanus 1989). For example, Gabarro (1987) examines the importance of trust in working relations and cites openness and honesty as a key dimension of trust.

Caring Trust

The second dimension, **caring trust**, is defined as **a truster's belief that an exchange partner (i.e., trustee) has his or her best interests in mind.** In other words, the truster believes that the trustee cares about her and will performs tasks in harmony with her best interests. Caring trust **is based on a belief regarding the "purity" of an exchange partner's motives.**

Cal discusses what she initially perceived as a lack of concern and unpure motives on the part of her exchange partner. This belief was very hurtful to her. In fact, Cal links the loss of caring trust to the failure of a relationship.

CAL: My trust was blown. I mean that on top of this other
          thing about the dresses with the quota and then a couple
          of other things, I started to lose a lot of trust. I
          felt that they had <u>bad motive</u>... I thought that maybe
          their motive was that they were going to just get as many
          American customers as possible--That they <u>didn't care</u> any
          more about how particular they were about my production.
          I went over there as if I had lost my best friend. The
          guy that I work with that owns the factory wasn't going
          to be there the first week that I was there. I was
          devastated. It was heavy-duty, I mean, trusting my faith
          in them.

Similarly, Deb alludes to bad motives as the reason her Indonesian factory sabotages a production run. They do not take the care to

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fulfill Deb's request (i.e., they do not have her best interest in mind).

DEB: ...they sabotage the product. So it comes in and it doesn't look like you thought it would look like, because they don't want to do it. They don't have any desire to do it. It is not that they got more money from somebody, it's [that] they do not want to do this.

Consider Alan who discusses host country producers who "see a short term opportunity", and do not have their exchange partner's best interests in mind. As a result, the relationship is likely jeopardized.

ALAN: It's very difficult over there to figure out who to trust because someone can--I have heard stories about people who have been friends with Balinese, or Javanese, or Indonesians for years and they go into partnership, and lose everything because the person turns around and **sees a short term opportunity**, and takes the money, or takes the business, or property, or whatever is involved. In Indonesia, as a Westerner, you have very few legal rights. You have no recourse in that kind of situation.

Thus, caring trust is based on an expectation that the trade partner has one's best interests in mind.

The dimension of caring trust directly corresponds with Ganesan's (1994) **benevolence trust**, which is based on " the motives and intentions of an exchange partner" (p. 3) In addition, the **concern** dimension of trust has been proposed and defined as one party believing it will not be taken unfair advantage of by another (Bromiley and Cunnings 1993; McGregor 1967), and where self-interest is balanced by interest in the welfare of others (Mishra

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1995). Thus, caring trust is empirically supported by both the data and the existing literature.

Competence Trust

The third dimension, competence trust, is defined as a belief that the trustee has the appropriate skills, facilities, and equipment needed to fulfill his/her obligation. Within this study, the **competency** most important to the informants involved the **facilities and equipment**. For example, the trustee often lacked adequate machinery to fill the requested orders. This finding is unsurprising given the nature of the emerging markets examined within this study (where newly created firms often lack adequate plant and equipment). Please note that, in dissimilar contexts, other forms of competencies might include training, ability to transfer materials, or information technology.

An example of competence trust is illustrated by Leigh. In this scenario, if a trustee lacks sewers (facilities) and equipment, s/he lacks the competency needed to fulfill an order.

LEIGH: Sometimes a supplier will say "no problem", but I can
          generally tell if she has enough machines and sewers to
          produce my order...I always try to give them what they
          can handle.

Leigh tends to deal with this problem by observing the operation and limiting his order to avoid exceeding his supplier's capability.

Dan gives another example of competence trust. In this case, the competency needed included adequate facilities and workers with

special skills.   These skills are necessary to assure a good

product.

DAN: ...she has trained her workers to bring these (antique)
                patches together. Most of them are 300 -400 years old -
                they are getting harder to find. Jeana uses a special
                process so they don't damage. I know the ones from her
                factory get little complaint (returns) back here.

Finally, competence trust appears to be the least critical

form of trust, regarding relationship termination, because the

trusters who experience it appear able to assess accurately and

alleviate the problem.   In Thailand or Indonesia (in this specific

study), when one lacks the necessary machinery to meet a delivery,

it seems fairly easy to remedy the problem.   For instance, Sam

cites a problem with competence trust in terms of his exchange

partner's lack of machinery.   However, to make sure his trustee has

the machinery to fulfill promised delivery, Sam helps finance the

purchase. **Thus, in this context, competence trust may be the least

important dimension because it is the easiest to determine and

remedy**.

SAM: ...I guess, expertise through test orders. You know, if
                you meet a new supplier, for example, you don't promise
                the world and give them a huge order. They have to crawl
                before they can walk, or walk before they run, so you
                start them with a test order and you see if they deliver
                on time, was their quality good--and you can see this
                pretty quickly.   If he is someone I believe in, with
                integrity, I will help him grow...I have helped finance
                new machinery for Ren's (exchange partner) factory many
                times...without it she could not produce the quantity
                needed.

According to Sam, if integrity trust is present, competence trust can be developed. Thus, integrity trust appears to be more important than competence trust within this relationship.

Within marketing, Ganesan (1994) proposes credibility trust, based " on the partner's **expertise** and **reliability**" (p. 3). The emergent data support these two components as distinct dimensions. The expertise dimension is closely associated with the competence dimension (Gabbaro 1987; Kirkpatrick and Locke 1991; Mishra 1995). While expertise suggests personal knowledge or ability, competence also considers elements such as facilities and equipment. Thus, as it is conceptualized within this study, it is likely more encompassing.

The next dimension of trust, reliability trust (the second component within Ganesan's (1994) credibility trust), is based on the dependability of the truster.

Reliability Trust

The fourth dimension, reliability trust, is defined as a belief that the trustee is dependable and fulfills her obligations. The exchange partner is believed to be a person on which one can count.

This dimension is strongly supported within the data. For instance, Cal defines reliability trust in terms of her exchange partners being counted on to complete a task. That is, the orders will be delivered on time and the specifications will be accurate.

CAL: Trust is knowing that on my request of asking them to
         complete some task, whether it's making goods or

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delivering them to me--trust is knowing that they are going to be able to do that--and do that within the time limit that I ask them to do...I am really saying what it is that I expect for them to do, but I trust them a lot in that I give them orders to make the goods for me and to deliver them on time...

An account of the reliability dimension is offered by Jan who discusses the importance of taking care of one's responsibility on both sides of the dyad. Given the uncertainty of the Asian Pacific Rim environment, he often goes on "gut feeling" in his assessment of his partner's reliability.

JAN: ...to rely on someone that I am either in business with, or elsewise, who will follow their word, and take care of their responsibilities they say they will take care of, and if there is a problem, they are willing to take care of it, and vice versa -- the same for me...
Trust is sometimes leaps of faith. Sometimes you trust people in this country that you are really not sure about like in terms of delivering merchandise, but you almost have to -- you have to take a gut feeling. You may not really trust someone -- you may not really like them, but you are hoping that they will take care of their bills and that's very different.

Similarly, Leigh touches on this dimension as he discusses his exchange partner's reliability. It is assessed based on past performance (e.g., the on-time delivery of dresses).

LEIGH: ...Lin is a reliable person, so I trust she will have the dresses delivered when we need them. That's something that's hard to find in Indonesia, but we were lucky...

Finally, Red addresses the dimension of reliability trust in terms of dependability regarding both timeliness and expected quality.

RED: ...he is a <u>very</u> dependable supplier--always on time with his product--but, for instance, when I ask for too many dresses, the quality of his product goes bad.

Thus, reliability trust is the belief that the exchange partner is dependable.

Within the marketing literature reliability trust is proposed by Ganesan's (1994) as a component within credibility trust. In addition, reliability as the fundamental essence of trust is put forth by Anderson and Weitz (1984) and Schurr and Ozanne (1985). However, reliability trust as a unidimensional component is empirically supported within the management literature by Mishra (1995). In addition, this dimension has also been labeled as 'dependability trust' (Swann, Rink, and Roberts 1988).

This section introduced and empirically supported four distinct dimensions of trust: (1) caring, (2) integrity, (3) competence, and (4) reliability. Furthermore, trust emerged as a cognitive expectation.

While trust is of key importance within this setting, it can only develop when shared frames of meaning exist. This was an unexpected finding. The following section introduces shared frames of meaning as a key emergent focal relational construct that has significant influence within the international context of this study.

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Shared Frames of Meaning as a Relational Domain

It is clear from the data that somehow people have to negotiate a common ground on which to conduct business. Thus, a new construct, shared frames of meaning, emerged as important.

Shared Frames of Meaning

Shared frames of meaning is defined as a **dyadic or interpersonal zone of common understanding**. There are two general types of shared frames of meaning that informants talked about.[6] The first shared frame, **shared declarative frames**, is a common understanding of key cultural categories. Within this study, examples include the meaning of face, priorities, deadlines, and time. The second shared frame, **shared procedural frames**, includes sharing heuristics for the following domains: (1) resolving problems (i.e., conflict resolution), (2) establishing common priorities, (3) acting respectful, and (4) reducing social distance. Establishing trust in the dyad depends on forging this zone of common understanding. It does not matter whether the understanding is based on the culture of the U.S., Bali, Thailand, or even a strange hybrid or middle ground between the two cultures. It only matters that a common zone of understanding exists. After

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[6] A few informants talked about the importance of exchange partners sharing background factors such as age, income, education, gender, and perceived intelligence. While the informants conjectured that this shared background was important, the data did not support this contention. The data suggest that the link between these factors and shared frames of meaning is tenuous. These factors may be weak antecedents to shared frames of meaning. However, initial data suggests that education probably is a more powerful antecedent. For example, when exchange partners share a "Western" education this training provides them with a common basis from which to work.

defining these two shared frames, the various techniques used to forged this zone are presented.

