

The Impact of Cultural Sensitivity on Business Growth in the
Container Shipping Industry

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Foreword

Life is all about taking long journeys and setting high targets. Once we set a target, we find a way to fight to achieve it. What seems to be unreachable can be reached with a detailed and structured plan, dedication and focus.

I was born in 1985 in Haifa, Israel, a city known for its culturally diverse environment, a city that is home to Israeli Jews, Christians and Muslims and to the Ahmadi, Druze and Bahá'í communities. Unlike in many other culturally diverse cities around the world, life in Haifa exemplifies how people from different cultures can live and work together peacefully. Growing up in a city like this made me aware that although the world is culturally diverse, awareness of cultural differences can bridge the gaps. At age 11 I relocated to Japan with my family and I began studying at an international school where I was truly exposed to the world's cultural diversity. Studying at an international school in Japan gave a much wider perspective on global cultures and how they are differentiated.

During the last two years of my studies I was relocated to Hong Kong, one of the world's most culturally diverse cities, to take on the position of Chief Finance Officer at a leading global container shipping company. Doing business in this city with colleagues, partners, customers and vendors from across the globe helped me understand the importance of being culturally sensitive and aware of cultural differences. Working for a global shipping company that provides country-to-country containerized services for shipping raw materials and consumer goods to its customers, I realized that one shipping trade leg from the Far East to Europe crosses more than five different significant cultural zones (Japan, China, South East Asia, India, and Europe), each marked by differences in culture, ethics and code of conduct.

I always had the feeling that those who are more culturally sensitive can be more successful in business. Cultural knowledge goes back to ancient times, beginning with the invention of the wheel that initiated the transfer of knowledge and ideas from one place to another and continuing through the globalization of today (Bulliet, 2016). Along my professional journey I was witness to how cultural gaps can be an obstacle. Yet I also saw that understanding these cultural gaps and acting appropriately can turn this disadvantage into an advantage that produce better personal relationships and more importantly can promote success in business engagements.

I read a great deal of research but found no evidence showing how lack of cultural sensitivity impacts the quality of relationships with customers and in turn, sales performance. Although everyone who works in culturally diverse environments understands that this is the case, there was no academic proof for it. I came to the conclusion that a quantitative study was needed to assess the practical impact of cultural sensitivity and relationship quality on actual sales

performance. With the support of the company I work for, ZIM Integrated Services Ltd., I successfully conducted this study that sheds new light on this body of knowledge.

This research was conducted with the support of my supervisors, Professor Mollie Painter and Professor Marius Van Dijke, and with the help of Nottingham Trent University's DBA program. To conduct this research, I used academic sources such as books and published articles, but also business-related sources published by industry research houses and global data bases. On a personal level, this research enriched both my academic and my business knowledge. I now know a lot more about global business practices, global cultures and statistical tools. This research took me on a journey to areas of knowledge I never thought I would reach.

Acknowledgements

This thesis is dedicated to the memory of my mother **Esther** (19.7.1949-16.2.2000), named after the biblical Queen Esther, who in her death taught me to appreciate the gift of life and to recognize that every moment can change your whole life; and to my father, **Ron**, who taught me that hard work, dedication, everyday small deeds of ordinary folk, of kindness and acts of love are what keep the darkness away. **Take life as it comes.**

First and foremost, I thank Nottingham Trent University and my supervisors, Professor Mollie Painter and Professor Marius Van Dijke, who supported me with their patience, professionalism, thoroughness and knowledge.

This research has been a personal journey for me, with many ups and downs. It has been a ride on the waves of knowledge to the shores of the practical business world. I would like to thank my family for always being an inspiration for me: my father Ron, who took me by the hand to start this journey and led me to self-fulfilment; my mother Esther who passed away in 2000 but is always on my mind; my brother Enon, who motivated me to believe that **all** dreams can be reached; and my two sisters, Meitav, who helped me see the pure goodness in life and Ykrat, who inspired me to remain positive and always see the upside of life.

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I extend a big thank you to Mr. Danny Hoffmann, Goldstar Line's Managing Director and my current manager, who gave me the opportunity to leverage myself and professionally taught me that the personal approach in business life is everything.

Abstract

For firms around the world, globalization brings new challenges as well as new opportunities. This process, in which information, products, people, money and technology cross national boundaries, has been rapidly growing (Walters 2001). In the current globalised business environment marked by diverse cultures and multiple interactions, recognition of cultural differences is critical. While globalization seeks to integrate different cultures in one standardized form, the culture, ethics, behaviour and local laws in each country or society serve to maintain local variations (Huff and Smith 2008).

Based on an understanding of the inherent business potential of global markets, global firms have devoted efforts to searching for new markets both for selling their products and for finding more cost-efficient manufacturing opportunities (Johnson, Lenartowicz, and Apud, 2006; Walters 2001). The need to understand the systems involved in international institutions, new markets, and retail business has yielded an ongoing desire to enhance knowledge to support business (Dixon 1982, 1984, 1991). In a global business environment that includes person-to-person interactions, cross-cultural gaps can become an obstacle that may negatively affect the outcome of business engagements. Sensitivity to cultural gaps and the ability to bridge them can positively impact the target of business engagements and thus enhance business (LaBahn and Harich, 1997; Su et al. 2008). This research aims to enhance knowledge regarding the impact of cultural sensitivity on business engagements in general and on sales performance in the container shipping industry in particular.

The theoretical model used in this research is a mediation-based model emerging from market observations that were supported and reinforced by the literature review. The model is based on the notion that salespersons who are more culturally sensitive will develop higher level relationships with their customers. These relationships, in turn, will yield higher sales performance.

The initial model was based on the positive effect of cultural sensitivity on relationship level found in the literature (Nguyen and Nguyen 2014). That initial model assumed that the correlation between the predictor variable of cultural sensitivity and the criterion variable of sales performance is mediated by the level of the salesperson-customer relationship. Yet the research findings provided no indication of the involvement of a mediation model. According to the results, relationship level plays no role in the relationship between cultural sensitivity and success in sales performance. Indeed, in cross-cultural business environments the component of cultural sensitivity is so significant in predicting performance that it renders the relationship level component statistically non-significant as a predictor of performance. This finding adds a very important layer of knowledge to global business regarding the importance of cultural sensitivity.

Instead, the outcome of this research points to a different proposed model of cross-cultural sales engagements. The dimensions of relationship level, and primarily trust, that were previously assumed to be necessary for building a strong relationship with the business partner turned out to be statistically insignificant in predicting performance when cultural sensitivity is included in the model. In a cross-cultural business environment, sales can flourish without the necessity for a high relationship level with the customer so long as the salesperson maintains high cultural sensitivity.

Furthermore, this study reviews topics complementary to the research: globalization, culture, cultural diversity, cultural sensitivity and relationship level, thus enhancing the body of knowledge regarding the impact of cultural sensitivity on business engagements in general and on sales performance in the container shipping industry in particular. The analysis is based on actual sales performance data and can thus provide global companies with practical knowledge regarding how cultural sensitivity and level of relationship between salesperson and customer are related to success in sales performance—the company's source of income.

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1 Introduction

Throughout history, humans have strived to understand the relationships and institutional arrangements entailed in buying, selling and trading goods and services. Today more than ever, the growing trend toward globalization in a world marked by diverse cultures (Doney, Cannon, and Mullen 1998) has intensified the need to understand such relationships in the context of commerce. The globalized business world brings new opportunities along with new challenges (Tirthankar and Giorgio 2018). Global firms have understood the business potential in global markets and have made an effort to search for new potential markets both to sell their products and to manufacture them cost-effectively (Johnson, Lenartowicz, and Apud, 2006). The need to understand the trading system through institutions, new markets, and retail in international systems has yielded an ongoing desire to enhance knowledge (Dixon 1982, 1984, 1991). Although some of these global engagements were successful, others were unsuccessful, among other reasons because firms and their executives failed to adapt to intercultural and international business environments (Tung 1982; Doremus et al. 1998; Ricks 1999; Apud et al. 2003). This study examines the interrelationship among cultural diversity and business relationships in the context of the global container shipping industry.

1.1 Clarification of main concepts

1.1.1 The trend toward globalization

Throughout the history of human civilization, globalization, the process of information, products, people, money and technology crossing national boundaries has been rapidly growing, some firms have taken advantage of these opportunities (Walters 2001). For example, the desire to reduce manufacturing and production costs has led global firms to outsource parts of their production chain to developing countries. Moreover, firms that are successful in local markets have begun expanding outside their traditional operating regions, targeting new geographical and cultural markets (Franke and Nadler 2008) to increase their market potential and profitability.

Globalization, in its most literal sense, is the process of making, transformation of things or phenomena into global ones. It can be described abstractly as a process by which the people of the world are unified into a single society and function together. This process is a combination of economic, technological, socio-cultural, and political forces (Button 2008).

Globalization has accelerated in the wake of new communication services and mainly the internet (Starke-Meyerring, Duin, and Palvetzian 2007), alongside developments in transportation methods for both commodities and humans (Button 2008). Individuals around the world communicate with each other on a daily basis through emails, social networks, smartphones, applications, and other technological devices, breaking down all the tangible barriers. This expanding trend toward

globalization with its concomitant improvements in communication and technological sources is predicted to bring new opportunities and challenges for individuals as well as for firms (Friedman 2005). These improved sources will make it even easier to communicate and transfer knowledge throughout the world. According to Franke and Nadler (2008), more and more firms worldwide will compete in areas that are geographically and culturally distant from their traditional strongholds, offering the possibility of many rewards.

In the current globalized environment, cross-national engagements are common. Yet, in doing business in a global environment, firms must also consider that the rapid acceleration of globalization has had a dramatic impact on localism, such that local cultures face a challenge in preserving their uniqueness (Huff and Smith 2008). These local cultures have become a key factor to consider when doing business in a global environment (Sousa and Voss 2008).

1.1.2 Culture

According to the literature, knowledge of the cultures of different societies can provide businesses with a significant advantage (Shapiro, Ozanne, and Saatcioglu 2008). Given that this is the case, it is important to understand the definition of culture.

While the basic concept of culture is generally known, researchers use a variety of definitions in trying to describe culture. To emphasize this variety, the study by Kroeber and Kluckhohn (1952) includes more than 160 definitions for culture. One of the most comprehensive definitions of culture is “the complex whole which includes knowledge, belief, art, and morals, custom and any other capabilities and habits acquired by man as a member of society” (McCort and Malhotra 1993, p. 97). Further, as Fukuyama (1995) indicates culture refers mainly to people’s behaviour in society. While Leung et al. (2005) indicate that culture refers to a particular national group, McCort and Malhotra (1993) connect culture to societies. These two perspectives suggest that culture can be as specific as a certain society yet as broad as a national group.

Bearing in mind the previous definitions of culture (e.g., McCort and Malhotra 1993; Fukuyama 1995; Leung et al. 2005; McCort and Malhotra 1993), in the context of the current research culture refers to the values, norms, behavioural patterns, and beliefs held by a particular group of people that affect how its members interact in a commercial context. The initial steps toward cultural sensitivity require that the individual, or in this study the salesperson, be aware that cultural diversity indeed exists, as further discussed in Section 2.2 (Bhawuk and Brislin 1992; Ang et al., 2007; Tsui and Gutek 1999; Leung et al. 2005).

1.1.3 The need for cultural knowledge

In the current globalized environment of cross-national engagements, understanding the cross-cultural domain has become an essential factor in the business arena (Kale and Barnes 1992). The understanding that culture and behaviour are inexorably tied to business success (Mooij and Hofstede 2010) has made it essential for global firms to compare and study global cultural gaps that can affect their business environment (Hayton et al. 2002). Firms with future vision have begun to hire anthropologists and psychologists as experts in the field of ethnographic research in order to better understand their upcoming challenges when shifting from local to global operations (Hofstede and McCrae 2004). The ability to recognize cultural differences and respond accordingly in intercultural business engagements can minimize errors unrelated to business negotiations and prevent miscommunication, anger, hostility, and intolerance that do not contribute to a productive business climate (Collins and Porras 1997).

Over the years, researchers have proposed a variety of approaches to evaluate the impact of cross-cultural knowledge across business sectors, among them cross-national buyer-seller interactions, distribution channel relationships, and negotiations (Kale and Barnes 1992; Frazier, Gill, and Kale 1989; Graham, Mintu, and Rogers 1994). All these approaches suggest that global firms, and mainly the individuals in these firms, need more than basic factual knowledge when operating in the global cultural environment in order to bridge cultural gaps (Harris and Moran 1985).

1.1.4 Cultural sensitivity, cultural diversity and cultural competence

The concept of cross-cultural sensitivity encompasses the knowledge, awareness, and acceptance of other cultures. Cultural sensitivity is not just the recognition that cultural diversity exists but also the response to this diversity (Skarmeas et al. 2002; Alteren 2007; Shapiro et al. 2008). Cross-cultural competence, an aspect of cultural sensitivity, refers to the knowledge as well as the skills, motivation, and adaptation for making cross-cultural engagements effective and successful (Johnson et al. 2006; Hammer 1987). While the cultural sensitivity literature uses several terms, Whaley (2008) noted that the terms “cultural competence” and “cultural sensitivity” are “salient and semantically associated” (Whaley 2008, p. 215).

Being aware of cultural differentiations and striving for cultural knowledge are the key features of cultural sensitivity (Alteren 2007). Firms seeking to operate in international markets face new challenges in societies entirely dissimilar to their own, as cross-cultural differences involve sensitive issues that need to be understood. For many, their own cultures and working practices are uncompromisingly important and unique (Friedman 2005). Those who can bridge these cultural gaps by accommodating local behaviours, norms, and systems will pave their way to success in the multinational business environment (Nguyen, Barrett, and Nguyen 2004; Harich and LaBahn 1998;

Ford 1984; LaBahn and Harich 1997). On the practical level of person-to-person engagements, in order to build a long-term relationship between buyer and seller, global firm representatives must be culturally sensitive (Nguyen, Barrett, and Nguyen 2004). Globalization and localization can only work together in a world in which the gaps are understood and taken into consideration. According to Kale and Barnes, "...the degree of compatibility between the two actors in a sales dyad with regard to their national character, organizational culture, and individual personality will largely determine the overall compatibility in their communication. This compatibility, in turn, will determine the degree of success achieved by the seller" (Kale and Barnes 1992, p. 126). In other words, there are parameters of achievement and success other than specific products or deals. This is where cultural sensitivity and the ability to build a high relationship level with the business partner come into play.

1.1.5 Salesperson-customer relationship level

Both researchers and managers have generally recognized that building a strong relationship between salesperson and customer is important to business success (Lussier, Grégoire, and Vachon 2017; Palmatier, Scheer, Evans, and Arnold 2008). The literature points to two sets of dimensions that build a strong relationship between a buyer and a seller (Stankoa, Bonnerb, and Calantone 2007). One is commitment, which is mainly presented by trust (Rauyruen and Miller 2007; Fynes et al. 2004; Ganesan 1994; Morgan and Hunt 1994). The other comprises behavioural dimensions (Su et al. 2008; Fynes et al. 2004; Rauyruen and Miller 2007; Gilliland and Bello 2002; Kim and Frazier 1997; Wilson and Mummalaneni 1990) that refer to communication, atmosphere and cooperation as part of the engagement itself and that cover economic bonds (Wilson and Mummalaneni 1990) and relational norms (Woo and Ennew 2004; Lages et al. 2005; Gundlach, Achrol, and Mentzer 1995; Morgan and Hunt 1994; Siguaw, Simpson, and Baker 1998).

In this study, salesperson-customer relationship level refers to the nature of the relationship developed between salesperson and customer. The stronger this relationship, the higher its level. The concept of salesperson-customer relationship level has been widely examined in the literature (Payan et al. 2010). Prior studies have attempted to determine what is involved in constructing a strong relationship, with the understanding that building strong relationships between the salesperson and the customer is a critical factor supporting sales performance and business success (Lussier, Grégoire, and Vachon, 2017; Groza, Locander, and Howlett, 2016; Lassk and Shepherd, 2013). Payan et al. 2010 reviewed selected studies of relationship level from the intercompany to the salesperson-customer level. This review clearly indicates that strong relationship quality enhances actual sales and profit levels (Palmatier et al. 2008; Huntley 2006, Lages 2004; Fynes et al. 2008). Commercial firms seeking to understand and enhance salesperson-customer relationship level have invested in management systems and data bases such as Customer Relationship

Management (CRM) (Mullins et al. 2014) to support their sales teams in improving the level of their relationships with their customers. Firms have come to understand that high level relationships between salespersons and their customers are reflected in higher sales performance (Lussier, Grégoire, and Vachon, 2017; Groza, Locander, and Howlett 2016).

1.1.6 Industry context

This study has chosen to examine the container shipping industry as a test case for exploring the impact of cultural sensitivity on commerce and for developing relevant cultural sensitivity tools. The shipping industry in general and the container shipping industry in particular reflect worldwide economic globalization (Ducruet and Notteboom 2012), as shipping is the basic method of transporting commodities from one place to another (Global Insight 2015) and is a significant driver in the world economy (International Monetary Fund 2018). Shipping is considered one of the oldest methods of transportation and incorporates several transport methods: bulk shipping, container shipping, liquid bulk shipping, and general cargo shipping. The total seaborne trade remains relatively steady at nearly 90% of the total world trade volume (Global Insight 2015). The container shipping industry serves globalization, providing global networks for supplying worldwide customer demand for all kinds of commodities and goods (Ducruet and Notteboom 2012).

In addition to the global aspect that reflects globalisation in multi-cultural business engagements, in the container industry most of the products offered to customers are similar and have low differentiation. Thus, person-to-person relationships are the key to success. These close relationships between seller and buyer constitute the added value a company can offer in cases of providing mostly the same shipping services as its competitors. Furthermore, compared to other industries that have gone digital, the shipping industry is still relatively conservative and depends on salesperson – customer interactions rather than on digitalized platforms (Drewry 2018; Drewry 2015; Ducruet and Notteboom 2012; Lirn, Thanopoulou, Beynon, and Beresford 2004; Murphy 1992; Murphy and Daley 1994; Malchow and Kanafani 2001). Hence this industry serves as an excellent platform for measuring person-to-person engagements.

Specifically, in the container shipping industry ZIM Integrated Shipping Services LTD (hereinafter: ZIM) with its global network will constitute the study group for this research. ZIM was established in 1945 by the Jewish Agency, the Histadrut Labour Alliance, and the Israel Maritime League. In 1959 the company became fully owned by the government of Israel (Cohen-Hattab 2015). Today ZIM is a private company operating in the container shipping sector and is ranked number 11 in the world in terms of operational capacity (Alphaliner 2018). For the most part, ZIM operates its fleet of vessels on a weekly basis, as is customary in this market (Ducruet and Notteboom 2012). The company operates more than 70 shipping lines with 64 vessels and 2.9 million TEU (Twenty Equivalent Unit) and calls at ports in 103 countries worldwide (Alphaliner 2018), with each service

line servicing at least two different countries. Due to the need to deal with customers across the globe, understanding the cross-cultural domain has become an essential factor in the global business arena (Kale and Barnes 1992). Interest in exploring the correlation between local cultures and business is growing (Hayton et al. 2002; Hill 2005; Oviatt and McDouhal 1995), thus making international cultural understanding a key challenge for global firms. Because ZIM operates in a cross-cultural environment, developing high cultural sensitivity among its salespersons can provide the company with a significant advantage over its competitors.

1.2 Theoretical framework

In view of today's culturally diverse business environment, this research seeks to examine the cultural sensitivity of salespersons representing a global firm in the container shipping industry in the context of business engagements in general and sales performance in the container shipping industry in particular. The theoretical framework for this research is a mediation-based model that emerged from market observations supported by the literature review. The notion underlying this framework is that salespersons who are more culturally sensitive will achieve a higher relationship level with their customers, which in turn will lead to higher sales performance.

This framework emerges from the firm's perspective and from the basic economic notion that the firm's profits and net results should be maximized (García-Rubio et al. 2014; Moore 2011; Kauper, 2012). Profits come from sales and these sales are accomplished by the firm's sales teams. Firms will always aim to maximize their sales by fulfilling the potential of their salespersons (Chowdhury 1993; Locke and Latham, 1990). The ultimate goal of a salesperson is to sell. This study aims to discover what can enhance these sales in the multicultural business environment.

Salespersons are measured, paid and given incentives based on their sales (Shannahan et al. 2015; Chowdhury 1993; Locke and Latham 1990, Brown et al. 1998; Campbell and Furrer 1995; Locke 1968). To get to the point of selling a product, the salesperson must embark upon a journey to a specific destination: the customer's decision to purchase the product from this specific salesperson. This journey becomes even more challenging when dealing with cross-cultural business partners, as culture also influences business entities and often adds complicity to the engagement (Bhaskaran and Sukumaran 2007). With the goal of achieving successful cross-cultural relationships, the salesperson must create a feeling that the interactions are deep, cordial, honourable, supportive, cooperative, and respectful, along with nurturing the ability to manage psychological tension, personal relationships, and working conditions (Matsumoto and Hwang 2013; Black and Stephens 1989; Brislin 1993; Gudykunst, Hammer, and Wiseman 1977).

In practice, it is "the salesperson who initiates, develops, and nurtures the customer relationship" (Kumar, Sunder, and Leone 2014, p. 591). As such, in today's dynamic and competitive market, it

is important for firms to manage and drive their sales teams to engage in long-term and high-quality relationships with their customers (Kumar, Sunder, and Leone 2014; Palmatier, Scheer, and Steenkamp 2007). This “customer relationship governs the firm’s bottom line” (Kumar, Sunder, and Leone 2014, p. 591) and the level of the relationships achieved with customers has an impact on the firm's result (Schwepker and Good 2011). Salespersons that are able to achieve a higher relationship level with their customers will be more successful in sales and will yield more revenue for the company.

What do firms want from their sales teams? They want their sales teams to make sales, and high-level relationships between salesperson and customer promotes these sales. In a globalized business environment that accelerates cross-cultural engagements (Doney, Cannon, and Mullen 1998), the following question arises: Is cultural sensitivity related to the level of the relationship the salesperson achieves with the customer? This question is particularly relevant as “conducting business across international boundaries requires interaction with people and their organizations nurtured in different cultural environment” (Kale and Barnes 1992, p. 101).

To succeed in cross-cultural engagements, salespersons must adjust and adapt to behaviours of their business partners, and this adaptation will support them in achieving their goals (LaBahn and Harich 1997; Graham, Mintu, and Rodgers 1994; Kale and Barnes 1992; Frazier, Gill, and Kale 1989). “Culture has a profound impact on the way customers perceive and behave” (Kale and Barnes 1992, p. 103). As such, gaps caused by cultural diversity can have a significant impact on the construction of relationship level. Hence, the ability to bridge these gaps through cultural sensitivity can positively influence the relationship between salesperson and customer (LaBahn and Harich, 1997; Su et al. 2008).

Accordingly, I examine the research framework and structure from the bottom up. First, I examine the salesperson’s ability to be culturally sensitive. After that I examine how cultural sensitivity is related to the relationship level between salesperson and customer and then I examine how this will enhance sales performance. Managements of global firms have realized that understanding culture can positively impact their organizations, both internally and externally (Urban and Koh 2013). This framework adds another layer of knowledge that has never been tested before. As described in Figure 1-1, enhancing a salesperson’s sales performance requires a high relationship level with the customer and enhancing this relationship level with the customer in a multicultural business environment requires that the salesperson be culturally sensitive.

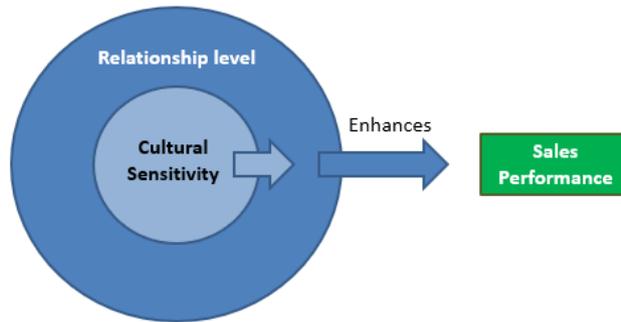


Figure 1-1: Conceptual Framework.

While the positive correlation between cultural sensitivity and relationship level has been presented and examined in previous work (LaBahn and Harich 1997; Graham, Mintu, and Rodgers 1994; Barnes 1992; Frazier, Gill, and Kale 1989), the correlation between relationship level and actual sales performance as measured by a percentage of the target has not been presented previously. Nevertheless, previous research argued that a higher relationships level with the customer will result in a successful business engagement (Su et al. 2008, Skarmeas et al. 2002). From this I can conclude that if the target of the business engagement is a sale, higher relationship level with the customer will enhance the success of the sale.

Unforeseen problems caused by cross-cultural difficulties have the potential to generate a significant amount of tension (Matsumoto and Hwang 2013; Black and Stephen 1989). Such problems can only be minimized through cultural sensitivity tools to support the sales of international firms.

As I discuss in detail in Section 2.13, the theoretical framework used in my research is a mediation model in which relationship level mediates between cultural sensitivity and sales performance. The model measures numerical figures representing actual sales performance values that are ordinarily hard to attain. These figures can demonstrate the practical link between degree of cultural sensitivity and sales performance. Sales performance data provide accurate evidence of the success of a business engagement.

1.3 Personal development

In my position as a Chief Financial Officer at a leading global shipping company, I am aware of cultural diversity gaps between the countries where we do business. Implementation of the findings of this research and understanding how cultural sensitivity can leverage our business will allow me to lead a change in concept toward cultural sensitivity. Implementing the outcomes and comprehending the impact of cultural sensitivity on company activities can help advance the company. Implementing the findings of this research will make me an expert in the field of

globalized trade and cultural sensitivity. This expertise will contribute to my position within the company—a global firm engaged in cross-cultural trade and business.

Aside from my role within the company, I plan on promoting my findings through lectures and presentations and publicly sharing these outcomes on how cultural diversity can be bridged when doing global business. The combination of my position and my academic research can enhance these lectures as I will be able to provide both the academic and the practical business perspectives.

1.4 Summary

This research aims to enhance knowledge regarding the impact of cultural sensitivity on business engagements in general and on sales performance in the container shipping industry in particular. In accordance with the research model, the first step is to discover whether cultural sensitivity correlates with level of salesperson-customer relationship, and if so, to determine the nature of such relationships or correlations. The second step is to determine whether the level of such cross-cultural relationships enhances actual sales performance. After that, the scales were used to examine the research theory positing that the level of the salesperson-customer relationship mediates between cultural sensitivity and success in sales performance.

Global firms that operate in a cross-cultural environment encounter intercultural gaps that impede their business. Although these intercultural gaps will never disappear, they can still be managed more efficiently. The aim of this research is to offer a **quantified measurement** that will enable firms to understand what the efficient management of cultural gaps can contribute to their performance. Understanding the outcomes will encourage firms to add cultural sensitivity management drivers as part of their decision variables when recruiting new global salespersons, when assigning tasks, and when conducting workshops for sales teams to develop their skills (Johnson et al. 1996; Zakaria 2000; Holzmüller and Stöttinger 2001). Better management practices in terms of cultural sensitivity will improve firms' performance in cross-cultural business environments and enhance their global business.

Moreover, this research will contribute to knowledge about cultural sensitivity in general and in the container shipping industry in particular. It will support global container companies in their cross-cultural business engagements, enabling them to better understand the impact of culture sensitivity factors on the quality of their business relationships. Although this research focuses on the container shipping industry, its outcomes can also serve other global industries in their cross-cultural business engagements.

Moreover, from my personal perspective, as Chief Financial Officer at a global shipping company that deals with customers across the globe, I acknowledge that understanding culture, cultural diversity, key local codes, and behaviours may prevent conflicts in a global environment that in other cases might lead to misunderstanding and failure to achieve sales. Furthermore, being sensitive to the culture and local codes of a business partner can enhance the chances for success in business engagements. This study will enhance knowledge in the areas of cultural sensitivity, relationship level, and sales performance success. It will use actual global sales performance data for salespersons who work around the world and interact in a cross-cultural environment. Access to this valuable data will enable me to identify the correlations among salespersons' cultural sensitivity, the nature of the salesperson-customer relationship, and actual sales performance.

2 Literature review

This chapter reviews the literature examining the topics of cultural sensitivity, salesperson-to-customer business relationships, and sales performance. The review also points to the gap in knowledge that led me to initiate this research. The final part of this chapter introduces the theoretical model used in this research. As indicated by Mooij and Hofstede (2010), **culture and behaviour are definitely connected to business success**, in this research I seek to understand how sensitivity to cultural gaps can be transformed into success in business.

2.1 Choice of container shipping industry as the research group

A study that aims to examine the practices of a global business must analyse a worldwide industry that is directly tied to the global economy. From the perspective of the broad global economy, exports, imports, and private consumption are basic measures for economic analysis of countries as a part of the Gross Domestic Product (GDP) (Coyle 2015). Shipping serves as a core component of these measurements as it is the main method of transporting cargo, raw material and goods from one country to another (Global Insight 2015). The container shipping industry serves as a good focus group for this research for three main reasons: First, it is a global industry that serves all countries across the globe with ongoing cross-cultural interactions (Ducruet and Notteboom 2012). Second, due to the similarity of the services or products that carriers offer to their customers, salespersons can provide significant added value to the success of a sale through their interpersonal skills and by paying individual attention to the needs of potential customers. Third, during the time period of the research, the container shipping industry was still considered to be relatively conservative in its use of digitization and online services. Hence, person-to-person engagements still constitute the major emphasis in sales practices (Drewry 2018; Ducruet and Notteboom 2012).

In order to serve a wide range of ports with a given number of vessels, container carrier companies must be very efficient and reticulated. Because container carriers seek maximum utilization of their vessels, their liner services call at several ports along a specific route serving a variety of countries (Zohil and Prijon 1999; Lirn et al. 2004). Carriers try to provide the best transit time from one location to another while aiming to maximize cargo utilization (Zohil and Prijon 1999; Ducruet and Notteboom 2012). Each port along the route represents a different market, region or country, each with its own unique business environment and cultural background. A global container shipping company must therefore be familiar with the cultural diversity of the international shipping business environment. The container shipping industry is highly competitive, with carriers offering more or less the same product (Drewry 2018; Zohil and Prijon 1999; Ducruet and Notteboom 2012). In such a market where the offered product cannot be too diverse, a particular carrier's

interpersonal relations with potential customers provide it with added value compared to other carriers. In view of these ongoing cross-cultural interactions in the shipping industry, cultural sensitivity can be a key factor for bridging the cultural diversity in interpersonal relationships with customers (Leung et al. 2005).

2.2 Cultural diversity

In recent years, entrepreneurs and firms operating in global, cross-cultural and cross-border environments are increasingly seeking to acquire knowledge and use it beneficially. Global markets have become easier to reach and operate in, not only for big players but for medium/small players as well. Consequently, there is a growing interest in exploring the correlation between local cultures and opportunities for business success (Hayton et al. 2002; Hill 2005; Oviatt and McDouhal 1995).

Before examining the impact of cultural sensitivity on business engagements, we must first acknowledge that countries and societies are indeed characterized by cultural diversity. International firms must recognize the cultural diversity of their partners: "Culture sensitivity begins with the firm's awareness of cultural differences between it and its partners" (Johnson et al. 1996, p. 985). Cultural sensitivity requires to become familiar with cultural differences, being tolerant of other cultures, and avoiding ethnocentrism. Over the years many researchers have studied cultural diversity, each correlating it to a different aspect. These studies on cultural diversity constitute the basis of cultural sensitivity research (Harich and LaBahn 1998; Usunier and Lee 2005). The diversity of cultures and its correlation to the world of business and economics have been the focus of interest for years (Hofstede 1980).

Hofstede and Bond (1988) attempted to determine what characteristics guarantee economic growth for some nations, while other nations refuse to recognize the true cause of their failures. To quantify his research method, Hofstede examined a five-dimension model of national culture that linked culture to economic growth (Hofstede 2001; Hofstede and Hofstede 2005). The initial model was based on IBM as a multinational corporation. The four-dimension model analysed 100K questionnaires distributed in 71 countries during the period 1967 to 1973 (Hofstede and McCrae 2004). In his research, Hofstede proposed that culture and certain dimensions within each culture are linked to economic growth of countries (Hofstede 1980; Hofstede 2001; Hofstede and Bond 1988).

No doubt that over the years, Hofstede's initial work (Hofstede 1980) and subsequent work were the most cited sources in discussions of culture and cultural diversity (Bond 2002). However, this type of ground-breaking study is not immune to criticism. Criticism of Hofstede's work over the years can be categorized into three groups.

