

# **Antecedents of Long-Term Buyer-Seller Relationships: A Cross Cultural Integration**

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## **EXECUTIVE SUMMARY**

This paper reviews past literature and proposes a model to compare the antecedents of buyer-seller long-term relationships across different cultures. Drawing on organizational buying behavior and channel relationship theories, a comprehensive causal model is developed of the moderating function national culture plays in determining long-term buyer-seller relationships. Our conceptual model is based on Hofstede's national culture dimensions—individualism, power distance, uncertainty avoidance and masculinity/femininity—that alter the form of the relationship between antecedents and outcome variables. The paper ends with concluding remarks and suggestions for future research for enhancing the development of cross-cultural relationship marketing theory. Our paper offers a more comprehensive understanding of the similarities and differences in the relative importance of key 'success' variables contributing to long-term buyer-seller relationships on a global basis.

**Keywords:** Commitment, communication; cooperation; interdependence; national culture, relationship duration, satisfaction, social bonding; structural bonding; satisfaction; trust.

## **Antecedents of Long-Term Buyer-Seller Relationships: A Cross Cultural Integration**

The growth in popularity of relationship marketing has been explained as a response to the changed market environment, including heightened competition, changing structure of markets and increased sophistication of customers. We have observed firms alter their perspectives in an attempt to gain greater competitive advantage through relationships; firms have been shifting from adversarial interactions, typical of the arm's length, traditional buyer-seller transaction, to long-term relationships based on mutual advantage and survival. In this context, a major shift from a transaction to a relationship perspective is developing for the study of long-term buyer-seller relationships.

Along with the emergence of the importance of relationships in market dealings, the globalization of the world economy has made it increasingly important for today's marketing managers to understand how to do business in different cultural contexts. Given the increasing importance of international business, cross-cultural research becomes more and more relevant to marketing academics and practitioners. A fuller understanding of consumer behavior as an academic discipline requires that the validity of models developed in one country be examined in other countries as well. A country's culture has long been identified as a key environmental characteristic underlying systematic differences in buyer-seller behavior. Cultural norms and beliefs are powerful forces shaping people's perceptions, dispositions, and behaviors (Aaker and Lee 2001; Markus and Kitayama, 1991). A society's culture determines the way its people interact by establishing "appropriate" beliefs and behavioral standards.

Taking the above-mentioned problems into account, the primary objective of our conceptual paper is to expand the understanding of buyer-seller relationships by developing a model that incorporates cultural aspects. One important contribution that is introduced in our model is the moderating effect of national culture, defined with four of Hofstede's (2001) dimensions, on the nature of the buyer-seller relationship. In the remaining sections of this paper we develop the theoretical basis for the several moderating effects.

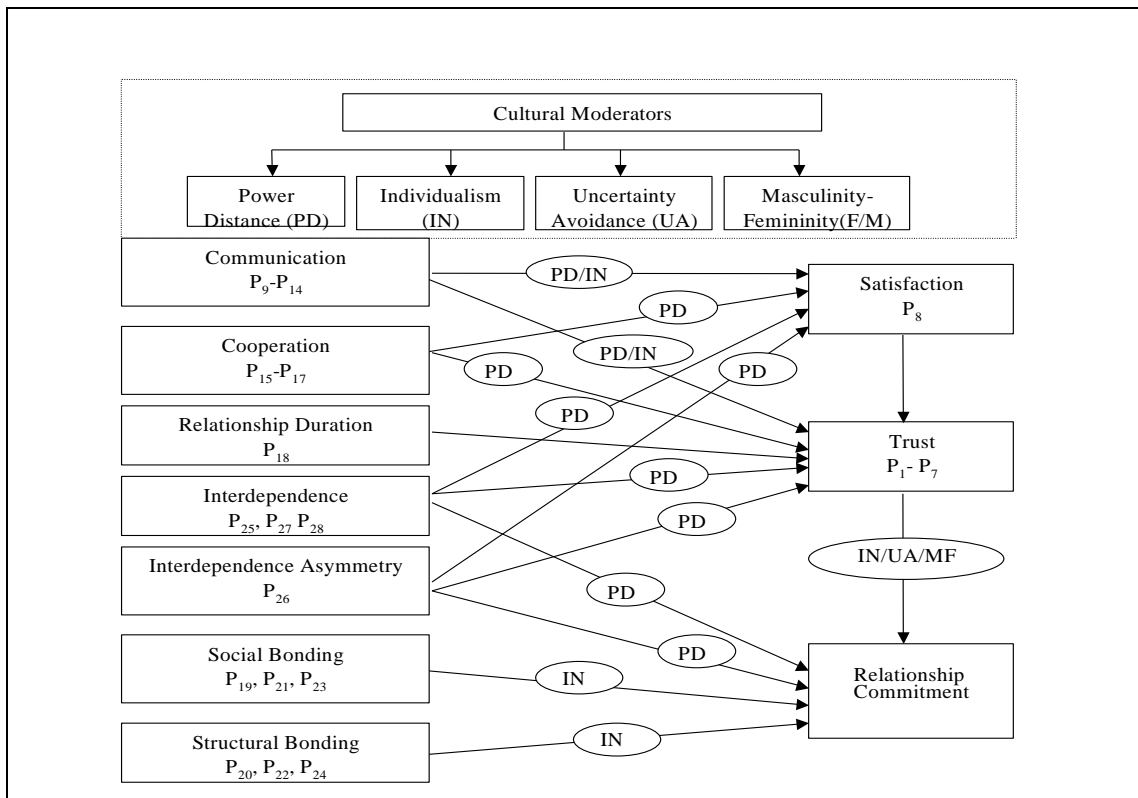
Our paper is divided into four parts. After the introductory section, we propose our conceptual model and review the relevant literatures related to buyer-seller relationships and several national culture values embedded in it. Following the conceptual discussion, we propose a number of research propositions that link national cultural values to antecedents and outcome variables in our long-term buyer-seller relationship model. In the paper's final section, we discuss the model's strengths and weaknesses, and draw conclusions, managerial implications, and suggestions for future research.

## BUYER-SELLER RELATIONSHIP MODEL AND RELATED LITERATURE

The study of buyer-seller relationships is grounded on transaction cost theory, relational contracting theory, social exchange theory, resource dependence theory and political economy theory. In addition, empirical models, drawing on a variety of management disciplines, have been proposed and tested in the literature. Our review of existing works points to a number of factors that affect buyer and seller’s long-term orientations. We identify *commitment* as the representative indicator of the state of long-term buyer-seller relationships. Hence, commitment will be treated as our main outcome, or construct. *Trust* and *satisfaction* are proposed as two important constructs antecedent to *commitment*—satisfaction is proposed to affect commitment through trust. The remaining constructs in our model—*communication*, *cooperation*, *relationship duration*, *interdependence*, *interdependence asymmetry*, *social bonding*, and *structural bonding*—constitute the relationship atmosphere surrounding long-term buyer-seller relationships. As the relationship atmosphere between buyer and seller improves, the amount of satisfaction, trust and commitment in the relationship increases. Figure 1 presents our conceptualization of our long-term buyer-seller relationship model with the key variables moderated by national culture factors.