SHARED DECLARATIVE FRAMES

This dimension of shared frames involves the understanding of key cultural concepts that affect business operations. Based on the data, some of the key declarative examples include the meaning of face, values, priorities, deadlines, and time.

Leigh describes how he shares declarative frames of reference regarding the meaning of compromise with his supplier. He seeks out "like-minded people" within his exchange relationships.

LEIGH: I understand and my supplier has to understand my needs and I, in turn, have to understand my supplier's needs and also the needs of his or her employees. Can they make a middle class wage in their country? We don't want them suffering either, so I think what we look for is common ground and if you find like-minded people, even though they might not be able to verbalize it. Our best supplier sees compromise as important as us. That's why we work with them.

In contrast, Kirk describes how he is unsuccessful because he and his exchange partner lack shared declarative frames regarding the meaning of promises and deadlines.

KIRK: ...for a certain length of time, one of my suppliers, tells me that something will be done on a certain day. I try to explain to them that I would expect they honor that commitment, and not to make a promise that they can't keep....I leave and they're like "okay, okay no problem" and it seems the day that I leave, things tend to fall apart.

Similarly, in the next quote, Alan and his exchange partner lack common understanding regarding the meaning of an accurate order. Thus, they fail to share declarative frames.

ALAN: That's a big one, you get the wrong things all the time. Where I ordered stuff, and just simple stuff goes wrong with this type, I've ordered hundreds and hundreds of that and they just put all the wrong buttons on them, so I try and reexplain to them "this is what you supposed to do", and I've seen so many examples of this...they don't get what you want and they send you the wrong stuff again.

Jan does not understanding the meaning of "no," which leads to a dissimilar frame of reference. Without understanding this concept, Jan did not receive the necessary information regarding shipment reliability.

JAN: ...I remember when I first started--how much trouble that got me into--because as Americans you interpret that meaning that it can be done, but really they are just politely telling you, "no, I can't do it". I remember waiting for certain shipments and not being able to receive them because they really couldn't do it.

In addition to cultural declarative categorical understanding, procedural understanding is of vital importance. In the next section, this issue is discussed and empirical support is provided.

SHARED PROCEDURAL FRAMES

Shared procedural knowledge involves more than understanding cultural categories. It entails the sharing of heuristics sometimes involving complex knowledge structures. With these structures one goes beyond mere understanding of a concept and

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instead knows how to act appropriately. Within the data, the following instances of shared procedural frames emerged as important: (1) resolving problems (i.e., conflict resolution), (2) establishing common priorities, (3) gaining respect, and (4) diminishing social distance.

The following quotes support the existence of shared procedural frames. For example, Cal discusses how she and her exchange partner develop shared procedural frames. Now they understand **how to communicate with each other** in order to structure the manufacturing process. They are able to **use** their shared knowledge of the manufacturing process in order to become effective regarding order specification.

CAL: ...when we began working together there was a much more
            bigger communication gap because my Indonesian is not
            very much. It's very little [now]. His English was
            okay, but now after working with him after seven years,
            his English is excellent and we're able to communicate on
            a level for organizing and structuring everything. **We
            both understand the entire manufacturing process and we
            are now able to structure each order based on delivery
            times.** I think that is what's creating a successful
            business for myself and a successful business for him is
            being able to criticize our downs, our failures and then
            make a goal of getting beyond that and actually turning
            it into a working and structured relationship.

Deb lacks shared frames of reference regarding how to resolve conflict, as well as how to form shared priorities regarding orders. Her exchange partners end up saying "take it or leave it" and the orders often come out poorly.

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DEB: ...you look at the fabric, you look at the patterns, you
            are doing well and say "this is what I want", and then
            they order the fabric. You come back here, and Bali's
            attitude is "take it or leave it". That's their deal.
            They don't try to rectify much. So, when we order fabric
            there, and we take our own designs over there, and we buy
            from studios, and we have them designed, and the colors
            don't come out. They never say "okay we are going to try
            this again". They are just "take it or leave it". You
            end up getting screwed out of a lot of money.

Likewise, Cal's provides a wonderful example of how the inability

to form common priorities in the order specification process leads

to problems.

CAL: ...in February I went over and designed two colors that
            looked very much the same and they had different names.
            One was called camel and one was called butter. Well, we
            ordered our samples in camel. We proofed the two colors.
            We labelled them with stickers, stapled onto each of the
            two colors, and we ordered our samples, and they came in.
            It was a little lighter. The camel was the darker
            version and the butter was the lighter color. The
            samples came in a little lighter than what I thought we
            had approved the camel on. Well I thought, "okay well
            maybe they just got up lighter".
                So, we took orders on the camel color – boom the
            orders started to come in, and the camel was darker than
            the sample, so I am very upset, and I am going they are
            going really bad. They are producing the wrong color for
            something that I am paying for tons of goods on.
                So I get over there and trying to figure out what
            the situation is, and it didn't even sink in for two
            days. They showed me that they had these two swatches
            and they were mislabelled. The one that said butter was
            darker than the one that said camel – that was lighter.
            Finally, like two days later after discussing this for
            the whole two days, I realized what happened was they
            made the samples up in butter, but called it camel and
            they made the production up in camel and it was darker.

TECHNIQUES FOR INCREASING SHARED FRAMES

A variety of techniques were used by the dyad members to build a negotiated common ground from which to work. In one mode, some buyers hired third parties to increase shared frames. For instance, Deb used a translator to help increase the shared frames of reference within her successful relationship.

DEB: We generally get along very well. I learned a little bit of Indonesian in sewing terms. We would have a translator there and we seemed to get along very well. They never said no to anything I presented them with. So, what happened was, when I started going over there in 86, I know that down to these two were the ones that I could give the more difficult projects to and if it could be done, they could do it. And, that was the **relationship we developed**. They always knew I was going to give them the better things and the nicer pieces...

Another type of third party mediator is the use of agents. While Jan discusses most of the big orders in person, he has an English speaking agent help specify the details that are faxed in from the U.S. This method helps ensure a common understanding when Jan is not physically in Indonesia.

JAN: I do all my business in Indonesia by fax. I send faxes every single day to my agents. The agents help - **one of the reasons that I use agents is because it is difficult some of the fine detail** that happens in faxes to give it directly to the Indonesian manufacturer because of the language barrier. So having English-speaking staff there helps a lot. I go over and my designer goes over for three months out of the year. She works directly with the agents and the manufacturer so the designs are done right.

Similarly, Red employs a local Indonesian speaking agent in order to pay off the right government officials. Their preexisting relationship with these low-level officials helps them effectively negotiate this environment.

RED: ...the direct face-to-face business with the government officials, I have a Thai do it now. Whereas before I tried a couple times, but in Thailand there is corruption at a low level. They know, who greases whose palm and even if you do speak excellent Thai it is that longstanding relationship that is an important thing.

While using third party mediators was a common way to increase shared frames of reference, a second technique involved the development of a process, or method, to help mediate the dyad. This process helped to minimize misunderstandings and forge a shared frame. For example, in the passage below, Kirk's exchange partner evolved a system of creating prototypes to make sure that they could give the buyer exactly what he wanted.

KIRK: ...They have a woman working with them who is a designer.... we just go through fabrics and drawings of different designs. Last time I was there the designer would draw some--they seem really dedicated--and the designer would draw something and say, "what do you think of this"? When it was something I would like, she would bring the fabric into the sewing room. They'd make it up and bring it back in about 15 minutes - just a little prototype. So they were helpful. They also brought out a lot of complimentary fabrics where we would do a bottom and they would say, "How about this top, this fabric for a top"? We relate so well together.

The next section discusses a third way to increase shared frames of meaning, through the development of cultural sensitivity by one, or both, of the exchange partners.

CULTURAL SENSITIVITY LEADS TO SHARED FRAMES OF MEANING

Cultural sensitivity is the possession the (1) cultural declarative knowledge, (2) etic procedural knowledge, (3) emic procedural knowledge, and (4) scanning ability needed to operate within the host culture. Shared frames of meaning is the establishment of a common ground of understanding in the business dyad. This common ground is achieved through developing shared declarative and procedural frames.

Cultural sensitivity, by either or both members of the dyad, is positively related to shared frames of meaning. As an individual becomes more culturally sensitive to the trading partners' culture, s/he is able to interpret the ways in which her exchange partner sees the world. If one or both sides within the dyad is culturally sensitive, it promotes shared frames of reference. Thus, as the total level of cultural sensitivity increases in the dyad, the shared frame of meaning increases.

In many instances, the buyer's cultural sensitivity helped forge shared frames of reference. For instance, Red refers to the fact that one must understand the way Thais communicate in order to "accurately predict a [production] run". Sensitivity to the culture facilitates one's ability to share an understanding of the meaning of "overly optimistic" production estimates (i.e.,

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declarative frame) and, thus, accurately predict a production run (i.e., procedural frame).

RED: ...most of the time it is based on speculation that they can get it finished in a week, but in Thailand and in most of Asia, they'll just tell you knowing full well that there is no way. They just tell you that because they want to please you at that time they want to make you feel like everything is fine. You have to understand them to accurately predict a [production] run.

However, in other instances within this study, the Eastern, seller/producer's cultural sensitivity helped forge shared frames of reference. Cal's exchange partners' sensitivity to the West has helped bring their frames of meaning closer.