The main criticism focuses on cultural homogeneity. First, Hofstede refers to most nations as homogeneous groups of ethnic units, while in practice national groups are built of different ethnic groups (Nasif et al. 1991; Redpath 1997). Hofstede tends to ignore the culture of individual communities and the cultural influences of smaller groups within the larger group (Lindell and Arvonen 1996; Smith 1998). Second, national borders do not necessarily constrain cultures, as cultures can cross national borders (DiMaggio 1997). I agree with this criticism and address it as part of my assumptions regarding cultural sensitivity. In this study, the aim is not to measure cultures or certain dimension within cultures like Hofstede did. The focus is on measuring cultural sensitivity, without attempting to characterize cultures in anyway.

Hofstede's theory is built on dimensions. Hence, other criticisms address specific dimensions or aspects of the theory, among them contention that political influence, like democratic countries compared to communist countries, may affect Hofstede's masculinity dimension (Søndergaard 1994) or the uncertainty avoidance dimension (Newman 1996). Moreover, another criticism mentions that Hofstede's study took place during the Cold War when certain parts of the world (Europe, Asia, Africa) were Communist (Søndergaard 1994). Taking this criticism into consideration, in this research I measured salespersons' cultural sensitivity toward all cultures. As shipping services reach diverse nations and groups across the global political and cultural spectrum, each salesperson must interact with a variety of cultural, national, and political groups (Drewry 2018; Notteboom 2006).

Criticism has also been directed at Hofstede's one company approach, with critics claiming that one company cannot possibly provide information on the entire cultural system of a country (Graves 1986; Søndergaard 1994). Hofstede (1998) claimed he was not devising an absolute measure but was merely assessing differences between cultures such that this style of cross-sectional analysis was appropriate. He also pointed out that by using a single multinational employer he eliminated the differential effects of corporate policy and management practices on behaviour so that only national culture could explain the cultural differences he found (Hofstede 1980). Contrary to Hofstede's research, my research aims to draw conclusions on the personal level of salespersons rather than from the perspective of an entire country. Salespersons as a group share many characteristics (Arndt and Karande 2012; Vinchur, Schippmann, Switzer, and Roth 1998). Hence, the product or service being sold is less important than whether the salesperson has the skills needed to be successful (Echchakoui 2017, Harris, Mowen, and Brown 2005; Vinchur et al. 1998; Widmier 2002).

Building on Hofstede's research, researchers have proposed various dimensions in order to better understand the cross-national influence of local cultures. Table 2-1 shows the main cultural dimensions characterizing global cultures, as proposed by several researchers (Meyer et al. 2012).

Table 2-1: Main cultural dimensions characterizing global cultures proposed by various researchers

Dimension	Definition
<i>Hofstede (2001; adapted from p. xix–xx)</i>	
Power distance	The degree to which less powerful members of a society accept and expect unequal distribution of power. For example, “class” is much more of a social reality in France than it is in the United States.
Uncertainty avoidance	The extent to which individuals in a society are uncomfortable in situations that are novel, unknown or surprising situations. Members of societies considered high in uncertainty avoidance (e.g., Greece) experience higher levels of anxiety when confronted with uncertain situations than those in societies low in uncertainty orientation (e.g., Jamaica).
Individualism vs. collectivism	Refers to whether the identity of individuals in a society is based upon personal qualities (e.g., United States) or upon belonging to groups such as families or organizations (e.g., South Korea).
Masculinity vs. femininity	Whether members of a society are mainly concerned with matters of ego (masculinity) or with social issues (femininity). Societies such as Japan that are considered high in masculinity are achievement oriented, assertive and sympathetic to strength, and attach importance to material success. In contrast, those in societies considered low in masculinity (e.g., the Netherlands) seek warm relations, are modest, and care for the weak, and they value non-material aspects of life.
Long-term vs. short-term orientation	Different societies base decisions on different orientations to the future. Some societies are more future-focused in their decision-making (e.g., China) whereas others focus on relatively short-term time frames (e.g., Canada).
<i>Schwartz (2006; adapted from p. 140–141)</i>	
Harmony	The degree to which a particular culture focuses on harmonizing with the social and natural world and attempts to appreciate and accept things rather than change, direct, or exploit them.
Embeddedness	People in embedded societies mainly derive meaning in life through social relationships, identifying with the group, participating in its shared way of life, and striving toward its shared goals.
Hierarchy	Hierarchy refers to the degree to which individuals rely on hierarchical roles to insure responsible, productive behaviour. In hierarchical cultures, unequal distribution of power, roles, and resources is considered legitimate and even desirable. People take hierarchical role distribution for granted, comply with their role obligations and rules, show deference to superiors and expect deference from subordinates.
Mastery	Mastery refers to the encouragement of active self-assertion in order to master, direct, and change the natural and social environment to attain group or personal goals.
Affective autonomy	A culture high in affective autonomy encourages individuals to pursue affectively positive experiences for themselves.
Intellectual autonomy	A culture high in intellectual autonomy encourages individuals to pursue their own ideas and intellectual directions independently
Egalitarianism	In cultures that are high in egalitarianism, people recognize one another as moral equals who share basic human interests. People are taught to cooperate and be concerned for other people's welfare and are expected to choose to act for the benefit of others.
<i>GLOBE (Javidan, House, and Dorfman, 2004, quoted from p. 30)</i>	
Assertiveness	In cultures high in assertiveness, individuals maintain assertive, confrontational, and aggressive relationships with others.
Institutional collectivism	In cultures high in institutional collectivism, collective distribution of resources and collective action are encouraged and rewarded.
In-group collectivism	Societies in which individuals express pride, loyalty, and cohesiveness in their organizations or families are high in in-group collectivism.
Future orientation	Cultures high in future orientation exhibit future-oriented behaviours. For example, people delay gratification and plan and invest in the future.
Gender egalitarianism	A society that minimizes gender inequality is high in gender egalitarianism.
Humane orientation	A society high in humane orientation encourages and rewards fairness, altruism, generosity, caring, and kindness.
Performance orientation	A collective that encourages and rewards improvement in performance and excellence is high in performance orientation.
Power distance	People living in a culture with high power distance expect equal distribution of power.
Uncertainty avoidance	A society high in uncertainty avoidance uses social norms, rules, and procedures to lessen unpredictability.

These dimensions are used to recognize cultural gaps in general as well as in cross-cultural engagements and to examine their impact in their sector of interest. In a multinational business environment, gaining an understanding of the gaps between cultures and of how individuals within a specific culture are likely to act is of major value. The researchers covered in Table 2-1 each

highlighted different aspects of cultural dimensions that represent their own individual perspectives. These diverse cultural dimensions suggested by Hofstede (2001), Schwartz (2006), and Javidan, House, and Dorfman (2004) can be used as a tool to learn about cultural multiplicity and dissimilarity. Although each researcher posited a different set of dimensions, they all share a common ground of key dimensions that can be categorized into four groups.

(1) **Individual within the group:** Individualism vs. collectivism (Hofstede 2001); embeddedness (Schwartz 2006); affective autonomy (Schwartz 2006); intellectual autonomy (Schwartz 2006); Individualism vs. collectivism (GLOBE 2004); and humane orientation (GLOBE 2004)

(2) **How individuals look at themselves:** Uncertainty avoidance (Hofstede 2001); long-term vs. short-term orientation (Hofstede, 2001); mastery (Schwartz 2006); assertiveness (GLOBE 2004); future orientation (GLOBE 2004); and uncertainty avoidance (GLOBE 2004)

(3) **How a group of people looks at its leaders:** Power distance (Hofstede 2001); hierarchy (Schwartz 2006); and power distance (GLOBE 2004)

(4) **How individuals look at the group:** Masculinity vs. femininity (Hofstede 2001); harmony egalitarianism (Schwartz 2006); in-group collectivism (GLOBE 2004); gender egalitarianism (GLOBE 2004); and performance orientation (GLOBE 2004).

With respect to the business environment, these categories indicate where a cultural gap in cross-cultural engagements is likely to emerge. Each cultural group experiences different aspects of these dimensions and acts according to its values and norms, which may differ from those of other cultural groups (Hofstede 2001; Schwartz 2006; GLOBE 2004).

An initiator that engages in a multicultural engagement should be aware of the cultural gaps that may arise due to these dimension categories. When a domestic firm uses existing capabilities to penetrate new markets overseas, management should have as many tools as possible to gain cultural knowledge on the new challenges their sales teams will face (Miroshnik 2002). In a multicultural business environment, this knowledge can provide the added value for success.

Culture is an integrated phenomenon and by recognizing and accommodating taboos, rituals, attitudes toward time, social stratification, kinship systems and many other components, modern managers will pave the way toward greater harmony and achievement in the country in which a multinational business operates (Sherman et al. 1995).

This study focuses on salespersons in the global container shipping industry working in 29 different countries situated in South and Central America, North America, Southeast Asia, Northeast Asia, the Indian sub-continent, Northern Europe, Southern Europe, Eastern Europe, and Eastern Mediterranean. They all have business relationships with customers around the world who

represent global cultural diversity. These salespersons face the impact of cultural diversity in their everyday work and business engagements. They work, communicate, socialize, and do business in a culturally diverse environment and they must aim to be culturally sensitive to this diversity in cultures (Leung et al. 2005).

2.3 Cultural sensitivity

The initial stage in becoming culturally sensitive entails understanding that as indicated at Section 2.2, cultural diversity indeed exists. As Bhawuk and Brislin (1992) indicated, “To be effective in another culture, people must be interested in other cultures, be sensitive enough to notice cultural differences, and then also be willing to modify their behaviour as an indication of respect for the people of other cultures” (Bhawuk and Brislin 1992, p. 416).

Cultural diversity, cultural sensitivity, and cultural competence have been the focus of extensive investigation in recent years, indicating that interactions between national cultures exert a major impact on business activities (Leung et al. 2005). The literature shows that although this topic has been examined and assessed, there is still no evidence pointing to the impact of cultural sensitivity on actual company sales. Hence there is still a need to examine the link between salespersons’ cultural sensitivity and an actual and measurable database of salespersons’ sales performance. Such a link can provide firms with practical evidence of the income value of cultural sensitivity.

The literature discusses two methods for studying the impact of competence in the context of cultural diversity. According to the culture-general approach, cross-cultural initiators should demonstrate and achieve cross-cultural competence by means of knowledge, skills, abilities, and other (KSAOs), regardless of the particular culture (Matsumoto and Hwang 2013). The same method of establishing an individual’s characteristics will apply in every situation in which the initiator engages with diverse cultures. In contrast, the culture-specific approach, refers to a specific culture rather than to diverse cultures. According to this approach, cross-cultural initiators can exercise competence only toward a particular culture (Matsumoto and Hwang 2013). In line with the criticism of Hofstede’s approach contending that the national group is made up of different ethnic groups (Nasif et al. 1991; Redpath 1997) and that culture is not necessarily bounded by borders, this study adopted the culture-general approach and assessed salespersons using cultural sensitivity scales regardless of the particular culture involved. The focus of this research is on the salespersons and their cross-cultural abilities when interacting in any cross-cultural business environment rather than in one specific culture.

In order to measure cultural sensitivity among salespersons, in Section 2.5 I review the scales for measuring cultural sensitivity discussed in the literature and rank them according to their suitability for the needs of this study.

2.4 Enhancement of cultural sensitivity and knowledge

This framework raises important questions concerning what enhances cultural sensitivity. Why is one person more culturally sensitive than another? Can cultural sensitivity be improved? Is this improvement related to improving the relationship level between salesperson and customer? In the context of the study framework the answers to these critical questions may lead in two different directions.

One possibility is that I will discover that cultural sensitivity is based upon personality characteristics (Costa and McCrae 1992). In other words, despite the critical importance of cultural sensitivity, nothing can be done to improve it and no external force can influence it for it is inherent in the personality of the individual. Such a discovery would lead to a dead end, for despite understanding the importance of cultural sensitivity, nothing that can be done to modify it. The other possibility is that I will find that cultural sensitivity has a positive impact on global business engagements and that it can be taught and improved by educational courses and shared knowledge. If this is indeed the case, it is important to establish this clear correlation between cultural sensitivity and sales performance.

The model emerging from the literature review and depicted in Figure 2-1 clearly points to the second possibility. The model indicates two methods for gaining and developing cultural sensitivity. Method [A] involves learning and acquiring knowledge of cultural sensitivity (Brown 2004; Creque and Gooden 2011). "Cross-cultural training is fast becoming a recognizably important component in the world of international business" (Zakaria 2000, p. 492). Individuals who were educated about cultural knowledge have been shown to exhibit higher cultural sensitivity (Earley 2002; Earley and Ang 2003; Zakaria 2000). When individuals are provided relevant knowledge of cultural diversity, they gain cultural adaptability and their cultural sensitivity is enhanced (Earley and Peterson 2004; Earley and Ang 2003; Zakaria 2000; Johnson et al. 1996; Holzmüller and Stöttinger 2001; Harich and LaBahn 1998; Usunier and Lee 2005).

According to Method [B], cultural sensitivity and knowledge are gained experientially through exposure and awareness (Majzub, Hashim, and Elis Johannes 2011; Brown 2004; Thomas 2008). Indeed, those who grew up and lived in a more culturally diverse environment become more culturally sensitive. Accordingly, the lack of awareness of cultural diversity is "associated with lower levels of cultural sensitivity" (Wang, Castro and Cunningham 2014, p. 213). Triandis (2006) suggests that individuals who are exposed to one culture only tend to believe that the beliefs and norms of this specific culture will be relevant to other cultures as well and as a result will be less culturally sensitive (Creque and Gooden 2011).

This model, which served as the basic driver for this research, indicates a combination of [A] and [B] that leads to [C], and can be illustrated as $A+B=C$. The balance between [A] and [B] differentiates between each person. On the one hand, there are those who gained a high level of cultural knowledge and sensitivity by living in a culturally diverse environment or by education and awareness when they were young (Majzub, Hashim, and Elis Johannes 2011). On the other hand, there are those who learned and acquired knowledge in order to become more culturally sensitive. Those who invest time and efforts in learning to be more culturally sensitive can indeed become more culturally sensitive (Early and Ang 2003; Zakaria 2000; Brown 2004).

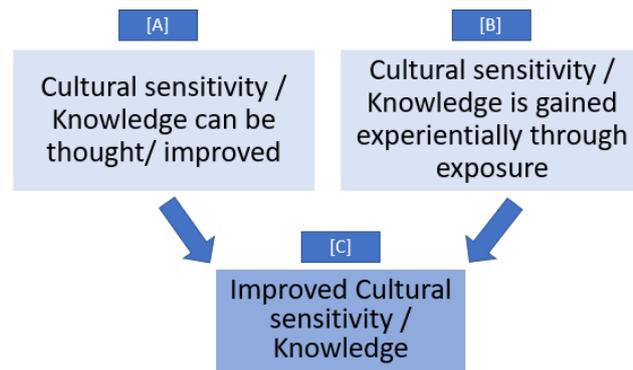


Figure 2-1: Model emerging from the literature review.

As Early (2002) contended, knowledge about cultural diversity is not sufficient to become culturally sensitive as there are self-selection criteria that may have negative effect on cultural sensitivity. Someone who is not interested in being culturally sensitive will not be motivated and will not be culturally sensitive (Creque and Goode 2011). The more an individual is characterized both by learning about cultural sensitivity [A] and by experience through exposure to diversity [B], the more culturally sensitive the person will be. The understanding that cultural sensitivity can be learned and improved serves as the foundation for this research.

2.5 Instruments for measuring culture sensitivity

To succeed in cross-cultural engagements, international initiators must adjust and adapt to behaviours that will support them in achieving their required goals. In attempting to achieve successful cross-cultural relationships, initiators must create the feeling that their interactions are deep, cordial, honourable, supportive, cooperative, and respectful (Matsumoto and Hwang 2013; Black and Stephens 1989; Brislin 1993). They must also be able to manage psychological tension, personal relationships, and working conditions (Matsumoto and Hwang 2013; Black and Stephens 1989; Brislin 1993; Gudykunst, Hammer and Wiseman 1977).

This section focuses on the first stage of the research, the measurement of cultural sensitivity. In recent years, researchers have proposed numerous scales for measuring success in adapting to

and managing cultural diversity in cross-cultural environments (Matsumoto and Hwang 2013). A review of the literature reveals several means of measuring of cross-cultural sensitivity, each focusing on different settings. Moreover, each of the scales focuses on different dimensions. This literature review of existing scales has enabled me to choose the scale that best describes cultural sensitivity with a specific focus on knowledge. This knowledge serves as a key factor in this case because it is the dimension that can be improved so that this whole framework can make a practical contribution to the business world.

As claimed by Cui and Van Den Berg (1991), Arasaratnam (2009), and Bhawuk (1998), cross-cultural sensitivity includes three main dimensions: cognitive, affective, and behavioural. In the following sections I review the scales according to these three categories of dimensions.

Cognitive Dimensions refer to the individual's attitudes, thoughts, and interpretations. These dimensions seem to be a key factor in cross-cultural sensitivity and competence, as most of the scales indicate that the cognitive characteristics of flexibility and open-mindedness are necessary for cross-cultural competence (Ang et al. 2007; Alteren 2007; Bhawuk 1998; Skarmeas et al. 2002).

Affective Dimensions refer to the individual's emotions, moods, and feelings. Like the cognitive dimensions, these dimensions are also essential for cross-cultural sensitivity and competence (Van der Zee and Brinkmann 2004; Arasaratnam 2009; Bhawuk 1998; Bhawuk and Brislin 1992; Matveev and Nelson 2004).

Behavioural Dimensions relate to actions and social interaction. According to Koester and Olebe (1998, p. 237), "as cultures vary, so do the specific behaviors". Behavioural dimensions are also a key module of cross-cultural sensitivity and competence. Paige et al. (2003) indicated that better intercultural relationships are achieved with more intercultural experience. Other researchers have also indicated the importance of social interactions (Arasaratnam 2009; Van der Zee and Van Oudenhoven 2000; Bhawuk and Brislin 1992; Matveev and Nelson 2004). Furthermore, Arasaratnam (2009) and Van der Zee and Brinkmann (2004) agree about the need for communication skills in order to be cross-culturally competent. Finally, Van der Zee and Brinkmann (2004) indicate that the behavioural dimension includes leadership as well. To conclude, an individual's experience, social interactions, communication, and leadership comprise the behavioural dimensions comprising cross-cultural competence.

In the following section, I review the scales measuring cultural sensitivity and evaluate each scale's relevancy in accordance to the research framework and the three dimensions discussed above. My search for the most relevant scale covered scales that measure cross-cultural competence and sensitivity.

Finding the right scale is of major importance as measuring sensitivity constitutes the basic part of the research. The selected scale will provide an indication of the extent to which the salespersons are sensitive to a culturally diverse environment. The relevancy of the scales is ranked in three groups, with those in Group 1 the most relevant to my research. Table 2-2 summarizes all the scales reviewed according to group.

Table 2-2: Key scales with their dimensions grouped into three categories: Cognitive, Affective, and Behavioural.

Group	Scale	Cognitive Dimensions							Affective Dimensions		Behavioral Dimensions				
		Culture-specific knowledge	Attitude	Open-Mindedness / Flexibility	Motivation	Critical Thinking	Life Style	Personal Autonomy/ beliefs	Cultural Empathy	Emotional Stability/ Control	Experience	Interaction	Social Initiative	Leadership	Communication
3	IDI		X												
	ICAPS			X		X				X					
	ICQ								X			X			
	CCAI		X	X						X					
	CCSS	X	X				X	X							
	IBA	X	X	X		X						X			X
	ISS		X	X	X								X		
	SCS	X		X	X						X				
	CSIT	X	X	X	X							X			X
SNBC	X	X	X	X							X			X	
2	MPQ			X					X	X		X			
	Arasaratnam's ICCI		X		X				X			X			X
	ICSI	X		X					X	X		X			
	IRC			X					X			X			X
	CCR		X	X	X					X		X			X
1	CQ	X			X	X				X		X			X

Scales: Group 3: *Intercultural Development Inventory (IDI)* Bennett (1986); *Intercultural Adjustment Potential Scale (ICAPS)* Matsumoto et al. (2001); *Intercultural Competence Questionnaire (ICQ)* Matveev and Nelson (2004); *Cross-Cultural Adaptability Inventory (CCAI)* Nguyen, Biderman and McNary (2010); *Cross-Cultural Sensitivity Scale (CCSS)* Pruegger and Rogers (1993); *Intercultural Behavioral Assessment (IBA)* Ruben (1976); *Intercultural Sensitivity Scale (ISS)* Chen and Starosta (2000); *Salesperson Cultural Sensitivity (SCS)* Alteren (2007); *Cultural Sensitivity Increase Trust (CSIT)* Shapiro et al. (2008); and *Sensitivity to Notional Business Culture (SNBC)* LaBhan and Harich (1997). Group 2: *Multicultural Personality Questionnaire (MPQ)* Van der Zee and Van Oudenhoven, 2000; *Intercultural Communication Competence (ICC)* Arasaratnam (2009); *Intercultural Sensitivity Inventory (ICSI)* Hammer et al., (2003); *Intercultural Readiness Check (IRC)* Van der Zee and Brinkmann (2004) and *Cross-Cultural Relationships (CCR)* Skarmeas, Katsikeas and Schlegelmilch (2002). Group 1: *Cultural Intelligence Scale (CQ)* Anq et al., (2007).

2.5.1 Group 3: Lowest relevance to my research

This group includes ten scales: **IDI, ICAPS, ICQ, CCAI, CCSS, IBA, ISS, SCS, CSIT, SNBC**. As can be seen in Table 2-2, each one lacks at least one of the critical dimensions (cognitive, affective, or behavioural) deemed essential for measuring cultural competence and sensitivity. A scale that does not cover these dimensions is not relevant to my research as it does not fully measure the components of cultural sensitivity (Arasaratnam 2009). These scales are summarized in detail in the following sections.

Intercultural Development Inventory (IDI)

The IDI was based on Bennett's Developmental Model of Intercultural Sensitivity (DMIS) (1986) and measures how people adapt to cultural diversity. First developed to understand how individuals interpret cultural diversity (Hammer et al. 2003), the DMIS measured six stages in the development of an individual's adaptation to a different cultural environment: three ethno-relative stages—acceptance, adaptation, and integration—and three ethnocentric stages—denial, defence, and minimization.

The items on the final IDI scale measure five stages of DMIS: Denial/Defense; Reversal; Minimization; Adaptation/Acceptance; and Encapsulated Marginality. The aim of my research is to verify the extent to which salespersons are culturally sensitive at a certain time and stage and to determine how this competence will impact their sales performance. Therefore, scales used for training and inventory development are not congruent with the targets and assumptions of my research. As indicated in Table 2-2, the IDI scale measures only one item from only one dimension (cognitive dimensions) and does not refer to the two other dimensions of cultural sensitivity. Consequently, this scale does not match the needs of my research.

Intercultural Adjustment Potential Scale (ICAPS)

The ICAPS scale developed by Matsumoto et al. (2001) aims to draw conclusions about individuals' ability to successfully modify a diverse cultural environment by means of psychological skills (Matsumoto and Hwang 2013). While the original scale incorporated eight items, the final and more focused scale consists of only four dimensions found to be critical to adjustment to intercultural environments: emotion regulation, openness, flexibility, and critical thinking.

The ICAPS scale does not measure any of the behavioural dimensions indicated as essential for cultural sensitivity and competence. Furthermore, this scale does not represent the knowledge dimension, which is also part of cultural sensitivity. Hence, this scale is less relevant to my study.

Intercultural Competence Questionnaire (ICQ)

The ICQ scale is built on two intercultural competence models: the model by Abe and Wiseman (1983) that measures intercultural abilities and the model by Cui and Awa (1992) focusing on intercultural effectiveness. The scale analyses four intercultural competence dimensions: interpersonal skills, team effectiveness, intercultural uncertainty, and intercultural empathy (Matveev and Nelson 2004). This questionnaire was used to measure intercultural competence in seven countries and to analyse intercultural competence in organizational surroundings.

This scale does not cover the cognitive dimensions found essential for cultural sensitivity. As indicated in the theoretical framework, cultural cognitive dimensions are a major part of cultural sensitivity.

Cross-Cultural Adaptability Inventory (CCAI)

The CCAI scale, first introduced by Kelley and Meyers (1987) and further developed in recent years, aims to measure how individuals adapt to different cultures. The CCAI helps determine whether an individual has the qualities for successful engagement in a cross-cultural environment. In its final version, the CCAI scale includes four dimensions: emotional resilience, flexibility and openness, perceptual acuity, and personal autonomy (Nguyen, Biderman, and McNary 2010).

The validity of this scale has mixed results, making it more difficult to arrive at a clear answer regarding an individual's cultural sensitivity. Furthermore, this scale is more appropriate for cross-cultural training than for measuring cross-cultural sensitivity (Goldstein and Smith 1999). In terms of cultural sensitivity, items measuring behavioural dimensions are missing from this scale. Furthermore, this scale does not represent the knowledge dimension, which is also part of cultural sensitivity. Consequently, this scale is less relevant to my study.

Cross-Cultural Sensitivity Scale (CCSS)

The CCSS scale was developed to measure how leading members of a group evaluate and accept other cultures (Pruegger and Rogers 1993). The research was conducted in Canada to measure participants' attitudes toward immigrants. The scale included four items: cultural knowledge, attitudes, beliefs, and lifestyles.

This scale seems too general and does not include any behavioural or affective dimensions. As indicated above, these two groups of dimensions comprise a major part of whether an individual is culturally sensitive in cross-cultural engagements. The scale to be used for the research must include all three groups of dimensions. Therefore, this scale is not suitable for my research.

Intercultural Behavioural Assessment (IBA)

The IBA scale was developed by Ruben (1976) as a way of closing the gap between cross-cultural knowledge and outcomes in order to evaluate the efficiency of relevant trainings. According to Ruben (1976) what individuals know is not necessarily directly correlated to how individuals behave, and these behaviours are the key to cross-cultural competence. The research identified seven items as key behavioural factors: display of respect, orientation to knowledge, self-oriented role behaviour, empathy, interaction posture, interaction management, and tolerance for ambiguity. Self-oriented role behaviour was further developed into three items, resulting in a nine-dimension scale with each dimension rated on a 4-point or a 5-point scale.

The IBA is less relevant to my study as the relationships it measures (everyday life experiences) are much different than those in my research (business relationships). Furthermore, the affective dimension group represented in this scale is also less relevant to my study.

Intercultural Sensitivity Scale (ISS)

The ISS scale developed by G. M. Chen and Starosta (2000) aims to measure the effectiveness of communication skills in cross-cultural environments. This scale initially had six dimensions (incorporating 73 items) deemed essential for cultural sensitivity. The scale was then upgraded with the 24 most relevant items, grouped into five dimensions: impression rewarding, interaction attentiveness, self-esteem, self-monitoring, and perspective.

The ISS scale was tested mainly on MBA students (business-related). Yet this measure overlooks the key dimension of knowledge of cultures. Furthermore, this scale does not emphasize the affective dimensions. While the tested and refined version of this scale covers most of the dimensions deemed essential for a salesman to be culturally sensitive, it still overlooks some. Therefore, this scale is less relevant to my study.

Salesperson Cultural Sensitivity (SCS)

The SCS scale developed by Alteren (2007) was used to study the Norwegian seafood export market and to determine how cultural sensitivity impacts relationship levels as expressed in the trust and information exchange between salespersons and their business partners in a cross-cultural context. Based on past research (Robinson et al. 2002; Heide and John 1992; LaBahn and Harich 1997; Skarmeas et al. 2002), this research developed a three-dimensional model with the following dimensions relevant to salespersons' cultural sensitivity: open-mindedness, predisposition to adapt, and knowledge about partner's business practice. The third dimension was later split into three aspects of experience as adapted from Ronen and Shenker (1985): international experience, country experience, and ongoing business experience. In this research the aforementioned

dimensions point to the assessed cultural sensitivity of the salesperson, as these three variables are considered to have a positive impact on relationship characteristics.

While this scale seems to be a good scale, the knowledge part is weak. Here knowledge refers more to experience than to initiators' cultural knowledge of their engagement partners' cultural environments. Furthermore, the affective dimensions group which is essential to my research is missing from this scale. Hence, this scale is less relevant to my study.

Cultural Sensitivity Increase Trust (CSIT)

The CSIT scale developed by Shapiro et al. (2008) measures four stages that American buyers go through in their cross-cultural engagements in Asia: romantic sojourner, foreign worker, skilled worker, and finally, partner. When they reach the fourth stage, cross-cultural initiators have the highest level of cultural sensitivity, along with business negotiation skills built on relational trust.

The CSIT scale measures these stages but fails to examine how initiators' actions will impact the results of cross-cultural engagement. The research results indicate that a buyer who reaches the highest stage of cultural sensitivity (partner) will probably achieve better results in a specific engagement. Yet the perspective of this research differs from my research as it focuses on "North American buyers who owned firms in the United States but hired Asian firms to produce clothing" for them (Shapiro et al. 2008, p. 73). The Asian firms are the ones selling to the Americans and not the other way around, as in my research. Hence, this scale is less relevant to my research.

Sensitivity to National Business Culture (SNBC)

In 1997 LaBahn and Harich examined the impact of cross-cultural sensitivity on business. This research focuses on sensitivity to an exchange partner's national business culture in order to better understand cultural sensitivity and its consequences. By focusing on selling-buying in a cross-border context, LaBahn and Harich (1997) took cultural sensitivity one step further toward understanding the domestic needs and practices of cross-national partners. The research uses a four-dimension scale with four items in each scale: sensitivity to national business culture, communication, conflict, and relationship performance.

Although this scale has been adjusted for use in many further studies, this specific scale has some gaps with respect to my research. As indicated above, three categories of dimensions should be included in cultural sensitivity. This scale includes only two categories—cognitive and behavioural dimensions—and overlooks the affective dimension, a key factor in cultural sensitivity. Consequently, the SNBC scale is less relevant to my study.

2.5.2 Group 2: Moderate relevance to my research

This group includes five scales: **MPQ**, **ICCI**, **ICSI**, **IRC**, and **CCR**. As can be seen in Table 2-2, the scales in this group cover all three dimensions described above, but for a variety of reasons were found less relevant to my research. Although each of them refers to the three groups of dimensions, a deeper analysis is required. In line with the research framework, obtaining cultural knowledge is critical to cultural sensitivity, not only for long-distance cultures but for short-distance cultures as well (O'Grady and Lane 1996). As indicated above, the cognitive group of dimensions is not sufficient; the knowledge dimension is an essential part of being culturally sensitive and culturally competent (Skarmeas et al. 2002; Alteren 2007; Shapiro et al. 2008; Johnson et al. 2006; Hammer 1987). The knowledge dimension measures what a salesperson knows about other relevant cultures and clarifies how this prior knowledge supports the salesperson in judging and reacting to the new business environment. In later stages of the engagement this knowledge will serve the salesperson in performing better in practice. The **MPQ**, **ICCI**, **IRC**, and **CCR** scales do not cover the knowledge dimension, and as a result do not provide a complete picture of cross-cultural sensitivity and competence. As cultural knowledge is an essential part of being culturally sensitive and competent, without this dimension these scales are incomplete and cannot be used for measuring cultural sensitivity. Although the **ICSI** scale does cover the knowledge dimension, it does not suit the research framework as it focuses on the impact of training by means of group measurements. Group measurements along with training measurements are different from the targets of my research, as they focus on the individual level rather than the group level and measure salesperson sensitivity without reference to ongoing training programs.

Multicultural Personality Questionnaire (MPQ)

The MPQ scale provides a measurement of intercultural competence (Van der Zee and Van Oudenhoven 2000) and was developed to measure the effectiveness of multicultural skills in diverse cultural environments. The authors considered seven dimensions that described actual behaviours, each selected to predict multicultural effectiveness: cultural empathy with 14 items, open-mindedness with 13 items, emotional stability with 13 items, orientation to action with 12 items, adventurousness/curiosity with 12 items, flexibility with 12 items, and extraversion with 15 items. In 2001 Van der Zee and Van Oudenhoven introduced an updated version of the scale comprising 78 items along five dimensions (cultural empathy, open-mindedness, emotional stability, social initiatives, and flexibility). They tested this version in the Netherlands by measuring international students and native students. The results showed that international students exhibited lower subjective well-being when they began their academic program in comparison to the local students. Considering the importance of maintaining emotional stability, the researchers attributed this finding to the fact that the international students had to get use to a different

culture and lifestyle (Van der Zee and Van Oudenhoven 2000). Furthermore, the MPQ was able to predict students' academic performance based on their viewpoints regarding cultural empathy, open-mindedness, emotional stability, flexibility, and social initiative.