FIGURE 1

### Propositions Associated with Major Variables in the Conceptual Research Model of National Culture’s Moderating Role in Long-Term Buyer-Seller Relationships



As depicted in figure 1, seven antecedents impact upon three important outcome factors in the model, while four national cultural factors moderate the key relationships.

### **Communication**

A customer's initial contact with a seller includes some form of either written or oral communication. The style, tone and content of this initial communication will likely shape the first impressions of either or both parties and may affect the nature of the relationship that develops (Wren and Simpson 1996, p.72). Sheth (1976) developed a conceptual framework of communication in explaining buyer-seller relationships. He characterized communication along two dimensions: content and style. Content of communication represents the substantive aspects of the purpose for which the two parties have gotten together. Communication content is further defined in terms of five utility dimensions: functional, social organizational, situational, emotional, and curiosity. The second communication dimension is style, which is sub-divided into three dimensions: task oriented, interaction oriented and self-oriented. Sheth suggests that the determinant factors of communication content and style are: 1) personal factors 2) organizational factors, and 3) product-specific factors. Personal factors drive communication style, organizational factors drive both communication content and style, and product specific factors drive the communication content in buyer-seller relationships (Sheth 1976). Both communications theory and organizational theory suggest a focus on various facets of communication: Frequency, direction, modality, and content. Communication is an important part of any exchange relationship, and the nature of communication that exists between exchange partners is an important part of relationship atmosphere. Communication content, or exchange in this study, has been defined as "the formal as well as informal sharing of meaningful, timely and frequent information between firms" (Anderson, Lodish, and Weitz 1987; Anderson and Narus 1990).

In the IMP Group's relationship model, *communication exchange* is antecedent to both satisfaction and trust. (Hakansson 1982), and is based on a cooperative rather than adversarial buyer-seller relationship. Thus, focus centers on the ongoing relationship between the parties rather than discrete purchase decisions or transactions. According to the IMP group model, the interaction process involves several forms of communication exchange between buyer and seller—product, information, financial and social. Thus, outcome factors are influenced largely by communication content, style and the method of information exchange.

### **Cooperation**

*Cooperation*, similar to communication exchange, is directly linked to *satisfaction* and *trust* as dramatized in figure 1. The essence of the conceptualization is that the nature of the buyer-seller relationship is cooperative rather than adversarial (Hakansson 1982). Similarly, Wilson (1995) views *cooperation* as complementary coordination of actions taken by firms in interdependent relationships to achieve mutual outcomes that are reciprocal. Based on social exchange theory, Anderson and Narus (1990) constructed their buyer-seller relationship model from earlier work by Anderson and Narus (1984) and Anderson and Weitz (1989), both of which concurred with the thrust of the IMP Group's model linking *cooperation* to enhanced relationship *satisfaction* and *trust*.

### **Relationship Duration**

According to the extant literature, *relationship duration*, the length of time the relationship has existed, is linked directly to *trust* among buyers and sellers (Anderson and Narus 1990; Anderson and Weitz 1989; Hakansson 1982; Wilson 1995). Perhaps Dwyer, Schurr, and Oh's (1987) five-phase development process model best depicts the thrust of thinking about relationship duration and trust. As they argue, the stages of the relationship-building process are: 1) awareness of the feasibility of effective exchange; 2) exploration efforts, which characterizes the search and trial phase including the development of norms for the relationship and expectations; 3) expansion, where increased risk taking develops due to establishment of trust in the relationship; 4) commitment, the implicit and explicit pledge of relational continuity; and 5) dissolution, or the possible break up of the relationship. Dwyer et al. (1987) stressed that *relationship duration* is critically important to achieve the benefits of the several relational phases; *trust* directly affects *commitment* and thus represents one of the most important linkages in their model.

### **Interdependence and Interdependence Symmetry**

As shown in figure 1, *interdependence* and *interdependence asymmetry* are both linked to the three outcome variables—*satisfaction*, *trust* and *commitment*. Wilson (1995), building on the model of Dwyer et al. (1987) and Dwyer and Walker (1981), states that power imbalance is a direct result of the degree of one partner's dependence on the other partner. Performance satisfaction is the partner's satisfaction with the basic elements of the business relationship. Power imbalance is the ability to get one party to do something it would not otherwise do. It is directly related to the degree of *dependence* of one party on the other. Relative dependence is defined as the perceived difference between a firm's dependence and its exchange partner's dependence on the working relationship. Relative dependence determines the extent to which a firm will have influence over, or be influenced by, its exchange partner. Influence over and influences by the partner firm are constructs that reflect the extent to which a firm has applied power to influence partner firm action. These constructs reflect the *interdependence* between exchange partners.

The topic of *interdependence* between channel members has received substantial research attention in the last three decades. Marketing scholars have conceptualized *total interdependence* as the sum of both firm's dependence (i.e., the extent to which a firm needs to maintain a channel relationship to achieve its desired goals) of channel members, and *interdependence asymmetry*, the difference between firm's dependence between channel members. Kumar, Scheer, and Steenkamp (1995) examined the effects of channel interdependence on inter-firm *conflict*, *trust* and *commitment*. Their analysis indicated that conflict is greater when interdependence is lower and interdependence asymmetry is higher. *Trust* and *commitment* were higher when interdependence is greater and interdependence asymmetry is lower.

### **Structural and Social Bonding**

Bonding is defined as the dimension of a business relationship that results in two parties (customer and supplier) act in a unified manner towards a desired goal. Various bonds exist between parties that indicate different levels of a relationship (Callaghan, Jannelle, and Yau 1994). Bonding has been successful in explaining within country buyer-seller relationships (IMP Group 1982; Wilson and Moller 1988). Bonds, or ties, between business firms are an important aspect of exchange relationships in the network theory. In the literature, bonds are classified under two broad categories: structural and social bonding. Structural bonding is the task orientation between buyer and seller. Structural bonds are those forces that create impediments to termination of the relationship. It is the "degree to which certain ties link and hold a buyer and seller together in a relationship as a result of some mutually beneficial economic, strategic, technological, or organizational

objective” (Williams, Han, and Qualls 1998). Social bonding is the bonding that takes place between individuals (i.e., the buyer and seller), and is reflective of the degree of mutual personal friendship and liking shared by buyer and seller (Wilson 1995). During social bonding, individuals are bonded together via the organizational members’ personal and social relationship with their counterparts in a particular firm. Personal factors, such as trust or satisfaction with the relationship partner, play an important role in developing social bonding (Williams et al. 1998). Bonds reflect and cause commitment in business relationships (Hakansson and Snehota 1995). While studying members of the Purchasing Management Association of Canada, Smith (1998) discovered that social, functional, and structural bonds provide the context from which relational outcomes, such as trust, satisfaction and commitment, are evaluated. Furthermore, he argues that communication, cooperation, and relationship investment are important predictors of social bonding, while relationship investment predicts structural bonding. Williams et al. (1998) assert that both social and structural bonding is positively related to commitment, although structural bonding has a greater effect on commitment than social bonding. In sum, based on the bonding research, we propose that structural and social bonding is positively related to commitment.