CAL: Oh, I just wasn't getting the goods delivered on time. I wasn't getting the goods that I expected to receive-- You know, incorrect cuts, garments were not fitting right--properly--and all sorts of things like that. And they had way less experience than the guy I'm working with now. The guy that I'm working with now **has actually gone to western countries.** He'd been to Australia and was already speaking some English and has a lot more going for himself and **we can communicate together.**

Finally, exchange partners may be culturally sensitive. In this passage an initial lack of shared frames of meaning existed between Cal and her exchange partners. However, once Cal's exchange partner became more "westernized" their shared frames grew. In other words, it was the eastern exchange partner's sensitivity to western culture, as well as Cal's increased sensitivity to the east, that helped build a common basis from which to work.

CAL: ...for example, like, "in one week can you make me some
            samples of a particular thing?". So you request that of
            the person that says, "yes, yes of course I can do that,
            no problem." You come back one week later and either the
            person is not there, or the goods are not finished, or
            they are not made, or they say that they didn't
            understand that you wanted them within a week.
                 There seems to be a lot of excuses that happen and
            this happens quite often because - I think I got into
            this last time - because the Asians have kind of a
            different set of consciousness or a different conscience
            about trust and saying yes, but not really being able to
            do it. It is different than American conscience about
            things, I think. Americans seem to be real time
            oriented, more contentious about meeting deadlines and
            saying out front, "if we don't think we can do something,
            no we can't do it" - where the people in Indonesia
            (that's the only country I am referring to), I think they
            hate to say no.
                 It's very difficult for them to say no, even if they
            think they might not be able to do something. Even right
            up front they will still say, "yes, yes I can do it, yes
            I will try to make it on time" - and I have been working
            with the people that I work with for like eight years and
            I have gone through many different kinds of this kind of
            thing happening, where I've been told that something is
            going to be able to get done and then not get done.
                 And now, the people that I work with have become
            kind of Western-minded and they'll tell me up front. I
            will say, "can you meet this completion" - and they'll
            say to me, "yes or no". If it is no, they will tell me
            no because I told them so many times it's okay to tell me
            no, just tell me the truth so that I can relay that into
            my figuring and then I can relay that on to my customer.
            Particularly dealing with production, that's a case of
            what happens: misunderstanding or miscommunication or
            them saying that they are going to be able to do
            something and then really all along that they really were
            going to be able to or not.

AN OVERALL MODEL OF CULTURAL SENSITIVITY IN ASIAN PACIFIC RIM MARKETING RELATIONSHIPS

     The previous section empirically supported the relationship

between cultural sensitivity and shared frames of meaning.

Similarly, chapter 4 empirically supported and described two key

antecedents to cultural sensitivity--depth of activities and attitude toward one's cultural experience. These relationships are incorporated into figure 5. The remainder of this chapter describes and empirically supports the consequences of trust and shared frames of meaning. The final section, however, considers how the cultural sensitivity process is linked within the integrated model.

Consequences of Shared Frames of Meaning
Shared Frames of Meaning Leads to Trust

Based on the data, shared frames of meaning leads to trust within the informants' dyadic relationships. In other words, in the presence of greater shared frames of meaning, dyadic members are better able to develop trust. For instance, Jan discusses a special and unusual zone of common understanding he has with his Japanese exchange partners (i.e., the way in which they share information, heuristics, and values). As a result, there is mutual trust (i.e., expectations of reliability, caring, and integrity) which leads to an exhibition of trustworthy behavior (i.e., vulnerable behaviors by Jan's exchange partner).

JAN: The people that I deal with are similar to people like
           myself. They are entrepreneurs, in a sense that they've
           started a business on their own. They worked with
           antique (clothing). They are more of an individual-type
           Japanese than you will find in general. We are able to
           talk about quality issues more directly than would
           normally be appropriate. I've liked that because you
           can develop slightly deeper relationships with them than
           you can with a salary man.

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ANTECEDENT

Depth of
Cultural
Immersion

Attitude Toward
One's Cultural
Experience

Inverted U

+

FOCAL
CONSTRUCTS

Cultural
Sensitivity

+

Shared Frames
of
Meaning

Trust

+

CONSEQUENCES

+

+

+

+

Improved
Communications
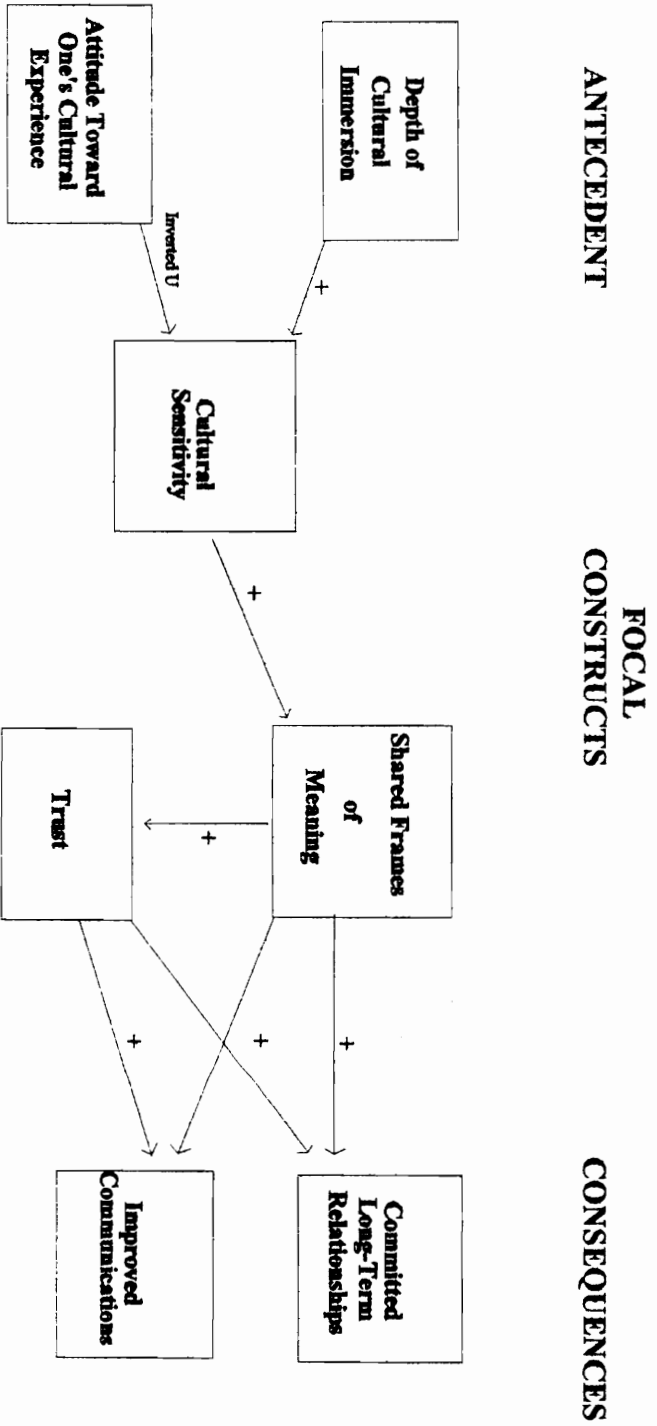
Committed
Long-Term
Relationships

FIGURE 5

INTEGRATED MODEL

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I've had good far-ranging conversations on culture, on differences between Japan and America that are a little deeper than I have had with (other) businessmen. There is an antique dealer in Japan that I've had a relationship with for seven years. We share a lot, and in some ways, there is a great amount of trust. He'll ship to me even though I still owe him money without a contract. He knows that I am going to pay him and I know that I am going to pay him too. He is going to send the merchandise out and stuff and I am real happy I have been able to develop a lot of relationships like that. That's nice.

Below, Sam actively seeks the development of relationships with exchange partners who have similar frames of meaning. It is easier for them to specify effectively the production/order process, thus, develop reliability trust.

SAM: we look for **somebody that we can relate to**, somebody who see things like we do, who understands that quality is important to our customers--somebody that has quality merchandise to show us, like one of the guys that we worked with in Bali, we ended up going through the process with him, we negotiated some prices and that particular individual has worked out, no problem. The guy is efficient, he's got good quality and we trust he will deliver the goods on time.

Finally, Gail discusses a key relationship with her exchange partner. There is great mutual respect and common grounds regarding personal background, values, and attitudes. They appear to understand each other's personality and behaviors. According to Gail, this common zone of understanding has led to trust.

GAIL: Well, we struggle with Indonesian and we struggle with English. He speaks English better than I speak Indonesian. So, we usually communicate (in) English, but we don't speak it perfectly by any means, especially when

we are working with kind of technical things, it can get messed up sometimes, but he is very hardworking. He was college educated. He is very self-motivated which is very different from a lot of the other people living in Bali, and he basically created everything he has by himself.

He started with nothing--that kind of story, and made what he has, and he has a lot of major customers in a lot of countries--and he is very smart, really. He is probably one of the wealthiest men on that island, and nobody knows it because he doesn't want them to, but he has made a lot for himself over there and I really respect him. He really made something for himself and he understands Western business, and he has a lot of patience with me, and we realize that we are making a lot of mistakes...but there is no question about trust in our relationship.

Shared Frames of Meaning Leads to Committed, Long-Term Relationships

Based on the data, when people share similar frames of reference they are more likely to develop close associations. Although a lack of these shared frames eventually leads to relationship termination, informants often attempt to improve this dimension in order to develop potentially fruitful relationships.

Below, Will discusses a feeling of mutual comfort that appears to motivate him to keep his dyadic relationship in tact. Because Will and his partner have a shared understanding, they are committed to make their relationship work. He also states this caliber relationship is difficult to obtain within this business context.