The MPQ scale was used to assess multicultural effectiveness between two different groups of students. My research, in contrast, seeks to measure the relationship between person-to-person relationships and sales achievements. Measuring groups serves research targets that differ from those of my research. This scale provides measures that are more group-related, including students that already know each other. Although the MPQ scale can help shed light on gaps in cultural competence and their impact on relationships, it is less relevant for to study.

Intercultural Communication Competence (ICC)

The ICC scale developed by Arasaratnam (2009) aims to measure cross-cultural competence using three dimensions: cognitive, affective, and behavioural. A previous study by Arasaratnam and Doerfel (2005) measured the levels of four items that improve competence and improve levels of interaction: empathy of the participants; their motivation; their attitude toward other cultures; and ways in which participants improve interaction. This scale relied upon various previous studies and participant characteristics. The MPQ was used for measuring cultural empathy. The improvement in interaction was adjusted from Cegala's (1981) scale of interaction involvement that deals with conversation abilities, attention, awareness, and confidence. Experience was measured by the period of time the participants lived overseas, the cross-cultural training they received, and their relationships with culturally diverse individuals. The ICC scale demonstrates that motivation and approach toward different cultures are positively correlated with cultural empathy and interaction involvement. Furthermore, the researchers found that approach toward other cultures and interaction involvement are positively correlated with experience and motivation.

The ICC scale focuses on examining how motivation and approach toward different cultures correlate with cultural empathy and interaction involvement rather than on the abilities of individuals to succeed in cross-cultural engagements. Therefore, this scale is less relevant for my research.

Intercultural Sensitivity Inventory (ICSI)

In their research, Hammer et al. (2003) indicated that the potential for intercultural competence is related to levels of cultural sensitivity. Bhawuk and Brislin (1992) developed the ICSI scale under the assumption that cultural sensitivity represents an individual's ability to modify cross-cultural gaps in term of behaviour. The scale serves as a tool to measure an individual's modification of different cultures according to collectivistic compared to individualistic orientations, open-

mindfulness levels when engaging with other cultures, and flexibility in accepting different norms and behaviours of other cultures (Bhawuk and Brislin 1992). The ICSI was originally developed to measure graduate students' intercultural sensitivity in an international business context. The scale includes three sections: US and Japan sections based on individualism-collectivism theory) and Flex/Open section that measures open-mindedness and flexibility. ICSI assessment uses scenarios to determine level of intercultural sensitivity based on identification of differences between culturally expected behaviours, empathy shown to members of other cultures, and willingness to respond in a culturally appropriate manner (Bhawuk 1998). For instance, ICSI items ask whether an individual is willing to accommodate conflict or prefers to be direct and forthright when dealing with co-workers.

The ICSI scale has the advantage of covering all three groups of dimensions. Nevertheless, this scale focuses on the impact of training. In contrast, my research measures salesperson sensitivity without reference to training. Training is an outcome that can be implemented at a later stage. As indicated by Bhawuk (1998), while training does support cultural sensitivity, the results are related to aspects of learning abilities. The ICSI scale tests the success of the training rather than the impact of cultural sensitivity on cross-cultural engagements. As such, the ICSI is less relevant to my study. Nevertheless, it may shed light on the potential value of future research directions emerging from the outcome of my research.

Intercultural Readiness Check (IRC)

The IRC scale developed by Van der Zee and Brinkmann (2004) focuses on long-term working abilities and relationships in a cross-cultural environment as measured by six items. First, intercultural sensitivity with 29 items measures the actions taken by individuals with respect to the knowledge, viewpoints, norms, and background of different cultures. Second, intercultural communication, with 28 items, measures the levels of actions taken by individuals with respect of communication and behaviours. Third, intercultural relationship building, with 14 items, measures how individuals build their relationships in cross-cultural environments and how they influence other individuals from diverse cultures. Fourth, conflict management, with 8 items, measures how individuals deal with cross-cultural conflicts. Fifth, leadership, with 15 items, measures how individuals progress and improve their leadership abilities to manage cross-cultural teams. Sixth and last is tolerance for ambiguity, with 8 items, which measures individuals' preferences for certainty rather than uncertainty. This item is important in cross-cultural engagements as there is a lot of uncertainty involved when engaging with different cultures. This scale helps individuals understand what skills they do have and what skills they lack but need in a cross-cultural environment.

While the IRC scale measures some items that are relevant to my research, it does not place enough focus on knowledge, which is an essential part of cultural sensitivity competence.

Cross-cultural Relationships (CCR)

The CCR scale developed by Skarmeas, Katsikeas and Schlegelmilch (2002) posits that importer transaction-specific investments, exporter opportunism, environmental uncertainty, and exporter cultural sensitivity influence importer commitment to the overseas supplier relationship in international exchanges. This study considers four dimensions, each with four to five items, and another dimension consisting of four segments.

First, the scale measures the exporter's sensitivity to the importer's culture by four items that were modified from LaBhan and Harich (1997) by field interviews: understanding of, adaptation to, sensitivity to, and awareness of local business norms and practices. Environmental volatility, as adjusted from Klein et al. (1990) and Ganesan (1994), is the second four-item dimension, measuring market conditions and market validity for certain imports. The third dimension is that of transaction-specific investments, a four-item scale adapted from Anderson and Weitz (1992) that aims to reflect the importer's investments relevant to the focal relationship. The fourth dimension is opportunism (Gundlach et al. 1995; John 1984). This five-item dimension measures how the importer perceives the exporter's behaviour as part of the negotiations process. The fifth dimension of commitment was adjusted from Kim and Frazier (1997) and includes four segments—behavioural, continuous, affective and relationship performance—each measured by four items.

The CRR scale covers all three groups of dimensions based on the scale by LaBhan and Harich (1997), in addition to the affective dimensions. As in the scale by LaBhan and Harich (1997), the cultural sensitivity part of the CRR scale is not as detailed as in other scales. The knowledge part is missing from this scale, and as indicated above, knowledge is a key parameter for cultural sensitivity. Furthermore, it seems to me that the questionnaire in this study is too long for any salesperson to answer thoroughly. Therefore, this scale is less relevant to my study.

2.5.3 Group 1: Highest relevance to my research

The **CQ** scale was found to most relevant to my research, as it comprehensively covers the relevant items of cognitive, affective, and behavioural dimensions. Furthermore, the CQ provides sufficient understanding of participants' cultural knowledge and how they operate in a cross-cultural economic environment. The questionnaire is detailed yet sufficiently focused for a participant to spend the time to answer (Appendix C).

Cultural Intelligence Scale (CQ)

The CQ scale developed by Ang et al. (2007) and Ang, Van Dyne, and Koh (2006) examines the ability to successfully modify cultural intelligence to different cultures. In developing the scale, the researchers reviewed literature in the fields of intelligence and intercultural competencies, educational and cognitive psychology, metacognition operationalizations, intrinsic satisfaction, self-efficacy, and intercultural communication. They also interviewed eight executives with extensive global work experience (Ang et al. 2007). They then based the Cultural Intelligence Scale on Earley and Ang's (2003) theoretical model, according to which cultural intelligence comprises four components: metacognitive, cognitive, motivational, and behavioural. Metacognitive cultural intelligence entails the process of acquiring and understanding cultural knowledge, while cognitive cultural intelligence comprises general knowledge about culture. Motivational cultural intelligence refers to the magnitude and direction of energy applied toward learning and functioning in cross-cultural situations. Finally, behavioural cultural Intelligence constitutes the ability to exhibit appropriate actions when interacting with people of different cultures.

According to Macnab (2012, p. 68), the CQ scale "represents adjustments a person can make to be effective across-cultures, whereas a personality trait describes what a person will normally do across time and situations." The CQ scale has contributed to the body of knowledge for understanding the impact of cultural sensitivity on cultural diversity and its importance in cross-cultural engagements. The main outcome of the CQ scale is an explanatory tool measuring three intercultural effectiveness aspects: cultural judgment and decision making, cultural adaptation, and task performance. A higher score on the CQ scale will result in a more effective intercultural engagement. This scale has been used on both the organizational level and the individual level, supporting the basic assumption that greater cultural sensitivity results in better performance.

Over the past few years, the CQ scale developed by Ang et al. (2007) has been cited by several researchers in the context of various approaches to measurements, ranging from organizational levels (Van Driel and Gabrenya 2013; Chen, Wu, and Bian 2014) to individual levels (Macnab 2012; Klafehn, Li, and Chiu 2013; Sieck, Smith, and Rasmussen 2013; Taewon 2010; Groves, Feyerherm, and Gu 2015). These many approaches, ranging from military organization research (Van Driel and Gabrenya 2013) through cross-cultural negotiations success (Groves et al. 2015) to correlations to emotional intelligence (Taewon 2010) and how management styles affect conflicts (Chen et al. 2014), demonstrates the scale's flexibility and adaptability to diverse research topics. This scale is used to examine how cultural sensitivity is correlated first to relationships level and second to sales performance.

2.6 Relationship level

As noted in Section 1.1.5, salesperson-customer relationship level refers to the nature of the relationship developed between salesperson and customer. The assumption that relationship level mediates between cultural sensitivity and success in sales performance underlies the research framework. Chaisrakeo and Speece (2004, p. 267) consider the “ability to develop customer relationships in a cross-cultural context” not simply as a means of advancement but as a critical ability. These person-to-person relationships are the key to success. Close relationships between seller and buyer constitute the added value a company can offer in cases of providing the same services as its competitors, especially in the shipping industry (Drewry 2018; Ducruet and Notteboom 2012). For many years the literature has extensively emphasized the importance of conducting relationships on a high level in the buyer-seller context (Dwyer et al. 1987; Ganesan 1994), in the marketing context (Parvatiyar and Sheth 1994), in the context of initiation of strategic alliances (Varadarajan and Cunningham 1995) and even in the context of channel relationships (Anderson and Weitz 1989; Anderson and Narus 1990; Morgan and Hunt 1994).

In the business world, improving relationship level is advantageous for both sides: those who sell the product and those who buy it (Skarmeas et al. 2002). The literature points to two sets of categories that build a strong relationship between a buyer and a seller (Stankoa, Bonnerb, and Calantone 2007): The first is the category of commitment that is emphasized through trust (Rauyruen and Miller 2007; Fynes et al. 2004; Ganesan 1994; Morgan and Hunt 1994) and other parameters, including pledges (Fynes et al. 2005; Anderson and Weitz 1992), economic bonds (Wilson and Mummalaneni 1990), and relational norms (Woo and Ennew 2004; Lages et al. 2005; Gundlach, Achrol, and Mentzer 1995; Morgan and Hunt 1994; Siguaw, Simpson, and Baker 1998). The second category is the behavioural category (Su et al. 2008; Fynes et al. 2004; Rauyruen and Miller 2007; Gilliland and Bello 2002; Kim and Frazier 1997; Wilson and Mummalaneni 1990). This category is expressed in the salesperson’s behaviour in the engagement, the customer’s communication, the atmosphere in the engagement and the cooperation between the sides (Su et al. 2008; Fynes et al. 2004; Rauyruen and Miller 2007). The combination of these two sets of categories results in a high relationship level.

Trust commitment category

“The advantage to mankind of being able to trust one another, penetrates into every crevice and cranny of human life” (Mill 2000, p. 115). Customer commitment emerges from a feeling of trust in the salesperson and the proposed deal and a belief that the salesperson is able to adapt. Building strong and trusting relationships provides the foundation for succeeding in a sales business engagement (Sirdeshmukh, Singh and Sabol 2002; Ganesan 1994; Morgan and Hunt 1994). This is

true not only in the specific engagement. Indeed, customers who have trustful relationships with the salesperson will spread the positive word (Hennig-Thurau, Gwinner and Gremler 2002), and customer commitment leads to a higher probability of business continuity (Ganesan 1994; Morgan and Hunt 1994; Crosby, Evans, and Cowles 1990). As a matter of fact, according to existing literature, of the many relationship level dimensions building trust is the most important in constructing a high relationship level (Doney and Cannon 1997; Sirdeshmukh, Singh, and Sabol 2002). Trust comes into play at two points. The first is at the time of the engagement itself, indicating that the customer trusts the salesperson, the details of the deal, and the salesperson's offer (Lussier, Grégoire, and Vachon 2017; Ganesan 1994). The second point is after the deal is concluded when the salesperson must provide the agreed service and product (Sako and Helper 1998; Lussier, Grégoire, and Vachon 2017). The customer must trust the salesperson to deliver the product or service as agreed. This is especially relevant in industries like container shipping in which the product is not delivered on the spot but over a long period of time that can range from a few weeks to several months (Ducruet and Notteboom 2012).

In terms of commitment, being able to adapt is also a critical dimension for salespersons. Adaptation refers to a salesperson's ability to adjust to the needs of the engagement partners (Ford and Hakansson 2006). Salespersons that are unable to adapt to the customer's needs will find it more difficult to form high-level relationships (Su et al. 2008).

Behavioural category

The behavioural category is reflected in the salesperson's behaviour. It takes into consideration behaviour at the time of the engagement, communication with the customer, cooperation, and the general atmosphere in the engagement.

Cooperation is an important factor in situations in which different entities depend upon one another and derive benefit from each other's actions and behaviours (Ford and Hakansson 2006; Young and Wilkinson 1997). If a salesperson is able to generate cooperation with the customer, this cooperation will contribute to reaching the target of the engagement (Su et al. 2008). Individuals can enhance this dimension by being proactive in terms of acquiring knowledge that can be leveraged to generate cooperation with customer and mitigate potential gaps (Ford and Hakansson 2006).

With respect to communication, in recent years the role of the media has become significant in the world, and particularly in the business world. If in the past communication with customers was primarily reactive with the company responding to consumer actions, today communication with customers must be proactive (Finne and Grönroos 2017; Hope 2016). The current trend in global business is proactive communication. Businesses interact with customers while at the same time

identifying business opportunities in the market that can leverage and promote the business and ultimately improve its results (Lower 2015). This is evident in the growing trend toward consumer participation, questionnaires and surveys that increase customer involvement (Mullins et al. 2014).

The salesperson must create effective communication such that the customer receives all relevant and important information (Luc 2006; Su et al. 2008). There is no doubt that the digital age has made a significant contribution to strengthening the communication between salesperson and customer (Finne and Grönroos 2017; Hope 2016; Lower 2015). Thanks to technology it is now even possible to communicate with customers in their own language, which offers a huge advantage (Careque and Gooden 2011). If in the past the ability to communicate was limited, today the communication possibilities offered by emails, social-networks, apps and mobile phones are almost unlimited. The ability of the salesperson to engage in positive and continuous communication enhances the probability for success in the sales engagement (Nguyen, Barrett, and Nguyen 2004; LaBahn and Harich 1997; Su. et al. 2008)

The atmosphere dimension refers to the degree to which the salesperson makes the customer feel close and comfortable in the interaction (Woo and Ennew 2004). Here the salesperson aims to reduce tension and create a pleasant business atmosphere (Roehrich et al. 2002). Customers who feel comfortable in the engagement will be patient and cooperative, willing to listen, and willing to work together with the salesperson (Matsumoto and Hwang 2013; Black and Stephen 1989). A sales engagement is a complex interaction in which the salesperson must walk hand-in-hand with the customer in order to achieve a high relationship level and ultimately make the sale. To this end, the salesperson must conform to the dimensions of constructing a strong relationship. As for the famous quote that “the customer is always right” (Randall and Kroll 2018, p. 30; Philip 2016), the salesperson must build a trusting relationship with the customer and adjust her/his behaviour to the specific needs of the customer.

2.7 Instruments for measuring relationship level

Based on the literature review in Section 2.6 and on the assumptions of LaBahn and Harich (1997), this section focuses on the measurements, scales of relationships level. The literature review yielded two categories of dimensions—commitment and behavioural. These categories are covered by five dimensions that serve as the basis for successful relationships: **trust, cooperation, communication, adaptation** and **atmosphere**. The scale developed by Su et al. (2008) was found to be most suitable for this framework as it covers all five dimensions and fits the requirements that emerged from the literature (Appendix D). Table 2-3 presents scales that emerged from the literature review with Su et. al 2008 scale getting to receive the best coverage of relationships level dimensions.

Table 2-3: Five dimensions of successful relationships

	Commitment			Behavioural						
	Trust	Adaptation		Cooperation		Communication		Atmosphere		
	Trust	Adaptation	Service Quality	Long-term relationship	Cooperation	Interdependence commitment	Communication	Information sharing	Atmosphere	Relationship Satisfaction
Fynes et al. 2004	X	X			X		X			
Woo & Ennew 2004		X			X				X	
Lages et al. 2005			X	X			X	X		X
Fynes et al. 2005a		X			X	X	X			
Rauyruen & Miller 2007	X						X			
Su et al. 2008	X	X			X		X		X	

Trust is one of the driving forces behind a successful relationship (Stankoa, Bonnerb, and Calantone 2007; Rindfleisch and Moorman 2001; Rowley et. al. 2000; Su et al. 2008). Values and principles such as integrity, respect, transparency, commitment, and reciprocity accompany a relationship that has been or is in the process of being built (Fynes et al. 2004; Ryssel and Ritter 2000; Sako and Helper 1998). Trust between parties is based on mutual actions proving that one can rely on the other, that their goal is shared, and that both sides conduct themselves fairly in the process (Fynes et al. 2004; Ryssel and Ritter 2000; Krackhardt 1992; Rindfleisch and Moorman 2001; Rowley et. al. 2000; Uzzi 1996; Zaheer and Zaheer 1997). Trust between parties allows for a sense of security, closeness, and attention. Above all, a fruitful process of cooperation is generated, marked by open dialogue that leads to examining possibilities for growth. A lack of trust between the sides is one of the main reasons for unsuccessful engagements (Stankoa, Bonnerb, and Calantone 2007; Rindfleisch and Moorman 2001; Rowley et al. 2000; Su et al. 2008). Trust is a very important aspect of successful relationships, both long-term (Walter et al. 2002) and short-term (Stankoa, Bonnerb, and Calantone 2007). As claimed by Ryssel and Ritter (2000) and stated by Su et al. (2008), “trust is the extent to which a customer believes that the supplier is honest, benevolent, and competent” Su et al. (2008, p. 266).

Adaptation is essential in conducting long-term relationships. According to Williamson (1981), adaptation is a highly important dimension in a business transaction. This dimension refers to the steps both sides of a transaction are willing to take in order to maintain and adjust their current relationship to make it work (Ford and Hakansson 2006). If both sides seek a long-term business

relationship, they must each adapt to the other's specific needs (Su et al. 2008; Fynes et al. 2004). By adapting to the needs of the customer, the seller targets continuity and long-term relationships (Stahl 2002). If both sides are willing to invest in their current relationship and make the required adjustments, the level of their relationship is stronger. According to Woo and Ennew (2004), adaptation is an important dimension in benchmarking a high relationship level.

Cooperation represents the actions both sides of an engagement undertake in order to achieve the desired goal of the engagement (Young and Wilkinson 1997). Both sides take active steps toward a common target (Ford and Hakansson 2006). The dimension of cooperation is related to institutionalization. Halinen (1997) contended that institutionalization, which refers to the customs, rules, and standard procedures of the business relationship, is a dimension of cooperation. Familiarity with the rules and customs of the business engagement can solve future problems and lead to a successful relationship (Osborn and Hagedoorn 1997). Indeed, institutionalization of business relationships forms the basis for long-term relationships (Ford 1980). The cooperation between two sides of a deal must include effective interaction between the partners. The way to measure relationship effectiveness is by the extent of unpleasant friction between partners. Time should be invested in focusing and understanding how to improve the cooperation, resulting in a higher level of relationships.

Communication is one of the most important aspects of any sales transaction (Su et al., 2008). A lack of communication between the two sides of a deal manifests itself as a major hurdle in their relationship (Lages et al. 2005). When there is good communication, formal and informal information flows between the two sides of the deal (Anderson and Narus 1990). Communication must be efficient (Large 2005). Communication is not about a salesperson's attempt to flood the customer with information, but rather to provide the customer with relevant and important information based on understanding what the customer needs and wants to know. Relationships with customers are built through dialogues, not monologues. The dimension of communication is vital to develop the relationship between salesperson and customer (Luc 2006; Su et al. 2008).

Atmosphere can be considered an outcome of the relationship and indicates the degree of closeness in the relationship (Woo and Ennew 2004). The atmosphere generated by both sides of the engagement results from their relationships. Roehrich et al. (2002) claim that a good and strong relationship between business partners is linked to a positive atmosphere. This positive atmosphere indicates that both sides respect and trust each other and as a result have a higher relationship level (Su et al. 2008; Roehrich et al. 2002).

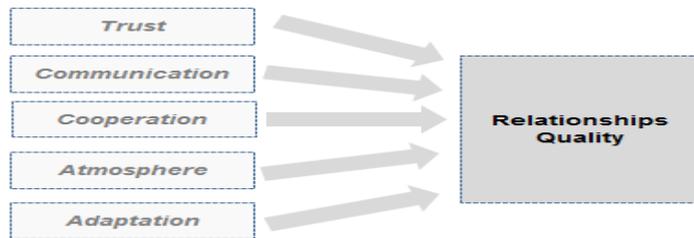


Figure 2-2: Five dimensions for measuring relationship quality.

Based on the review of the literature, I found the Supply Chain Relationship Quality (SCRQ) scale developed by Su et al. (2008) to be most suitable for measuring the relationship level achieved by global salespersons. The SCRQ scale identifies the key dimensions that impact relationship level with respect to performance. The scale incorporates the five essential dimensions: trust (Fynes et al. 2005), cooperation (Fynes et al. 2005; Woo and Ennew 2004), communication (Fynes et al. 2005), adaptation (Fynes et al. 2005; Woo and Ennew 2004) and atmosphere (Woo and Ennew 2004). These dimensions have a positive impact on relationship persistence, relationship diversity and relationship frequency, all of which provide an indication of relationship quality.

In line with the research framework, the first stage is to measure cultural sensitivity using the CQ scale. This stage will provide an indication of the degree to which a salesperson is culturally sensitive. The next stage involves linking cultural sensitivity to relationship performance under the basic assumption that higher levels of cultural sensitivity achieved by a salesperson will yield better relationship level. After, that the SCRQ scale (Appendix E) will be used as a tool for identifying relationship quality and performance. The final stage of the research model entails measuring sales performance in the context of cultural sensitivity and relationship level under the assumption that better relationship levels will have a positive impact on the sales performance of global salespersons, as discussed in the next section.

2.8 Association between cultural sensitivity and relationship level

The contention that cultural sensitivity in international business is associated with improved relationship level with one's business partner goes back many years (Ahmed et al. 1997). Researchers have indicated that cultural sensitivity is significantly related to relationship level (LaBahn and Harich 1997; Graham, Mintu and Rodgers 1994; Kale and Barnes 1992; Frazier, Gill and Kale 1989). In global trade specifically, cultural sensitivity has been found to have a positive impact on the quality of the relationship between exporters and importers (Nguyen and Nguyen 2014; Nguyen, Barrett, and Nguyen, 2004). According to LaBahn and Harich, "partner sensitivity to national business culture is shown to increase communication and decrease conflict, both of which in turn influence relationship performance" (LaBahn and Harich 1997, p. 29). Although relationship level differs between countries as each national group interprets and behaves differently,

understanding how to adjust to diverse methods and needs in a relationship “benefits successful business relationships” (Su et al. 2008, p. 263). Sellers as well as buyers benefit from improving the relationship level (Skarmeas et al. 2008).

According to LaBahn and Harich (1997), comprehending the needs, practices, and business needs of cross-national partners and adopting a culturally sensitive approach can positively impact the engagement target by increasing communication and decreasing conflict. The ability to improve the interaction with cross-cultural partners increases the chances for success. Nguyen, Barrett, and Nguyen (2004) contended that exporters with high cultural sensitivity and awareness have a better relationship level with their partner importers. A high-level relationship enables an exporter to enjoy long-term benefits from foreign importers (Alteren 2007).

According to Paige et al. (2003), in order to achieve a high-level relationship in a multicultural business environment more intercultural experience is needed. This claim is in line with other studies indicating the importance of social interactions and high-level relationships in multicultural engagements (Arasaratnam 2009; Van der Zee and Van Oudenhoven 2000; Bhawuk and Brislin 1992; Matveev and Nelson 2004).

Nguyen, Barrett, and Nguyen (2004) claimed that it is important to acquire knowledge and skills related to business culture, as raising awareness of and practicing sensitivity to cross-cultural matters will benefit the initiator in cross-cultural business encounters to bridge cultural differences. Moreover, in the context of the business sector, accelerated globalization brings new challenges to success. Relationships require not only personal skills but also the ability to overcome cross-cultural gaps. In the case of business conducted in a culturally diverse environment, “cultural sensitivity helps people to understand the behaviour or communication of others. More directly, cultural sensitivity allows exporters to more easily obtain and interpret information on foreign markets” (Nguyen, Barrett, and Nguyen 2004, p. 4). This is directly linked to the behavioural dimensions of relationship level (Section 2.6-Relationship level), to improving communication with the customer, to the atmosphere of the engagement and to the impact of cooperation. Indeed, relationship level substantially enhances success in business engagements.

As indicated above, cultural sensitivity can positively impact an engagement through better relationship performance, “A high-quality relationship enables a firm and its partners to enjoy the long-term benefits of the relationship” (Nguyen, Barrett, and Nguyen 2004, p. 3). In turn, relationship quality with customers has a positive impact on a firm’s performance (Nguyen, Barrett, and Nguyen 2004).

2.9 Theoretical review of cultural sensitivity dimensions in predicting relationship level dimensions.

Each of the four dimensions of the cultural sensitivity scale must be justified as measurement for predicting relationship level. As discussed in Section 2.5, cultural sensitivity at the CQ scale by Ang et al. (2007) is constructed from four dimensions, the metacognitive cognitive dimensions, the motivational dimension and behavioural dimension. Each CQ scale dimension is essential for predicting the five dimensions of relationship level that serve as the basis for successful relationships: trust, cooperation, communication, adaptation and atmosphere. To develop the theoretical argument, I review the association between each of the cultural sensitivity dimensions and the relationship level dimensions.

2.9.1 Metacognitive and cognitive dimensions

The metacognitive dimension of the cultural sensitivity scale represents the processes by which individuals acquire and understand cultural knowledge (Ang et al. 2007). The cognitive dimension represents the “intelligence-as-knowledge concept” (Ang et al. 2007, p. 337), i.e., an individual's general knowledge about the relevant cultures their norms, values and principles. These two dimensions are complementary as they represent the individual's basic cultural knowledge and desire to learn more. The metacognitive and cognitive dimensions are essential for constructing high quality relationships and for enhancing each of the dimensions on the relationship level scale.

With respect to predicting relationship level, in order to build trust an individual must demonstrate respect for the business partner (Fynes et al. 2004; Ryssel and Ritter 2000; Sako and Helper 1998). It is impossible to respect people and avoid offending them without understanding and knowing the basic principles of their culture (Nguyen, Barrett, and Nguyen 2004; Harich and LaBahn 1998; Ford 1984; LaBahn and Harich 1997). A salesperson must know and want to learn about the customer's basic cultural principles in order to act accordingly. Building trust is a challenge (Fynes et al. 2004; Ryssel and Ritter 2000) that escalates in cross cultural and diverse environments as the process necessitates differentiating between different cultural groups (Hofstede 2001). Individuals with high scores on the metacognitive and cognitive dimensions are likely to have the cultural knowledge that enhances the trust-building process.

In addition to predicting the trust dimension, the metacognitive and cognitive cultural sensitivity dimensions enhance and predict the other relationship-level dimensions as well: cooperation, communication, adaptation and atmosphere. Cooperation as manifested in the actions both sides of an engagement take to achieve the desired goal (Young and Wilkinson 1997) is enhanced by the individual's proactive acquisition of cultural knowledge to mitigate cultural gaps between the engagement partners (Bhawuk and Brislin 1992). Communication represents the capacity of the

individual, or in this case the salesperson, to develop beneficial communication through which the customer receives the relevant and important information (Luc 2006; Su et al. 2008). Salespersons that score high on the metacognitive and cognitive dimensions are likely to understand the gaps that may emerge from cultural diversity. To forge good communication with the customer and score high on this dimension, salespersons use their acquired cultural knowledge (represented by the metacognitive and cognitive dimensions) to mitigate the gaps and improve communication (Nguyen, Barrett, and Nguyen 2004; Harich and LaBahn 1998; Su et al. 2008). In a cross-cultural environment, communication developed through the cognitive and metacognitive dimensions of cultural sensitivity can even reach the point of speaking and understanding the customer's language (Careque and Gooden 2011; Glaser 2007).

The adaptation dimension refers to the steps that salespersons must undertake to adjust their behaviours and relationships to those of their engagement partners (Ford and Hakansson 2006). Acquiring and understanding cultural knowledge (represented by the metacognitive and cognitive dimensions) are the initial steps a salesperson should take when engaging with a cross-cultural customer (Skarmeas et al. 2002; Ang et al. 2007; Su et al. 2008). As such, the metacognitive and cognitive dimensions of the cultural sensitivity scale should enhance and predict the adaptation dimension of the relationship level scale.

The atmosphere dimension refers to the degree of closeness (Woo and Ennew 2004) and the quality of the atmosphere in relationships (Roehrich et al. 2002). Just as cultural gaps can create tension (Matsumoto and Hwang 2013; Black and Stephen 1989), avoiding these gaps can enhance a good and strong atmosphere (Matsumoto and Hwang 2013; Black and Stephens 1989; Roehrich et al. 2002). As such, a lack of cultural knowledge as reflected by the cultural sensitivity dimensions of metacognitive and cognitive will surely cause tensions emerging from misunderstanding the engagement partner's cultural norms and principles (Matsumoto and Hwang 2013). When cultural gaps are at a minimum, the atmosphere is ripe for a successful relationship.

2.9.2 Motivational dimension

The motivational dimension of the cultural sensitivity scale represents the amount and direction of energy applied to functioning and learning in multi-cultural situations (Ang et al. 2007; Earley and Ang 2003). As such, an individual who enjoys cross-cultural interaction, can deal with stress that emerges from cross-cultural interaction, and can communicate well in a cross-cultural interaction (Ang et al. 2007) will have better chances of success in the target relationship and will score higher on the relationship level scale (LaBahn and Harich 1997; Graham, Mintu, and Rodgers 1994; Kale and Barnes 1992). A salesperson's motivation enhances each dimension of the relationship level scale. Trust (Su et al. 2008) is enhanced by the values of respect, transparency and integrity (Fynes et al. 2004; Rysse and Ritter 2000). The motivational dimension of cultural

sensitivity predicts the trust dimension of relationship level in a straightforward manner: A salesperson that is motivated to bridge the gaps and form a trustful relationship will score higher on the trust dimension.

Both the salesperson's motivation to adjust (Ford and Hakansson 2006) and the steps taken by the salesperson (Young and Wilkinson 1997) to achieve the engagement goal (Ford and Hakansson 2006), predict and enhance the cooperation and communication dimensions of relationship level scale. As such, a salesperson's motivation to solve cultural gaps (Ang et al. 2007) will reduce the lack of communication (Lages et al. 2005) and promote a higher relationship level.

A salesperson's motivation to bridge cross-cultural gaps also enhances and predicts the adaptation and atmosphere dimensions of the relationship level scale. High performance on the motivation dimension of cultural sensitivity indicates that the salesperson enjoys interacting with and socializing with people from different cultures (Ang et al. 2007). This high performance is linked to the dimensions of adaptation and atmosphere. Indeed, salespersons that enjoy cross-cultural interactions and can adapt to cultural needs score higher on these dimensions. Hence, the motivational dimension of cultural sensitivity appears to positively predict the dimensions of adaptation and atmosphere.

2.9.3 Behavioural dimension

The behavioural dimension of the cultural sensitivity scale represents the social interactions and actions individuals undertake to bridge the cultural gaps. Like the previous three dimensions of cultural sensitivity, this dimension also enhances and predicts the level of the salesperson-customer relationship (Stankoa, Bonnerb, and Calantone 2007). This dimension refers to how salespersons adjust their verbal and nonverbal behaviour to cross-cultural partners (Ang et al. 2007). These adjustments taken enhance each dimension of the relationship level scale. Awareness what to do or what not do enhance the business partner's trust (Rauyrueen and Miller 2007; Fynes et al. 2004; Ganesan 1994; Morgan and Hunt 1994). Cultural sensitivity in the social interaction between salesperson and customer is essential for forming high-level relationships (Arasaratnam 2009; Van der Zee and Van Oudenhoven 2000; Bhawuk and Brislin 1992; Matveev and Nelson 2004). It is impossible to build trust if the salesperson does not know the behavioural codes, does not know how to behave according to the partner's needs and how to interact in the engagement. Hence, the behavioural dimension of cultural sensitivity appears to enhance and predict the trust dimension of relationship level.