### **Satisfaction, Trust and Commitment**

In his meta-analysis, Mishra (2000) identified *satisfaction* and *trust* as antecedent constructs to *relationship commitment*. According to Tees (1994), *satisfaction* alone may not be sufficient to indicate the quality of a relationship, because it can focus too much on present satisfaction experiences. Both researchers suggest that *trust* and *commitment*, among other factors, are more appropriate to measure relationship quality. Consistent with several previous studies, we conceptualize satisfaction, trust and commitment as representative indicators of buyer-seller relationship quality.

*Trust*, defined as “one party’s belief that its needs will be fulfilled in the future by actions undertaken by the other party”, is similar to the notion used by Anderson and Narus (1990). Trust is a fundamental relationship building block, and has been widely studied in many buyer-seller relationship models, particularly as a crucial factor in the shift from discrete market transactions to continuous exchange relationships (Dwyer et al. 1987; Ganeson 1994). Relationship marketing scholars acknowledge that trust is the pivotal factor in evaluating buyer-seller relationships, and that it therefore deserves priority attention. They note that when business relationships entail both buyers and sellers expending resources to develop relationships over an extended period of time, one expects trust to be a key aspect in defining the emotional aspect of the relationship for both parties.

*Relationship commitment*, as defined by Moorman, Zaltman, and Deshpande (1992), is an “enduring desire to maintain a valued relationship”. As per the authors, a “valued relationship” exists when the relationship is considered important. Similarly, their “enduring desire to maintain” basically means that a committed partner wants the relationship to endure indefinitely and is willingly to work at maintaining it. Morgan and Hunt (1994) define commitment as “an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum effort to maintain it” (Morgan and Hunt 1994 pg. 23). They view relationship commitment as central to all relational exchanges between buyers and sellers. In the services relationship marketing, Berry and Parasuraman (1991) make mention of the fact that “relationships are built on the foundation of mutual commitment”. Similarly, the process through which consumers become committed to specific brands has been widely discussed. Initially, loyalty was viewed as simply repeat buying. However, as the field of consumer behavior matured researchers came to realize that repurchase is not sufficient evidence of brand loyalty. Assael (1969) defines brand loyalty as a commitment to a certain

brand. Firms see brand loyalty as one of their main assets and make efforts to build and nurture it. In the marketing context, commitment is considered a key component of long-term relationships.

Ganeson (1994) advocates the view that the quality of the relationship determines the probability of continued exchange between buyers and sellers. Although there is no consensus about what constructs make up relationship quality (Kumar et al. 1995), it is generally conceptualized as being concerned with the extent to which buyer and seller are satisfied with the relationship, trust each other, and are committed to its long-term maintenance. Morgan and Hunt (1994) demonstrate that a strong buyer-seller relationship is a product of high levels of trust and commitment present in the relationship. Their findings indicate that both trust and commitment are “key mediating variables” in the establishment of such a relationship.

Relationship commitment has recently emerged in the marketing literature as a critically important element for maintaining long-term relationships. Commitment can be viewed as dedication to the continuation of a relationship (Dwyer et al. 1987). Our interest in this variable stems from the fact that it represents the continued stability of a relationship, and its operationalization serves as a surrogate measure of the long-term connection between two or more parties. Commitment, according to Dwyer et al. (1987), refers to “an implicit or explicit pledge of relational continuity between exchange partners”, and they consider commitment to be the most advanced phase of the buyer-seller exchange relationship. Commitment connotes a “future orientation”, and it is the most representative variable in the sense that it refers to both the stability of the relationship (Johnson 1982) as well as the relationship’s quality and durability.

In the foregoing sections, we have reviewed several of the important and complementary approaches used to describe buyer-seller exchange relationships. The IMP group’s (Hakansson 1982) interaction approach resulted in an inductive model, and suggested that relationship atmosphere (i.e., communication, cooperation, relationship duration and interdependence) is an important determinant of long-term partner attractiveness within exchange relationships. The antecedent factors presented in our model are primarily based on the pioneering study of IMP group (Hakansson 1982) and the integrated buyer-seller relationship model proposed by Wilson (1995). Research in social exchange theory, channels and the emerging literature in relationship marketing provided the basis for the antecedent factors affecting long-term buyer-seller relationships employed in our model described below.

## **BUYER-SELLER RELATIONSHIP MODEL AND NATIONAL CULTURE**

The concept of national culture is widely interpreted. Nearly 54 years ago, Kroeber and Kluckhohn (1952) identified more than 160 ways culture can be defined. Kluckhohn (1962) defined culture as the part of human make up “which is learned by people as the result of belonging to a particular group, and is that part of learned behavior that is shared by others. It is our social legacy, as contrasted to our organic heredity”. National culture has been used in marketing research as general theory (Clark 1990) to explain differences in marketing management decision-making (Tse, Lee, Vertinsky, and Wehrung 1988) and market orientation. It has also been shown to influence buyer behavior across international markets in industrial (Money et al. 1998) and consumer settings (Aaker and Maheswaran 1997).

To study national culture between two countries we turn to the seminal work of Hofstede (1980, 1991, 2001), who defines culture as the “collective programming of the mind which distinguishes the members of one

group or category of people from those of another” (Hofstede 1991, p. 5). In the most exhaustive cross-cultural study to date, based on questionnaire data from 117,000 IBM employees in 66 countries across seven occupations, Hofstede (1980) established four dimensions of national culture. His typology is one of the major frameworks for understanding culture. Hofstede and Bond (1988) added the fifth dimension—long-term versus short-term orientation, otherwise known as Confucian dynamism—using a survey instrument developed with Chinese employees and managers. Hofstede (1980) found differences in cultural values between the employees representing different countries within one organization. Of the five dimensions, we have elected to investigate the relationship between four we believe possess theoretical support for our relationship model—Individualism, Power Distance, Uncertainty Avoidance and Masculinity/Femininity.

### **Individualism**

Individualism focuses on the degree the society reinforces individual or collective, achievement and interpersonal relationships. A high individualism ranking indicates that individuality and individual rights are paramount within the society. Individuals in these societies may tend to form a larger number of looser relationships. A low individualism ranking typifies societies of a more collectivist nature with close ties between individuals. These cultures reinforce extended families and collectives where everyone takes responsibility for fellow members of their group.