WILL: With the people that we have been dealing with, I've been comfortable with them for the last couple of years. Once we are doing a certain buy on a business that I knew would be of interest to them, I felt pretty comfortable....They understand what we want and we work hard together to make things work. We both feel

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> committed to keeping this relationship working....It's so hard to find people like them.

Similarly, over time, a lack of shared frames of meaning can lead to a lack of commitment and relationship termination. Consider Kirk who concludes he will not be able to develop shared frames of meaning and, thus, ends his exchange relationship.

Kirk: ...most of the business relationships that didn't work out are (with) people who shouldn't have been in the export business....They either didn't have the time to commit or couldn't reach an understanding with us in terms of how to make our business work. After a while it became apparent we weren't going to connect so we just moved on.

Shared Frames of Meaning Leads to Improved Communications

Based on the data, an improved zone of mutual understanding is associated with more abundant and accurate information sharing. In other words, as people understand each other, information tends to flow more effectively. For instance, Red and his exchange partners have shared frames of meaning regarding how to specify designs. In this case, their shared **procedural** frames of meaning facilitates Red's exchange partners to share new design information with him.

Red: Initially my business started out [with] products that were made there in Thailand. I would just go over and see something and I'd buy and bring it back and sell it. Now, I go over there and I take ideas and I have them interpreted, changed. I try to have them reproduced, but sometimes they are not replicated exactly--they are never the same. That's the problem, but also the beauty of it is that we always get a different interpretation from their side. Lots of times I am the one instigating that.

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I am saying "let's do this" or "let's do it like this",
and they'll get very excited. They like that because
they are not used to working with somebody that creates
things. **They really relate to me in this way.**
It's normal a lot of people in this business to not
ask for their feedback. The Thai's get very excited when
they have a new project, when they have a new item so
their input is really nice because they don't always deal
with somebody that accepts their ideas as readily.
When there's a change made I don't freak out and say
"no, no, no"--lots of times they'll say "wow I like this,
but let's try this" or "maybe your idea is great, this is
really interesting the way you did this, let's try it"
and they get excited at the fact that they can create
something and give it to me and show me. Because of
this, they are really motivated to share some really
great ideas with me on how to improve our design.

Or consider Jan who has reached a shared procedural frame of
reference with his Japanese exchange partners regarding how to
negotiate delivery times. Once there is a shared frame of meaning,
information is more freely exchanged.

JAN: Basically, when I am in Japan if you ask for something
          and you get an answer that you are not sure of, you come
          about it from another way, or you try and pin it down in
          a way that sometimes you will say "okay, do you think you
          can do this by such and such a date", and then they have
          to respond further. It is just in their nature to say,
          "yes", and "maybe" in the beginning, but when you start
          going that far they then will start responding, "well,
          this could be trouble", and you know to drop it if it is
          not that important, or pursue it if you really need to.
          Once you get to this point of understanding in Japan,
          they begin to share their ideas a lot more with you.

In summary, the three following consequences of shared frames
of meaning have been introduced and supported empirically: (1)
trust, (2) committed long-term relationships, and (3) improved
communication. The next section discusses and supports empirically
the relationship between trust and the two following consequences:

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(1) committed long-term relationships and (2) improved communication.

Trust Leads to Committed, Long-Term Relationships

The relationship between trust and committed, long-term relationships has been supported within the marketing literature (Ganesan 1994; Moorman, Zaltman, and Deshpande 1992; Morgan and Hunt 1994). Within this study's data, the importance of trust and it's facilitation of committed long-term relationships emerged as extremely salient. For instance, consider Dan who began trusting his partner at the beginning of the relationship. There is commitment (i.e., he expects to maintain the relationship until he retires), and there is vulnerability (i.e., the fronting of money). It appears the trust has led to, or contributed to, commitment within this relationship.

DAN: We starting trusting her right from the beginning. You
          can see that she is just by knowing the type of people,
          that she is educated, and she is serious about what she
          does, and is responsible. So, I think it was pretty much
          from the beginning. I guess I am a trusting person, but
          I think that worked out fine, in this case. It was
          really right from the beginning. We will be in business
          together until one of us retires. It's a great
          relationship. We are constantly trusting her with money
          and the quality always works out great.

Below, Jan describes the relationship between trust and relationship development. He builds his relationship with people where he perceives mutual trust. His Japanese partners are willing to be vulnerable regarding the forwarding of cash. This ultimately

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helps Jan's business performance by improving his cash flow. Thus, trust leads to relationship development, which in turn leads to buying performance. Also, as a result of the mutual trust, there are trusting behaviors exhibited by Jan's Japanese partners regarding payment plans. These trusting behaviors, which leave them vulnerable, are **part of** the long-term relationship.

JAN: I got used to knowing what I was buying and I built up my relationships with people I trusted. I used to go to Japan for a month and travel all over the country with different people. I can do a lot of my business by fax - they know what I want and I know what I want. So, I know what I am doing in Japan. It's easier. I am used to dealing with long-term relationships with people. There's a lot of trust in terms of payment plans - at times they float me a lot of cash. That helps me a lot in terms of a cash flow level.

Conversely, Sam has very low trust for his exchange partners and his relationships have typically been problematic. They are marred with poor quality deliveries and his relationships tend to be very shallow. Although he has been in couple of relationships for over three years they are not very committed. He refuses to leave himself vulnerable to his associates and he employs many safeguards. For example, he only receives COD shipments that he can first inspect and he will not commit very much to one exchange partner (he spreads his risk among many). His relationships lack commitment and he will switch away from his long-term partners if they become too greedy.

SAM: ...you are dealing with people who will bend you over in a second, even after you've poured many, many dollars

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through their hands - made them rich. They will still bend you over for an extra dime. To give an example, we've been working with a lady for three years and I've passed over one million dollars through her hands in three years. She's made, only if she makes 10 percent, that's equivalent to any kind of middle class. You know, high level government makes $600 a month or $500 a month. And she's only made $100,000 profit on me in the last three or four years. She drives brand new cars, she lives in a new house, and every time I send her an order, every time I must send her a diagram. She knows what the difference is between a large and an extra large vest, but she will screw me, and she will make 100 small and say, "Oh, I didn't know", and that is a lot of what happens.

Americans are at a little bit of a disadvantage in these kinds of situations unless they are really getting tough because foreigners will, they are trained. You know, I see people that throw their pennies in a little glass jar at the grocery store and they do that with pennies because pennies turn into nickels and nickels turn into dollars and these people don't throw pennies around, and every item you buy you have to start all over with the negotiation process. It's not like, "Okay, we finally get to an understanding of what a fair market is", it's everything. It's a constant battle. So that is stressful. It is real stressful and it all boils down to: it doesn't matter whether you're Buddhist or Muslims, or Christians or Hindus, it is money. It's not relationships, it's not friendships...I am comfortable. I mean I send money around the world all the time. I do wire transfers, so you know any conflict that I have - I mean I have conflicts that are not going to get resolved. I am not going to get bags full of garbage.

The other side of that is that as a wholesaler, I am always uncomfortable about what kind of colors I am going to get this time because there is a lot of variation, what kind of quality. This lady in Thailand sent me several hundred of these that had crappy plastic buttons on them. I had to have some replaced, but I have to spread around the power because if somebody, like this lady in Thailand, I get most of my stuff C.O.D., because I pay for it after I receive it, after I examine it. One of my biggest suppliers, when she causes me a problem, I send it back to her and she hates that. Like I've taken back 300 lbs of stuff to Medialis. They really hate that, but that is a little bit of power.

Trust Leads to Improved Communications

People who trust each other are likely to share information. This is not surprising given the openness dimension of trust. In other words, if one expects their exchange partner will be open and honest with them and have their best interests in mind, s/he is more likely to reciprocate. This is strongly supported within the data. For instance, Leigh discusses how his trust within his relationships has led to improved access to accurate information.

LEIGH: With our expansion into Bali and the deepening relationships with the trusted group of sub-contractors, I would say I have access to more and more information because as I learn about the country and its people I begin to understand how to network back into the system, where the clock comes from, what their needs are, what cycles of production are, I understand about holidays and Holy days and so forth.

Thus, the quality as well as the quantity of Leigh's information has improved.

Or consider Jan who discusses how trust facilitates more efficient communication. Once trust is established and the relationship evolves, there is less bargaining because the information given about prices tend to reflect accurately the manufacturer's price structures.

JAN: Once you build up a good trust relationship the game stops, they know what to charge you, and they know they are going to make their money from you because you are going to be buying from them for awhile, and you know that they are offering you mostly the best price they can. Occasionally, I have to take orders from someone, and my people will say I need a lower price, and I will go back to the other side and say, "look can you give me like 100 yen off" or "can you give me 500 rubies off to

> make this deal work, it is a big order", and they'll
> usually do it, but I don't have to do that much
> bargaining any more. Sometimes when somebody comes up
> with a new product, they'll say, "it is this much" and
> I'll say, "I'm not interested at this price, but I'll do
> it at this price", and they'll either say "yes" or "no"
> or come back with a third one. That's more in Japan,
> pretty cut and dry. We know what the material costs and
> we know what it cost per garment.

This section described and empirically supported the relationship between trust and two consequences, committed, long-term relationships and improved communications. Next, the link between the integrated model and the cultural sensitivity process is considered.

LINKING THE CULTURAL SENSITIVITY PROCESS WITHIN THE INTEGRATED MODEL

One may question the lack of synthesis between the two central models within this study (i.e., (1) the Cultural Sensitivity Process Model and (2) the Integrated Model). This section (1)introduces a Revised Integrated Model (see figure 6) that incorporates the cultural sensitivity stages and (2) describes how the inclusion of the process effects the other domains.