With respect to the relationship dimensions of adaptation and atmosphere, the behavioural dimension of cultural sensitivity measures the salesperson's ability to adjust and adapt to the engagement partner, thus generating a better atmosphere (Roehrich et al. 2002). The verbal and

nonverbal adjustments a salesperson is willing to make, as represented by the behavioural dimension (Ang et al. 2007), enhance and predict the relationship level dimensions of adaptation and atmosphere. The communication and cooperation dimensions of the relationship level scale are predicted by the behavioural dimension as well. Salespersons that adjust their behaviour to the culture (Ang et al. 2007) will score higher on the cooperation and communication dimensions of their relationship to the engagement partner (Arasaratnam 2009; Van der Zee and Brinkmann 2004).

This review of the dimensions of cultural sensitivity and their ability to predict each of the relationship level dimensions forms the basis for the theoretical model (Section 2.13). **As indicated by Paige et al. (2003), higher level relationships are formed when the initiator has more intercultural knowledge, sensitivity and motivation to bridge the cultural gaps.**

2.10 Sales performance measurement

In the world of global business, sales performance serves as the growth engine of organizations. Consequently, since 1918 research has focused on analysing sales performance (Shannahan, Bush, and Shannahan 2013). Previous research has considered a variety of topics related to sales performance, ranging from behavioural research (Kohli 1985), through job satisfaction (Brown and Peterson 1994) to a meta-analysis of sales performance determinants (Churchill et al. 1985) and drivers (Verbeke et al. 2011), and many others as well.

This section focuses on the third stage of the research model: measuring the global sales performance of salespersons through their target achievements. The performance measurement is calculated as a percentage of target achievement, the sales figure is the numerator and the given target is the denominator. With this measurement method, although the quantified targets differ between salespersons, the success rates in meeting the targets across the board are equally measurable. Understanding how sales are recorded and how targets are set is important for understanding the sales performance measurement.

The initial step will be to clarify whether the sales theory of the research organization follows the common practice known from the literature review in terms of sales measurement. The research by Verbeke et al. (2011) yielded four categories of sales performance divided into five subgroups: 1) motivation, with the subgroup of work engagements; 2) aptitude, with the subgroup of cognitive abilities; 3) role perceptions, with the subgroup of role ambiguity; and 4) skill level, with the subgroups of degree of adaptiveness and selling-related knowledge

The principles set out in these categories will improve organizational performance and can be adapted or guided (Verbeke et al. 2011). An organization can motivate work engagements, acquire

cognitive abilities and adaptability abilities, and teach the knowledge required for selling (Shannahan et al. 2013). ZIM and its global sales departments follow these principles by conducting workshops and global focus groups for knowledge transfer, along with study sessions to guide and support sales teams in improving performance. As the salespersons are being evaluated by the target reached, the method of setting challenging personal goals is a key factor in improving performance (Chowdhury 1993; Locke and Latham 1990). The process of setting sales targets is vital for the organization's sales achievements. Organizations need this process in order to improve their sales performance. This process can motivate work engagement, help staff members acquire cognitive abilities and adaptability abilities, and teach selling skills (Shannahan et al. 2013).

The second step will be to clarify whether the target setting theory of the research organization follows the common practice known from the literature review in terms of setting sales targets. The review of the literature on goal-setting theory indicates that salespersons with relatively high goals will perform better as "higher goals facilitated higher performance" (Brown et al. 1998, p. 89; Campbell and Furrer 1995; Locke 1968). In order to achieve higher performance, Chowdhury (1993) contended that high targets are not enough, as targets that are too high may cause salespersons to become discouraged, while targets that are too low will not maximize their potential. The target setting process should consider both the potential to be reached and the potential to be motivated.

As in other industries and organizations, in ZIM, as fully covered in Section 3.8 the salesperson's targets are set according to the market potential in the relevant district or region. As each region has its specific potential as a derivative of market size and growth forecasts (Luo 2003), the main focus is to understand performance in terms of meeting sales targets. The estimation of the sales potential must be as accurate as possible in order to set challenging targets that reflect opportunities for growth (Mantrala and Raman 1990). In line with market standards, the sales teams at ZIM are directed by the company's management with guidelines from customer retention, consequently diversifying the customer base (Chenhall and Langfield-Smith 2007).

Consistent with Chowdhury's (1993) findings, ZIM's management aims on the one hand to push its salespersons, while on the other hand not to give them unrealistic targets that cannot be reached. For this reason, each salesperson is assigned a target to strive for according to the specific market potential and past performance. In the target-setting process, each salesperson is assigned an explicit target according to the specific market potential. The target is measured by volume of containers, subject to the company's minimum NOR (Net Operating Revenue) guidelines per container. Each salesperson is assessed according to the specific market and its volume target. Setting personal goals that are challenging, as is the case at ZIM, is a key factor in better performance (Chowdhury 1993; Locke and Latham 1990).

The data, of sales and targets were generated from ZIM's SAP database. This data source is highly trustworthy and accurate, as it is used by many of the company's departments to record and track company activities and to promote and measure the sales teams. Furthermore, the company is audited by an external auditor on a quarterly basis to determine that the company's operations are proper and conform to regulations. The sales performance data I used are already objectively used by the company without regard for my research. The data underwent no manual intervention by the researched group or by me as the researcher and were not in any way linked to the research. The data are generated by the company's SAP system, which is used for keeping track of sales activity, documenting company income for reporting purposes, and monitoring performance. Therefore, data are consistent, and the results are reliable. The data about salesperson performance will be generated from the company's data bases over the same 15-month period to avoid seasonality and one-time peaks or downturns.

2.11 Theoretical analysis of relationship level dimensions in predicting sales performance

Both the literature review and the research assumptions indicate that sales performance is enhanced by achieving a higher relationship level between salesperson and customer. The relationship level scale and its dimensions demonstrate a positive correlation between relationship level and sales performance. In this study, achieving a sale is the goal of the engagement. A successful sale dyad is made up of dimensions that need to be synchronized to create the perfect basis for the success of the sale.

Taken together, the five dimensions of relationship level provide an indication that the relationship level measurement enhances the formation of a strong relationship between salesperson and customer, in turn leading to a successful sale (Su et al. 2008; Chairakeo and Speece 2004; Nguyen, Barrett, and Nguyen 2004). **Trust** represents the ability to build a truthful relationship with the customer and is one of the driving forces behind a successful sales engagement (Fynes et al. Stankoa, Bonnerb, and Calantone 2007). **Cooperation** involves the actions taken to achieve the desired goal of the engagement (Young and Wilkinson 1997). **Communication** refers to the flow of information between salesperson and customer relevant to the deal (Anderson and Narus 1990; Lages et al. 2005). **Adaptation** entails the adjustments made to make the relationship work toward the desired goal (Ford and Hakansson 2006; Williamson 1981). Finally, **atmosphere** represents the degree of closeness between salesperson and customer. A positive atmosphere enhances the target of the engagement (Su et al. 2008; Woo and Ennew 2004).

In the context of sales, these person-to-person relationships between salesperson and customer are the key to success (Lussier, Grégoire, and Vachon, 2017; Groza, Locander, and Howlett 2016; Lassk and Shepherd 2013).

2.12 Literature review conclusions

In reviewing the literature, I found no studies that discussed quantitative means for measuring the association among cultural sensitivity, relationship level and sales performance. Such a quantitative measure would provide a better understanding of the interrelationship between cultural sensitivity, as mediated by relationship level, and actual sales performance. I propose filling this gap by devising a way to quantify the link between cultural sensitivity and the actual measurable sales performance of salespersons working in multicultural environments. This theory is in line both with the literature and with business practice indicating that better relationship levels lead to higher performance (Schwepker and Good 2011). Salespersons who are capable of achieving higher relationship levels with their customers will achieve better sales performance. In a cross-cultural environment, in order to achieve these higher relationship levels, salespersons must be culturally sensitive (LaBahn and Harich 1997; Graham, Mintu, and Rodgers 1994; Kale and Barnes 1992; Frazier, Gill, and Kale 1989). The research I designed will test these assumptions.

Researchers have emphasized the importance of understanding cultural differences in cross-cultural engagements (Hall and Hall 1987; Hofstede 1991; Kluckhohn and Strodtbeck 1961). Still, the body of empirical research examining how cultural sensitivity impacts global business is relatively small (Shapiro, Ozanne, and Saatcioglu 2008). Even fewer empirical studies have examined this topic in the context of sales performance and no such studies have examined the impact of cultural sensitivity on actual sales performance in the container shipping industry. Data on actual sales performance are hard to obtain, as the information is usually confidential and not available to out-of-company sources. Most companies are reluctant to share valuable and confidential information on actual sales data with sources outside the organization, leading to a conceptual gap in knowledge. In this case, as an insider I have the knowledge and tools to access and receive any data and information relevant for the research.

Empirical research demonstrating the practical impact of cross-cultural sensitivity on actual sales performance in an intercultural environment is lacking. There is still a need to link between cultural sensitivity and the actual measurable sales performance of cross-cultural salespersons, and this research aims to fill this gap. The hypotheses of the research model posit that higher culture sensitivity results in better relationship performance, which in turn leads to better sales performance. The link between these three items—cultural sensitivity, relationship level, and sales performance in the container shipping industry—is the contribution to knowledge this research

provides. As covered in Section 3.12, because I am an “insider researcher”, I am highly familiar with the researched market and the researched company’s operation and more importantly, I was able to access the data and construct a suitable research model. Yet, this study aims to draw intriguing conclusions that I as an insider could not know. It provides insight on the cross-cultural business environment. The research seeks to discover whether salesperson-customer relationship level serves as a mediator between cultural sensitivity and sales performance or whether it is cultural sensitivity alone that sets the tone in cross-cultural engagements, invalidating the impact of relationship level and its dimensions.

2.13 Theoretical model

The theoretical model for this research emerged from the literature review and the realization that there is no quantitative way of measuring the impact of cultural sensitivity on sales performance. This model serves as the basis for examining the relationship **between cultural sensitivity within the global container shipping industry and the level of salesperson-customer relationships and, in turn, the correlation with sales performance.**

Hypothesis (H1):

A higher degree of cultural sensitivity by a salesperson in cross-cultural engagements is positively related with the level of the relationship with customers.

Hypothesis (H2):

A salesperson’s cultural sensitivity capabilities are positively related with enhanced sales performance.

Hypothesis (H3):

Relationship level will mediate the relationship between a salesperson’s cultural sensitivity and her/his sales performance.

This research includes three variables: 1) salesperson’s cultural sensitivity; 2) level of the relationship with the customer achieved by the salesperson; 3) performance achieved by the salesperson. The criterion variable is the salesperson’s performance, the predictor variable is cultural sensitivity, and the mediator variable is relationship level. The goal of this research is to examine the correlation between two variables—cultural sensitivity (CS) and relationship quality (RL)—and the impact of this correlation on the sales performance (PR) of the same sample group. Figure 2-3 provides a visual description of the theoretical model.

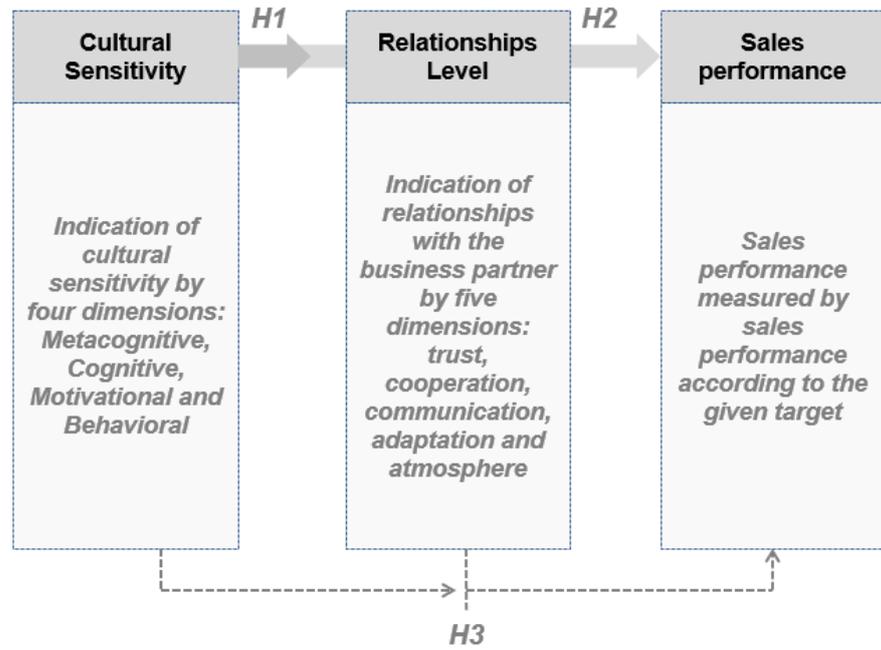


Figure 2-3: The research model.

Proving the hypotheses proposed in the research model will help global firms know where to focus their efforts when recruiting and training global salespersons.

3 Methodology

This chapter outlines the research framework and methodology adopted for this research study. The chapter is organized as follows. First, I describe the research population and the research method. I then review the quantitative research tools, with emphasis on their reliability and validity. After that I discuss the research procedure and statistical analysis. I close the chapter with a discussion about the researcher approach and research ethics.

Based upon the issues emerging from the theoretical discussion, this research includes three variables: 1) the salesperson's cultural sensitivity; 2) the level of the relationship the salesperson achieves with the customers; and 3) the salesperson's sales performance. As discussed in the theoretical model, the criterion variable is salesperson performance relative to a given target, the predictor variable is cultural sensitivity, and the mediator variable is salesperson-customer relationship level.

The literature review points to a need for quantitative measurement that can provide a better understanding of cultural sensitivity aspects that are related to the quality of salesperson-customer relationships and that subsequently influence the relationship between this quality and actual sales performance. Indeed, the gap can be bridged by linking cultural sensitivity to actual measurable sales performance among salespersons working in a cross-cultural business environment. This two-stage theory is in line with the literature review and with actual business practices indicating that better relationships lead to higher performance (Schwepker and Good 2011). Salespersons who can achieve better relationships with their customers will achieve better sales performance. In order to achieve these improved relationship levels in a cross-cultural environment, salespersons must be culturally sensitive (LaBahn and Harich 1997; Graham, Mintu, and Rodgers 1994; Kale and Barnes 1992; Frazier, Gill, and Kale 1989). In my research I further develop this idea with a quantified measurement of actual numerical sales performance figures.

3.1 Research population

This research focuses on global salespersons working for ZIM (ZIM 2016). The company operates regular routes between predetermined trading destinations, docking at ports in accordance with a predetermined schedule (ZIM 2016). ZIM also provides its customers with related services such as overland transport services, freight forwarding, and customs clearance.

3.1.1 Research participants

This research is a population-based research focusing on the global cross-cultural business environment. The research population comprised all 276 salespersons working for ZIM in 29 countries across the globe: Argentina, Brazil, Mexico, Canada, USA, Vietnam, Thailand, Singapore,

Malaysia, Indonesia, Japan, South Korea, China, Hong Kong, Hong Kong, Taiwan, India, Germany, Netherlands, Belgium, United Kingdom, France, Greece, Italy, Spain, Russian Fed., Ukraine, Israel and Turkey. Table 3-1 shows the distribution of salespersons by country of operation. The participating salespersons range in age from twenty to their late-sixties and have all worked for the company for at least 15 months.

Table 3-1: Salespersons by country of operation.

Country of operation	Salespersons	% of total
South and Central America	15	5%
North America	38	14%
Southeast Asia	40	14%
Northeast Asia	20	7%
China	70	25%
India	26	9%
Northern Europe	11	4%
Southern Europe	19	7%
Eastern Europe	8	3%
Eastern Mediterranean	29	11%
Total	276	100%

Table 3-2 provides general information about the research population. Because these salespersons work in the container shipping industry and sell the company’s global shipping services from one location to another, they are highly exposed to cross-cultural interactions. Meeting their sales targets requires them to be in ongoing contact with global customers and agencies. These customers come from a very wide variety of market segments, ranging from global accounts such as multinational conglomerates, multinational retail corporations, wholesale corporations and trading corporations to freight forwarders and local importers and exporters such as factories and department stores.

Table 3-2: General information about the population.

Gender	Salespersons	% of total
Male	176	78%
Female	49	22%
Total	225	100%
Data not available*	51	
Total including those with missing information	276	

**Information about salesperson’s gender was not available*

The size of this population provides a statistical advantage as it covers the potential group in its entirety. The structure of the company’s sales force is designed to provide comprehensive cultural

interactions for both cross-national and intra-national cultural gaps (Kaasa et al. 2014; Tung 2008). Each salesperson controls a given share of the relevant export country (intra-national) but also must interact with the sales teams on the import side (cross-national) to receive cargo prioritization. This working practice is compatible with the research model and philosophy. I did no sampling whatsoever and did not have to exclude or eliminate any salesperson from the total available population. Only those who chose not to respond were excluded. This method of assessing a population provides a more reliable database for analysis as I did not filter or select any salespersons from the group. Rather I used the entire available population and analysed all the data I was able to acquire. A sample group should represent the population or relevant research group. Here I analyse the entire relevant population of salespersons working for ZIM.

3.1.2 Respondents

No sampling was carried out in this research. The population used in this research included all the relevant salespersons working for ZIM and not a sample group. I generated a list of all salespersons from the company's human resources database (total of 276) and sent out the questionnaires to all them. Despite the lack of sampling, I ended up with 222 relevant respondents (81%). This percentage of the total population emerged from the combination of data sources. Of the 276 in the original population, 227 responded to the questionnaire. The sales performance figures yielded 259 salespersons with full performance vs. target data for five quarters. Combining these two sources resulted in 222 salespersons with full performance data that answered the questionnaires. Out of the entire research population of 276 salespersons, only 19% (54 salespersons) either did not answer the questionnaire or did not have full performance data. Analysis of this group of 54 salespersons did not reveal any common ground differentiating them from the rest of the population.

3.2 Research method

In accordance with the research model, it is common practice in the cross-cultural business environment of salespersons in the container shipping industry to break the environment down into its constituents to find patterns and correlations among the variables of cultural sensitivity, relationship levels and business performance. This research seeks to define this common practice in the cross-cultural business environment using scientific tools and to reveal facts about the global, cross-cultural business interactions of salespersons in the shipping industry. The research aims to show how the salespersons' cultural sensitivity and the level of their relationship with customers are correlated with their success in sales, as measured by sales performance. To measure and analyse these patterns I used several types of tools, among them questionnaires to

measure cultural sensitivity and relationship level achieved and tools that generated comparisons between sales and target data from the company's database to measure sales performance.

The advantages and disadvantages of the various research methods (quantitative, qualitative, and mixed) have been widely discussed in the literature over the years (Buglear 2005; Bryman and Bell 2011; Silverman 2013; Hesse-Biber and Johnson 2015). Quantitative and qualitative methods have some similarities: both "describe their data, construct explanatory arguments from their data, and speculate about why the outcomes they observed happened as they did" (Sechrest and Sidani 1995, p. 78). Both methods include safeguards to minimize confirmation bias (Sechrest and Sidani 1995). This confirmation bias may accumulate as "the researcher may miss out on phenomena occurring because of the focus on theory or hypothesis testing rather than on theory or hypothesis generation" (Johnson and Onwuegbuzie 2004, p. 19) and other forms of invalidity that can potentially exist in any research (Johnson and Onwuegbuzie 2004; Sandelowski 1986). Indeed, according to Johnson and Onwuegbuzie, "the researcher may miss out on phenomena occurring because of the focus on theory or hypothesis testing rather than on theory or hypothesis generation (called the confirmation bias)" (Johnson and Onwuegbuzie 2004, p. 19). Yet, the dissimilarities between the methods lead to disadvantages or advantages in using one over the other that could be viewed as a bias.

To find the suitable research method I examined my targets and the available data sources. My target is to discover how the predictor variables of cultural sensitivity and level of relationship between salesperson and customer are related to the criterion variable of salesperson sales performance. Quantitative research can test these hypotheses as it can determine whether or not a certain relationship between the variables exists. The current study had a relatively large number of participants (276) and examined data generated by a database used regularly by a commercial company together with data collected by closed questionnaires with minimal intervention from the researcher. This combination of data sources provides a sufficient basis for using the positivistic quantitative method. The positivistic quantitative method is better suited for testing a specific hypothesis as it is based on the view that if there is a correlation between variables, it can clearly be found and proven.

Although one advantage of positivistic research is that its underlying assumption corresponds with the quantitative research method, the literature still includes debates about its objectivity. According to Fisher (2010, p. 19), "Positivism holds that an accurate and value-free knowledge of things is possible. It holds out the possibility that human beings, their actions and institutions can be studied as objectively as the natural world". Proponents of this approach claim that researchers should be observers who strive for objectivity and empirical justification of the stated hypotheses. To eliminate their biases researchers should analyse the data without being emotionally involved

in the data collection process. Indeed, the collection of social observation data should be treated in the same way as physical phenomena is treated by physical scientists (Johnson and Onwuegbuzie 2004; Ayer 1959; Maxwell and Delaney 2004; Popper 1959; Schrag 1992). Quantitative positivist philosophy research drills down into a constituent reality and aims to discover relationships and links between variables (Johnson and Onwuegbuzie 2004). Thus, the researcher is not part of the entities but rather uses deductive hypotheses to test and predict reality. It can clearly indicate to what extent a certain relationship exists or not. This is not possible with qualitative research.

The objectivity sought by the quantitative method can also be an obstacle, as the researcher does not necessarily understand the quality of the quantitative answers. The researcher analyses the data statistically without conducting an in-depth analysis regarding what is behind the answers. This disadvantage is solved by several actions taken in this research. With respect to understanding the quantitative answers, my status as an insider provides me with a profound understanding of the details and topics emerging from the questionnaire. I am highly familiar with the everyday practices of the researched company. This involvement provides the advantage of understanding the core business and the questionnaire answers. The questionnaires used in this research were validated by prior research and designed to draw conclusions about these same variables. In a complementary phase, the cultural sensitivity and relationship level scales were measured by the sales performance measure generated in Excel format from the company's databases. A qualitative analysis would not contribute any added value to this analysis, as the performance data can be thoroughly analysed using statistical methods.

3.3 Research tools

This research used two research tools: closed-end questionnaires that underwent statistical analysis and performance-related statistical data generated from the company's database system.

In phase one, the respondents completed one closed-end questionnaire (Appendix A and Appendix B) composed of two scales: the CQ scale by Ang et al. (2007) for cultural sensitivity (see Appendix C) and the SCRQ scale by Su et al. (2008) for relationship levels (see Appendix E). In the second phase, objective data generated from the company's database provided evidence of each salesperson's achievements relative to the given target. As shown in Figure 3-1, in order to guarantee confidentiality, I gave all respondents a signed letter pledging that they would remain anonymous throughout the research process and that the results would be treated with complete confidentiality. Moreover, there would be no connection between the stages as only I had access to both sets of information.

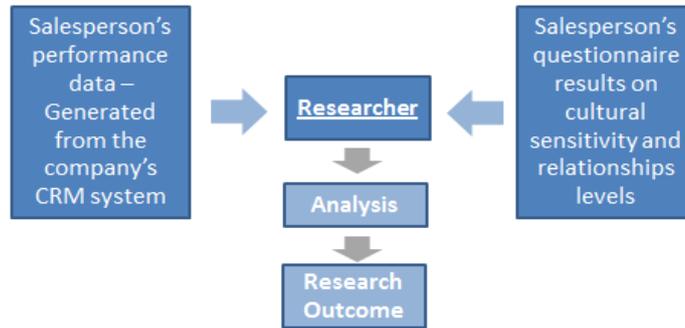


Figure 3-1: Method for guaranteeing anonymity of the participants and confidentiality of the results.

The company initiated an IT sales performance target system in 2013. This system provides a targeted focus for the salesperson and creates a common language used by all the commercial teams in the business, including definitions of the booking forecast and the system workflow. Implementation of the target system in all countries where ZIM operates is ongoing. The system currently, at time of the research, covers countries that account for 95% of ZIM’s activity, as handled by 276 salespersons. Sales teams are measured according to their volume of achievements relative to the set targets. In this research, this parameter is used to indicate salesperson success.

In practice, the questionnaire sent to the salespersons consisted of four parts. The first part is a short introduction that again highlights that the questionnaire is voluntary and anonymous (Figure 3-2).

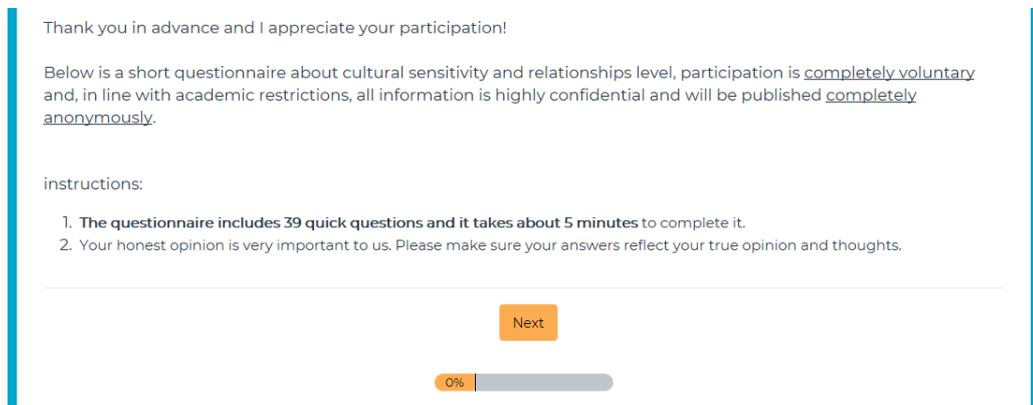


Figure 3-2: Introduction to the questionnaire.

The second part contained two general questions about information that could not reliably be generated from the company’s human resource system and that can provide more depth for the statistical analysis.

1. Please specify your ethnicity:
 - White
 - Hispanic or Latin
 - Black or African American

Native American or American Indian

Asian / Pacific Islander

Other

2. What is the highest degree or level of school you have completed?

No schooling completed

Some high school, no diploma

High school graduate, diploma or the equivalent

Trade / technical / vocational training

First / bachelor's degree

Second / master's degree

Doctorate degree or above

The third and fourth parts constitute the questionnaires themselves. Although the participant saw this as one questionnaire, it is composed of two different questionnaires. Participants answered the “cultural sensitivity” questionnaire (Questions 3-22) on a scale ranging from 1-7 (Figure 3-3). They answered the “relationship level” questionnaire (Questions 23- the end) on a scale ranging from 1-5 (Figure 3-4).

Part Three - Cultural Sensitivity questionnaire

3. part 1/9:
Please read each statement and select the response that best describes your capabilities.
Select the answer that BEST describes you AS YOU REALLY ARE (1 = strongly disagree; 7 = strongly agree)! *

	1	2	3	4	5	6	7
I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds.	<input type="radio"/>						
I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.	<input type="radio"/>						
I am conscious of the cultural knowledge I apply to cross-cultural interactions.	<input type="radio"/>						
I check the accuracy of my cultural knowledge as I interact with people from different cultures.	<input type="radio"/>						

Back Next

18%

Figure 3-3: Cultural Sensitivity questionnaire.

Part Four - Relationship Level questionnaire

7. part 5/9:
We want to learn about your relationship with customers, please rate the extent or degree of current practice of the following items, on a five-point Likert scale with 1 = "strongly disagree" to 5 = "strongly agree"! *

	1	2	3	4	5
In the relationship, information that might help the other party will be provided timely and forwardly.	<input type="radio"/>				
Exchange of information in the relationship takes place informally, and not only according to a per-specified agreement.	<input type="radio"/>				
Both parties keep each other informed about events or changes that may affect the other party.	<input type="radio"/>				

55% 

Figure 3-4: Relationship level questionnaire.

3.4 Statistical tools

The questionnaires and correlations to sales performance were statistically analysed using SPSS (Buglear 2005). First, I calculated the Pearson correlation coefficient. After that I conducted regression analysis using several methods, with and without mediation. Finally, I conducted a path analysis using SEM (Structural Equation Modelling). This type of analysis is usually done with AMOS or LISREL. In my research I chose to use AMOS. Quantitative statistical analysis through SPSS analysis will enable me to analyse the massive amount of data generated from the questionnaires as well as the relevant parameters from the performance data.

3.5 Validity and reliability

As noted, there are three measurements in this research: 1) salesperson's global cultural sensitivity as measured by the Cultural Intelligence Scale (CQ); 2) salesperson's relationship level as measured by the Supply Chain Relationship Quality (SCRQ), with measures 1 and 2 both integrated into one 39-question questionnaire; 3) salesperson performance as measured according to actual sales performance. For each salesperson, sales performance was measured as achievement relative to a given target determined by salesperson market potential, with the aim of fully utilizing the given allocation under the company's pricing guidelines. These items help in examining the extent to which cultural sensitivity factors are linked to relationship level, thus either facilitating or blocking business engagements in terms of sales targets.

Validity signifies the extent to which a measuring instrument measures what it is intended to measure and the extent to which the conclusions and actions taken on the basis of the assessment are indeed accurate and is concerned with the conclusions generated by the research (Bryman 2001, p. 509). In research that uses the quantitative method, validity can be achieved by various actions but mainly by using statistical instrumentation that is constructed and designed

appropriately. Validity also is based upon careful sampling (in the current case, using the entire relevant population) and correctly handling and analysing the statistical data. External validity refers to the degree to which the results can be generalized to wider cases, situations or populations it refers to the degree to which a study can be replicated. Internal validity indicates that the explanation provided for a particular event derives from the data collected (LeCompte and Goetz 1982; Denzin 1983; Schofield 1993; Bryman 2001; Cohen, Manion, and Morrison 2001). Content validity demonstrates that the instrument covers the domain or issues as comprehensively as possible. In order for a study's results to be valid, the measurements used must be reliable and valid.

In terms of validity, the measures must assess the relevant variables (Hinkin 1998) that can be relied on to draw conclusions about the research results. In Sections 3.6 and 3.7 I discuss each measurement's validity. The CQ scale validity as a measurement of cultural sensitivity. The SCRQ scale was validated as a measure of relationship level and the salespersons' sales achievements relative to the given target validity as a measure of salespersons' performance.

The reliability of a research study represents the extent to which the measurement tool consistently measures the reality (Bryman 2001, p. 507) it was designed to measure. In a reliable study, if the methods of collecting and analysing data were to be repeated, the claims and conclusions would be the same. That is, the more accurate a tool, the fewer measurable errors it has. Perfect reliability is obtained when the measured values of the variable are the same as their real values (without errors). Potentially there could be a case in which the results are consistent (reliable) but still do not measure what they are intended to measure (not valid). However, when a test is unreliable, it is also not valid. If there is instability, the researcher's measurement will probably not succeed (Hinkin 1998).

In Sections 3.6 and 3.7 I discuss the reliability of each measurement. The CQ scale reliability as a measure of cultural sensitivity. The SCRQ scale was reliability as a measure of relationship level and the salespersons' sales achievements relative to the given target over 15 months reliability as a measurement of salespersons' performance.

3.6 Cultural sensitivity: Cultural Intelligence Scale (CQ) measurement discussion

According to Macnab (2012, p. 68), the CQ scale "represents adjustments a person can make to be effective across-cultures, whereas a personality trait describes what a person will normally do across time and situations". The CQ scale has been validated and used by Ang et al. (2007) and Van Dyne, Ang, and Koh (2008). Ang, Van Dyne, and Koh (2006) considered cultural intelligence ability to be necessary for successfully adapting to diverse cultures. Ang et al. (2007) reviewed a wide range of literature on intelligence, intercultural education, competencies, cognitive psychology,

operationalization of metacognition, satisfaction, efficacies, and communication from an intercultural perspective. In line with their research theory, they developed the Cultural Intelligence Scale based on four components: cognitive, metacognitive, motivational, and behavioural, covering the three cultural sensitivity dimensions groups. Metacognitive dimensions refer to the process by which individuals obtain knowledge about cultures; cognitive dimensions test knowledge regarding the culture; motivational dimensions measure the extent of energy applied toward learning and functioning in cross-cultural situations; and behavioural dimensions examine the ability to take the right actions when interacting with culturally diverse people.