### **Power Distance**

Power distance focuses on the degree of equality, or inequality, between people in the country's society. A high power distance ranking indicates that inequalities of power and wealth have been allowed to grow within the society. These societies are more likely to follow a caste system that does not allow significant upward mobility of its citizens. A low power distance ranking indicates the society de-emphasizes the differences between citizen's power and wealth. In these societies equality and opportunity for everyone is stressed; the key issue is the extent to which members of a society accept that power is unequally distributed. In high power distance countries there is a hierarchy in relationships such as parent-child, teacher-student, and superior-subordinate. The one superior in rank or status cannot be argued with and must be respected. Status symbols are more frequently used in large power distance cultures, such as in India and several other Asian societies. According to Hofstede (1983), all societies are unequal but some are more unequal than others. The degree of inequality is measured by Hofstede's power distance scale.

### **Uncertainty Avoidance**

Uncertainty avoidance focuses on the level of tolerance for uncertainty and ambiguity within the society - i.e. unstructured situations. A high uncertainty avoidance ranking indicates the country has a low tolerance for uncertainty and ambiguity. This creates a rule-oriented society that institutes laws, rules, regulations, and controls in order to reduce the amount of uncertainty. A low uncertainty avoidance ranking indicates the country has less concern about ambiguity and uncertainty and has more tolerance for a variety of opinions. This is reflected in a society that is less rule-oriented, more readily accepts change, and takes more and greater risks.

### **Masculinity/Femininity**

Masculinity/Femininity focuses on the degree the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power. A high masculinity ranking indicates the country experiences a high degree of gender differentiation. In these cultures, males dominate a

significant portion of the society and power structure, with females being controlled by male domination. A low masculinity ranking indicates the country has a low level of differentiation and discrimination between genders. In these cultures, females are treated equally to males in all aspects of the society. Masculine cultures have been viewed as "doing and acquiring rather than thinking and observing" (Newman and Nollen 1996), whereas feminine cultures exhibit a greater pattern of nurturing. Companies in masculine cultures tend to be performance driven (Kale and McIntyre 1991). The motive for commitment may be grounded in calculative factors for firms from masculine societies. The relationship is sustained after calculating the perceived cost and benefits of an endeavor. Conversely, companies from feminine societies (which believe in achieving greater harmony) may have an increased tendency to develop commitment based on positive or "goodwill" factors that result in a more affective form of commitment (Geszyk et al. 1996).

## **RESEARCH PROPOSITIONS**

### **Trust, Commitment and National Cultural Values**

Trust is a key construct in most models of long-term business as well as personal relationships (Morgan and Hunt 1994). Based on the literature reviewed in the earlier section, we propose the following propositions pertaining to trust and commitment (note: propositions are depicted in Figure 1 for each key variable (e.g., P1, P2, et cetera)):

- P1 Greater trust between buyer and seller results in stronger commitment to the relationship.

Doney, Cannon, and Mullen (1998) conceptualized the effect of national culture on the trust building process of international buyer-seller relationships, and Doney and Cannon (1997) envisioned five cognitive trust building processes that affect the development and maintenance of cross-cultural relationships. Their research suggests that cultures exhibiting a high degree of individualism and low power distance will determine trust by analytical means (calculative and capability processes). In contrast, trust is built more on internationality and transference in collectivist and high power distance cultures.

Individualist societies are characterized by a self-orientated and "loose" interpersonal relationship culture. On the other hand, collectivist societies are characterized by a group-oriented and "tight" interpersonal relationship culture. A buyer's trust in a sales person is likely to be a driver of commitment and long-term orientation only in cultures which emphasize greater importance on interaction and group-oriented relationships. Less relationship-oriented cultures are more likely to choose a seller primarily based on objective performance criteria. Conversely, buyers in more relationship-oriented cultures are more likely to prefer dealing with firms and sales people whom they can trust.

Perceived risk is defined as the uncertainty that the customers face when they cannot foresee the consequences of their purchase decisions. Both risk (high probability of failure of an event) and ambiguity (unknown probability of occurrence of an event) create uncertainty with which buyers feel uncomfortable at the start of relationships with sellers. People from high uncertainty avoidance cultures feel uncomfortable

when facing unknown situations. They actively avoid uncertainty through careful planning and risk aversion, whereas low uncertainty avoidance customers are more accepting of uncertainty and embrace risk. Customers from high uncertainty avoidance cultures, on the contrary, are very cautious when establishing relationships with sellers. Dash and Saji (2007) provide empirical evidence indicating that increased levels of trust will have a negative effect on perceived risk associated with online shopping. Because of careful planning, customers from high uncertainty avoidance cultures are likely place more emphasis on seller trustworthiness when developing lasting relationships. Seller trustworthiness provides the buyer with visible evidence about the seller that aids her in making decisions by lowering perceived risk. In buyer seller relationships, uncertainty and ambiguity are reduced by trust. Conversely, buyers from low uncertainty avoidance cultures are quite capable of surviving uncertain situations, and will not place great importance on seller trustworthiness for developing commitment.

Masculine cultures differ from feminine cultures in terms of the relationship between trust and commitment. Firms from feminine societies may have a greater propensity to build relationships characterized by higher degrees of trusting relationships compared to their counterpart masculine societies due to an increased attempt to create harmony and goodwill within the relationship (Pressey and Salassie 2003). However customers in masculine cultures place more importance on competitiveness and measures of objective performance.

In summary, customers from low individualistic, high uncertainty avoidance cultures will consider trust as a more important factor for commitment compared to customers in high individualistic and low uncertainty avoidance cultures. Customers from feminist cultures will place greater importance in the trust-commitment linkage. Thus, we offer the following propositions:

- P2 Individualism negatively moderates the relationship between trust and commitment.
- P3 Trust, as an antecedent of commitment, will be given higher importance by low individualist compared to their counterpart high individualist buyers.
- P4 Uncertainty avoidance positively moderates the relationship between trust and commitment.
- P5 Trust, as an antecedent of commitment, will be given higher importance by high uncertainty avoidance compared to their counterpart low uncertainty avoidance buyers.
- P6 Masculinity negatively moderates the relationship between trust and commitment.
- P7 Trust, as an antecedent of commitment, will be given more importance in feminine societies than in masculine societies.

### **Satisfaction and National Cultural Values**

Satisfaction includes all the characteristics of the relationship that a firm considers to be, on the one hand, rewarding and profitable, and, on the other, costly and frustrating. In our model, satisfaction is defined as “a positive affective state resulting from the appraisal of all aspects of a firm’s working relationship with

another firm” (Anderson and Narus 1984, p. 66). As interaction proceeds, the parties assess their ongoing relationships and determine the degree of satisfaction or dissatisfaction each experiences. Selnes (1998) considered satisfaction as a strong antecedent of trust. The feeling of satisfaction about the relationship enables the customer to build trust. Absent satisfying experiences, it is unlikely that trust will develop and the relationship continue. Trust is built upon the accumulation of satisfaction in past interactions. For the purpose of cross-cultural comparisons, Cheng (1994) argues there may be “context excluded” or “context embedded” relationships between model constructs across different cultural contexts. In his conceptualization, the linkage between satisfaction and trust, as well as relationship duration and trust, is assumed to be unaffected by cross-cultural differences since they are “context-excluded” relationships. We assume that satisfaction’s positive effect upon trust is robust across different cultural contexts. Thus, we propose:

- P8 Greater satisfaction between buyers and sellers results in stronger trust in their relationship.