First, as previously discussed within the Chapter 4 (i.e., Cultural Sensitivity as a Process), there is a u-shaped relationship between attitude toward one's cultural experience and the cultural sensitivity stage. In other words, during the early and late stages (i.e., the Honeymooner and the Transspector) attitude toward one's cultural experience peaks, and during the

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ANTECEDENT   FOCAL CONSTRUCTS   CONSEQUENCES

Attitude Toward One's Cultural Experience

Depth of Cultural Immersion

Stage of Cultural Sensitivity

Cultural Sensitivity

U

Sine

Positive Monotonic

+

+

Shared Frames of Meaning

Trust

Improved Communications

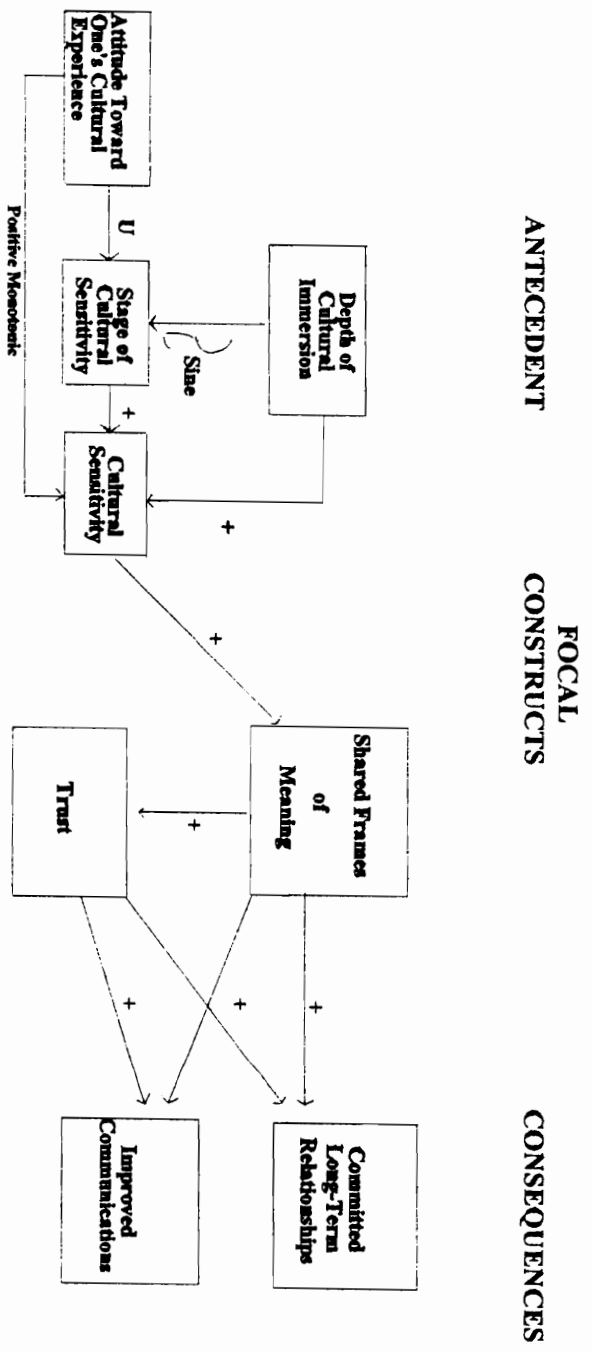Committed Long-Term Relationships

+

+

+

+

FIGURE 6

NEW INTEGRATED MODEL

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middle stages (i.e., the Worker and the Outsider) attitude toward one's cultural experience is generally at its lowest (negative during the Outsider phase).

However, attitude toward one's cultural experience has a positive monotonic relationship with cultural sensitivity. In other words, a negative attitude toward the culture leads to a low degree of cultural sensitivity, while a positive attitude toward the culture leads to high degrees of cultural sensitivity, with the slope evening at the higher end of the attitude continuum. For instance, while an increasingly positive attitude leads to greater knowledge, there reaches a point of diminishing return where no further knowledge is acquired.

In addition, as previously described, as one progresses through the four cultural sensitivity stages, by definition, his or her cultural sensitivity increases. Thus, there is a positive, linear, relationship between the stage of ones cultural sensitivity and their degree of cultural sensitivity. However, the progression is likely not linear at the highest end of the process (i.e., moving from an Outsider to a Transspector involves more of an increase of cultural sensitivity than moving from a Worker to an Outsider). Thus, the relationship is linear with an increasing slope toward the end of the progression.

Finally, ones stage within the cultural sensitivity process positively mediates the relationship between (1)attitude toward one's cultural experience and (2)ones cultural sensitivity. In other words, during the later process stages, increasingly high

attitudes facilitate higher degrees of cultural sensitivity (i.e., improved knowledge acquisition). During the Honeymooner, an elevated attitude has less of an effect on cultural sensitivity (i.e., very high positive attitudes lead to little learning) than it does as a Worker (i.e., when culture shock is experienced). Likewise, the role of positive attitude becomes more important for Outsiders than for Workers because within this stage, positive attitude generally lessens the probability of mortality (i.e., dropping out of business). Finally, Transspectors improve their attitudes over that of Outsiders in order to integrate their newly developed emic procedural knowledge.

Next, Depth of Cultural Immersion has a positive sine relationship with ones Stage within the Cultural Sensitivity Process. As one progresses from the Honeymooner Stage to the Worker Stage, depth of cultural immersion has a strongly sloping positive impact. Moving from the Worker Stage to the Outsider Stage, depth of cultural immersion flattens (i.e., Western buyers are staying in contact with their deepest relationships but they are not growing) and then decreases (i.e., they withdraw from much of the host culture). Lastly, as they move into the Transspector Stage, their depth of cultural immersion significantly grows once again.

Finally, as previously discussed within this paper, Depth of Cultural Immersion is positively related to Cultural Sensitivity. In other words, increasingly culturally-sensitive people are more involved and immersed within the host culture.

This section considered how the cultural sensitivity process is linked within the integrated model. The next chapter introduces the conclusions from this study. It reviews the key findings, and examines key limitations as well as contributions.

CHAPTER 6: CONCLUSIONS

The preceding chapters have examined several key factors within international relationship marketing. The initial goal of this study was to determine the role culture played within international buyer/seller dyadic transactions. Specifically, the purpose was to delineate the structure and process of cultural sensitivity and determine it's role within this international domain.

Contributions

This study makes contributions to the study of international marketing within methodological, conceptual, and substantive domains. The use of a Grounded Theory methodology has not been pursued in the area of import/export marketing, in specific, or international marketing, in general. Like other interpretive techniques, it provided a rich description of key domains and generated evidence of relationships among constructs.

The use of multiple interviews of each informant adds a richness of data and helps specify constructs and describe relationships within the model. This approach has not been done previously within the area of cultural sensitivity or international relationship marketing.

Conceptually, this study offers a concise definition of cultural sensitivity and presents a process of how buyers become more culturally sensitive. Regarding the structure, a more sophisticated definition is introduced that considers how declarative knowledge interacts with both emic and etic procedural

knowledge. Past studies define knowledge in a broad and often unclear manner, and fail to consider declarative as well as emic and etic procedural knowledge (Gudykunst and Kim 1984; Leong and Kim 1991). In addition, the study delineates the role of environmental scanning and its interaction with these types of knowledge. This study also richly describes the process of developing cultural sensitivity and considers how each dimension varies along the four stages. Unlike past process models, this study's model is based on empirical data and specifies how each dimension (i.e., declarative knowledge, etic procedural knowledge, emic procedural knowledge, and external scanning) varies across every stage. Additionally, it is the only model that considers both declarative and procedural knowledge.

This study also lends insight onto why culture shock takes place. Specifically, it frames culture shock within the cross-cultural learning process where the development of emic procedural knowledge creates a tension with preexisting etic procedural knowledge. Thus, the experience of culture shock is a normal and necessary part of cross-cultural learning/adaptation. Past literature on culture shock fail to consider the role of different types of knowledge in explaining culture shock (Ferraro 1990; Furnham and Bochner 1986; Oberg 1960).

Next, a richer conceptualization of trust is introduced as a multidimensional construct and shared frames of meaning is shown to be a new construct that helps explain why people trust and why relationships are successful.

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From a substantive perspective, this study helps provide a better understanding of success determinants within a sector of the Asian Pacific Rim fashion industry. This topic is an understudied business context (no studies were found within the literature). An understanding of how to develop cultural sensitivity and how to successfully develop relationships is of key importance to practitioners as well as theorists.

Implications

This study has several implications for marketing managers involved in international exchange, importer/exporters within the fashion industry, and academicians interested in both international marketing and relationship marketing.

First, cultural sensitivity is very important in the development of shared frames of meaning. This study discusses the types of knowledge one must develop, the general process to help one determine where they currently stand, suggestions on how to get to latter stages, and what to expect across each stage. In addition, cultural sensitivity is important but shared frames of meaning can be developed in other ways as well. This study specifies techniques that can improve shared frames of meaning besides the development of cultural sensitivity (i.e., one does not always have the time needed to reach the later stages but still needs to conduct international business).

For the academian, key theoretical domains within international relationship marketing have been extended. Specifically, the domain of shared frames of meaning has not been

considered in past literature and is a key antecedent to trust. Given the key importance of trust the implications associated with improving trust are vast. In addition, shared frames of meaning may have relevance within a myriad of other contexts (e.g., gender, race, religion, regions, etc.). Increasing shared frames may help improve relationships within most business settings. Finally, the reconceptualization of trust as a multidimensional, cognitive construct implies that many past research endeavors that substituted behavioral dimensions of trust (e.g., trusting behaviors) are actually surrogate measures, thus, are open to reconsideration.