In three substantive studies Ang et al. (2007) conducted cross-validation sampling to provide empirical support for the stability, reliability, and validity of the CQ scale. They note that specific dimensions of CQ have differential relationships with cognitive, affective, and behavioural intercultural effectiveness outcomes.

The CQ scale (see Appendix C) consists of 20 items tested in three tests. Each dimension had an alpha coefficient above 0.7 (Nunnally 1976) which “provides an indication of strong item covariance and suggests that the sampling domain has been captured adequately” (Hinkin 1998, p. 12). In Study 1 (Cultural Intelligence) participants (USA/Singapore) completed the 20-item CQ scale (see Appendix C). The results are shown in Table 3-3.

Table 3-3: Results of CQ scale for USA/Singapore participants.

Dimension	Alpha (USA/Singapore)
Metacognitive	0.76 /0.70
Cognitive	0.80 /0.88
Motivational	0.79 /0.75
Behavioural	0.82 /0.87

(Ang et al. 2007, p. 347)

Study 2 included social desirability and rhetorical sensitivity to rule out alternative explanations for predicted relationships with the CQ scale. The results are shown in Table 3-4.

Table 3-4: Results for CQ scale ruling out alternative explanations.

Dimension	Alpha
Metacognitive	0.71
Cognitive	0.85
Motivational	0.71
Behavioural	0.83

(Ang et al. 2007, p. 354)

Study 3 was conducted in order to “triangulate and extend findings from instructional settings (Studies 1–2) to field settings” (Ang et al. 2007, p. 357). The logic was that if field results produced the same pattern of results as Studies 1 and 2, this would reinforce the results and strengthen the generalizability of the CQS findings. The results are shown in Table 3-5.

Table 3-5: Field results for CQ scale.

Dimension	Alpha
Metacognitive	0.88
Cognitive	0.89
Motivational	0.81
Behavioural	0.86

(Ang et al. 2007, p. 358)

Over the past few years, several researchers have cited and used the study by Ang et al. (2007) along with the CQ scale in a variety of measurement approaches, ranging from organizational levels, (Van Driel and Gabrenya 2013; Chen, Wu, and Bian 2014) to individual levels (Macnab 2012; Klafehn, Li and Chiu 2013; Sieck, Smith and Rasmussen 2013; Taewon 2010; Groves, Feyerherm, and Gu 2015). The variety of these approaches, which range from military organization research (Van Driel et al. 2013) though cross-cultural negotiations success (Groves et al. 2015) to correlations to emotional intelligence (Taewon 2010) and how management styles affect conflicts (Chen et al. 2014), demonstrate the scale’s flexibility and adaptability to diverse research topics.

Cronbach’s alpha testing was used to ensure the reliability of the scales and their relevance to my research (Table 3-6). The use of this scale in my research to assess the cultural sensitivity of salespersons yielded Cronbach's alpha scores ranging from 0.87 to 0.92 for the four dimensions.

Table 3-6: Cronbach’s alpha for scale reliability.

General variable	Sub-variable (Dimension)	Alpha
Cultural sensitivity	Metacognitive	0.87
	Cognitive	0.91
	Motivational	0.89
	Behavioural	0.92

3.7 Relationship level - Supply Chain Relationship Quality (SCRQ) measurement

To examine the variable of the level of relationships achieved by the salespersons, I used the SCRQ scale constructed by Su et al. (2008, p. 271). This scale includes five dimensions of relationship level: communication, cooperation, adaptation, trust, and atmosphere. Many researchers have underscored the significant impact of cultural sensitivity on relationship performance (LaBahn and Harich 1997; Graham, Mintu, and Rodgers 1994; Kale and Barnes 1992; Frazier, Gill, and Kale 1989). LaBahn and Harich (1997, p. 29) state: “Partner sensitivity to national business culture is shown to increase communication and decrease conflict, both of which in turn influence relationship performance”.

Based on LaBahn and Harich’s (1997) assumptions, this research further measured each parameter (cultural sensitivity and relationship level) separately and then linked these to business performance. As indicated above, cultural sensitivity can positively impact engagement through better relationship performance. Based on the literature review and after considering the five dimensions of relationship levels, I found the SCQR scale (Supply Chain Relationship Quality) by Su et al. (2008) to be most suitable for measuring the relationship level reached by global salespersons in this research. Su et al. (2008) devised a scale that identifies the key dimensions influencing relationship quality that result in performance. These dimensions have been found to have a positive impact on relationship persistence, relationship diversity, and relationship frequency (Su et al. 2008). This scale has been validated against the internal consistency of the questionnaire’s measures, yielding an alpha coefficient of 0.89.

Table 3-7 summarizes the statistics:

Table 3-7: Internal consistency of questionnaire measures.

Construct	Mean	SD	Coefficient alpha.
Communication	4.31	0.54	0.63
Cooperation	4.02	0.53	0.8
Adaptation	3.43	0.65	0.76
Trust	4.07	0.55	0.77
Atmosphere	3.99	0.53	0.77

(Su et al. 2008, p. 268)

Su et al. (2008, p. 268) reassessed and validated the measurements by means of CFA (Table 3-8), and I rely on the validity of that research.

Table 3-8: The goodness of fit statistics for the measurement model.

Measurement	
X2	658.05
Df	271
RMSEA	0.068
CFI	0.97
NNFI	0.97
GFI	0.86
Root mean square residual (RMR)	0.36

I ran a CFA analysis with a one-factor model. All items from the various relationship-level subdimensions were loaded onto one factor representing the overall relationship-level construct, rather than with five factors representing the various dimensions of relationship-level. The model's fit indices for the Relationship Level scale (see Appendix D) lead to the conclusion that this is a multidimensional construct.

Cronbach's alpha testing was conducted to ensure the reliability of the scales in the context of this research (Table 3-9). Cronbach's alpha scores for the scale measuring salesperson relationships ranged from 0.75 to 0.90 for the five dimensions.

Table 3-9: Cronbach's alpha for scale measuring salesperson relationships.

General variable	Sub-variable (Dimension)	Alpha
Relationship level	Communication	0.79
	Cooperation	0.90
	Adaptation	0.75
	Trust	0.80
	Atmosphere	0.86

3.8 Sales performance measurement

The second phase of data collection involved measuring the salespersons' sales performance. These performance data were generated from the company's databases for the entire research group over the same time period measuring sales performance according to the given targets over time). The criterion variable in this research is the salesperson's sales performance achievement.

This measure consists of two items: 1) the record of the salesperson's TEU (Twenty equivalent units) container sales and 2) comparison to the given target. Market conditions can have an impact on sales performance. The shipping industry is largely affected by the global economy (Ducruet and Notteboom 2012; Drewry 2018; Drewry 2015), so that bad market conditions for a specific region can result in lower performance, while positive market conditions can result in better performance. To mitigate this effect and to avoid seasonality, sales achievements were measured according to given targets for a period of five quarters eliminating seasonality.

3.8.1 Measure validity and reliability

Because salespersons work in different markets with different market potential, each salesperson was measured according to the specific relevant market potential and target volume. Performance was measured as a percentage of success in meeting the target. In this way, although the volume targets differed between salespersons, their success rates in meeting the targets across the board were equally measurable. The targets set by management are critical for this measurement as they must be reliable and also reflect the maximum potential of the specific market for each salesperson. Consistent with Chowdhury's (1993) findings, company management on the one hand seeks to push the salespersons while on the other hand it does not want to give them unrealistic targets that cannot be achieved. The data on salespersons' performance were generated from the company's databases over the same period of time.

In terms of validity, this measurement clearly measures salesperson performance, since regardless of my research the company's purpose in using the database is to assess its salespersons.

In terms of reliability, this index has no problems because it is a "factual" index of one fixed and known figure as measured by the company's computerized tools (Bryman 2001). The targets are uploaded to the system ahead of time as part of the target-setting process and the actual sales performance data are uploaded on an ongoing basis once a sale has been made. Although the data flow is ongoing, the actual measurement relative to the target is carried out on a monthly basis. At that stage the data are validated and checked to ensure database reliability. The data are generated from the company's SAP database. This data source is highly trustworthy and accurate used by many of the company's functions to record and track company activities and to promote and measure the sales teams. Furthermore, the company undergoes a quarterly audit by an external auditor. The sales performance data I used for my research is used by the company regardless of my research. In terms of the research group, for this measurement there are no chances of inconsistency in outcomes. The database is monitored daily by the company's IT teams and by the head office sales directorate, thus minimizing chances of system inaccuracy. Hence there is no manual intervention by the researched group or by me and there is no link of the data base to my research whatsoever.

3.8.2 The target-setting process

Understanding the process used to set targets is important for understanding the sales performance measurement. The performance measurement is calculated as a percentage of target achievement, where the target is the denominator and the sales figure achieved by the salesperson is the numerator. If the denominator is inaccurate or not set correctly, calculation of the performance measurement becomes questionable. This section describes the process of setting the target to maximize the market's potential.

In general, Organizations need to set targets to improve their sales performance. This process motivates work engagement, helps nurture cognitive and adaptability abilities, and contributes to teaching selling skills (Shannahan et al. 2013).

ZIM as company, follows the common principles of target target-setting according to market practice and as set out in the literature. Indeed, ZIM's method of setting challenging personal goals is emphasized in the literature as a key factor in achieving better performance (Chowdhury 1993; Locke and Latham 1990). The goal-setting theory literature indicates that salespeople with relatively high goals will achieve better performance, as "higher goals facilitated higher performance" (Brown et al. 1998, p. 89; Campbell and Furrer 1995; Locke 1968). According to Chowdhury (1993), high targets are not sufficient to achieve higher performance, as targets that are too high may cause the salesperson to be discouraged, while targets that are too low will not maximize the salesperson's potential. The target-setting process should consider both the potential for reaching the target and the potential for motivating the salesperson.

As in other industries and organizations, at ZIM salesperson's targets are set according to the potential of the relevant market. Each market has its specific potential as a derivative of market size and growth forecasts (Luo 2003). Therefore, the focus is to understand performance in terms of meeting sales targets. These sales forecasts must be as accurate as possible to set challenging targets that reflect opportunities for growth (Mantrala and Raman 1990). In line with market standards, company management provides ZIM's sales teams with guidelines regarding customer retention, with the consequent aim of diversifying the customer base (Chenhall and Langfield-Smith 2007).

To understand how these goal-setting principles come into practice, I hereby briefly review ZIM's operating structure. ZIM operates according to the business units (BUs) structure, with each unit responsible for a different trade zone. There are four BUs: Transpacific (responsible for Asia-America trade), Intra-Asia (responsible for intra-Asia trade), Latin America (responsible intra-America trade), and Cross Suez-Atlantic (responsible for Asia-Mediterranean trade and Mediterranean-America trade). Each BU has numerous territories on both the country-to-country

and port-to port-levels. Each BU has several lines (over 70 on the company level) that serve the relevant trade regions, with different rotations providing comprehensive regional coverage. Each line is managed by a Line Manger (LM), with several territories covered by a specific line. For example, a line that operates according to the rotation illustrated below serves a variety of territories (e.g., Shanghai – New York, Halifax – Kingston). Figure 3-5 illustrates a transit timetable and line route map.



Figure 3-5: Example of ZIM transit timetable and line route map.

These territories are covered by Trade Managers (TM) that cover the trade between certain locations. Each location has a Sales Manager (SM) that covers the sales activity in this specific region and manages a team of Account Owners (AO) (i.e., salespersons). These salespersons are the ones who meet with customers on a daily basis and sell the company’s product. They have daily interactions with local and global customers in order to sell ZIM’s services and meet their targets. My research focuses on these salespersons, their cross-cultural interactions and their achievements relative to their targets.

The target-setting process is both top-down and bottom-up. It takes place every three months and begins eight weeks prior to the beginning of the period, as depicted in Figure 3-6.

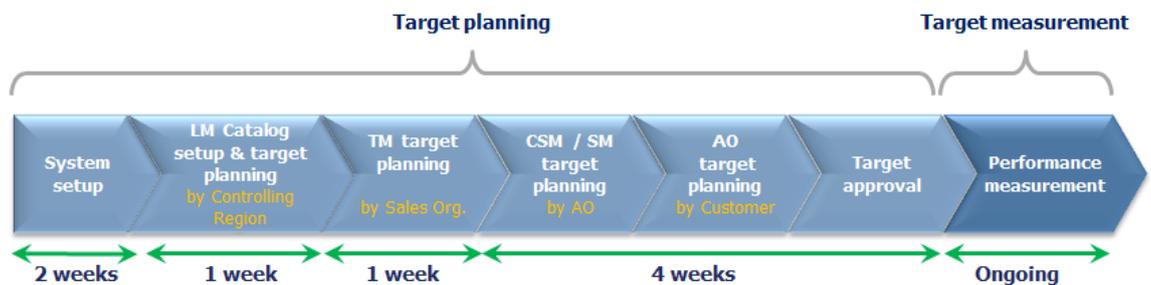


Figure 3-6: Target-setting process.

The head office sets up the system in order to determine the technical issues prior to the beginning of the targeting process. These technical issues include authorizations, workflow setup, and other

system and user implementations. The Line Manager (LM) defines the products he wants to sell on his line and the target he wants to set per trade region, based on various factors such as maximizing NOR, strategic markets, past performance, optimizing vessel weight, and reducing balancing costs by commercial means. The LM then conveys the target to the Trade Manager (TM) in accordance with trade potential and the LM's cargo flow and trade prioritization. The TM assigns the given targets to the regional sales managers and they subsequently convey the target to each salesperson. Figure 3-7 describes ZIM's targeting process.

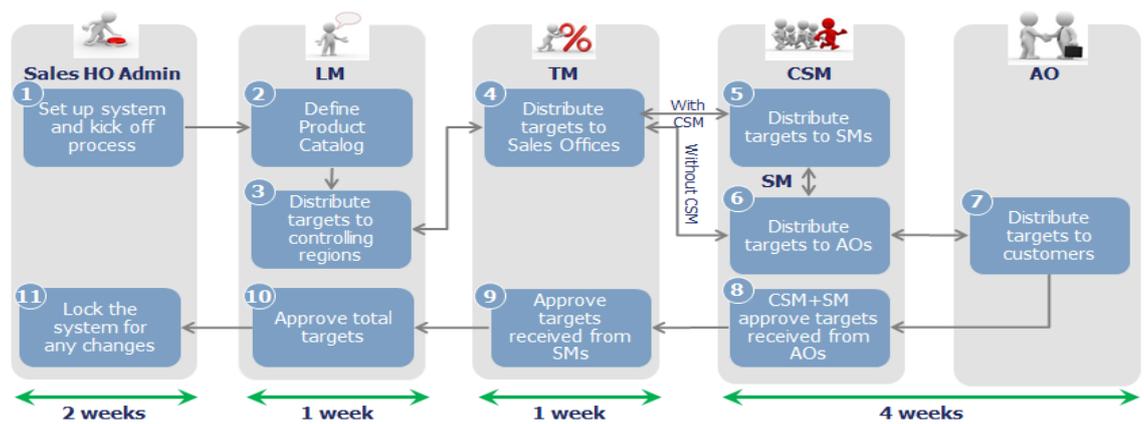


Figure 3-7: Targeting process.

The AOs are given targets both for existing customers and for finding new customers. These targets serve the performance step of this research. As the regions are differentiated by their sales potential, measuring share of target achievements will serve as a common measurement.

3.9 Generation of general information on the research group

In addition, I also generated general information about all the company's salespersons from the company's human resource database. I used this data for two purposes: first, to technically link all the information gathered for the measures used with the salespersons' full names and email addresses, and second, to generate more background information about the salespersons for further analysis.

By choosing the "all salespersons" category (or "Account Owners" as the category is called internally) from the human resources database, I was able to identify to whom the questionnaires should be sent (the overall research population). The "full name" category was used to link between sales performance data, identified by the full name of the salesperson, and the data generated from the human resources database. The following list details the main items generated from the company's human resources database:

- Salesperson's full name
- Salesperson's gender

- Business Unit in which salesperson is employed
- County in which salesperson works
- Active Directory – to make sure employee still works for the company
- Salesperson’s email address.

3.10 Researcher approach

As discussed above, the research group is ZIM Integrated Services, and the researcher approach is “insider researcher.” Being an insider researcher has its advantages and disadvantages.

The insider researcher approach has many advantages in terms of accessibility to data and understanding the researched environment. As Bonner and Tolhurst (2002) indicated, other than access to relevant organizational data, the insider approach has three main advantages. First, insiders have a deeper understanding of the researched group, and in this case, also the research organization as a whole. When researchers are familiar with an organization’s common practices, structure, politics, targets, and methodologies, they can focus on the main essence and eliminate distractions (Unluer 2012). Second, insider researchers do not alter the natural flow of the organization’s common practices as they are not considered outsiders. Third, the establishment of intimacy can support the salesperson in developing the most realistic attitude towards the research. Basically, an outsider researcher would have to spend time and effort in learning what an insider researcher already knows (Smyth and Holian 2008).

As for the disadvantages, a biased insider researcher who has prior knowledge may make erroneous research assumptions (DeLyser 2001; Hewitt-Taylor 2002). In this case, because I work for the researched company, I may have to struggle to balance between the roles of researcher and employee (DeLyser 2001; Gerrish 1997). The researched organization, and especially the people who work there, need to trust the researcher, both in ethical issues and in matters of information sharing. In this case, the salespersons need to feel free to share their views and not feel that the information they share for the research may impact their work within the organization. They should be certain about research confidentiality and about the research targets since the researcher has access to confidential information (Smyth and Holian 2008). Furthermore, the respondents must be in a state of mind in which they provide their objective answers and not the answers they consider to be ‘correct’ (Robson 1993; Bryman 2001).

Despite the advantages and disadvantages in conducting an insider-researcher study, the researcher can ensure credibility by overcoming the disadvantages and strengthening the advantages. I prevented social desirability effects, which can occur when people want to portray themselves favourably to the researcher and therefore try to guess the correct answer either by asking directly: ‘Is that what you mean?’ or by interpreting the researcher’s facial expressions

(Robson 1993; Bryman 2001). First, there was no face-to-face interaction. Communication was exclusively via email. Second, the salespersons were not aware of the correct or wrong answers, and they were not familiar with the final target of the research as they did not know there would be a positivist link to sales achievements. The salespersons were asked to fill in a questionnaire that was not linked in any way to their position within the company. They were informed that the questionnaire would be used for research outside the organization and would have no impact on their everyday work practice. The questionnaire emphasized that there are no correct or wrong answers, so they could feel confident in giving truthful answers. In terms of the balance between roles, the salespersons work in a different directorate. When I began this research, I was the budget department manager and then became the deputy CFO of ZIM towards the end of the data collection process. In contrast, the sales teams work for the sales directorate, while I have never served in any position that is in any way related to the sales directorate. Because I have no working relationships with the sales teams, they were able to feel confident in providing the information to me rather than to their manager.

Overall, the advantages of insider research surmount the disadvantages. The greatest advantage of being an insider researcher in this case is the access to data. In general, companies are not inclined to share internal information with external parties, especially when it comes to sales data. Because I work for the researched organization, I had the trust and support of the organization in collecting and analysing the data.

3.11 Research procedure

The data collection took around half a year to conclude and included three unrelated parts. First, I used the human resource database to generate general data about all the company's salespersons, including first name, last name, email address, county of operation and gender. This file containing this high-level information served as the basis for concluding the research. This list provided me with the salespersons' email addresses for sending them the questionnaires in the second stage. At this stage I had to exclude all non-active salespersons who were no longer working for the company at the time of the data collection and those who had less than 15 months of sales performance data.

The second phase involved distribution of the closed-end questionnaires (scales) to the global sales teams in order to draw conclusions about their cultural sensitivity and relationship levels. This phase used an online questionnaire and a comprehensive research solutions tool called SurveyGizmo (<https://www.surveygizmo.com>), both for data collection and later for analysis. First, the respondents received an email from the Global Sales and Operation Division Manager informing them they would subsequently receive an email from me with the questionnaire. To

avoid possible bias in the answers, I did not want the preliminary email to be sent by the Vice President of Global Sales. Perhaps the salespersons would have sought to satisfy the VP of Global Sales by giving answers they thought he wanted to hear. I felt that an email sent by a division manager would be more suitable. Division manager is not such a senior position that salespersons would want to satisfy him. On the other hand, they all know him and would take a minute to read an email from him. I was also aware that the salespersons did not know me at all and an email from me would probably go to their junk mail or be deleted. My email from “SurveyGizmo” with the questionnaires was scheduled to be sent just a few minutes after the preliminary email from the company’s Global Sales and Operation Division Manager to make sure there was a direct link between the request and the questionnaires.

The closed-end questionnaires were accompanied by a cover letter that provided basic information about the research and highlighted the voluntary participation and confidentiality of the answers. I wanted to give the respondents the best experience as possible in filling in the questionnaire, first, by making it easy for them to complete and upload and second in terms of its visual appearance. Based on my understanding of the research group’s daily routines and their limited time, I sought to minimize the demands on the respondents. Thus, all they had to do was fill in a short questionnaire that took five to ten minutes of their time. All the rest of data were generated from other sources. I also decided to add a progress scale (Figure 3-8) to show them how much of the questionnaire they had completed, thus encouraging them to complete the questionnaire.



Figure 3-8: Progress scale used in the online questionnaire.

After sending a few reminders to maximize the response rate, I finally reached a very high response rate of 222 fully completed questionnaires out of the 276 questionnaires sent. It is important to emphasize that there was no coercion or personal influence in any way during the whole process. Because we all work for the same organization, our global salespersons showed solidarity. Although it took a while to achieve this high response rate, I noticed that once the salespersons understood the purpose of these questionnaires and that it is not a ‘junk email’, they were very cooperative.

The third phase, in which the respondents were not involved in any way, took place in parallel to collecting the questionnaire data. In this stage, I generated salesperson performance data from the company’s internal database. The company keeps track of its salespersons’ performance by closely monitoring them according to the given target. Company management routinely stores and

monitors this information, making it a reliable source of data. I was able to take advantage of being an insider researcher as ZIM provided me with access to all relevant company’s databases, both in the commercial field and the human resource field. The commercial databases include SAP and CRM platforms, which I used to generate performance data for each salesperson. The email addresses were used to distribute the questionnaires. Once they were completed, the email address was used as the link point between the answered questionnaires and the performance data.

At the company level, performance vs. target data are monitored on a monthly basis. In line with this company policy, I examined the data for the five quarters from January 2016 to March 2017. Data for of the 15 months were generated on monthly bases, providing 15 months of recorded data for each salesperson. Although generating data for fifteen months resulted in a mass amount of data, this was necessary to avoid seasonality and to obtain a significant amount of data for analysis. Table 3-10 exemplifies the performance database. Because volumes and targets differ according to market/country and regional potential, I analysed the percentage of achieving the target in order to overcome these differences between the markets.

Table 3-10: Performance database.

Controlling CSM	Account Owner	Departure Month	Target - TEU	Performance -TEU	% Performance	Sent Questionnaire	Email
Greece Sales Teams	xxx yyyy	04.2016	95	85	89%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	05.2016	104	80	77%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	06.2016	69	55	80%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	07.2016	100	53	53%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	08.2016	180	123	68%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	09.2016	153	98	64%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	10.2016	141	135	96%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	11.2016	121	80	66%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	12.2016	120	98	82%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	01.2017	80	43	54%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	02.2017	73	34	47%	xxx yyyy	yyyy.xxx@gr.zim.com
Greece Sales Teams	xxx yyyy	03.2017	61	20	33%	xxx yyyy	yyyy.xxx@gr.zim.com

Once the database was generated, I examined it from Q1-17 backwards to include only relevant salespersons. I had to disregard salespersons without records for February and March 2017, indicating they no longer work for the company (ZIM) and as a result a questionnaire cannot be distributed to them. The approval I received from the company to use very accurate data provided a significant advantage that enabled me to link the data to the relevant salespersons. If the company had agreed only to give me historic information, I would have a much smaller database as many of the salespersons would not have been relevant to the research.

3.12 Statistical analysis

Because this research measures the business side of the company and links it to actual salesperson performance, a quantitative statistical approach is required (Buglear 2005, p. 2). The statistical analysis of the collected data used tools that can examine the scientific hypotheses and build

models for forecasting and predicting behaviour or market trends, thus making it possible draw conclusions regarding the nature of the business practice.

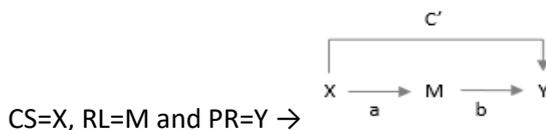
The first part of the research model includes two scales: the cultural sensitivity scale (Ang et Al. 2007) and the relationship levels scale (Su et al. 2008). After statistical analysis of the scales is concluded, the next step is to link the scales to each salesperson's sales performance measures derived from company sales performance data over 15 months of activity, as described in Section 3.8. This type of analysis requires collecting a large amount of data to be analysed using statistical tools in order to draw conclusions. It is important to emphasize that these tools can be used for data analysis only if a "critical mass" of data is collected (Buglear 2005).

The basic statistical model emerging from the theoretical argument is a mediation model. As described in Figure 3-9, the goal in this research is to examine the correlation between two predictor variables—cultural sensitivity (CS) and relationship level (RL). This correlation, in turn, has a positive impact on the criterion variable of sales performance (PR). In the flow diagram the paths (direct effects) leading to each of the variables are described using the letters (A) and (B). This is the mediation method of analysis, as CS indirectly leads to PR as mediated by and through RL (Hayes 2013, p. 8).



Figure 3-9: Flow diagram illustrating correlation between cultural sensitivity and relationship level.

Baron and Kenny (1986) proposed a four-step approach in order to test the mediation analysis. Figure 3-10 depicts the basic notion of the multiple regression analyses process in which multiple regressions are analysed and the coefficients are tested at every step.



*c' - a direct effect

Figure 3-10: Multiple regression analysis process.

3.13 Testing the Indirect effect

In calculating a regression coefficient for the indirect effect, the significance must be tested. Yet there is no generally accepted standard way of estimating the standard error used in significance testing. Among the different approaches used to calculate standard errors, two main approaches are used to test the significance of the indirect effect. One is the bootstrap method (known as

"nonparametric resampling") and other is the Monte Carlo method (known as "parametric resampling"). Computer programs that use the bootstrap method in testing indirect effects offer two possible options. The first option, "percentile" bootstrap, employs confidence intervals based on the accepted cut-offs of sampling distributions without explicitly correcting for possible bias. The second option is called accelerated bias-corrected bootstrap. This method corrects for possible bias in the potential mean and standard deviation of the indirect coefficient. The accelerated bias-corrected bootstrap makes corrections for a bias in the mean estimate and in the standard deviation across the potential values of the indirect coefficient. The Monte Carlo approach calculates the indirect effect and standard error estimates for the individual coefficients for the complete sample. This method corrects for possible bias in the potential values of the mean and standard deviation of the indirect coefficient. The Monte Carlo method calculates the indirect effect and standard error of the individual coefficient over the entire sample.

In the next stage, resampling is used to look for possible standard errors caused by indirect effects. Yet, it turns out that the bias-corrected bootstrap method sometimes results in slightly higher Type I error rates compared with the percentile bootstrap approach (Fritz, Taylor, and MacKinnon 2012; Biesanz, Falk, and Savalei 2010). According to Tofighi and MacKinnon (2015), both types are useful (good statistical power and Type I error rates), but the Monte Carlo method may be more statistically powerful, making it possible to calculate standardized coefficients even though the software program may not report them. This method also allows for calculating the ratio of the indirect to total effect (Preacher and Kelley 2011). One of the purposes of structural equation modelling is to test such models in a one-analysis step rather than analysing several different regressions.

Structural Equation Modelling (SEM) software currently tends to include tests for indirect effects that employ one of the above approaches for determining significance (Narayanan 2012; Wei 2014). SEM analysis also provides information regarding the consistency of the hypothesized mediational model to the data. It is important to consider the possibility of measurement errors in mediation testing due to the attenuation of relationships (Narayanan 2012; Wei 2014; Anderson and Gerbing 1988). This issue can be handled in the SEM approach by removing measurement error from the estimation of the relationships between the variables (Narayanan 2012).

After examining the existing research methods, I chose the quantitative method with mediation analysis for this study along with the SEM approach. With regression analysis, the model is already structured, and the software analyses the model as is. In contrast, with path analysis the software maintains flexibility in analysing the data and the model structure. Path analysis enabled me to re-challenge my model assumptions (Narayanan 2012). SEM analysis offers information regarding the consistency of the hypothesized mediational model to the data (Narayanan 2012; Wei 2014; Ertuğ,

Girginer, and Yilmaz 2014). It is important to consider the possibility of measurement errors in mediation testing due to the attenuation of relationships. This was handled in the SEM approach by removing measurement error from the estimation of the relationships between the variables (Narayanan, 2012).

3.14 Analysis

In addition to checking the reliability (Cronbach's alpha), I also tested the structure of the variables using path analysis. The results corroborated the structure. I assessed the validity of my model by using Confirmatory Factor Analyses (CFA; Anderson and Gerbing 1988). The measurement model had two measurement factors: "Cultural sensitivity" with four dimensions constructed from 4-6 questions for each dimension (Appendix A), and "relationships level" with five dimensions constructed from 3-5 questions for each dimension (Appendix B).

The first questionnaire examining cultural sensitivity was constructed from the following four dimensions: meta-cognitive, cognitive, motivational, behavioural. This model was found to have an acceptable fit for all the measurements, indicating a good distinction between the factors: ($\chi^2(164) = 307.705$, $p < .001$; CFI = .95; RMSEA = .056). Furthermore, all the indices achieved acceptable significance of $p < .01$.

The second questionnaire examining relationship level was constructed from five dimensions: communication, cooperation, adaptation, trust, atmosphere. This model was also analysed using CFA analysis. The analysis revealed that the original model only exhibits a weak acceptable fit and an incomplete distinction between the indices of trust and atmosphere, as shown Figure 3-11, resulting in: $\chi^2(138) = 402.757$, $p < .001$; CFI = .90; RMSEA = .082. Considering this, the model was re-examined with a four-dimension structure, with the trust dimension included in the atmosphere dimension. This option did not improve the indices and therefore it was decided to leave the original division of five factors as it was.

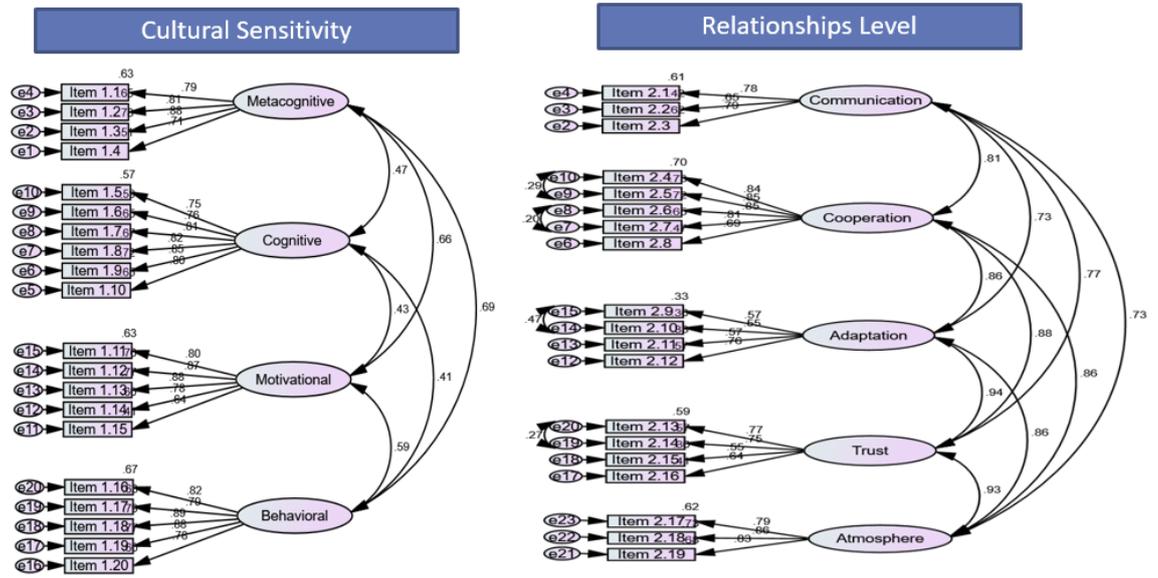


Figure 3-11: Factor Analysis of the Independent Variables.