### **Communication and National Cultural Values**

Researchers have not agreed on the direction of the causal relationship between communication and trust. Dwyer et al. (1987) argued that trust leads to communication. Anderson, et al. (1987), on the other hand, believe that communication is positively associated with trust. In an empirical study of this hypothesis, Anderson and Narus (1990) found empirical support for communication leading to trust contention. In a similar finding, Moorman, Zaltman, and Deshpande (1993) state that timely communication fosters trust by assisting in resolving disputes and aligning perceptions and expectations. Therefore, based on the extant literature, we offer following proposition:

- P9 The stronger the perceived communications exchange, the greater the (a) satisfaction and (b) trust in the relationship.

Donthu and Yoo (1998) argue service providers have power over customers due to expertise, professional knowledge and other skills. Furthermore, they argue that differences between providers and customers are visible across societies in terms of social class status, education levels, and occupations. The authors argue that customers of high power distance cultures would tend to respect and defer to service providers. Weak customers in high power distance cultures are treated as very much nonexistence by powerful service providers, and are very much dependent on them due to their own power disadvantage. Therefore, in comparison to strong customers, weak customers are more likely to tolerate failure from more powerful service providers.

Under conditions of symmetrical power, a high frequency of communication occurs and information flows both up and down the inter-organization hierarchy. As power is dispersed, however, the volume of communication increases. Conversely, for asymmetrical power conditions, communication flows will be from the more powerful member to weaker members (Bacharach and Aiken 1977; Jablin 1987; Mohr and Nevin 1990). On the other hand, in low power distance cultures, consultative and participative decision-making is more common between powerful and weaker parties. Similarly, within participative (i.e., low power distance situations) organizations, there exists a natural sharing of power and higher worker participation in management decisions (Kale and McIntyre 1991).

Timely and frequent communication exchange facilitates consultative and participative decision making in

buyer-seller relationship. In lower power distance cultures, the distribution of power tends to be more symmetric and greater recognition is made of timely and frequent information exchange between sellers and buyers. Buyers would not tolerate poor quality of communication exchange from sellers due to sellers' relative power advantage. On the other hand, buyers in large power distance culture, as a result of their tolerance of accepting inequalities in power, would likely expect comparatively lower levels of timely and frequent communication exchanges from sellers. They would tolerate and accept poor communication exchange from sellers because of the seller's relative power advantage position in the relationship. Therefore, we suggest that the link between communication exchange and buyer attitudes is highly dependent on the degree of power distance. That is, when power distance increases, the expectation of frequent and timely two-way communication exchange towards establishing satisfaction and trust decreases. Thus, we offer following propositions:

P10 Power distance negatively moderates the relationship between communication exchange and (a) satisfaction and (b) trust.

P11 Frequent and timely two-way communication exchange as an antecedent of (a) satisfaction and (b) trust will be of greater importance to low power distance buyers compared to their counterpart high power distance buyers.

Regarding style of communication, Miles, Arnold, and Nash (1990) connected the communication style dimension of Sheth (1976) with the stages of buyer seller relationship development of Dwyer et al. (1987). They suggested that task oriented buyers will expect a task oriented sales adaptation at all stages of the relationship, while the interaction oriented buyer will expect an interaction style of communication in the early stages of the relationship (i.e. awareness and exploration development) and a combination of interaction style and task style communication in the latter stages (i.e., expansion and commitment). Kale and Barnes (1992) proposed that buyers from collectivist cultures preferred sales behavior to be more cooperative, integrative, and interaction oriented in comparison to buyers from individualistic cultures. Hofstede's individualism/collectivism dimension concerns the "relationship between the individual and the collective in a given society." The core values associated with individualism/collectivism reflect the way people interact, such as the importance of unilateral versus group goals, and the strength of interpersonal ties. Individualist cultures are characterized by high degrees of self-orientation and "loose" interpersonal ties. They give low priority to personal relationships and find it difficult to invest time needed to develop a substantial relationship before addressing the task at hand. Therefore, individualists prefer a task-oriented style of communication to interaction-oriented communication.

Conversely, collectivist cultures are characterized as extremely group oriented. Because collectivists value social relationships, they will prefer to establish strong personal relationships in their business dealings as well. People in these societies foster the security of belonging with each other. Therefore, an interaction oriented communication style will be preferred by collectivist societies. Therefore we propose:

P12 Individualism moderates the relationship between communication style and (a) satisfaction and (b) trust.

P13 Interaction oriented communication style as an antecedent of (a) satisfaction and (b) trust will be of greater importance to buyers in collectivist societies compared

to individualist societies.

- P14 Task oriented communication style as an antecedent of (a) satisfaction and (b) trust will be of greater importance to Individualist societies compared to collectivist societies.

### **Cooperation and National Cultural Values**

Cooperation refers to the extent to which parties in a working relationship help one another and coordinate their actions (Anderson and Narus 1990). Dwyer et al. (1987) found that cooperation and satisfaction are correlated. Anderson and Narus (1990) found a strong, indirect, positive relationship between cooperation and satisfaction: cooperation is linked to satisfaction through trust. Anderson and Narus (1990) hypothesized that as trust increased in a relationship, cooperation would increase as well. Our model specifies that cooperation will lead to greater satisfaction and trust, a statement that is consistent with prior relationship research. The following proposition addresses this point:

- P15 The stronger the perceived cooperation, the stronger the (a) satisfaction and (b) trust in the buyer-seller relationship across national cultures.

As mentioned earlier, the balance of power in the buyer-seller relationship lies with the seller. Weak buyers are dependent on more powerful sellers. Members having lower power in higher power distance societies would expect that power be unequally distributed. Extending this logic to buyer-seller relationships, one would expect that buyers in higher power distance societies are more likely to tolerate lower levels of cooperation, and, therefore, form lower expectations regarding cooperative behavior expectations when interacting with relatively powerful sellers. On the other hand, in lower power distance cultures, the socially sanctioned power difference between sellers and buyer is relatively low. As a consequence, buyers would not tolerate poor cooperation from sellers. Hence, we can conclude that the linkage between cooperation and customer attitude is highly dependent upon the degree of power distance across cultural contexts. Thus, we propose:

- P16 Power distance negatively moderates the relationship between cooperation and (a) satisfaction and (b) trust.
- P17 Cooperation, as an antecedent of (a) satisfaction and (b) trust, will be given comparatively lower importance by high power distance buyers compared to their counterpart low power distance buyers.