Limitations

There are certain limitations in an interpretive study. First, the interviewing method is obtrusive and can have reactivity effects (Kazdin 1982). Within a number of interviews, informants began to speak more freely after the tape recorder was turned off. Care was taken after each interview to take notes regarding the conversation, however, some information regarding key domains probably was not illuminated during these discussions. As a result, I probed these domains during the subsequent interviews and tried to successfully delineated these deficient areas. Another limitation of the method is the assumption that the informants are being truthful, which may not always be the case (Wallendorf and Belk 1989). There is some evidence, however, that the informant's were forthcoming. For instance, many of them discussed their involvement in activities that were either embarrassing (e.g.,

business-related mistakes) or illegal (e.g., providing bribery to obtain quotas). Third, interpretive methods have been criticized for not reaching deep, latent meanings (Holbrook 1988), however, the key domains appear to have been well delineated within this study. Fourth, the scope of the theory itself will be limited by the fact that the sample is restricted to a specific industry composed of mostly small companies (under 10 employees) conducting business in one area of the world (Pacific-Rim). While this sample was chosen to maximize cross-cultural variance, in subsequent Grounded Theory studies, the theory can be expanded by considering other samples. One characteristic of Grounded Theory studies is the ever-present possibility of expansion; indeed, subsequent studies are generally undertaken for this purpose.

Finally, the informants, as well as the researcher, had a western point of view (compared to that of host culture members) and this may bias the results. This concern must be addressed in future studies. The next section briefly considers how Eastern Asians might view the domains of cultural sensitivity and trust differently than Westerners.

A Conjectural Statement Regarding Cultural Sensitivity and Trust Among Eastern (Asian) Exchange Partners

The following conjectures are based on the my experience with Easterners and on informal discussions with host Asians who work within the fashion industry. Regarding cultural sensitivity, while the general dimensions (i.e., declarative knowledge, etic procedural knowledge, emic procedural knowledge, and environmental

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monitoring) probably remain consistent across contexts, the salience of various declarative and procedural dimensions would probably vary. Specifically, from the perspective of Asians, the domain most important for signaling that a person is culturally sensitive would probably be face. For example, people save face when they are respectful, non-confrontational, and have a pleasant, steady disposition. Those people who save face, **from both sides of the dyad**, are careful not to make unreasonable requests of their partner, so as not to be disrespectful by putting undue pressure on them.

In addition, given the group orientation within Asia (Hofstede 1981), culturally sensitive people may likely form heuristics necessary to (1) sacrifice for the group, (2) preserve and foster the group, (3) avoid singling out individuals both for praise or criticism, and (4) facilitate the flow of information to everyone within the group. Asians would likely see Westerners who exhibit this emic procedural knowledge as culturally sensitive.

I would also conjecture that the two following dimensions of trust might be seen differently by Easterners: reliability trust and integrity trust. Within Western literature, reliability trust is defined as an expectation that an exchange partner is dependable; s/he will fulfill a promise. Easterners might also frame this dimension of trust as **an expectation that an exchange partner is dependable**. However, the Asian counterpart would only feel the need to fulfill a promise when the promise involved a reasonable request. In other words, within Asia, **people one can**

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depend on are not just reliable in terms of expected behaviors, but they are also reliable in terms of expected requests. They have the dependability trust necessary to save the dyad's face (i.e., loss of face associated with unrealistic requests).

Similarly, integrity trust may be seen differently by Asians. As defined within this study, integrity trust is a truster's belief that an exchange partner (i.e., trustee) is open and honest with the truster. That is, the truster believes the exchange partner will liberally disclose accurate information to her. However, Easterners with integrity will want to save the dyad's face. Therefore, the Easterner's definition of what is "open and honest" might be different than that of the Westerner's. In other words, they likely may not be accurate, or liberal in disclosing <u>negative attitudes</u>. From the Eastern perspective, one who criticizes and contributes to the loss of face would not have "integrity." As previously stated, in Chinese culture, <u>Lien</u> is a dimension of face associated with one's integrity (Hu 1944). One who shames the group by hurting it in any way lacks integrity, or Lien. Thus, criticizing the group (as honest as it may be), might translated be by many Asians into a lack of integrity trust. Thus, this cross-cultural tension is interesting and may be worth exploring in a future study.

Potential Future Research Directions

Triangulation of results via multiple methods and multiple contexts is desirable. First, cultural sensitivity, trust, and

shared frames of meaning could be operationalized and the measures subsequently purified (exhibit 5 contain a generation of preliminary scale items). Second, a survey method could be utilized to determine if the Grounded Theory results could be generalized onto a larger population of Asia Pacific-Rim importer/exporters.

Third, Grounded Theory studies could be conducted with Asian counterparts to further delineate the nature of the domains as well as their relationships. Fourth, the main three focal constructs (1) cultural sensitivity, (2) trust, and (3) shared frames of meaning should be tested within other marketing contexts. For instance, trust and shared frames of meaning are likely to have relevance within social marketing settings as well as sales training environments. Within settings where one group (i.e., a firm such as Union Carbide) is oppressing another (i.e., host country member's who have been contaminated from a chemical leakage), improved shared frames of meaning might help ameliorate the negotiation process. Where both sides of the dyad agree on the meaning of key concepts (e.g., human rights, life value, industrial responsibility, reasonable risk, and appropriate negotiating behavior) mutual trust may be helped and communication improved.

Within sales training, where trainees improve their shared frames of meaning with their clients and their employers, they may be more likely to communicate more effectively and develop trust. The process of developing declarative shared frames of meaning (i.e., what attributes are most important within the typical evoke

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set) as well as procedural shared frames of meaning (i.e., what is the appropriate degree of eye contact and voice modulation while closing), may be related to developing trust within the buyer/seller dyad. In addition, understanding which types of shared frames of meaning are most important might help improve our understanding of relationship building.

Similarly, other industries should be examined to the test salience of these domains, relationships among them, and the possibility of other emerging constructs. For instance, the role various dimensions of trust may be more or less important within different contexts (e.g., perhaps, within high technology firms, expertise trust may become far more salient than within the fashion industry). Given the reconceptualization of trust, and the newness and potential relevance of shared frames of meaning, it is important to determine their influence across an array of exchange contexts.

Fifth, the conceptualization of trust could be examined across a number of Asian, African, Mid-eastern, etc. cultures to determine what the systematic differences are in terms of dimensional salience. This focus of study might help uncover key reasons for cross-cultural as well as cross-national misunderstandings.

Finally, another interesting directions is the examination of issues involving face in Asia and it's role in problem solving. Given, the difficulty associated with complaining in the Asian environment, it would be fascinating to see **how** Asians frame similar problems the western informants were so concerned about.

This framing might lend insight into key declarative knowledge, and procedural problem solving issues.

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CHAPTER EXHIBITS

EXHIBIT 1
Release Form
My name is Jon Shapiro, and I am a Ph.D. student in international marketing at Virginia Tech.

I would like to invite you to participate in a study on the role of your experiences in import/export. Your insight is very important to me.

If you decide to participate in this research I will ask you to spare me about three hours of your time for interviewing--spread out over several months. Each interview may be conducted either in-person or over the telephone. Anything you say during the interviews will remain confidential. Only myself and my doctoral advisors, Dr. Jim Littlefield and Dr. Julie Ozanne will have access to the data and you will be identified by the use of a number (your name or company will not be available). In any articles or reports based on these data the identities of all participants will be masked in such a way that quoted comments cannot be attributed to particular individuals. You will have a chance, if you desire, to review all transcripts and tapes before they are written up to make corrections, deletions, or additions. In addition, if you desire, a copy of the written study will be sent to you.

You may discontinue participation at any time. If you have any questions regarding any aspect of this study please contact me or my doctoral advisors. Thank you so much for your help!

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Your signature indicates your have read the information above and have decided to participate. You will be offered a copy of this form to keep.

_____   _____
Your signature   Date

_____
Principal Investigator's Signature

EXHIBIT 2
Initial Questions and Probes for Open-Coding

Stage 1

Rapport
Building--   The purpose here is to create a comfortable
                  atmosphere in which the informant feels at
                  ease and willing to talk. To accomplish this,
                  some issues that most buyers enjoy discussing
                  were introduced. Thus, after the release form
                  is read and signed, the following rapport-
                  building questions were asked.

Questions--   The buying season is a busy one, when did you
                  get back? Is it good to be home? What was
                  your experience like at the end of the last
                  show. Was Manhattan fun for you? Did you go
                  to any of the show parties?

Stage 2

Probing
Domains--   Each domain was split into the two following
                  sections: (1) general questions, and (2)
                  focused questions (used only when the
                  informant is not talking about relevant
                  issues).

Domain 1.   Lifestyle and specialized education

General   Tell me about yourself and your background
                  [schooling, education, jobs, traveling?]
                  Tell me about your closest native friend in
                  the host country.   Contrast this friendship
                  with your closest friend in the U.S. [what are
                  the differences, similarities.] Contrast your
                  favorite activities in the U.S. with your
                  favorite activities in the host country. [how
                  are they similar?, different?]

Specific   Tell me how your formal education prepared you
                  for this career. [what did it teach you?]

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Domain 2.   <u>Cultural sensitivity</u>

General   What is it like to buy from people from a foreign country? How important is knowledge of the (1)language, (2)religion, (3)values, (4)customs?