3.15 Research ethics

This section outlines the ethical considerations in this research. When collecting opinions and personal information about the success of participants, confidentiality is a critical factor with "...the need to ensure that persons and settings are anonymized - unless, of course, as sometimes happens; there has been an agreement that the nature of the social setting can be disclosed" (Bryman 2001, p. 307). There was no coercion or personal influence and all participants agreed to participate in the study by providing their informed consent after they understood the target of the study.

The participants' privacy is a key issue that I considered throughout the research, from beginning to end. Although none of the participants is my subordinate and we have no business connections as I'm part of the finance directorate while they are part of the sales directorate, it must be noted that we all work for the same organization (ZIM). I took every active action possible to avoid affecting participants' objectivity and I ensured that no-one felt pressured or at risk so that they could answer openly and honestly.

Furthermore, I took several actions to prevent any lack of integrity in the data collection. First, the participants received a preliminary email indicating that the company agreed to their voluntary participation in a doctoral research project on cultural sensitivity. In this preliminary email questionnaire, I was introduced as an ordinary corporate employee working for the finance directorate and not as the Deputy CFO (the position I held when distributing the questionnaires). In the introductory email I emphasized that the research was not for organizational purposes. Because I did not mention my position, the environment became less coercive, enabling the respondents to provide objective and non-biased information. Second, although the questionnaires could have been completed and sent via the company's internal survey system, instead I used a system outside of the organization with a private email account for this purpose. I sought to avoid a situation in which concern might be raised regarding the validity of the data, since the salesperson might think the data could be used for company needs. A questionnaire sent from an external email address gives the salesperson the feeling that the research is external and is not being recorded within the company system.

The participating salespersons were not required to disclose their names at any point in completing the questionnaires, thus ensuring participant anonymity. The link between the data and specific salespersons' names was not disclosed to the company. The online survey platform, SurveyGizmo, outputs the data according to salesperson email, enabling me to match the questionnaire data to the other data sources. Doing this also prevented the salespersons from feeling they were being tracked by the organization.

First, I generated the performance data from the company's data system by salesperson. Then, in order to maintain anonymity, the questionnaires were sent to each specific salesperson without asking for their names. In an effort to achieve validity, I did not describe the research hypothesis. This way, the respondents did not know what answers would be correct and could answer objectively. Finally, I signed a confidentiality document stating that the information would be used only for my research and would not be used by the company. All the data were stored safely on my personal laptop and secured by two layers of passwords. I addressed all the ethical issues that came up during the research and successfully obtained Nottingham Trent University ethics clearance.

Each participant received an email, as described in Section 3.11, and began the survey by clicking on the link (Appendix H). To avoid any invasion of privacy and loss of confidentiality, the data were collected with the participants' consent at a suitable date and time. Only the information the participants agreed to disclose was used. Participants were not harmed in any way, including physical harm, stress, loss of self-esteem, and "inducing participants to perform reprehensible acts" (Bryman 2001, p. 479). Ensuring that participants will not be identified, mainly by people in their immediate vicinity, is difficult. This fact is especially significant because most participants are concerned about being exposed to the people closest to them (Bresler 1995). To avoid identification of the participants in this research, no names were used, thus eliminating the possibility of identifying any of the participants. Only I could see the link between a specific salesperson's sales performance and the cultural sensitivity or relationship level scales. To ensure confidentiality, the data were stored independently outside the company on my private laptop. As I am the only one conducting the analysis, no risk exists to participant anonymity at the data publishing stage.

The informed consent designed to ensure that they are aware of the implications of the research, that the participation is voluntary and agree to take part in the study by answering the questionnaire. Approval was considered valid if made on the basis of complete information relevant to the goals of the study and the risks involved, and when given freely, without pressure or coercion. The purpose of the letter I signed and shared with the participant was in order to keep the individual anonymous and to allow free choice whether to take part in the study, as well as to reduce the possibility that the study will harm the participant directly or indirectly.

4 Results and findings

4.1 Introduction

In this research I examined cultural sensitivity and relationship level in the context of international business. Considering the salience of cultural diversity in the world today, and particularly in the business sector, I sought to discover whether and how these two factors are related to sales performance by examining business engagements in the container shipping industry. If the findings do indeed point to correlations among these factors, they can be applied to making changes and improvements in how international business engagements are conducted. The results described in this section shed light on the interrelationships found among these three factors.

The structure of the statistical model is designed to facilitate drawing conclusions about the two predictor variables of cultural sensitivity and relationship level and about their sub-variables vis-à-vis the dependent variable of sales performance. The analysis was conducted through Pearson Coefficient Correlation (PCC) and Ordinary Least Square (OLS) regression analyses and their applications (i.e., mediation analyses), as well as by drilling down into the data using Confirmatory Factor Analysis (CFA) to test the hypothesized factor structure of the instruments used with the constructs under examination.

The first predictor is cultural sensitivity. The scale consists of four dimensions that together describe the sensitivity of the salesperson. Table 4-1 depicts the results for the cultural sensitivity scale by dimension. As can be seen in the table, the means of the dimensions on each scale vary from 4.07 to 5.22 and the standard deviations range from 1.07 to 1.21. The overall standard deviation for the scale is 0.88. Upon comparing these results to results in previous research, I learned that my research group does not differ considerably from other groups of respondents. Some studies showed a higher mean for the overall cultural sensitivity scale, as in Chen, Wu, and Bian (2014) with a mean of 5.17. Other studies revealed a lower mean for the overall cultural sensitivity scale, as in Groves, Feyerherm, and Gu (2015) that had a mean of 4.32. The results of numerous studies (e.g., Van Driel and Gabrenya 2013; Chen, Wu, and Bian 2014; Macnab 2012; Klafehn, Li, and Chiu 2013; Sieck, Smith, and Rasmussen 2013; Taewon 2010; Groves, Feyerherm, and Gu 2015; Van Driel and Gabrenya 2013) led me to the understanding that my findings in terms of the overall scale are in line with those of past research and are not significantly higher or lower than what was previously found.

In terms of the cultural sensitivity dimensions, my results reveal the same trend as in other studies: The motivational dimension exhibits the highest mean (Groves, Feyerherm, and Gu 2015; Klafehn, Li, and Chiu 2013), while the cognitive dimension has the lowest mean (Klafehn, Li, and Chiu 2013;

Groves, Feyerherm, and Gu 2015; Taewon 2010). These results point to a similar tendency among different individuals.

Table 4-1: Cultural sensitivity

		Metacognitive	Cognitive	Motivational	Behavioural	C.S*
Total (n=222)	M	5.04	4.07	5.22	4.60	4.68
	S. D	1.07	1.12	1.08	1.21	0.88

*C.S: Cultural Sensitivity

The second predictor is relationship level, measured on a scale consisting of five dimensions that describe the level of the salesperson-customer relationship. Table 4-2 depicts the results for the relationship level scale by dimension. The table shows that the means of the dimensions on each scale vary from 3.86 to 4.02 and the standard deviations range from 0.71 to 0.81. The overall standard deviation for the scale is 0.65. Upon comparing these results to results in previous research, I learned that my research group does not considerably differ from other groups of respondents. Some of the dimensions from previous studies exhibit higher means while others exhibit lower means (e.g., Su et al. 2008; Fynes et al. 2005; Woo and Ennew 2004). As with the cultural sensitivity scale, these findings show that my research does not deviate from what has already been done.

Table 4-2: Relationship level

		Communication	Cooperation	Adaptation	Trust	Atmosphere	R.L**
Total (n=222)	M	3.88	4.02	3.71	3.68	3.82	3.83
	S. D	0.80	0.80	0.71	0.71	0.81	0.65

**R. L: Relationship Level

On the relationship level scale, the mean for the cooperation dimension is 4.02—the highest mean and also identical to the mean found by Su et al. (2008). The cooperation dimension indicates the degree to which a salesperson is cooperative with his/her customers in terms of designing the right product, finding solutions, handling complaints, and collaborating to resolve conflicts.

The mean for the trust dimension is the lowest mean on my scale (3.68) and is also lower than the mean in the previous research by Su et al. (4.07). When it comes to trust, it appears that in the container shipping business trust is not a value that is highly important as a part of building the sales relationship. Both sides know the rules of the game. Both know that the target of the salespersons is to sell at the highest margin, while the customers seek to buy the desired product at the lowest possible price. Both sides are familiar with the market and both know what the competition is offering.

4.2 Correlation analysis

This research tested three hypotheses, two of which were supported by the statistical analysis and one was not. The basic research hypothesis was that a positive correlation would emerge between cultural sensitivity and relationship level and that a positive correlation would emerge between sales performance (the percentage of achieving a given sales target) and cultural sensitivity variables. The research model claimed that the correlation between cultural sensitivity and sales performance would be mediated by relationship level. To test this contention, I conducted a Pearson Coefficient Correlation (PCC) analysis between achieved sales performance and the variables on both scales. According to the hypothesis, my expectation was that there would be a strong and significant positive correlation between the variables examined. Table 4-3 illustrates the results of this analysis.

The first research hypothesis was that among salespersons who demonstrated a higher degree of cultural sensitivity in cross-cultural engagements, relationship level would be improved. This hypothesis was fully supported: Salespersons who are more culturally sensitive have higher quality relationships with their customers. In line with the hypothesis, row 11 and column 5 in Table 4-3 reveal a positive correlation between cultural sensitivity and relationship level. The r value is 0.607 and the significance is very low (0.000). This leads to the conclusion that a higher degree of cultural sensitivity on the part of the salesperson in cross-cultural engagements results in an improved relationship level.

The second hypothesis was that a salesperson's cultural sensitivity capabilities lead to enhanced sales performance. This hypothesis was also supported by the statistical analysis. Salespersons who are more culturally sensitive are more successful in their sales performance. The statistical analysis revealed a high positive correlation between the predictor variable of cultural sensitivity and the criterion variable of sales performance. The row representing percentage of performance (row 12) in Table 4-3 clearly shows that all the variables of cultural sensitivity and relationship level demonstrate a positive and significant correlation to sales performance. The table also shows that the correlations for the cultural sensitivity variable (variables 1-5) are higher than those for the relationship level variables (variables 6-11). The cultural sensitivity correlation of the whole group is stronger ($r=0.711$) than the correlation of each parameter individually and is also stronger than the relationship level variables whole group ($r=0.483$).

Table 4-3: Pearson’s correlation coefficient analysis variables.

		1	2	3	4	5	6	7	8	9	10	11
Cultural sensitivity: Metacognitive (1)	R											
	Sig.											
Cultural sensitivity: Cognitive (2)	R	.425										
	Sig.	.000										
Cultural sensitivity: Motivational (3)	R	.617	0.407									
	Sig.	.000	0.000									
Cultural sensitivity: Behavioural (4)	R	.618	0.381	0.547								
	Sig.	.000	0.000	0.000								
Cultural sensitivity (5)	R	.805	0.744	0.798	0.804							
	Sig.	.000	0.000	0.000	0.000							
Relationships level: Communication (6)	R	.477	0.312	0.484	0.460	0.541						
	Sig.	.000	0.000	0.000	0.000	0.000						
Relationships level: Cooperation (7)	R	.530	0.287	0.549	0.458	0.563	0.670					
	Sig.	.000	0.000	0.000	0.000	0.000	0.000					
Relationships level: Adaptation (8)	R	.309	0.380	0.381	0.333	0.451	0.494	0.645				
	Sig.	0.000	0.000	0.000	0.000	0.000	0.000	0.000				
Relationships level: Trust (9)	R	0.406	0.308	0.406	0.360	0.464	0.590	0.705	0.671			
	Sig.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000			
Relationships level: Atmosphere (10)	R	0.535	0.342	0.515	0.453	0.573	0.602	0.765	0.656	0.742		
	Sig.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Relationships level (11)	R	0.531	0.377	0.552	0.484	0.607	0.776	0.910	0.814	0.869	0.878	
	Sig.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Percent of performance (12)	R	0.605	0.443	0.602	0.623	0.711	0.390	0.460	0.365	0.358	0.483	0.483
	Sig.	0.000										

To further confirm the hypothesis, I also examined the Pearson correlation coefficients between the primary variables—cultural sensitivity and relationship level—and the criterion variable of sales performance. The findings depicted in Table 4-3 underscore these results. For both variables a positive and strong correlation emerged between the sales performance variable and the predictor variables of cultural sensitivity and level of relationship. Moreover, the correlation between cultural sensitivity and performance is strong, while the correlation between relationship level and performance is slightly weaker. In addition, this table also demonstrates a positive and strong relationship between the two predictor variables themselves.

Hence, the results depicted in Table 4-3 show that the basic hypothesis regarding the correlation between the variables was fully corroborated. Indeed, there is a positive, strong, and significant correlation between the predictor variables and the criterion variable.

The third research hypothesis was that relationship level would mediate an improved interpersonal relationship between salesperson and customer. I hypothesized that a model structured in mediation form with relationship level as mediator between cultural sensitivity and sales performance would exhibit a stronger prediction between cultural sensitivity and sales performance.

In line with the theoretical model, I examined the following hypothesis regarding mediation between the variables: The sales performance variable can be predicted using the cultural sensitivity variables as mediated by the relationship level variables. To test this model, I ran a series of regression analyses that examined the prediction of each set of variables by themselves, all the variables together, and finally the mediation. These analyses yielded the following findings, as depicted in

Table 4-4, Table 4-5 and Table 4-6.

Table 4-4: Multiple linear regression between cultural sensitivity variables and sales performance.

Variable	Cultural sensitivity: without intermediaries							
	B	SE B	B	t	Sig.	R ²	F	Sig.
Metacognitive (Cultural Sensitivity)	.021	.007	.201	2.968	.003			
Cognitive (Cultural Sensitivity)	.013	.006	.131	2.430	.016			
Motivational (Cultural Sensitivity)	.027	.007	.254	3.984	.000			
Behavioural (Cultural Sensitivity)	.028	.006	.303	4.759	.000			
						.522	58.39	.000

Table 4-4 clearly shows that the cultural sensitivity of global salespersons strongly predicts their level of performance. The determination coefficient is high ($R^2 = .522$) and significant. Furthermore, the individual prediction of each variable is also significant. Thus, at this stage I can conclude that the outcome of the basic model prediction was as expected. The next stage is to conduct a regression analysis examining the prediction of the relationship level variables on sales performance.

Table 4-5 shows that the relationship level variables significantly predict sales performance. This prediction is weaker than the earlier prediction by the cultural sensitivity variables. In this case, the percentage coefficient of determination is lower ($R^2 = .263$) but is still sufficient. The predictions of each of the individual variables constituting the relationship level component are also sufficient. The independent prediction of the atmosphere variable exhibited the highest sufficient prediction of $t = 3.109$. In this prediction table, the atmosphere variable by itself empowers the other variables, leading to the conclusion that the sufficiency is relatively lower for relationship level, yet it still exists. Most of the variables by themselves demonstrate lower significance, but after they are combined their predictive power is significant, as can be concluded from the R^2 of the F tests, which shows that the scale is structured so that all the variables together contributes to its sufficiency. There is no one specific variable or dimension that causes the predictive power to be significant, but rather the combination. Precisely because this prediction is quite strong independently, the need for a mediation model is weakened.

Table 4-5: Multiple linear regression between relationship level variables and sales performance.

Variable	Relationship level: without intermediaries						R^2	F	Sig.
	B	SE B	B	t	Sig.				
Communication (Relationship level)	.016	.012	.114	1.389	.166				
Cooperation (Relationship level)	.026	.015	.183	1.751	.081				
Adaptation (Relationship level)	.009	.014	.056	.656	.512				
Trust (Relationship level)	-.019	.016	-.117	-1.189	.236				
Atmosphere (Relationship level)	.045	.015	.324	3.109	.002				
						.263	15.24	.000	

After the regression tests were conducted for each of the sets of variables, the next stage was to test and examine the mediation model. To this end, I first loaded the set of cultural sensitivity variables exclusively. In the second step I loaded all the variables. According to the mediation model, this second step should yield stronger significance of the prediction compared to the first step. The findings of this analysis are shown in Table 4-6.

Table 4-6: Multiple linear regression between cultural sensitivity variables and relationship level in predicting sales performance

Variable	Cultural sensitivity: with intermediaries					R ²	F	Sig.
	B	SE B	B	t	Sig.			
Metacognitive	.021	.007	.201	2.968	.003	.522	58.39	.000
Cognitive	.013	.006	.131	2.430	.016			
Motivational	.027	.007	.254	3.984	.000			
Behavioural	.028	.006	.303	4.759	.000			
Metacognitive	.020	.008	.186	2.592	.010	.532	26.35	.000
Cognitive	.012	.006	.120	2.096	.037			
Motivational	.025	.007	.232	3.455	.001			
Behavioural	.028	.006	.300	4.642	.000			
Communication	-.010	.010	-.068	-1.005	.316			
Cooperation	.004	.012	.031	.348	.728			
Adaptation	.008	.012	.050	.685	.494			
Trust	-.008	.013	-.048	-.602	.348			
Atmosphere	.015	.012	.105	1.210	.228			

The findings do not support the mediation model. The difference between the sufficiency and quality of the prediction in the first step and the sufficiency and quality of the prediction in the second step is negligible and does not indicate any mediation. Furthermore, the prediction of sales performance by means of cultural sensitivity yielded a high-level prediction, precluding the need for the set of relationship-level variables. Of course, it is possible to add the relationship-level variables to a simple prediction rather than as a mediator, thus obtaining a very high and significant level of strength and predictive quality.

In light of these findings, the hypothesis regarding the mediation model was not supported. No mediation was found, indicating that this is a linear regression with direct prediction. The findings in Table 4-6 show that the level of the prediction did not increase significantly with the mediator variable compared to the regression without the mediator variable. These findings suggest that although past research emphasized the importance of relationship quality and relationship level in cross cultural sales engagements, when salespersons' cultural sensitivity is taken into consideration, relationship level becomes statistically non-significant as a predictor of sales performance.

The coefficient of determination with the mediation analysis is ($R^2 = .532$), while the coefficient of determination for the basic prediction of the cultural sensitivity variables by themselves is ($R^2 = .522$), indicating that the prediction has not significantly improved and has practically remained unchanged. Moreover, it is clear from Table 4-6 that when all the variables are added together, the β coefficients of the cultural sensitivity values are significant, while the β coefficients of the relationship-level values are not significant. This indicates that in addition to the variables of the full scale, the stand-alone variables that are the dimensions of relationship level have an insignificant β coefficient as well.

Furthermore, I ran the mediation model using each of the five relationship-level dimensions as the mediator. As can be seen in Appendix J, I come to same conclusion as with the full, 5-dimensional relationships level scale is the mediator. Their contribution to the model insignificant.

As can be seen from Table 4-6, the atmosphere variable that was significant in Table 4-5 is no longer significant and has a very low β coefficient value. Thus, these tables indicate that the cultural sensitivity variables are the main variables in predicting sales performance, while the relationship-level variables are weaker.

Although these findings are significant and clear, I also took another important step in examining the mediation model by conducting a Path Analysis using SPSS software. This type of analysis is usually conducted with AMOS or LISREL. There is a difference between regression and path analysis. In the regression analysis, I built the model and instructed SPSS to analyse the data as loaded, without the option of analysing any other potential paths, correlations or predictions. In the path analysis, I loaded the research structure, while the software remained flexible in analysing the data and structure. The path analysis run in SPSS can challenge the basic assumptions of the dependent and independent variables to ensure that the basic assumptions stand.

In the first stage, the variables were loaded in the form of the mediation model depicted in Figure 4-1. F2 represents the independent variable of cultural sensitivity and F1 represents the intermediary variable of relationship level. F3 represents the dependent variable of performance.

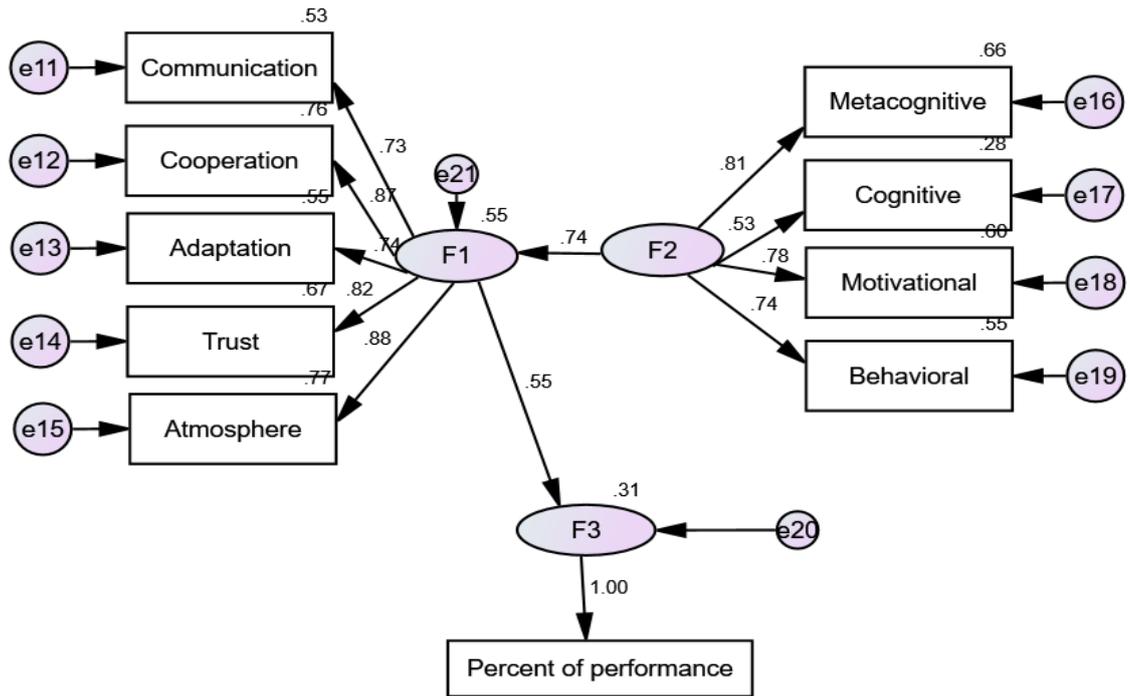


Figure 4-1: Path analysis of mediation model using SPSS software.

This model is not as significant as the mediation model, as the indices indicate a lack of mediation (Appendix I). The quality of the fit indices of this model are weak and insignificant (CFI = .901; RMSEA = .305). The structure of the mediation model is weak (CMIN / DF = 4.69; Sig. < .000) and there is no significant evidence of mediation since the beta value of the prediction of the variables does not indicate any difference between direct and mediated prediction of the dependent variable. While the prediction between the independent (F2) and intermediary variables (F1) is significant ($\beta = .743$), the prediction between the intermediary and dependent variables is much lower ($\beta = .554$).

As a result of the lack of mediation emerging from the previous model, I ran an unmediated model. This model yielded better indices, as can be seen in the sufficiency index shown in Figure 4-2. This model is more significant and outperforms the mediation model described in the theoretical section, as the indices indicate only partial mediation. The model's measures and fit scores are stronger and more significant (CFI = .969; RMSEA = .073). The structure of the model is stronger (CMIN / DF = 2.15; Sig. < .000) and the beta value of the prediction of the variables indicates that the dependent variable is predicted by the two independent variables together. The prediction of the main independent variable (cultural sensitivity) is significant ($\beta = .86$), while the prediction between the second independent variable (relationship level) and the dependent variable is lower ($\beta = .10$). Thus, the initial prediction model was not corroborated.

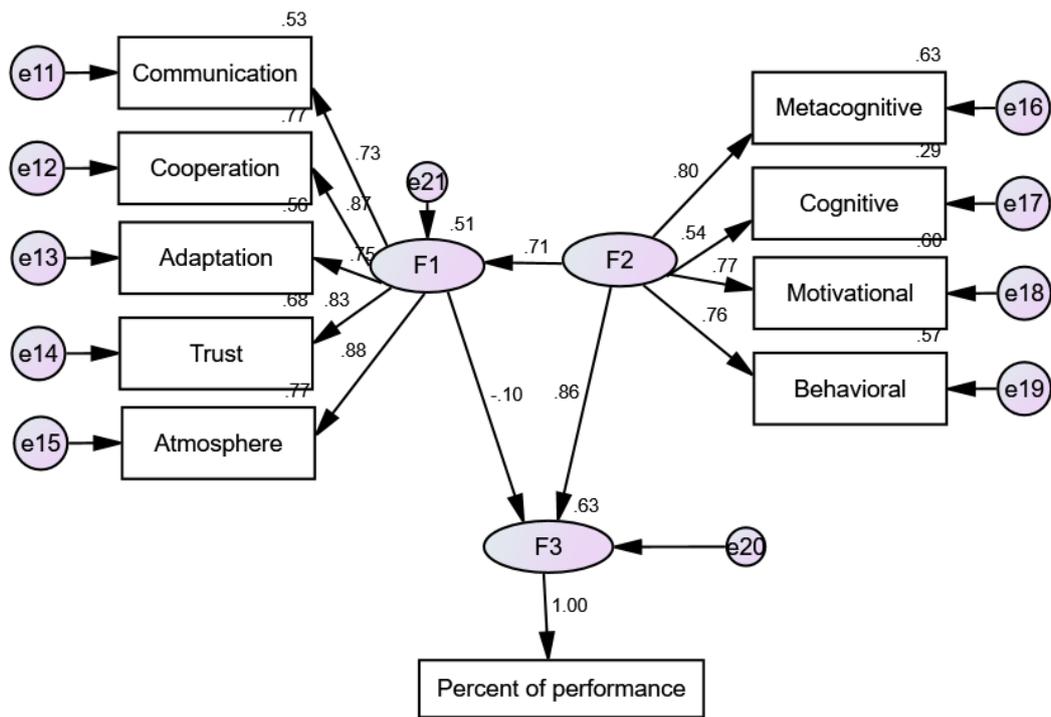


Figure 4-2: Path analysis of unmediated model.

Finally, the path analysis also pointed to a conclusion similar to that reached by the regression. In fact, the model showed no mediation but rather direct prediction of the two sets of variables on the criterion variable—sales performance. These findings fully support the previous findings: The first variable of cultural sensitivity is well constructed. The second set of variables—the relationship level index—is somewhat less well constructed, though it exhibits sufficient significance.

To summarize, the outputs of the statistical analysis indicate the following main highlights: First, a direct correlation emerged between salesperson's cultural sensitivity and level of relationships achieved between salesperson and customer. This finding is in line with the theoretical model that emerged from the literature review which indicated that salespersons who are more culturally sensitive will be able to form higher level relationships with their customers. This cultural sensitivity will enable them to better address the five dimensions of relationship level (communication, cooperation, adaptation, trust and atmosphere) and thus bridge cross-cultural gaps to build a strong salesperson–customer relationship.

Second, a direct correlation emerged between cultural sensitivity and sales performance. Salespersons' cultural sensitivity skills exhibit a strong and direct correlation to their success in sales performance. Those who are more culturally sensitive and take the four dimensions—metacognitive, cognitive, motivational and behavioural—into consideration are able to bridge the cross-cultural gap and achieve greater success in their sales performance. Furthermore, a direct correlation emerged between relationship level and sales performance. Although this correlation

was found to be weaker than the correlation between cultural sensitivity and salesperson, it still exists. This is in line with the literature review and indicates that a salesperson's abilities to develop high-level relationships with the customer result in higher sales performance.

Third, the link between cultural sensitivity and sales performance is not mediated by relationship level, as was forecast in the theoretical chapter. Full mediation, which was not corroborated, would have meant that without the mediator variable (relationship level), there would either be no correlation between cultural sensitivity and performance level or that the correlation would be much more modest. If this were the case, salespersons who are more culturally sensitive would exhibit better sales performance when engaging with a cross-cultural customer without the need for the mediator variable of relationships level. The research findings indicate a different model to explain cross-cultural sales engagements. The previous model assumed that the relationship level dimensions, and primarily trust, were necessary to build the type of strong salesperson-customer business relationship that would result in a successful engagement. Yet, when cultural sensitivity is included in the model, these dimensions turned out to be insignificant. Indeed, sales can flourish in a cross-cultural business environment even when salespersons do not have high-level relationships with their customers, so long as they have high cultural sensitivity. Indeed, the research outcomes indicate that all cultural sensitivity dimensions predict performance, while no relationship level dimensions predict performance when cultural sensitivity is added to the model.

4.3 International comparative perspective - supplemental analyses

In addition to the main data analysis, I conducted a regional analysis to examine whether there are geographical aspects other than the personal aspects I have already presented. As the research was conducted from a global perspective, it is important be aware of differences between global regions in the scores on each dimension of the scales and on the sales performance measure.

Table 4-7 depicts the findings of the three main variables categorized by region, with the dimensions for each predictor variable shown in the first column. The first part of the table depicts the cultural sensitivity measure, the second part shows the relationship level measure, and the third part shows the dependent variable of sales performance.

Table 4-7: One-way ANOVA between regions.

		South and Central America (n=12)	North America (n=34)	Southeast Asia (n=24)	Northeast Asia (n=17)	China (n=53)	India (n=23)	North Europe (n=10)	South Europe (n=19)	Eastern Europe (n=6)	East Med (n=24)	F	Sig.
Metacognitive	M	4.98	5.32	4.92	4.81	4.96	5.16	5.18	5.16	5.75	4.69	1.09	.37
	S. D	1.18	1.13	1.27	0.88	1.19	0.80	0.98	0.97	1.02	0.85		
Cognitive	M	4.22	3.50	4.38	4.16	4.19	3.92	4.18	4.45	4.44	3.87	1.80	.07
	S. D	0.99	1.25	1.19	1.02	1.06	1.10	1.14	0.91	0.48	1.19		
Motivational	M	5.20	5.22	5.02	4.55	5.02	5.60	5.38	5.38	5.83	5.58	2.00	.05
	S. D	1.13	1.10	1.31	0.98	1.07	0.97	1.27	1.00	1.17	0.59		
Behavioural	M	4.60	4.59	4.56	4.31	4.67	4.97	4.66	4.53	5.50	4.20	1.05	.40
	S. D	1.17	1.40	1.51	0.92	1.06	1.03	1.29	1.36	0.98	1.07		
Average Cultural Sensitivity Variables	M	4.71	4.57	4.69	4.42	4.67	4.85	4.80	4.84	5.32	4.54	0.82	.60
	S. D	0.96	0.96	1.10	0.78	0.90	0.75	0.87	0.87	0.67	0.67		
Communication	M	4.00	3.87	4.07	3.80	3.82	3.75	3.93	3.93	4.44	3.74	0.71	.70
	S. D	0.95	0.69	0.81	0.78	0.89	0.92	0.84	0.67	0.81	0.64		
Cooperation	M	3.85	3.91	4.06	3.98	3.88	4.30	4.30	4.11	4.33	4.08	0.93	.50
	S. D	0.89	0.80	0.91	0.66	0.86	0.77	0.63	0.71	0.99	0.64		
Adaptation	M	3.63	3.46	3.92	3.69	3.60	3.83	3.70	3.84	3.92	3.88	1.21	.29
	S. D	0.91	0.64	0.79	0.72	0.71	0.67	0.71	0.79	0.88	0.40		
Trust	M	3.75	3.46	3.85	3.84	3.57	3.78	3.45	3.92	4.13	3.59	1.56	.13
	S. D	0.67	0.62	0.67	0.74	0.73	0.82	0.70	0.70	0.79	0.59		
Atmosphere	M	3.72	3.70	3.85	3.88	3.80	3.90	3.77	3.89	3.72	3.97	0.27	.98
	S. D	1.03	0.93	0.87	0.74	0.80	0.76	0.89	0.82	0.98	0.54		
Average Relationship Level Variables	M	3.78	3.68	3.95	3.85	3.73	3.94	3.85	3.95	4.12	3.86	0.72	.69
	S. D	0.80	0.59	0.68	0.63	0.72	0.65	0.64	0.65	0.85	0.43		
Sales Performance Variable: Percent of performance	M	0.81	0.83	0.81	0.79	0.84	0.85	0.86	0.88	0.86	0.80	1.16	32
	S. D	0.15	0.10	0.11	0.12	0.11	0.09	0.11	0.15	0.12	0.12		

As can be seen from

Table 4-7, the Northeast Asia group has the lowest mean for cultural sensitivity. Considering that this group consists of Japanese salespersons, this finding makes a lot of sense. The Japanese are known to do business according to their cultural customs, and in order to do business with Japanese partners one must first understand their culture (Javidan et al. 2004; Dunn 2011; Shim and Steers 2012; Naor et al. 2010; Ford and Honeycutt 1992). "Culture is an important variable for comprehending the actions of any population, and this is particularly true when analysing the Japanese, with their fierce pride of customs and heritage" (Ford and Honeycutt 1992, p. 27). As a financial director doing business in the global environment, I can state that as indicated in the literature, in practice doing business in Japan without knowing the language and the culture can be a real barrier.