### **Relationship Duration and National Cultural Values**

Kao's (1998) dynamic model implies that interpersonal trust grows over time. Similarly, Lewicki and Bunker (1996) posit three stages of trust development in professional relationships: calculus-based trust, knowledge-based trust, and identification-based trust. Their three trust-types are very similar to Kao's dynamic model of interpersonal trust. In both models, interpersonal trust develops gradually as the parties move from one stage to another (Lewicki and Bunker 1996). Trust begins to develop as calculus-based trust develops, and as parties get to know one another better the relationship moves to knowledge-based trust, and then to identification-based trust, although trust can decline as well as develop over time (Lewicki and Bunker 1996). The longer the duration of the relationship, the more trust buyers and sellers build with one

another. We would expect that as relationship duration increases, so would the level of trust in the relationship. Based on Cheng's (1994) results, we assume that the positive effect of relationship duration in enhancing customer's trust is robust across different cultural contexts. Therefore, we propose:

- P18 Trust increases as the duration of the relationship between corporate buyer and seller increases.

### **Bonding and National Cultural Values**

Bonding is defined as the dimension of a business relationship that results in two parties (buyer and seller) acting in a unified manner towards a desired goal. In the marketing literature, bonds are classified under two broad categories: structural and social. Structural bonding is the "degree to which certain ties link and hold a buyer and seller together in a relationship as a result of some mutually beneficial economic, strategic, technological, or organizational objective" (Williams, Han, and Qualls 1998). Social bonding is the measure of the degree to which close personal relationships have developed between buyers and sellers that have had a working relationship for some time. During social bonding, individuals are pulled together via the organizational members' personal and social relationships with their counterparts in a particular firm (Williams et al. 1998). Hence, we propose the following:

- P19 The stronger the perceived social bonding, the greater will be commitment to the relationship.
- P20 The stronger the perceived structural bonding, the greater will be commitment to the relationship.

Bonding has been successful in explaining within country buyer-seller relationships (IMP Group 1982). Williams et al. (1998) related levels of individualism to social and structural bonding. They characterized individualistic national cultures as those with less interpersonal orientation (i.e. structural bonding), while collectivist national cultures are more interpersonally oriented (i.e., high social bonding). Conversely, buyers from highly individualistic countries had the strongest desire for structural bonding. In a similar finding, Adler, Gehrke, and Graham (1987) discovered that relationships were more important to Mexican negotiators (collectivists) than to negotiators from the United States (individualists). Malhotra, Ulgado, Agarwal, and Baalbaki (1994) opined that customers in developing countries give more importance to social interaction and personal connectivity than do their counterparts from developed countries. A buyer's social closeness with a sales person is likely to be a driver of commitment only in cultures emphasizing greater importance on interpersonal and social relationships. When the relationship is evaluated on the basis of economic criteria, short-term gains (such as good pricing and organizational relationship) are given greater importance. Less relationship-oriented cultures are more likely to choose a seller primarily based on objective performance criteria. Conversely, buyers in more relationship-oriented cultures are more likely to prefer dealing with the sales people with whom they can establish personal and social relationships.

Based on the literature, individualism is viewed as a negative moderator for the social bonding-commitment relationship and positive moderator for the structural bonding-commitment relation. Therefore, our model specifies that the link between bonding and commitment is dependent upon the degree of individualism across different national cultures. The following propositions address this point:

- P21 Individualism negatively moderates the relationship between social bonding and commitment.
- P22 Individualism positively moderates the relationship between structural bonding and commitment.
- P23 Social bonding, as an antecedent of commitment, will be given higher importance by low individualist buyers compared to their counterpart high individualist buyers.
- P24 Structural bonding, as an antecedent of commitment, will be given higher importance by high individualist buyers compared to their counterpart low individualist buyers.

### **Interdependence, Interdependence Asymmetry and National Cultural Values**

Dependence, or the extent to which it is necessary to maintain specific channel relationships to achieve desired goals, is arguably the most important construct in understanding distributor channel relationship, because channel members are dependent on each other (Hakansson 1982). Buyers and sellers are dependent on each other to some extent, and, obviously, this dependence will vary greatly among relationships. High seller dependence on buyers would likely lead the buyer to obtain superior performance results, as the seller has only limited options at his avail. A seller with large buyer dependence will often be in a situation of lock-in, as it is unable to dispose of the buyer, unless at an excessive cost. Dependence, therefore, has a significant impact on the long-term relationship between buyers and sellers.

The interdependence structure of a dyadic buyer-seller relationship encompasses each party's relative dependence. Recently, the concept of dependence has been elevated to the dyadic level interdependence with the recognition that a firm's dependence on another firm is relative to the other firm's dependence on it (Buchanan 1992; Kumar et al. 1995). Total interdependence is the sum of both party's dependence, whereas interdependence asymmetry is the difference between firm's dependence on its partner, and its partner's dependence on the firm (Emerson 1962). Symmetric interdependence exists when the firm and its partner are equally dependent on each other. In such a situation, both parties will have equal access to resources that are valued by their partner.

Because one firm's dependence on a partner is a source of power for that partner (Emerson 1962), total interdependence and interdependence asymmetry are equivalent to the total power and power asymmetry derived from the firms' dependence. Ties of total interdependence provide each party in the relationship with the opportunity to facilitate the other's goal attainment.

When there is high total interdependence between channel participants, the interests of both parties will converge and both parties face relatively high exit barriers. In such a situation, positive attitudes, such as satisfaction, trust and commitment, will likely emerge. Several researchers have demonstrated that greater total interdependence leads to higher trust, relationship commitment (e.g., Dash, et al. 2006; Geysken et al. 1996; Kumar, et al. 1995) and satisfaction (Kim 2003). In case of a power imbalance, the high power party

will attempt to exploit its advantage and the low power party will become dissatisfied with the relationship and, consequently, will be less motivated to continue the relationship for affective reasons (Anderson and Narus 1984; Anderson and Weitz 1989; Ganeson 1994; Varadarajan and Cunningham 1995). Dwyer and Walker (1981) and Roering (1977) provide empirical evidence to dramatize that, the greater the power of a firm, the more likely that firm is to use coercive means of influencing in another firm in its channel of distribution. Previous studies have suggested that asymmetry of dependence, regardless of direction of asymmetry, is related negatively to distributor attitudes (e.g., satisfaction, trust and commitment) because of the exploitation opportunities that are caused by the imbalance in dependence (Anderson and Weitz 1989; Kuma, et al. 1995). Hence, we propose the following hypotheses linking interdependence structure and corporate customer's attitudes:

- P25 The greater the perceived total interdependence, the greater the (a) satisfaction, (b) trust and (c) commitment.
- P26 As the interdependence asymmetry between buyers and sellers increases, (a) satisfaction, (b) trust and (c) commitment will decrease.