Specific   Tell me about how much you feel part of the host country? Contrast this with when you first started doing business there.

Domain 3.   <u>Trusts and conflict</u>

General   Tell me about what is important within a relationship. Tell me about the sellers in the host country. Contrast them (within the same industry) with sellers from the U.S.

Specific   Contrast, what makes a good relationship versus a bad relationship?

Domain 4.   <u>Information access</u>

General   Tell me about the last product offering you purchased for your business [how did you find out about it?]. How do you learn about new sellers/markets? Contrast this with when you first started doing business in this country.

Specific   Tell me about how you interact with host government members. Contrast this with when you first entered the country.

Domain 5.   <u>Attributions and Motivation</u>

General   Tell me about the last time you purchased goods for import. [what were the greatest challenges?] What are the greatest problems you had in interacting with the local culture? [did you learn anything from the experience?]

Specific   Have you ever gotten a bad deal? If yes, tell me about it [who, or what, was the cause of the problem?].

Domain 6.   <u>Success</u>

General   Tell me about what makes a successful buyer. Contrast this with what makes an unsuccessful buyer.

Specific   How successful of a buyer do you think you are?
How do you define success?

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EXHIBIT 3

GENERAL QUESTIONS FOR FOCUSED INTERVIEWS

(1) Contrast your most long-term business relationship with your most short-term relationship. Why did the long (short) one last so long (briefly)? How has it helped improve your performance? If so...how has the performance affected your relationship? Has it helped you access information?

(2) To you, what is trust?

(3) Contrast a trusting business relationship (over there) with a relationship that lacks trust.

(4) How did the trust develop?
How did the distrust develop?

(5) Contrast the lessons you learned from the trusting relationship with the lessons you learned from the nontrusting relationship?

(6) How does your knowledge of the (_____) culture help you develop relationships? Give me an example. How does this affect your business?, your products?

(7) What makes you good at learning from these experiences. What makes you good at acquiring cultural knowledge?... Product knowledge?

(8) Contrast your interactions with the local culture when you first started doing business with your interactions now. How did it change over time? How has your involvement with the culture changed over time?

EXHIBIT 4

INFORMANT SPECIFIC QUESTIONS

RED

1) Give me an example of how your traveling has helped your buying skills.

2) Give me an example of how your "girlfriends" have helped you learn about buying for your business.

3) Why is it so important to know people for such a long time in Thailand? Tell me about a trusting relationship that took time to develop.

4) Tell me about an experience where someone gave you misinformation about a delivery time.

5) Tell me about the expression "my penli". How has it affected your business relationships, trust, and success?

6) Tell me about how you developed skills needed to form long-term business relationships?

7) Contrast your involvement with the Thai culture now with your involvement when you first started doing business there. How did things change? Did anything happen midway through the process of change?

8) You talked about your close(r) relationships with women in Thailand. Do the women you are close with keep your fashions private? Contrast this with the men.

9) Tell me a story about where a friendship led to you developing some type of business clout.

JAN

1) Give me an example where you mistook friendship for professional courtesy in Japan.

2) Tell me how your relationships have affected your ability to get quota.

3) You told me a story about a six-year relationship in Japan that ended when the person bypassed you and went directly to a supplier. What did you learn from the experience?

4) Tell me about your closest relationship with an agent in Japan. Contrast this with Indonesia (and Thailand).

5) Define the **"real trusts"** that you have developed in Japan. Contrast this with the trusts you have developed in Indonesia (and Thailand).

EXHIBIT 5

GENERATION OF SCALE ITEMS

Cultural Sensitivity

Cultural Declarative Knowledge (Time and Face)

(1) I understand how local planting seasons effect my business.
(2) I know what time of year key religious festivals are.
(3) I realize that it takes a great deal of time to develop relationships in _____.
(4) I understand the importance of patience in my business.
*(5) I do <u>not</u> understand how local people in _____ view time.
(6) I understand how the concept of face effects my business dealings.
(7) I realize that by making unreasonable requests within negotiations, both myself and my producer will lose face.
(8) I realize that the concept of face has an impact on my business relationships in _____.
*(9) I do <u>not</u> understand the concept of face.
(10) I understand how loss of face effects respect within my business relationships in _____.

Etic Procedural Knowledge

(1) In business negotiation within _____, I strive for quick solutions.
(2) During my business negotiations in _____, I will tell the truth, even if it hurts.
*(3) During my business negotiations in _____, I will leave my producer a way to bow out gracefully.
(4) During my business negotiations in _____, I am very direct and to the point.
(5) I typically cancel meeting if my partner is late.
*(6) I consider local festivals when scheduling production.
(7) I do not consider local holidays when scheduling production.

Emic Procedural Knowledge

(1) In _____, I avoid confrontation within my business dealings.
(2) In _____, even if I am angry I typically do not show it.
(3) In _____, I know how to act in order to get my point across.
(4) In _____, I know how to act in order not to embarrass people.
*(5) In _____, I <u>do not</u> know how to act in order not to lose face.
(6) In _____, when my _____ partner is upset, I know how to act appropriately.
(7) In _____, I typically incorporate growing seasons into my production schedule.
*(8) In _____, I do not typically consider local holidays when scheduling production.

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Emic Procedural Knowledge (continued)

(9) In _____, I know how to handle people when they are late for meetings.
(10) In _____, I know how to act polychronic.

Environmental Scanning

(1) I am good at reading body language.
(2) I listen to what my _____ business partner's needs are.
(3) I am good at half talking and half hand signaling.
(4) I don't need to know the _____ language to listen and understand.
(5) I spend a lot of time scanning the business environment in _____.
*(6) I am a poor listener.

Attitude Toward One's Cultural Experience

(1) I have been fascinated by international travel.
(2) I have enjoyed traveling within new cultures.
(3) I have enjoyed the opportunity of cross-cultural experiences.
(4) I have been enamored by _____ culture.
*(5) I now realize that there are many "not so wonderful elements within the _____ culture.
*(6) I feel jaded in my experience with many local people in _____.

Depth of Cultural Immersion

(1) I have been formally educated in _____.
(2) I have participated in _____ festivals.
(3) I have attended town parades in _____.
(4) I have participated in _____ events with members of the local business culture.
(5) I have attended local _____ weddings.
(6) I have attended local _____ funerals.
*(7) I have <u>not</u> become immersed within the _____ culture.
(8) I am involved in meaningful relationships with members of the _____ culture.
(9) I have become good friends with my business partners within the _____ culture.
(10) I feel close to many people within the _____ culture.

Trust

Integrity Trust

  (1) My _____ business partner is open with me.
  (2) My _____ business partner is honest with me.
*(3) My _____ business partner <u>does not</u> liberally discloses
     information to me.
  (4) My _____ business partner will hide information from me.
  (5) My _____ business partner has integrity.
  (6) My _____ business partner has no hidden agendas.
*(7) My _____ business partner is a thief.
  (8) My _____ business partner accurately discloses
     information to me.

Caring Trust

  (1) My _____ business partner has my best interest in
     mind.
  (2) My _____ business partner has good motives toward me.
  (3) My _____ business partner cares about my financial health.
*(4) My _____ business partner <u>does not</u> care about me.
  (5) My _____ business partner would sabotage one of my production
     runs.
  (6) My _____ business partner would take my money and run.

Competency Trust

  (1) My _____ business partner has the <u>machinery</u> needed to fulfill
     his or her promises to me.
*(2) My _____ business partner <u>lacks</u> the <u>facilities</u> needed to
     fulfill his or her promises to me.
  (3) My _____ business partner has the <u>sewers</u> needed to fulfill
     his or her promises to me
  (4) My _____ business partner has the <u>skills</u> needed to fulfill
     his or her promises to me.
  (5) My _____ business partner has the <u>equipment</u> needed to fulfill
     his or her promises to me.

Reliability Trust

*(1) My _____ business partner is <u>unreliable</u>.
  (2) My _____ business partner is dependable.
  (3) My _____ business partner fulfills his or her obligations.
  (4) My _____ business partner can be counted on.
  (5) My _____ business partner takes responsibility for what is
     assigned to him or her.
  (6) My _____ business partner will come through in a bind.

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Shared Frames of Meaning

Declarative Frames

   (1) We both understand the meaning of a promise.

   (2) We both have a common understanding regarding the meaning of respect.
   (3) We both understand the importance of face.
   (4) We both understand the meaning of a deadline.
   (5) We both understand the importance of patience in our business relationships.
 *(6) We <u>lack</u> a common understanding regarding the importance of deadlines.

Procedural Frames

 *(1) We do not agree on how to negotiate deadlines appropriately.
   (2) We both understand how to specify timely orders.
   (3) We both understand how to handle appropriately late production runs.
   (5) Our common negotiating style helps us save face.
   (6) We share a common system to make the production process work.
   (7) We share a common procedure to help us avoid conflict.
   (8) Our mutual understanding helps us effectively resolve problems without the loss of face.

Committed Long-Term Relationships

   (1) We are both motivated to keep our relationship in tact.
   (2) We are committed to keep our partnership going.
   (3) We do not feel committed to staying together.
   (4) We both hope our relationship stays together for the long-term.
 *(5) Our relationship is a short-term deal.
   (6) Our relationship is like a good marriage.

Effective Communications

   (1) We provide <u>accurate</u> information to each other.
   (2) We provide <u>abundant</u> information to each other.
   (3) We provide <u>appropriate</u> information to each other.
   (4) Our mutual communications are good.
 *(5) We communicate poorly with each other.