The Eastern European, Indian and Eastern Mediterranean groups, which consist primarily of Israeli and Turkish salespersons, are the most motivated groups. They want to be culturally sensitive and to adapt to the global business environment. In some cases, they have other barriers they must overcome in order to transform their motivational values to sales achievement performance.

As noted, the statistical model indicates that when cultural sensitivity is part of the model the relationship level variable becomes statistically non-significant. Nevertheless, the regional comparison that emerged from the analysis is still of interest. The group with the highest score on the relationship level scale is the Eastern Europe group, leading to the conclusion that inter-relationships are important in this culture. Indeed, in this culture real in-depth relationships play a significant role in the business environment. Business practice and experience in this region indicate that once you reach a certain relationship level with your business partner, this relationship will be given precedence above economic and business considerations.

The North American group exhibited the lowest relationship level, as compatible with business practice in that region. Experience shows that North American salespersons are more business oriented. They focus on bringing the best product to the customer while maintaining a formal and superficial relationship level rather than delving into the personal level. Thus, as can be seen from Table 4-7, the highest relationship level dimension for the North American group is cooperation. This dimension represents the formal part of a relationship, including complaints, processes, forecasting and planning. That is, even within the relatively low relationship level score for the North American group, the highest dimension is the one related to the formal and procedural part of the relationship with the customer.

The overall levels of trust are relatively low. Nevertheless, it is interesting to note that the region with the highest levels of trust is the Eastern European region, the only region to score above four on trust. Consistent with Hofstede (2001), trust and respect are superior values in that part of the

world. Indeed, in Hofstede's work, Russia earned the highest score of 93 on the power distance scale, which represents respect and trust for seniority and power. In contrast, the North European countries were at the lower end of Hofstede's power distance scale, reflecting their low appreciation for power. The results here for the Northern European group conform to Hofstede's (2001) claims regarding the low levels of appreciation for trust.

From the perspective of total performance,

Table 4-7 shows that the European group, which includes Northern Europe, Southern Europe and Eastern Europe, scored highest on sales performance relative to the given target. The lowest scores for sales performance were in the North Asian region, which is also the least culturally sensitive region. The sales target reflects the market potential and performance is measured in terms of percentage of target achievements, so that although the market volumes differ the measurement is still valid.

5 Discussion

This chapter establishes the contribution of this research to the knowledge of cultural sensitivity, relationship level and their correlation to sales performance. It discusses how high performance on these two variables is related to salespersons' sales success. The sales target represents the potential market for each specific salesperson. In other words, the percentage of sales achieved out of the target represents the degree to which the salesperson has been successful.

In order to discuss the contribution of the dimensions of salespersons' cultural sensitivity and relationship level salespersons to enhancing sales performance, I first restate the research goals and questions. Next, I propose a new model that emerged from the statistical analysis for understanding the correlations between the two predictor variables and the criterion variable. After that, I discuss recommendations for future research and the research limitations. Finally, I propose how this research can be generalized and summarize its contribution to knowledge.

5.1 Answering the research questions

The research sought to discover how salespersons' cultural sensitivity within the global container shipping industry, level of salesperson-customer relationships, and sales performance are associated. In line with the hypotheses, the findings clearly show that all the variables of cultural sensitivity and relationship level exhibit positive and sufficient correlations to sales performance. Moreover, the correlations with the cultural sensitivity variables are higher than those with the relationship level variables. Nevertheless, a positive correlation exists for all the variables.

Hypothesis (H1): A higher degree of cultural sensitivity by a salesperson in cross-cultural engagements is positively related with the level of the relationship with customers.

This hypothesis was supported by the statistical analysis. As can be seen in row 11 and column 5 of Table 4-3, a higher level of cultural sensitivity level will indeed result in higher level relationships with between salesperson and customer.

Hypothesis (H2): A salesperson's cultural sensitivity capabilities are positively related with enhanced sales performance.

This hypothesis was supported by the statistical analysis. Row 12 in Table 4-3 depicts performance, while columns 1-5 show the cultural sensitivity variables. The cultural sensitivity measure for all the dimensions as a group showed a higher correlation ($r = 0.711$) than did each of the dimensions by itself. This indicates that salesperson's cultural sensitivity skills will indeed result in higher sales performance. Moreover, as Table 4-3 also shows, a correlation also emerged between relationship

level and sales performance (row 12 and columns 6-11), with $r=0.483$ for the correlation between all relationship level variables and sales performance.

Hypothesis (H3): Relationship level will mediate the relationship between a salesperson's cultural sensitivity and her/his sales performance.

The findings provide no proof of the involvement of a mediation model. Table 4-6 indicates that the ability of cultural sensitivity to predict sales performance (regression without mediator variable) did not increase significantly when the mediator variable of relationship level was added. The mediation model did not exhibit any significantly greater ability to predict sales performance than did the model without mediation. Indeed, the prediction remained almost unchanged, indicating that relationship level does not mediate between cultural sensitivity and success in sales performance. The results do not support the assumption that higher cultural sensitivity will result in better relationship level, which in turn will lead to better sales performance.

The positive correlation I found between relationship level and sales performance reinforced the claims of previous research with empirical sales performance data, providing numerical data to show that relationship level is indeed positively correlated with sales performances (Lussier, Grégoire and Vachon, 2017; Groza, Locander, and Howlett, 2016; Lassk and Shepherd 2013; Huntley 2006; Lages 2004 and Fynes et al. 2008).

Nevertheless, the mediation model and the path analysis indicate that the relationship level variable is not statistically significant as a predictor of sales performance. The statistical analysis showed that the coefficient of determination with the mediation analysis was ($R^2 = .532$) and the coefficient of determination with cultural sensitivity without mediation was ($R^2 = .522$), thus clarifying the lack of mediation. These results indicate that the mediation model did not make any practical contribution to the coefficient of determination, as the R^2 with the mediation model was not significantly higher. Thus, although past research indicated that both relationship quality and relationship level are important in a sales engagement, when the variable of salespersons' cultural sensitivity is part of the model the relationship level variable becomes non-significant as a predictor of sales performance.

Hence, the current research adds a very important layer of knowledge by indicating that salespersons' cultural sensitivity is the key factor in business environments involving cross-cultural sales.

The mediation model in Figure 4-1 indicates that when both variables—cultural sensitivity and relationship level—are taken into account in the path analysis, the betas for relationship level are much lower than the betas in the standalone model (Figure 4-2), while the betas for cultural

sensitivity are for the most part the same or insignificantly lower. This finding again confirms that in a global business environment of cultural diversity, the variable that sets the tone is cultural sensitivity and not relationship level.

When the relationship level variable stands alone without the involvement of cultural sensitivity, a correlation emerges between relationship level and sales performance. Yet once cultural sensitivity enters the picture, this correlation weakens almost to the point of nonexistence (Table 4-6). Relationship level has no predictive value when cultural sensitivity is part of the equation. Table 4-5 shows that the correlation between relationship level and sales performance exists only when no cultural sensitivity is involved.

The research findings support a new model in place of the mediation model, as illustrated in Figure 5-1.

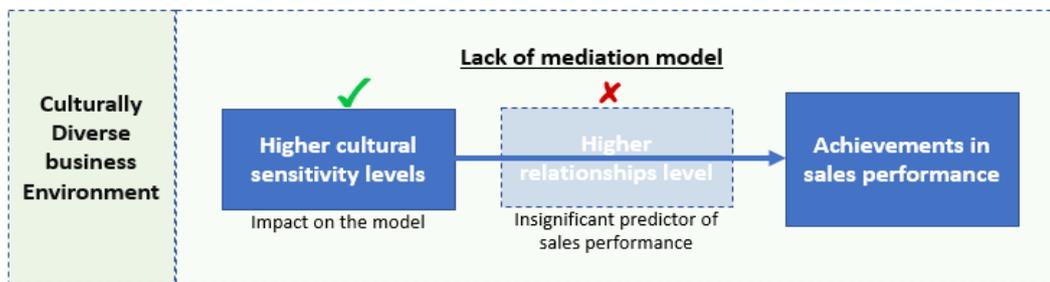


Figure 5-1: New model emerging from the research findings.

In cross-cultural business engagements, the significance of cultural sensitivity overshadows relationships level dimensions once thought to be significant factors in constructing salesperson-customer relationships and enhancing business performance. Dimensions such as trust, considered the most important standalone dimension of the relationship level dimensions (Doney and Cannon 1997; Grégoire and Vachon 2017; Sirdeshmukh, Singh, and Sabol 2002), emerges as being of minor importance when cultural sensitivity comes to play. The relationship level dimensions found by previous research and by my initial research to have a positive impact on the target of the sales engagement lost their impact once cultural sensitivity was entered the model. Whether or not a salesperson is culturally sensitive will have such a significant effect on the customer that all other relationship level dimensions, including trust, are no longer relevant.

Note that the conclusions drawn regarding the impact of cultural sensitivity and relationships level on sales performance are based only on the specific scales used in this research. As the research findings did not support the mediation model according to the measurement used, in the following discussion I draw conclusions about the direct positive correlation between the predictor variables and the criterion variable. Moreover, I discuss the lack of mediation by dimension and I analyse the

geographic elements and show that higher scores on each of the scales result in higher sales performance.

5.2 The dimensions perspective of the cultural sensitivity scale

The motivational dimension in this research achieved higher means than in previous research (Groves, Feyerherm, and Gu 2015; Klafehn, Li, and Chiu 2013). The motivation dimension represents the extent of a salesperson's motivation to bridge cross-cultural gaps. "Motivational intelligence refers to the mental capacity to direct and sustain energy on a particular task or situation and recognize that motivational capabilities are critical to 'real world' problem solving" (Ang et al. 2007, p. 337). Although a particular salesperson can be more or less culturally sensitive, on average high performance on the motivation dimension indicates the degree to which cultural sensitivity is important for the salesperson. A high score on the motivational dimension of the cultural sensitivity scale indicates that salespersons enjoy interacting with people from different cultures, are confident that they can socialize with locals in a culture that is unfamiliar to them and believe they can deal with the stresses of a culturally diverse environment.

In line with the literature review (Klafehn, Li, and Chiu 2013; Groves, Feyerherm, and Gu 2015; Taewon 2010), in the scale I used, the cognitive dimension "reflects knowledge of the norms, practices and conventions in different cultures acquired from education and personal experiences" (Ang et al. 2007 p: 338). A review of the cognitive dimension itself Appendix A) indicates that all the questions in this scale begin with the phrase "I Know" and range from knowledge of legal and economic systems of other cultures to knowledge of arts, crafts, and rules. Compared to previous research, the ZIM salespersons scored higher. This high aggregate mean score leads to the conclusion that according to their answers to the questionnaires, ZIM salespersons are under the impression that they know about other cultures. In global business it is highly important to know the codes of conduct of business partners from other cultures (Harich and LaBahn 1998; Kale and Barnes 1992; Alteren 2007). On the positive side, as described in Section 2.4, the cognitive dimension represents knowledge, and knowledge can be acquired and improved.

The behavioural dimension describes the salespersons' behaviour exhibited by how they change their behaviour in cross-cultural interactions, and how they adjust their verbal and nonverbal behaviour. This dimension consists of five questions (Appendix A) and the questionnaire's questions that refer to the behavioural dimension focus on how the behaviour is amended according to the customer's needs. In my research, this dimension achieved higher means compared to previous research (Klafehn, Li, and Chiu 2013; Groves, Feyerherm, and Gu 2015; Macnab 2012). This result indicates that salespersons working for ZIM are under the impression

that they take more behavioural steps to bridge cultural gaps compared to previously researched groups, including both verbal and nonverbal actions to mitigate cross-cultural gaps.

The mean emerging for the metacognitive dimension in the current research is higher than in previous studies, indicating that the group of ZIM's salespersons scored higher on this dimension compared to other researched groups. This dimension refers to the degree to which a salesperson is aware of cultural knowledge when interacting in a culturally diverse environment (Appendix A). Based upon the review of literature, it appears that the members of the researched group are more aware and conscious of cultural knowledge needs. This awareness emerges from the business environment in the container shipping industry, which is truly global and culturally diverse (Ducruet and Notteboom 2012).

5.3 Discussion of lack of mediation model

This section describes the findings of the revised research model in the context of sales performance prediction. The research outcome points to a lack of mediation, indicating that cultural sensitivity dimensions outperform relationship level dimensions. In the following sections I first discuss why each of the cultural sensitivity dimensions overshadows the importance of relationship level and then I discuss a broader context of the results. I examine the lack of mediation from the perspective of whether the relationship level dimension makes any contribution to the ability of cultural sensitivity to predict sales performance. In this study, sales performance success is the measure of a successful engagement. Here I explain why the relationship level dimensions are not significant as predictors when cultural sensitivity is included in the model. I review the dimensions of cultural sensitivity in two groups first; Cognitive and Metacognitive dimensions (Section 5.3.1) and second, behavioural and motivation dimensions (Section 5.3.2). I then explain why each relationship level dimension becomes insignificant in predicting sales performance when the cultural sensitivity dimensions are part of the model.

5.3.1 Cognitive and metacognitive dimensions of cultural sensitivity

According to Ang et al. (2007), the metacognitive dimension of the cultural sensitivity scale represents the processes by which individuals acquire and understand cultural knowledge. The cognitive dimension of the scale represents the "intelligence-as-knowledge concept" (p. 337) and refers to general knowledge about the relevant cultures, norms, values, and principles. These two complementary dimensions represent an individual's basic cultural knowledge and desire to learn more. The cognitive and metacognitive dimensions of cultural sensitivity outperform all the relationship level dimensions in predicting sales performance.

When salespersons lack knowledge and are not willing to acquire knowledge, their scores on the cognitive and metacognitive dimensions will be lower. When salespersons have an abundance of knowledge and the will to acquire knowledge, their scores on the cognitive and metacognitive cultural sensitivity dimensions will be lower.

Measuring trust dimension of relationship level

Lacking knowledge and unwillingness to acquire knowledge or an abundance of knowledge are naturally reflected in the score salespersons achieve on the trust dimensions of relationship level. Trust cannot be built unless the salesperson knows and understands the basic principles of the customer's culture. Without knowing these principles, the salesperson will inevitably offend the customer's beliefs and principles (Nguyen, Barrett, and Nguyen 2004; Harich and LaBahn 1998; Ford 1984; LaBahn and Harich 1997). The Japanese business environment "with their fierce pride of customs and heritage" (Ford and Honeycutt 1992, p. 27) serves as a good example of the consequences of a lack of knowledge. Insults to Japanese culture, practices and heritage will make it impossible to build a trusting relationship (Javidan et al. 2004; Dunn 2011; Shim and Steers 2012; Naor et al. 2010; Ford and Honeycutt 1992).

High score on the cognitive and metacognitive dimensions of cultural sensitivity naturally improve trust and serve as an indication that the salesperson has and is willing to acquire knowledge that enhances trust (Ang, et al. 2007; Fynes et al. 2004; Stankoa, Bonnerb, and Calantone 2007). When salespersons act according to the customer's cultural codes and principles, they build trust that allows for a sense of security, closeness, and attention (Fynes et al. 2004; Ryssel and Ritter 2000; Krackhardt 1992; Rindfleisch and Moorman 2001; Rowley et. al. 2000; Uzzi 1996; Zaheer and Zaheer 1997). Although trust is considered one of the main factors in successful sales engagements (Fynes et al. 2004; Stankoa, Bonnerb, and Calantone 2007), the dimensions of cultural sensitivity make studying trust in the relationship unnecessary for the model predicting sales performance.

Measuring cooperation dimension of relationship level

Whether or not salespersons take proactive measures to acquire cultural knowledge to bridge the gaps with cross-cultural partners, as measured by the metacognitive dimension will naturally have an impact on the cooperation with the customer (Bhawuk and Brislin 1992). Cooperation refers to the actions undertaken by salespersons to achieve the desired goal of the engagement (Young and Wilkinson 1997). Cultural knowledge as measured by the cognitive dimension and the will to acquire new knowledge as measured by the metacognitive dimension encompass the concept underlying the cooperation dimension of relationship level (Young and Wilkinson 1997). These naturally improve the salespersons' chances of achieving the engagement target, in this case a sale. When cognitive and metacognitive cultural sensitivity dimensions are low, salespersons take

almost no steps to achieve the goal of the engagement. In both cases, when the cultural sensitivity dimensions are part of the model, measuring cooperation as part of the relationship scale becomes non-significant in the model predicting sales performance.

Measuring communication dimension of relationship level

The cognitive and metacognitive cultural sensitivity dimensions are strongly associated with the communication dimension. To generate good communication with the customer, salespersons use their acquired cultural knowledge (represented by the metacognitive and cognitive dimensions) to mitigate gaps and improve communication (Nguyen, Barrett, and Nguyen 2004; Harich and LaBahn 1998; Su et al. 2008). When cultural gaps in knowledge arise, they have a negative impact on communication levels. No prior cultural knowledge and no intention to acquire cultural knowledge will have a negative impact on how the salesperson communicates with the customer. High scores on cognitive and metacognitive dimensions support the flow of information between salesperson and customer that is relevant to the deal (Anderson and Narus 1990; Lages et al. 2005). When the cognitive and metacognitive cultural sensitivity dimensions are part of the model, measuring communication as part of the relationship scale becomes non-significant in the model predicting sales performance.

Measuring adaptation dimension of relationship level

On the one hand, if a salesperson lacks cultural knowledge (cognitive dimension) and is not willing to acquire new knowledge (metacognitive dimension), adaptation of the relationship is impossible (Ford and Hakansson 2006). On the other hand, high scores on the cognitive and metacognitive cultural sensitivity dimensions indicate that the salespersons have cultural knowledge and are willing to acquire new knowledge. This willingness overshadows what the adaptation dimension of relationship level was designed to measure. Salespersons who are willing to acquire new knowledge to support the probability of a successful engagement obviously have the capabilities to adapt. This may explain why the contribution of the adaptation dimension of relationship level becomes insignificant when cognitive and metacognitive cultural sensitivity dimensions are part of the prediction model (Ford and Hakansson 2006; Williamson 1981).

Measuring atmosphere dimension of relationship level

Low or high scores on the cognitive and metacognitive dimensions have a corresponding impact on degree of closeness (Woo and Ennew 2004) and consequently on atmosphere as well (Roehrich et al. 2002). Cultural gaps are known to create tensions (Matsumoto and Hwang 2013; Black and Stephen 1989). A lack of cultural knowledge as reflected in the metacognitive and cognitive cultural sensitivity dimensions will inevitably lead to tensions based on misunderstanding the cultural norms and principles of the engagement partner (Matsumoto and Hwang 2013). Such

misunderstandings can derail the atmosphere and consequently the entire engagement. Salespersons with high scores on cognitive and metacognitive dimensions will have the knowledge and the will to avoid cultural gaps so as to enhance a positive and strong atmosphere (Matsumoto and Hwang 2013; Black and Stephens 1989; Roehrich et al. 2002). When a salesperson has already taken steps to improve the atmosphere, as indicated by high cultural sensitivity dimension scores, the atmosphere dimension makes no additional significant contribution to the prediction model of sales performance.

5.3.2 Behavioural and motivational dimensions of cultural sensitivity

The behavioural dimension of the cultural sensitivity scale represents the social interactions and actions individuals undertake to bridge cultural gaps, including adjustments in verbal and nonverbal behaviour to accommodate cross-cultural partners (Ang et al. 2007). The motivational dimension of the cultural sensitivity scale represents the amount and direction of energy individuals exert to function and learn in multi-cultural situations (Ang et al. 2007; Earley and Ang 2003). Individuals who are comfortable and successful in cross-cultural interactions are able to communicate well and to deal with any stress emerging from such interactions (Ang et al. 2007). High scores on these two cultural sensitivity dimensions predict better chances of success in achieving the target of the engagement (LaBahn and Harich 1997; Graham, Mintu, and Rodgers 1994; Kale and Barnes 1992). Because these two dimensions both represent proactive acts and behaviours taken by the salesperson within the interaction itself, I discuss them together.

These dimensions constitute a significant part of being culturally sensitive and by their nature outperform the relationship level dimensions in predicting sales performance. (Arasaratnam 2009; Van der Zee and Van Oudenhoven 2000; Bhawuk and Brislin 1992; Matveev and Nelson 2004).

Individuals who do not undertake any social actions and interactions to bridge cultural gaps (Ang et al. 2007) and who do not apply energy toward learning and functioning in cross-cultural interactions (Ang et al. 2007) will have low scores on the behavioural and motivational dimensions of cultural sensitivity, respectively. In contrast, individuals who engage in an abundance of social interactions and actions to bridge cultural gaps and exert a great deal of energy toward learning and functioning in cross-cultural (Ang et al. 2007) will have high scores on the behavioural and motivational dimensions of cultural sensitivity, respectively.

Measuring trust dimension of relationship level

It is impossible to build trust if the salesperson is not aware of the behavioural codes, does not know how to behave according to the partner's needs, and is not motivated to learn how to function in a multicultural environment (Lussier, Grégoire, and Vachon 2017; Ganesan 1994). Trust cannot be built if the customer is offended by the salesperson's behaviour and lack of motivation

to bridge gaps (Earley and Ang 2003). Without the proper motivation and without making behavioural adjustments, salespersons will not be able to form trusting relationships with their customer. Salespersons who are aware of and motivated to learn what or what not do in the engagement and how to behave accordingly will earn the trust of their business partner (Doney and Cannon 1997; Lussier, Grégoire, and Vachon 2017; Sirdeshmukh, Singh, and Sabol 2002). Hence, the behavioural and motivational dimensions of cultural sensitivity enhance the prediction of sales performance, so that the prediction of the relationship level dimension of trust becomes non-significant to the prediction model (Fynes et al. 2004; Stankoa, Bonnerb, and Calantone 2007).

Measuring cooperation dimension of relationship level

If salespersons do not adjust their behaviour accordingly and do not take proactive steps to mitigate cultural gaps, these gaps will inevitably arise in the engagement and harm the cooperation dimension of relationship level (Ford and Hakansson 2006). Under such circumstances, they will not be able to forge cooperation with the customer (Arasaratnam 2009; Van der Zee and Brinkmann 2004). By nature, a salesperson's score on the behavioural and motivational dimensions represent the actions undertaken to achieve the desired goal of the engagement (Earley and Ang 2003; Ang et al. 2007). These actions are what the cooperation dimension measures (Young and Wilkinson 1997). A lack or an abundance of motivation to bridge cultural gaps and to behave accordingly within the interaction renders the cooperation dimension of relationship level as it does not provide any additional value in predicting the engagement's success as measured by sales.

Measuring communication dimension of relationship level

In the context of the behavioural and motivational dimensions of cultural sensitivity, salespersons' behaviour has a significant impact on the communication dimension. If salespersons fail to adjust their behaviour appropriately, they will be unable to communicate effectively with the business partner (Anderson and Narus 1990; Lages et al. 2005). A lack of motivation to bridge cultural gaps derails the communication with the business partner. Being motivated to resolve cultural gaps and make behaviour adjustments to the partner's needs (Ang et al. 2007) improves salespersons' communicative ability, as reflected in the communication dimension (Lages et al. 2005). When salespersons are motivated to bridge cultural gaps and adjust their behaviour, the communication dimension of relationship level becomes insignificant in predicting the success of the engagement. If salespersons are not motivated to take steps to function in a cross-cultural engagement and do not adjust their behaviour to customer needs, measuring the communication dimension does not contribute to the prediction model.

Measuring adaptation dimension of relationship level

Adaptation is defined as the steps taken to make relationships work toward the desired goal (Ford and Hakansson 2006; Williamson 1981). When salespersons are not motivated to bridge cultural gaps and adjust their behaviour, there certainly will be no adaptation for they will be unable to adjust to the needs of the customer, which is the foundation of the adaptation dimension (Ford and Hakansson 2006). Salespersons who are able to make behavioural adjustments and are motivated to bridge gaps (Ang et al. 2007) will naturally score high on the adaptation dimension of relationship level. In fact, the behavioural and motivational cultural sensitivity dimensions outperform the relationship level dimension of adaptation in predicting the result of the engagement, such that the adaptation dimension becomes insignificant in the prediction model of sales performance.

Measuring atmosphere dimension of relationship level

Unwillingness to adjust behaviour to the customer's cultural needs and a lack of motivation to function according to the demands of the multicultural environment have a negative effect on the atmosphere in the engagement. For example, the Japanese are known to be quite sensitive with respect to their cultural principles. When salespersons take actions that are offensive to Japanese people and do not make adjustments to the cultural needs of their Japanese business partners, the Japanese will quickly disrupt the atmosphere and derail the entire engagement (Javidan et al. 2004; Dunn 2011; Shim and Steers 2012; Naor et al. 2010; Ford and Honeycutt 1992). Salespersons who adjust their behaviour according to the needs of their partners and are motivated to take proactive steps to mitigate cultural gaps naturally create a more positive atmosphere in the engagement (Su et al. 2008; Woo and Ennew 2004). Aspects of the cultural sensitivity scale provide a significant indication of the engagement atmosphere, so that measuring atmosphere as part of the relationship scale becomes insignificant to the model predicting sale performance.

To summarize, the lack of mediation emerging from the statistical analysis indicates that relationship level does not mediate between cultural sensitivity and sales performance. The importance of the relationship level dimensions is overshadowed by the significance of the combined cultural sensitivity dimensions.

5.4 Broader context of the results

A review of the literature and the results emerging from this study point to broader conclusions that need to be discussed. It appears that while cultural sensitivity is a broad measurement that refers to all person-to-person interactions with others, relationship level refers only to a specific relationship between salesperson and customer.

The cultural sensitivity dimensions are relevant for all cross-cultural engagements (Ang et al. 2007). In the context of sales, cultural sensitivity refers to salesperson-customer interactions. Nevertheless, cultural sensitivity may refer to the broader perspective of situations in which salespersons interact with some other party such that their cultural sensitivity abilities can turn this other party into a customer, thus allowing for much more variation in performance that can be explained. Cultural sensitivity is a tool that can be applied in a range of cross-cultural engagements, not just in sales engagements. It covers the skills needed to interact in a culturally diverse environment and to bridge cultural gaps in order to achieve targets. While relationship level refers to achieving a certain outcome in a specific engagement (Speece 2004; skarmeas et al. 2002; Stankoa 2007; Lussier et al. 2017; Fynes et al. 2005), cultural sensitivity can yield a broader spectrum of opportunities and outcomes (Matsumoto and Hwung 2013; Arasaranam 2009; Ang et al. 2007; Alteren 2007).

As noted, in the container shipping market the products offered to customers are quite similar, with low differentiation (Ducruet and Notteboom 2012). Nevertheless, there are many factors that are not necessarily related to the relationship level with the customer achieved by the salesperson. A certain part of closing a deal is indeed related to the salesperson's skills and ability to lead the customer to decide to make the purchase. But the customer's decision is only partly explained by the salesperson's ability to construct a high-level relationship with the customer. Other aspects of the sales process are exogenous to high achievements on the level of salesperson-customer relationship (García and Fuente 1999; Sabiote et al. 2013; Grzybowska and Gajdzik 2014). Among these are 1) the product, i.e., whether the specific product suits the needs of the customer and whether it is really what the customer wants and needs; 2) the customer's state of mind, i.e., whether the customer is in the state of mind to make a purchase or is merely in the market research stage of exploring what the market has to offer in terms of pricing and services and approaching the salesperson only to acquire information; 3) the stage of the deal, i.e., whether the customer has already decided to make the purchase and is just approaching the salesperson for the very last stage of minor negotiations and understandings. In such a case, the salesperson has a limited effect on the engagement's success since the customer has already made the decision. These examples of exogenous aspects of relationship level result in lower variation in performance explained by relationship measurement.

Sales performance has a wider perspective than just about making the sale (Shannahan et al. 2013; Verbeke et al. 2011; Chowdhury 1993; Locke and Latham 1990). Indeed, it is about turning someone into a customer by guiding that individual through the purchasing process to the point of becoming a customer willing to buy the service or the product (Kumar 2015). The cultural

sensitivity measurement has this wider perspective of person-to person interactions, a perspective that is limited to salesperson-customer interactions at the relationship level measurement.

In terms of the measurements themselves, the scales have structural differentiations that needs to be discussed. The cultural sensitivity measurement is clearly about the salesperson (Appendix A) and encompasses the salesperson's knowledge, proactivity to acquire knowledge, behavioural aspects that represent social interactions, and motivation to adjust verbally and nonverbally to cross-cultural partners and function in cross cultural environments (Ang et al. 2007; Earley and Ang 2003). The cultural sensitivity measurement thus clearly assesses personal aspects of the salesperson, allowing for high correlation with salesperson performance

Table 4-4 and Table 4-6). The items measured by the relationship level scale refer less to attributes of a specific salesperson, as some of the items refer to general operation of the company and even to customer behaviour, e.g., "our system has been tailored to meet the requirement of the customers" or "customers are collaborative in resolving conflicts with us" (Appendix B). It comes as no surprise that such items exhibit a less significant correlation with individual salesperson performance than do the cultural sensitivity items.

This broader perspective complements the discussion in Section 5.3 and adds to the understanding that the culture sensitivity scale is the significant measurement in the prediction model of sales performance.

5.5 The dimensions perspective of the relationship level parameter

The statistical analysis points to two important aspects of the relationship level results in this study that require examination. First, when cultural sensitivity is part of the statistical model, the impact of relationship level becomes statistically non-significant. This is true not only for the complete relationship level measurement but also for each of the standalone dimensions. Even dimensions assumed to be critical to sales engagements, such as trust, became non-significant when cultural sensitivity was included in the model. Second, relationship level and its dimensions exhibited a positive correlation with sales performance.

A review of the correlation between relationship level and sales performance without the involvement of cultural sensitivity indicates that the five dimensions within the relationship level parameter represent different aspects of engaging in high-level relationships. Each dimension sheds light on the personality and skills of the salesperson. The combination of all the dimensions indicates the degree to which a salesperson is successful in engaging in relationships that lead to success in sales performance.

In my research the trust dimension exhibited lower means than in the previous study by Su et al. (2008). A review of the trust dimension (Appendix B) indicates that trust refers to the degree to which salespersons' relations with the customer are trustworthy, the level of salespersons' integrity, and whether the salespersons can be counted on. Compared to the analysis of manufacturer-supplier relationships (Su et al. 2008), in my research the statistical analysis of the salesperson-customer relationship shows that the trust dimension is relatively low in importance (Su et al. 2008). Although previous research pointed to the importance of trust as part of relationship level (Doney, Cannon, and Mullen 1998; Alteren 2007; and even the scale of Cultural Sensitivity Increase Trust (CSIT) in Shapiro et al. 2008), the outcome of my research is different.

My model suggests that trust is not as relevant to performance in the context of intercultural salesperson-customer relationships as it was assumed to be. In sales engagements both sides know their part in the engagement: the salesperson will do anything to sell the product and the buyer will do anything to attain the best price. In the container shipping industry, knowledge is readily available both to competitors and to customers. Price increases are published on public internet sites such as <https://prnewsservice.com/>. Both sides of the engagement are aware of the goals of the other: The customer seeks to minimize the price for the required service and the salesperson seeks to maximize the price and volume for the required service. Customers in the container shipping market are very familiar with the market. They come from multinational conglomerates, multinational retail corporations, wholesale corporations, and freight forwarders that provide them with a knowledgeable background. These customers understand the market environment and know that salespersons aim to make the sale. Hence, there is no expectation of a high level of trust between seller and buyer. Each side has its own interests, and if these interests coincide a transaction will be concluded.

Although previous research indicated the importance of trust in forming relationships, trust appears to be less important in sales engagements in the container shipping industry. This finding adds another layer of knowledge, indicating that the importance of trust is relative to engagement type and industry. Hence, the trust dimension is not a real game changer with respect to sales performance achievements in the container shipping market.

The cooperation dimension demonstrated the exact same mean as in the research by Su et al. (2008). A review of the cooperation dimension (Appendix B) indicates that cooperation refers to how a salesperson cooperates with customers with respect to providing services, forecasting, planning and resolving conflicts. These skills are the foundation of a salesperson's personality and skills (Echchakoui 2017; Harris et al. 2005; Widmier 2002; Arndt and Karande 2012). The high score on this dimension emerging in this study, compared to the study by Su et al. in which this dimension was ranked as second highest, shows that compared to manufacturers and suppliers the

researched salespersons are confident in their ability to cooperate with customers and to provide them the service they need. Indeed, being flexible, agile, and dynamically responsive to the customer's needs is a basic requirement of salespersons.