As discussed earlier, in large power distance cultures, an asymmetric balance of power exists between the relatively powerful and relatively weak partners. Extending this logic to total interdependence and buyer attitudes, we propose that, in large power distance cultures, as a result of their characteristics of tolerance in accepting inequalities in power, buyers' expectations of a symmetric interdependence relationship from a powerful seller will be comparatively lower than from a small power distance cultures. Consequently, buyers in high power distance societies are likely to set a low level of interdependence expectation in the relationship. On the other hand, in small power distance cultures the socially sanctioned small power distance between buyer and seller will encourage the buyer to maintain a balance of interdependence in the relationship with the seller. High total interdependence in this context is necessary, as the buyers will not expect and accept any type of unequal distribution of power in their relationship. Kale and McIntyre (1991) argue that small power distance societies encourage participative decision-making and value relationships based on comparable dependence. Dash et al. (2006), in their bank relationship study, provided empirical evidence that power distance is a negative moderator of the interdependence commitment link. They showed that the effect of interdependence on trust and commitment is much higher in a small power distance society (Canada) than in a higher power distance society (India). Thus, power distance is actually a negative moderator for the interdependence-commitment relationship. We suggest that the link between interdependence relationship and customer attitudes is highly dependent on the extent of power distance prevailing in the societal context. Thus, we propose:

- P27 Power distance negatively moderates the relationship between interdependence and (a) satisfaction, (b) trust and (c) commitment.
- P28 Interdependence, as an antecedent of (a) satisfaction, (b) trust and (c) commitment, will be given higher importance by low power distance buyers compared to their counterpart high power distance buyers.

## DISCUSSION, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

### Discussion of the Conceptual Model

Given the recent business trend to seek and conscientiously develop long-term relationships, a better understanding of these relationships among partners from different cultures would help the efforts of practitioners in their pursuit of such relationships. Despite their obvious importance, the antecedent conditions and processes of buyer-seller long-term relationship development have not been systematically studied cross-culturally. The present study begins the task of filling this gap.

Our purpose in writing this paper was to expand current understanding of buyer-seller long-term relationships by developing a model incorporating antecedent factors of business relationships between buyers and their sellers in a cross cultural context. Several Hofstede's national culture value dimensions—individualism, power distance, uncertainty avoidance and masculinity/femininity cultural values were employed as moderating factors in our model that integrates features of traditional buyer-seller models. Our literature review revealed that some of the most significant determinants of trust are (1) satisfaction, (2) communication, (3) cooperation, (4) relationship duration, (5) interdependence, and (6) interdependence asymmetry. Similarly, the most significant determinants of satisfaction were (1) communication, (2) cooperation, (3) total interdependence, and (4) interdependence asymmetry. The most important determinants of commitment were (1) trust, (2) social bonding, (3) structural bonding, (4) interdependence, and (5) interdependence asymmetry. A series of research propositions about these antecedent variables were developed from the existing literature as well as from our conceptualization. Additionally, we proposed propositions concerning the moderating effects of national cultural values. We believe individualism impacts the linkage between trust and commitment, and between social bonding, structural bonding and commitment. Power distance is believed to exert an influence on the relationships between several antecedents (i.e., communication, cooperation, and interdependence) and the three outcome variables (i.e., satisfaction, trust and commitment). Power distance also is expected to exert a negative influence on the linkage between interdependence asymmetry and satisfaction, trust and commitment. Finally, we propose that uncertainty avoidance and masculinity/femininity moderate the relationship between trust and commitment.

The conceptual development offered in this research offers researchers working propositions that will direct enquiry into cross-cultural buyer-seller long-term relationships. Appendix I provides detailed descriptions of concepts and measurement scales that future researchers may use in attempting to empirically test the study propositions. The items employed for assessing individualism and power distance cultural value were drawn directly from the cultural value scale developed by Yoo, Donthu, and Lenartowicz (2001). The advantage of this scale over Hofstede's (1980, 1991, 2001) scale is that, the instrument can also be applicable to general consumer situations and is not limited to work-related situations. From their four nation's study (i.e., South Korea, Brazil, and Poland), Yoo, Donthu, and Lenartowicz (2001) demonstrate that the items assessing cultural value have adequate psychometric properties.

Researchers have acknowledged that culture is relevant in business dealings and that to ignore them poses risks businesses should not make. The cultural influences, however, are not only nationality based—they may be from among sub-cultures within larger national settings. Samiee and Jeong (1994) argue that sub-cultures may be present within the geographic boundaries of different countries, and that variations in relationship expectations between sub-cultures in the same country may exist as well. Donthu and Yoo (1998) discovered individual level variations in service quality expectations across several countries. Au

(1999) explained why variations within a culture, or intra cultural variation, are an important construct for international management research. The term “culture” is not synonymous with term “country”, even though ‘country’ has been used as a surrogate for culture in many cross-cultural studies (e.g., Clark 1990; Roth 1995). Panda and Gupta (2004) proposed to adopt an evolutionary–emic approach along with an etic approach to explore regional variation of culture within India.

To ignore the impacts of cultural differences, therefore, is to run a risk that marketing practices may be flawed both within and outside the country. Relationship marketing practices in one country, or culture, or cultural sub-grouping, may be different from other countries or cultural groups. This paper attempts to provide insights for marketing theorists and practitioners about the relative importance of developing marketing strategies for long-term buyer-seller relationships in a cross-cultural context. Our theorizing supports the hypotheses that knowledge of a country’s culture(s) exerts a strong influence on how relationships are formed, maintained, and fail. It is now a challenge for academic researchers to take these findings and make necessary adjustments in our models in order to advance knowledge pertaining to buyer-seller relationships. The future belongs to businesses that effectively manage the relationship atmosphere variables surrounding buyer-seller relationships in cross-a cultural context.

### **Limitations and Directions for Future Research**

While the summary of past works and the integration of several theories derived from these works into our model are interesting and useful, the limitations of our conceptual contribution will be questionable in the absence of empirical findings. We encourage further theorizing, empirical testing, replication and extensions of our work so that greater confidence can be placed in its implications. Moderating effects of culture on established behavioral linkages have been shown to be substantial in past works, and, furthermore, provide real-world guidance to managers who work in relationships spanning several cultures.

One limitation of our model is that attention is focused primarily on the buyer’s perspective—elements that buyers consider important in developing and maintaining relationships with companion sellers. The buyer’s view is, in itself, important, but may have to be modified if seller’s views are different. We agree with Tyler and Stanley (1999), who noted that, in a dyadic relationship, both buyer’s and seller’s observations are very much important for deriving meaningful conclusions. For this reason, future research work on the dyadic perspective may provide more useful insights.

Second, the study’s focus is directed to only one stage of buyer-seller relationship (i.e. maintenance stage). If the review was expanded to include buyers at other stages of the buyer-seller relationship (i.e., a general inquiry), then, as suggested by Wilson (1995), there could be very different levels of importance placed on the “success” variables in the relationship. There might also be a difference in the type of relationship preferences of the buyer at different stages.

Third, our research investigated one particular type of buyer -seller relationship—the case where the seller is more powerful than the buyer. Therefore, the propositions proposed from our model may not be applicable to other settings where power differentials are reversed or changing over time. Future research should investigate the buyer-seller relationship process in varying settings (e.g., between powerful buyers and weaker sellers, among coalitions of weak sellers and powerful buyers, across time where the power differentials change or even reverse between parties).