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EDUCATION

Virginia Polytechnic Institute and State University
    Ph.D. Candidate in Marketing, May 1997
    Minor Concentrations in Sociology and Psychology

University of Colorado at Denver
    M.S. Degree in Marketing, May 1989
    Minor Concentration in Management Information Systems

University of Colorado at Denver
    M.B.A. Degree, May 1988
    Major Concentration in Finance

State University of New York at Geneseo
    B.A. Degree in Geology, December 1980
    Minor Concentration in Anthropology

DISSERTATION

Title: "The Role of Cultural Sensitivity and Trust in Relational Marketing: An Analysis of Buyer/Seller Relationships in the Asian Pacific Rim"

Committee: Jim Littlefield (co-chair), Julie L. Ozanne (co-chair), M. Joseph Sirgy, Noreen Klein, Donald Shoemaker (Sociology)

Abstract: This study's primary goal was to specify what cultural sensitivity is and delineate the process of its formation. In addition, the role that cultural sensitivity plays within the international buying process was probed. Accordingly, antecedents and consequences of cultural sensitivity are specified.

    Overall, this study empirically examines buyer/seller interactions within the Asian Pacific Rim. Based on multiple in-depth interviews of key informants, salient strategic domains emerged and are delineated within a Grounded Theory model.

    Within the early analysis phases, trust emerged as a salient domain and a consequence of cultural sensitivity. This study examines the structure of trust as well as its role within the international buying process.

    Four structural dimensions of cultural sensitivity emerged: (1) cultural declarative knowledge, (2) etic (outsiders') procedural knowledge, (3) emic (insiders') procedural knowledge, and (4) environmental scanning. In addition, the process of cultural sensitivity was found to have the following four stages: (1) The Honeymooner; (2) The Worker; (3) The Outsider; and (4) The Transspector. Each stage was shown to vary in terms of four structural dimensions. In addition, culture shock is explained within this model.

A new conceptualization of trust emerged with the four following dimensions: (1) integrity trust, (2) caring trust, (3) benevolence trust, and (4) reliability trust. Of key importance, shared frames of meaning emerged as a new dyadic construct with the following two dimensions: (1) shared declarative frames, and (2) shared procedural frames. Finally, an overall model is introduced with antecedents, and consequences of these three focal domains: cultural sensitivity, trust, and shared frames of meaning.

TEACHING INTERESTS

International Marketing	Marketing Strategy
Marketing Management	Marketing Research
Consumer/Buyer Behavior	Advertising Management

RESEARCH INTERESTS

International Marketing: (1) theoretical development in the area of cross-cultural knowledge and relationships; (2) cultural values and their role in entrepreneurial behavior, (3) conceptual development of the political orientation construct and its application as a segmentation tool; (4) theoretical development in the area of culture and creativity with regard to new product development.

Social Issues in Consumer Behavior: (1) application of critical methods to problematic aspects of buyer behavior; (2) investigation of professional shoplifting from a differential association theory perspective; (3) examination of compulsive consumption from an attribution theory perspective.

PUBLICATIONS

JOURNAL ARTICLES

Murray, Jeff B., Julie L. Ozanne and Jon M. Shapiro (1994), "Translating the Critical Imagination into Action: Releasing The Crouched Tiger," Journal of Consumer Research, Vol. 21 (December) 110-118.

COMPETITIVE PAPERS

Shapiro, Jon (1992), "Impulse Buying: A New Framework," in Developments in Marketing Science, Vol. 15, ed. Vicky Crittenden, Chestnut Hill, MA: Academy of Marketing Science, 76-80.

Shapiro, Jon (1993), "Compulsive Buying: A Multivariate Examination," in Developments in Marketing Science, eds. Michael Levy and Dhruv Grewal, Coral Gables, FL: Academy of Marketing Science, 62-66. Received Jane Fenyo Award for Best Student Paper (second place).

INVITED PAPERS

Wright, Newell and Jon Shapiro (1992), "Consumption and the Crisis of Teen Pregnancy: A Critical Theory Approach," in <u>Advances in Consumer Research</u>, Vol. 19, eds. John F. Sherry, Jr. and Brian Sternthal, Provo, UT: Association for Consumer Research, 404-406.

Shapiro, Jon (1993), "Compulsive Buying and Self-Gifts: A Motivational Perspective," in <u>Advances in Consumer Research</u>, eds. Leigh McAllister and Michael L. Rothchild, Provo, UT: Association for Consumer Research, 557.

RESEARCH IN PROGRESS

"Compulsive Buying and Therapeutic Self Gifts: An Examination of Influential Factors." Data analysis completed. Positioned for the <u>Journal of Marketing and Public Policy</u>.

"Consumer Shoplifting: A New Theoretical Perspective.," Measures have been pretested and refined. Based on preliminary results, the self-developed measures corresponding to Differential Association Theory have a very large effect on both shoplifting propensity and acquisition magnitude.

"The Effects of Political Orientation on International Consumption Patterns" with W. Val Larsen and Newell Wright. Data Collection in progress. Administration of multiple instruments will be completed by August, 1997.

"Teenagers in Crisis: A Critical Theory Approach to Health and Nutrition," with Julie L. Ozanne. In conceptual development stage. Based on our analysis of preliminary data we have identified a number of key domains. We are currently considering new research sites.

"Ethnic and Non-Ethnic Entrepreneurs in Small Business: A Comparative Approach," with Gopal Iyer. Data collection in progress. Analysis will be completed by November, 1997.

"Creativity and Language: How to Facilitate Effective New Product Development," with Rajesh Sethi. In conceptual growth stage.

RESEARCH EXPERIENCE

Research Assistant, 1991-92, Virginia Polytechnic Institute and State University, Dr. Julie L. Ozanne. My work with Julie Ozanne involved auditing a class in international marketing, writing examination questions, grading quizzes, and explaining concepts to students during office hours. Our joint research culminated in a special session at the 1992 ACR conference, and a paper with Jeff B. Murray titled, "Translating The Critical Imagination Into Action: Releasing The Crouched Tiger" which was published in the <u>Journal of Consumer Research</u>.

Research Assistant, 1992-93, Virginia Polytechnic Institute and State University, Dr. Janet Keith. My work with Janet Keith involved grading assignments and conducting a series of multivariate procedures involving jackknifing for various projects. Additionally, I reviewed a series of articles on relational marketing which provided me key insights regarding my dissertation research.

Research Assistant, 1993-94, Virginia Polytechnic Institute and State University, Dr. Jim Littlefield. My work with Jim Littlefield focused on the affect of cultural knowledge on product innovation within the fashion industry.

TEACHING EXPERIENCE

Part-time Instructor, 1990-1991, and Summers 1991-94, Virginia Polytechnic Institute and State University. Courses taught include International Marketing and Marketing Management. Teaching evaluations were at the departmental average the first year, but were above the departmental average thereafter (mean = 4.44 on a 5-point scale).

In these classes, a number of innovative teaching techniques were utilized. For the Marketing Management class, students conducted positioning analyses within retail environments. Using the concepts learned in class, they assessed the positioning strategies across a chosen competitive arena. Then, using information obtained through ABI databases they compared their field research to secondary data. Results and interpretations were then related to key marketing concepts. For my International Marketing class, students studied a culture of interest. After conducting in-depth interviews with at least three members of the culture, and reading novels and/or documentaries on the culture, students then developed a product-offering based on an assessment of the market within the chosen country.

In 1995, at Clarkson University, I taught undergraduate sections of **international marketing, advertising and promotion, and consumer behavior**. Additionally, I taught a graduate section of **international marketing** and had overall evaluations well above the departmental average (mean = 5.9 on a 7-point scale).

In the last two years, at the University Center at Tulsa, I have taught undergraduate sections of **international marketing, strategic marketing, marketing research, and marketing principals** and had overall evaluations at the top of the College of Business (mean = 4.7 on a 5-point scale).

INDUSTRY EXPERIENCE

Strategic Marketing and Fundraising, 1987-1990, Boulder Center for the Visual Arts. Implemented innovative and successful fundraising programs. Involved with the production and sales of the Thirteenth Street Journal, an artistic/cultural monthly magazine which doubled in size during this time period.

Geological Consultant, 1987-1990, Baker Hughes Inc. Between semesters, worked on the two deepest and most expensive wells ever drilled in North America. Brought in to evaluate key pay-zones and to manage (and program) a computerized data unit which integrated geologic, engineering and environmental information. Worked as a liaison between the companies' geology, engineering, and strategic management departments. In addition, helped to evaluate the impact of volcanic activity on oil storage facilities in Cook Inlet, Alaska during a series of major eruptions.

Geological Consultant and Regional Sales Representative, 1981-1986, Stearns Well Services. Geologist on over 100 natural gas and geothermal, wildcat wells at domestic and international locations. Clients included Amoco, Chevron, Arco, Gulf and Penzoil. Responsible for the Denver territory from 1/84 to 6/86.

Research Coordinator, 1977-1979, Jamaica Bay Council. Environmental group serving the City of New York. Received the "Presidents Award for Environmental Protection." Conducted research responsible for the designation of a 540 acre urban wilderness area. Supervised 40 youths in the reclamation of two parks and in the construction of a community planting garden within an urban ghetto. Conducted educational tours within a local estuary.

SERVICE, ACTIVITIES, AND AWARDS

Reviewer, Southern Marketing Association Conference, Atlanta GA, 1993

Discussant, Quality of Life Conference, Washington D.C., 1992

Student Organization Advisor of the Year Award, 1996, at the University Center at Tulsa. Our student organization won first place for the top web-page design at The American Marketing Association National Student Competition.

PROFESSIONAL AFFILIATIONS

American Marketing Association

Association for Consumer Research

Academy of Marketing Science

REFERENCES

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