Fourth, we employed Hofstede's dimensions of national cultural values, which differ from cultural values discussed by other researchers. Expanding the analysis to include more cultural dimensions would provide managers and researchers more incisive insights into the dynamics occurring between buyers and sellers. Future studies should review the effect of other cultural dimensions on the relative importance of relationship marketing strategies that strive to enhance satisfaction, trust and commitment among partners. This represents a logical extension for future research.

Finally, This study constitutes an early effort at the review of the antecedent factors of buyer-seller long-term relationships in a cross-cultural context. Consequently, it raises more questions than it answers. All of these issues discussed in this section are relevant questions that future studies on buyer-seller long-term relationships may have to address. As the businesses become more and more global in their strategic thinking, it behooves managers and researchers to grapple with the complex interplay between marketing practices and cultural values. To ignore the fact that culture influences marketing practice is synonymous to overlooking the reality that advertising influences consumer choices, or lower prices typically lead to higher sales, or higher satisfaction typically leads to more committed buyers. The challenge is apparent—culture is a factor both researchers and managers must become cognizant of in trying to understand buyer-seller relationships over the long term.

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## APPENDIX I

## Measurement Items and Operationalization of Study Constructs

Constructs	Definition	Measurement Items	References
Communication Exchange	The formal as well as informal sharing of meaningful, timely and frequent information between firms	Our communication is open and honest We keep each other informed about events or changes that may affect the other. Exchanging information, market condition and strategies with this supplier. Reviewing and providing feedback on each other's performance takes place frequently.	Kim and Frazier (1997) Smith (1998) Dahlstrom, McNeilly, and Speh (1996)
Interaction-Oriented Communication Style	Importance of personalization and socialization for sales	The customer was interested in socializing The customer tried to establish a personal relationship This customer was easy to talk with This customer seemed to be more interested in not only as salesperson, but as a person The customer likes to talk to people	William and Spiro (1985)
Task oriented communication style	Highly goal oriented and purposeful. It would be most appropriate in a mechanistic or transactional selling situation.	The customer wanted to finish the shopping task The customer wanted to complete his shopping task as effectively as possible The customer seemed to be more interested in himself than in the product or what I have to say.	William and Spiro (1985)
Cooperation	The extent to which parties in a working relationship help one another and	We help our seller in whatever ways they ask. Our seller helps out our firm in whatever ways they ask.	Smith (1998) Anderson and Narus (1990)

	coordinate their actions	I believe cooperation is a characteristic of our relationship	
Relationship Duration	The duration of relationship existed between buyer and seller	About how long has your company had contact with this supplier?	Doney and Canon (1997)
Interdependence	The extent to which it is necessary to maintain specific channel relationships to achieve desired goals	In our trade area, there are other firms that provide the seller with comparable distribution(r) In our trade area the seller would incur minimal costs in replacing our firm with another dealer. It would be difficult for the seller to replace the sales and profit our dealership generates. We are dependant on this seller for sales in this region	Ganesan (1994) Kumar, Scheer, and Steenkamp (1995)
Satisfaction	A positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm.	Over all I believe we are both quite satisfied with our working relationship This is among the best supplier relationships that I have experienced I have not been happy with this relationship	Smith (1998)
Trust	Trust is the firm's belief that another company will perform actions that will result in positive actions for the firms, as well as not take unexpected actions that would result in negative outcomes for the	In our relationship my major seller can be counted as to do the right thing In our relationship my major seller has high integrity. The sales person has been frank in dealing with us. The salesperson is not trustworthy Though circumstances change, we believe that the seller will be ready and willing to offer us assistance and support. While taking important decisions,	Kumar, Scheer, and Steenkamp (1995) Doney and Canon (1997) Morgan and Hunt (1994)

	firm.	the seller is concerned about our welfare	
Commitment	Commitment indicates the motivation one possesses to maintain a relationship.	Something we are very committed Something my firm intends to maintain indefinitely Deserves our firm's maximum efforts to maintain	Morgan and Hunt (1994)
Social Bonding	During social bonding, individuals are bonded together via the organizational members' personal and social relationship with their counterparts in a particular firm.	In personal sense how closely you and your partner tied  Sharing of personal advice and support.  Feeling of belongingness and acceptance Friendship.	Smith (1998)  Rodriquez and Wilson (1999)
Structural Bonding	Structural bonding is the task orientation between buyer and seller. It is the "degree to which certain ties link a buyer and seller together in a relationship as a result of some mutually beneficial objective.	In an economic sense to what extent does your company need to have a close relationship with this alliance partner  Guided by formal contracts and agreement  Sharing of industry or competitive information  Electronic ties or linkages between Organizations such as electronics mail, access to computer database or support.  Exchange cards, gifts and the like on birthdays, holidays or on special events.	Smith (1998)  Rodriquez and Wilson (1999)

<p>Individualism</p>	<p>Individualism focuses on the degree society reinforces individual achievement and interpersonal relationships.</p>	<p>Individuals should sacrifice self-interest for the group (either at school or the work place).</p> <p>Individuals should stick with the group even through difficulties.</p> <p>Group welfare is more important than individual rewards.</p> <p>Group success is more important than individual success.</p> <p>Individuals should only pursue their goals after considering the welfare of the group.</p> <p>Group loyalty should be encouraged even if individual goals suffer.</p>	<p>Yoo et al, (2001)</p>
<p>Power Distance</p>	<p>The degree of equality between people in the country's society.</p>	<p>People in higher positions should make most decisions without consulting people in lower positions.</p> <p>People in higher positions should not ask the opinions of people in lower positions too frequently.</p> <p>People in higher positions should avoid social interaction with people in lower positions.</p> <p>People in lower positions should not disagree with decisions by people in higher positions.</p> <p>People in higher positions should</p>	<p>Yoo et al, (2001)</p>

		not delegate important tasks to people in lower positions.	
Masculinity	Masculinity focuses on the degree the society reinforces the traditional masculine work role model of male achievement, control, and power.	<p>It is more important for men to have a professional career than it is for women.</p> <p>Men usually solve problems with logical analysis; women usually solve problems with intuition.</p> <p>Solving difficult problems usually requires an active, forcible approach, which is typical of men.</p> <p>There are some jobs that a man can always do better than a woman.</p>	Yoo et al, (2001)
Uncertainty Avoidance	Uncertainty Avoidance focuses on the level of tolerance for uncertainty and ambiguity within the society - i.e. unstructured situations.	<p>It is important to have instructions spelled out in detail so that I always know what I'm expected to do.</p> <p>It is important to closely follow instructions and procedures.</p> <p>Rules and regulations are important because they inform me of what is expected of me.</p> <p>Standardized work procedures are helpful.</p> <p>Instructions for operations are important.</p>	Yoo et al, (2001)