A review of the communication dimension indicates that this dimension refers to the share of formal and informal information that may be relevant to the partner (Appendix B). The mean emerging from my study is lower than the mean in the study by Su et al. (2008). The relationships between manufacturers and suppliers differ in nature from those between salesperson and customer. In the salesperson-customer interaction, the salespersons determine the amount of information to be shared. They do not overshare information but rather share only information that is required. As opposed to the group studied by Su et al. (2008), it seems that the salespersons examined in the current study believe they share as much information as they can but only what is relevant, as appropriate to a sales interaction. Practically, salespersons do not want to disclose all their cards but only what is relevant for the success of the relationship.

The adaptation dimension yielded a higher mean than in the study by Su et al. (2008). A review of the adaptation dimension (Appendix B) shows that adaptation refers to how systems and tools are tailored to the customer's needs. The fact that salespersons scored relatively high on this dimension is related to the degree to which the organization invests in designing the right tools and systems to support customer needs. Although the salesperson has an effect on this dimension, this effect is not immediate. Salespersons must maintain ongoing communication with the firm's management to make sure the tools and systems suit the customer's needs. In a salesperson-customer relationship the tools and systems are more dynamic than in the manufacturer-supplier relationship in which the whole product should be redesigned. In the container shipping industry, the systems are always up to date and follow market standards to adjust to the customer's needs.

The adaptation dimension achieved a higher mean compared to previous research. This result shows that salespersons are more focused on the target of the engagement and are willing to adapt in order to reach their goal. They understand the basic idea that the customer should be satisfied so they adjust and adapt according to the customer's needs.

The mean of the atmosphere dimension in my research is lower than that found in previous research by Su et al. (2008), but not significantly lower. A review of the atmosphere dimension indicates that atmosphere refers to the atmosphere surrounding the business engagement. The lower means found in salesperson-customer relationships compared to in manufacturer-supplier relationships suggest that the atmosphere in a sales interaction can involve more tension. The average score on this dimension in the current study makes sense. The atmosphere of a business engagement should not be overly good as it involves an exchange of money for product.

Nevertheless, the atmosphere should not be overly bad, as otherwise the engagement will not be successful.

To summarize, the findings from this analysis add another layer of knowledge about the relationship level dimensions to a model that does not involve cultural sensitivity. Unlike in previous research, the means for the cooperation dimension in this study were higher, indicating that salespersons attribute high importance to this dimension and are confident about their cooperation with their customers. In contrast, the means for the communication dimension were lower than in previous research, indicating that sales engagements entail more suspicion that can negatively impact communication between salesperson and customer. Trust was also found to be less important in sales engagements in the shipping container market where knowledge is readily available both to competitors and to customers and everyone knows the role of each side of the engagement.

5.6 The geographical perspective of the cultural sensitivity scale

The data base used in this research included geographical information about the salespersons. Analysis of this geographical data revealed a geographical correlation between cultural sensitivity and sales performance that warrants discussion.

Examination of the overall sales performance achievements shows that the European group, which includes Northern, Southern and Eastern Europe, exhibited the highest performance and the highest level of cultural sensitivity. The highly diverse environment of these salespersons has a positive impact on their success in sales performance. The European region has a long history of cultural diversity dating back to ancient times and including shifts of population from one place to another, wars, colonialism, and today's current immigration (Buettner 2016; García 2011; Koopmans 2005). Languages are key cultural factors. A language, its symbols and its vocabulary are all part of what creates a culture (Glaser 2007). The variety of languages spoken in Europe and the high exposure to different languages also supports cultural diversity and in turn cultural sensitivity. This leads to the conclusion that those who live in a culturally diverse environment are more culturally sensitive and will exhibit better sales performance. There may be a possibility that the scale is biased towards Caucasians, given that it was developed by Caucasian researchers who expressed their own experiences.

The Northern Asia group comprising a majority of Japanese salespersons and a minority of Korean sales persons has the lowest mean for cultural sensitivity. This low cultural sensitivity is positively correlated to sales performance, and as result this group also scored the lowest on the sales performance index. Unlike the salespersons comprising the European group who live in a culturally diverse environment, those in the Northern Asia group live in relatively non-diverse environment.

From the Jomon period (8000-300 BC) until the Heisei period (1989-present) (Davies 2016), the Japanese people maintained their unique and isolated culture (Buckley 2002; Lie 2001; Varley 1973). The land of Japan was never culturally conquered by an invasion, with only the failed attempts by the Mongols in 1274 and 1281 on record (Yamada 1916). According to leading Japanologist Edwin O. Reischauer (1988, p. 33, in Lie 2001, p. 1) “the Japanese today are the most thoroughly unified and culturally homogeneous large bloc of people in the world”. Cultural homogeneity is not relevant only to the Japanese but to the Koreans as well, who have a “sense of themselves as an ancient and homogeneous people” (Kim 2014, p. 270). In line with the logic that living in a culturally diverse environment enhances cultural sensitivity, living in a non-culturally diverse environment decreases cultural sensitivity. Considering that the North Asian group consists of Japanese salespersons and Korean salespersons, the finding of low cultural sensitivity makes a lot of sense.

The conclusion deriving from the geographical perspective is in line with the assumption that emerged from the literature and covered by Section 2.4, salespersons who come from a more culturally diverse environment will be more culturally sensitive (Majzub, Hashim, and Elis Johannes 2011; Brown 2004; Thomas 2008). The more exposure salespersons have to cultural diversity the more culturally sensitive they will be. In turn, as noted, this cultural sensitivity will support salespersons in conducting global sales and enhance their sales performance.

5.7 The geographical perspective of the relationship level scale

Analysis of the geographical data referred to in Section 5.6 also revealed a geographical correlation between relationship level and sales performance that warrants discussion.

The results of the statistical analysis indicate that a salesperson’s national origin matters in relationship levels. Salespersons from certain countries conduct higher-level relationships when it comes to global business. The groups demonstrating the highest level in their relationships are the Eastern European group, followed by the Southern European group, the South Asian group, and the Indian cluster. Thus, in these regions, relationships are important in doing business.

Analysis of the geographical locations also shows that regions with weaker economic indicators had better relationships compared to their neighbouring regions with stronger economic indicators (International Monetary Fund 2018). As such, salespersons from South and Central America had higher level relationships than their counterparts in North America, salespersons from Southeast Asia scored higher on relationship level than their counterparts in Northeast Asia, and those in Southern and Eastern Europe exhibited higher-level relationships than their counterparts in Northern Europe. In summary, salespersons from weaker economies demonstrate better person-to-person relationships.

My analysis points to two reasons for this outcome: 1) salespersons from weaker economies are more eager to succeed and 2) their interpersonal skills in relation to relationships level are better. As such, salespersons from Northern Europe, which consists of stronger economies (International Monetary Fund 2018) perform lower means in relationships level compared to Southern Europe, Eastern Europe and East Mediterranean countries. Correspondingly, salespersons from Northern America, which consists of stronger economies (International Monetary Fund 2018) perform lower means in relationships level compared to South and Central America countries. The relationship level parameter represents a combination of eagerness to succeed in the relationship with customers and interpersonal skills of the salesperson, both resulting in higher sales performance.

Individuals as well as global organizations are challenged by global cultural diversity as they realize the world is not as 'flat' as globalization aims to make it (Ang et al. 2007; Tsui and Gutek 1999; Leung et al. 2005). Salespersons from different regions and countries should be treated differently both in how to challenge them for better performance and in their cultural sensitivity needs. As shown in

Table 4-7, from a regional perspective, on average salespersons from one region score differently than those from other regional groups.

Firms that target improving their salespersons' cultural sensitivity will need to map their global sales teams and prioritize their course of action according to the lowest performers in cultural sensitivity. According to my findings, the Northeast Asia region should be targeted first for improving cultural sensitivity skills.

5.8 Implications of findings

The findings of this study have potential implications that can be used as a framework for identifying, selecting, recruiting, training, and developing global salespersons.

After understanding the significant impact of cultural sensitivity on sales performance, firms should implement these finding in their working practice in two main directions. First, should make a shift from looking for relationship level skills and abilities to cultural sensitivity skills as an important basis for selecting the most suitable salespersons. Second, the correlation between cultural sensitivity and sales performance demonstrated in this research indicates that global firms should understand the importance of improving these cultural sensitivity dimensions/skills and aim to improve them as much as possible in their sales teams.

5.9 Contribution to the field of business

Many of the conclusions emerging from the statistical analysis in this study can be implemented in global business. Global firms that operate in a cross-cultural environment encounter intercultural gaps that impede their business process. Although these intercultural gaps will not disappear, they can still be managed more efficiently. The aim of this research was to propose a quantifiable measurement to provide global firms with an understanding of the outcome of efficiently managing cultural gaps. Furthermore, this research assumed that relationship level serves as a mediator between cultural sensitivity and sales performance. This assumption was not statistically validated. Although the results point to direct prediction of the two sets of variables on the criterion variable of sales performance, this lack of mediation leads to another and more significant set of conclusions and recommendations for future practice, as described below.

This research makes two contributions to the business world in terms of firms' perspective towards their salespersons. The first refers to the process of recruiting new salespersons to a firm that operates in a globalized and culturally diverse environment. An effort should be made to recruit salespersons with high levels of cultural sensitivity. The second is that existing salespersons should be enriched with cultural sensitivity knowledge to enhance their sales performance. The geographical analysis of the cultural sensitivity data shows that salespersons from North East Asia had the lowest means for cultural sensitivity and should be considered as the first group of focus for cultural sensitivity enrichment.

5.9.1 Recruitment process of new salespersons

Recruitment is critical for a firm (Setyawan et al. 2017). It requires the firm to invest a great deal of money due to many direct and indirect costs (Keeling, MCGoldrick, and Mistry 2013) as well as a great deal of time to find the most suitable employee for the specific position. This process is vital for the success of the firm (Odom 2013; Carlson, Connerly, and Mecham 2002). In recruiting new employees, the firm must aim to cover as many aspects as possible, from assessments of predominantly individual criteria through structured interviews, individual work assessments, academic performance, and testing for employee interpersonal abilities, teamwork, impropriety, learning abilities, experience, and more (Odom 2013; Ryan and Tippins 2004). Firms must understand that a wrong recruitment decision can cost "as much as five times the employee's salary" (Odom 2013, p. 29; Jackson and Schuler 2003), with lack of performance being one of the main factors for this (Odom 2013; Jackson and Schuler 2003).

Although firms invest major efforts in recruitment there is still an unacceptable failure rate that negatively impacts the firm's business and profits (Davis 2005). The framework proposed in this research adds another layer to the process of recruiting salespersons working in a global and

culturally diverse business environment. Based on the positive correlation found between cultural sensitivity and sales performance, using the research questionnaire (Appendix A) as part of the recruitment process can provide firms an indication of a candidate's cultural sensitivity abilities, which were found to correlate to sales performance. Firms that use this questionnaire (Appendix A) can add another layer to a candidate's portfolio that will increase the likelihood of successful recruitment. This layer can shed more light on the probability that a candidate will succeed as a global salesperson.

5.9.2 Enrichment of existing salespersons

As discussed in Section 2.4 (Enhancement of cultural sensitivity and knowledge), cultural sensitivity can be improved through courses to improve relevant knowledge. As emerged from the statistical model, the relationship level variable does not mediate between cultural sensitivity and sales performance. Global organizations that seek to provide added value to their sales teams in conducting business in culturally diverse environments do not need to foster the link between cultural sensitivity and relationship level. In a global and diverse business environment, cultural sensitivity is what impacts performance. Analysis of the correlations between the variables indicates that cultural sensitivity is a strong predictor of performance. Investment in cultural knowledge contributes more than relationship level to improving a firm's global sales performance when it comes to global business and interacting with diverse cultures. Global organizations that invest in educating their sales teams in order to increase their employees' awareness of cultural gaps and teach them to overcome these gaps by being culturally sensitive will improve their sales performance.

Organizations that seek to provide added value to their sales teams can do so by providing courses and study sessions that will increase cultural sensitivity among their salespersons. In fact, the more culturally sensitive a salesperson is, the more successful he/she will be in sales performance. This understanding of the outcomes should encourage firms to add cultural diversity management drivers as part of their decision variables when assigning tasks and when conducting workshops for sales teams to develop their skills (Johnson et al. 1996; Zakaria 2000; Holzmüller and Stöttinger 2001). Better management practices will surely improve performance in cross-cultural business environments.

The relevant knowledge can be acquired and learned. Constructing tutorials and courses in-house or through outsourcing experts can surely improve these dimensions. Drilling down to each of the components of each dimension and analysing which component is more important to the firm or which is weaker for each specific salesperson or for the whole team can help firms focus what is needed. As each component of the dimensions represents a different aspect, focusing on one at a time can be more efficient.

5.10 Relationship level contribution

Regardless to the lack of mediation between cultural sensitivity and sales performance, a positive correlation between relationship level and sales performance was still found. The outcome of the statistical analysis indicates that in a multi-cultural business environment relationship level and its dimensions are only secondary in importance to cultural diversity as it is subsumed by cultural sensitivity. Keeping this in mind, skill improvement should follow the same priority: first and most importantly cultural sensitivity and then relationship level. Nevertheless, after improving cultural sensitivity global organizations should also invest in providing tools to their sales teams to improve the level of their relationships with their customers. Salespersons' interpersonal skills that result in higher-level relationships exhibit a positive and direct correlation to sales performance. Not only are salespersons offering a product, they are also using their skills to reach customers by improving the quality of their relationships along the five dimensions of trust, cooperation, communication, adaptation, and atmosphere. Investing in improving these skills will have a positive impact on the performance of sales teams.

Specifically, in the container shipping industry, according to market practice most of the products offered to customers are quite similar, with low differentiation (Ducruet and Notteboom 2012). Thus, person-to-person relationships are the key to success. A higher relationship level between seller and buyer and higher cultural sensitivity constitute the added value a company can offer its customers in cases of providing the same shipping services as its competitors.

5.11 The future field of research

The findings emerging from this study can serve as a basis for further research. Despite the large existing body of research about culture and its impact on business, the topic is far from being exhausted. Following are six suggestions for further research directions: 1) Include cultural sensitivity measures in every cross-cultural study that examines person-to-person engagements. 2) Explore the real impact of salespersons' skills and abilities in generating successful sales engagements. 3) Examine links to previous work. 4) Explore mediation analysis in the context of cultural sensitivity and sales performance. 5) Examine internal organizational behaviour. 6) Explore the impact of diverse vs. homogeneous environments as a basis for further research; 7) Develop the impact of cultural sensitivity training on sales performance. I discuss these directions in the following sections.

Include cultural sensitivity measurement in every cross-cultural study that examines person-to-person engagements: Cultural sensitivity measurement should be included in all future studies that explore relationship level and cultural diversity. As the findings of this study show, cultural

diversity appears not only in cross-national engagements but also in culturally diverse groups within a national group. Hence, every person-to-person engagement requires some degree of cultural sensitivity.

Explore the real impact of salespersons' skills and abilities in generating successful sales engagements: Numerous exogenous aspects affect the success of a sale engagement, among them the customer's willingness to make a deal, the suitability of the offered product or service to the customer, related company matters that may affect the customer's decision, and more. There is a process that the person goes through before she/ he become a customer. In some cases, the salesperson can have a major impact on this process and can make a significant contribution to finalizing the sale, while in other cases the impact of the salesperson is minor. Discovering all these exogenous aspects and finding a way to limit them would help in understanding the salesperson's real and practical contribution to the success of a sales engagement.

Examine links to previous work: Previous work described the links between different dimensions of culture (e.g., Hofstede 2001; Schwartz 2006; GLOBE study findings of House, Hanges, and Ruiz-Quintanilla 1997; Javidan, House, and Dorfman 2004) and global economies. The findings of the current study point to the need to examine how these dimensions are linked to sales performance in order to discover which dimensions support sales performance and which serve as obstacles to sales performance. In Hofstede's research, for example, each country scored differently on each of the cultural scales. Understanding how each of Hofstede's dimensions correlates to sales performance could help find a cultural explanation for performance achievement. Such an examination could reveal which cultural dimensions enhance sales performance and which have a deleterious impact on sales performance. The research can be further extended to the country level to determine in which countries salespersons need to empower a specific cultural dimension that has a positive impact on sales performance. Such an examination would contribute a great deal of new knowledge to the global business world.

Mediation analysis: The field of mediation analysis in regard to cultural sensitivity and sales performance has not yet been fully covered. In my review of literature, I came across variables that can possibly mediate the correlation between cultural sensitivity and sales performance. The skill and ability to speak languages that are relevant to the business engagement is a variable that can possibly mediate between cultural sensitivity to sales performance. As Glaser 2007 argues, languages are a significant part of what culture is. The knowledge of languages and interaction process of different cultures is on one hand a sign of cultural intelligence (Careque and Gooden 2011) but on the other hand can promote the business engagement (Fryer 2012). The knowledge of languages has two components an environment part, meaning that if the person lived in a multilanguage region or country like Belgium, Switzerland etc. she/ he will be a more multilanguage

person and an educational part, how eager the person to learn new languages. On top of this, from a business point of view I agree with (Fryer 2012), I can certainly experience how knowledge of languages can bridge cultural gaps and enhance the multicultural business engagement.

Another mediator that I found relevant from the literature review is social abilities, meaning that those salespersons who are more culturally sensitive will be more social, will perform better in socializing and as such will better in sales performance. "Socialization is primarily about the changing knowledges and skills of an individual" (Vancouver and Warren 2012), how will the individual be dynamic and adjust according to relevant business environment (Bauer and Erdogan, 2011). In the current globalized business environment, the socializing skill is very valuable in connecting with people and is surely an advantage in global business.

Examine internal organizational behaviour: What is the impact of inner organizational behaviour on salespersons' cultural sensitivity. Firms are aware of the potential in global markets (Johnson, Lenartowicz and Apud, 2006) and have understood that culture sensitivity and knowledge has a positive contribution to their organizations (Urban and Koh, 2013). In my view, the layer that needs to be added here, is the impact of the inner organizational practice on the sales teams. Does the organisation have a culturally diverse organisational structure? Is the organization doing enough to enhance awareness of cultural diversity? Does the organisation support cultural mixing process like relocation of employees to other countries? All these questions can have a significant contribution to the future of research world that can be linked to the business world.

Diverse vs. homogeneous environments: As was discussed, there are differences between culturally diverse environment to homogeneous environments in terms of cultural sensitivity. There are successful salespersons that came diverse environment and that came homogeneous environments, the next stage will be to understand which dimensions within cultural sensitivity are more important for success in sales performance for sales person who came from a diverse environment compared to salesperson who came from homogeneous environments. Global firms can use this understating by investing only in relevant cultural sensitivity dimensions the salespersons would weak at according to her/ his background to enhance sales performance.

Develop the impact of cultural sensitivity training on sales performance: Previous research found that individuals with cross-cultural training exhibited higher cultural sensitivity (Earley 2002; Earley and Ang 2003; Zakaria 2000) and that cultural adaptability enhances an individual's cultural sensitivity (Earley and Peterson 2004; Earley and Ang 2003; Zakaria 2000; Johnson et al. 1996; Holzmüller and Stöttinger 2001; Harich and LaBahn 1998; Usunier and Lee 2005). The complementary field of research should examine the impact of such training on sales performance.

5.12 Research limitations

5.12.1 Model limitations

Several limitations of the research model must be considered. First, the research group includes only salespersons working in the container shipping industry. Although several researchers (Echchakoui 2017; Arndt and Karande 2012; Vinchur, Schippmann, Switzer, and Roth 1998) argued that salespersons need the same skills to make them successful, it can also be argued that different people are attracted to different industries (Kale and Barnes 1992). For example, the shipping industry is more conservative while the high-tech industry is more dynamic. There are valuable differences in the ways "people see the world, make decisions, choose carriers" (Kale and Barnes 1992, p. 109). These personality aspects attract different employees to different industries (Kale and Barnes 1992) and may reflect different patterns of conduct when it comes to cultural sensitivity and formation of high relationship levels with customers. Similar to salespersons, the personalities of customers in different industries differ according to the nature of the industry (Kale and Barnes 1992; Padgett and Wolosin 1980). Even within the shipping industry, customers vary, ranging from governmental customers to technological customers. Salespersons must make adjustments and find the common language with each of the customers. Customers and working practices in different industries may require strength in different dimensions of cultural sensitivity and relationship level.

Second, different industries have different requirements of salespersons in terms customer needs. Some industries are more oriented to long-term relationships (Lages et al. 2005) while others are oriented to short-term relationships (Lages et al. 2005; McNeil 1980; Ganesan 1994). Selling infrastructure goods requires long-term relationships with the customer, while selling end products requires short-term relationships. Accordingly, salespersons must build their relationships with their customers according to the practice in the specific industry. These abilities, skills and personal qualities may differ from one industry to another such that what is relevant to the shipping industry may not be relevant to other industries.

Third, this study is limited as it measures only one side of the engagement, that of the salespersons. Studying the complementary side of the engagement—the customer's side—could provide a better understanding of the impact of cultural sensitivity on relationships and the impact of relationship quality on sales performance (Ahmad et al. 1999; Mullins et al. 2014). Business engagements have at least two sides. Understanding how the customer experiences the engagement could shed more light on the correlation between relationship level and sales performance success. It is important to discover what customer dimensions are relevant for high

relationships level. This may also differ between cultural and nationalities, for a certain dimension may be more important than another dimension, depending on the culture.

Fourth, the model provides only a limited understanding of the salesperson's overall background and of the entire business environment. A broader understanding of the salesperson's background can shed light on the drivers that make one salesperson more culturally sensitive than another or more able to develop a high level of relationships, thus yielding higher sales performance. In terms of cultural sensitivity, did the salesperson grow up in a culturally diverse environment? Does the salesperson speak more than one language? A great deal of information about salesperson background can be linked to their cultural sensitivity. In terms of relationship level, there is personal and social information about the salesperson that can be linked to skills in building strong relationships. Did the salesperson grow up as a social person? Has the salesperson been successful in constructing relationships throughout life? Are there personality aspects that can be linked to success or failure in building strong relationships with customers.

Fifth, as discussed in Section 5.4, certain issues need to be taken into consideration regarding the salesperson's role in the sales engagement. What do salespersons really contribute to the success of the sales engagement and what is beyond their capabilities? With respect to the product offered by the salespersons, is the product equal to market standards, better than what the market offers, or worse than what the market offers? These factors will certainly affect salespersons' chances for success. Aspects surrounding the engagement itself that may affect the customer's decision-making process include the systems the company provides to support the sale, the company's policies, and company adaptability to the customer's needs. Other significant aspects relate to the customer's readiness to purchase a product or a service. On the one hand, the customer may approach the salesperson only for purposes of market research, without any intention to buy the service or product. On the other hand, the customer may have already made the decision to buy the specific service or product and approach the salesperson only for a final quotation or for minor points in closing the deal. Here the salesperson's contribution is somewhat limited. All these issues need to be taken into consideration in assessing the real impact made by the salesperson on the customer's decision-making and on the success of the sales engagement.

Sixth, caution should be taken in interpreting the results, particularly those that are a function of the specific scales and measurements selected. Various scales are available to measure both cultural sensitivity and relationships level. If different scales or measurements are used for any reason, the mediating effects may not necessarily be ruled out completely as different relationships may emerge from different scale selection.

5.12.2 Research tool-related biases

In line with the literature review and the research goals, the positivist quantitative approach was found to be most suitable for this study. Section 3.2 discusses the advantages and disadvantages of the quantitative, qualitative, and mixed methods.

Although the reliability in the performance measuring tool is very high, like in every database system, technical problems and mismatches may occur. These minor technical issues may last for very short periods of time (less than a week), as this database is under daily follow-up by the IT teams and the head office sales directorate, which minimizes the chance of system inaccuracy.

In terms of the research group, in this measurement, there are no chances of inconsistency in outcomes as there is no manual intervention by the salespersons. Although the research group comprises salespersons with the relevant skills, success in sales can result from a variety of motives as the research group consists of human beings. There are an infinite number of possible personal attributes, such as communication skills, selling skills, age, gender, education, experience, expertise, and many other personal characteristics may affect a salesperson's sales achievements. In practice, it is impossible to measure each one of them and all of them together. I eliminated random personal attributes by taking into consideration 15 months of data covering a long period of time. Personal parameters were beyond the scope of this study as it focuses only on cultural sensitivity and relationship level and their impact on sales achievements.

Furthermore, market conditions may have an impact on sales performance. Bad market conditions for a specific region may result in lower performance and positive market conditions may result in better performance, resulting in unequal chances of success. I took the following steps to eliminate this inequality. First, the target setting process already considers the actual market potential for a specific salesperson, including the specific economic situation. Second, as performance is measured by a percentage of achievements out of the total target, the scale (0% -100%) is similar for all salespersons. Third, I generated data for a relatively long period of time, 15 months, thus eliminating the impact of a weaker economical quarter or month.

Moreover, a lack of objectivity or interference where the views of a specific group are accented rather than others may result in a research bias, leading to a high possibility of sampling error. Moreover, findings from that specific group might not be generalizable. In this case, I selected respondents by using the entire available population of ZIM salespersons working in the shipping industry. Selecting the population rather than a sample group solves a possible bias in sampling.

5.13 Generalization

According to LeCompte and Goetz (1982), threats to generalisability or external validity can be classified according to four main points: 1) selection—findings are specific to the studied group; 2) setting—findings are specific to, or dependent on, the particular study context; 3) history—findings are affected or determined by specific or historical experiences; 4) construct effects—studied constructs are group specific.

A research study focusing on global cultures and sales performance must focus on a research group that works for a global company that operates worldwide. A global cultural study must analyse a worldwide industry that relates directly to the global economy. The shipping industry is highly correlated to the global economy.

The container shipping industry is a key factor in the global economy as seaborne transport is the basic method of transporting goods from one location to another (see Figure 5-2). First, it is a global industry that serves most countries worldwide. Second, due to the similarity of services or products offered, the added value of the personal attention towards the needs of potential customers can be meaningful. As a result, the container shipping industry in general and ZIM Integrated services served as a good focus group for this study.

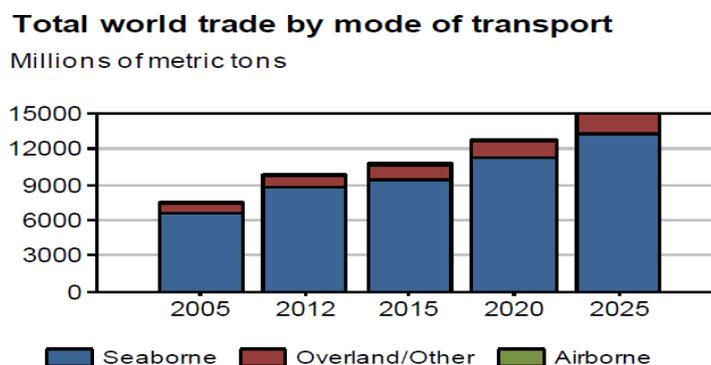


Figure 5-2: Total world trade by mode of transport (Source: Global Insight 2015, p. 14.).

The group of salespersons within ZIM have skills and characteristics that are relevant to salespersons as a group (Arndt and Karande 2012; Vinchur, Schippmann, Switzer, and Roth 1998). What a salesperson is selling does not matter. What does matter is whether the salesperson has the skills needed to be a successful salesperson (Echchakoui 2017, Harris, Mowen, and Brown 2005; Vinchur et al. 1998; Widmier 2002). Although salespersons usually specialize in a specific area or market, as a group they all must have the same characteristics of successful salespersons (Arndt and Karande 2012; Echchakoui 2017; Harris, Mowen, and Brown 2005; Vinchur et al. 1998; Widmier 2002). The study was conducted on salespersons working in the container shipping industry, but its findings can be generalized to salespersons as a group.

5.14 Contribution to knowledge

“Economic and cultural globalization requires us to face new challenges which make visible the fragility of certain societies in the face of the rapidity of communications” (García 2011). The findings of the current study contribute to knowledge regarding cultural sensitivity and relationship level in general, to global cross-cultural sales knowledge and in particular to knowledge about the container shipping industry. The valuable actual sales performance data used in this study provide a new way of thinking about and understanding the importance of cultural sensitivity in the context of global sales. The results clearly show how facilitating the cultural sensitivity skills of salespersons will enhance their performance and contribute to the firm’s income.

This research tested three hypotheses. Two of them were fully supported by the statistical analysis. The first was that relationship level would be improved among salespersons who demonstrated a higher degree of cultural sensitivity in cross-cultural engagement. The research findings fully corroborated that salespersons who are more culturally sensitive have higher quality relationships with their customers. The second hypothesis posited that a positive correlation would emerge between sales performance (percentage of achieving a given sales target) and cultural sensitivity variables. The statistical analysis confirmed that salespersons who are more culturally sensitive are more successful in their sales performance. Indeed, the statistical analysis revealed a high positive correlation between the predictor variable of cultural sensitivity and the criterion variable of sales performance.

The third hypothesis was based on assumptions that emerged from the literature review and assumed that relationship level serves as a mediator between cultural sensitivity and sales performance. This hypothesis, which posited that the correlation between cultural sensitivity and sales performance is mediated by relationship level, was not corroborated by the statistical analysis. No proof emerges of any involvement of a mediation model. Indeed, despite the importance of relationship quality and relationship level to sales engagements emerging from past research, when salespersons' cultural sensitivity is involved it incorporates the relationship level component.

In cross-cultural sales business environments, the cultural sensitivity component is so significant that it renders the relationship level component non-significant. Considering the importance of relationship level and its dimensions emerging from past research, the current research adds a very important layer of knowledge, indicating that salespersons' cultural sensitivity is the key factor in in cross-cultural sales business environments.

Taken together, these findings lead to the conclusion that in a global and culturally diverse business environment, cultural sensitivity is the variable that sets the tone. Salespersons' relationship level with their global customers depends on their cultural sensitivity.

In addition, the statistical analysis also reveals that when the relationship level variable stands alone without the involvement of cultural sensitivity, a correlation emerges between relationship level and sales performance. In this aspect, by using empirical sales performance data, I strengthened what has been discussed in previous research. I provided a quantitative numerical measurement to show that relationship level is indeed positively correlated with sales performances. Nevertheless, once cultural sensitivity enters the picture, this correlation weakens to the point of practically disappearing.

Indeed, when there are no cultural gaps the level salespersons achieve in their relationships depends on their personal skills and their ability to build reliable/strong relationships with their customers. Yet when cultural gaps emerge, and cultural sensitivity becomes a factor, relationship level has no predictive value. Prior research indicated that cultural sensitivity results in better relationship levels, in turn leading to success in business engagements. Yet in this study, examination of actual sales performance relative to a given target in a global and culturally diverse environment leads to a different conclusion.

The research also sheds light on the impact of geographical differences, showing the impact of geographical origin on each of the scales and on success in sales performance. It provides a direct link showing the impact of the four dimensions of cultural sensitivity to success in sales performance and the five dimensions of relationship level in a business environment where cultural sensitivity is not part of model to success in sales performance. In a multicultural business environment, firms will need to learn each of the dimensions of cultural sensitivity Metacognitive, Cognitive, Motivational and Behavioural and understand how these findings of this research can help them to improve their sales performance and profit. This is relevant to short term by providing cultural sensitivity courses and on the longer by recruiting to most suitable salespersons for a multicultural business environment.

While the research focused on the shipping container industry, its outcomes can also be generalized to other global industries in their cross-cultural business engagements.

6 References

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7 Appendices

Appendix A Cultural Sensitivity Questionnaire

#	Questionnaire Item	Select	Optional - Specify if "Other"
1	Please specify your ethnicity:	Other	
2	What is the highest degree or level of school you have completed?	No schooling completed	
<p>Please read each statement and select the response that best describes your capabilities. Select the answer that BEST describes you AS YOU REALLY ARE (1 = strongly disagree; 7 = strongly agree)</p>			
	Questionnaire Item	Score (1 to 7)	
Meta-cognitive	I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds.	1	
	I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.	1	
	I am conscious of the cultural knowledge I apply to cross-cultural interactions.	1	
	I check the accuracy of my cultural knowledge as I interact with people from different cultures.	1	
Cognitive	I know the legal and economic systems of other cultures.	1	
	I know the rules (e.g., vocabulary, grammar) of other languages.	1	
	I know the cultural values and religious beliefs of other cultures.	1	
	I know the marriage systems of other cultures.	1	
	I know the arts and crafts of other cultures.	1	
	I know the rules for expressing nonverbal behaviours in other cultures.	1	
Motivational	I enjoy interacting with people from different cultures.	1	
	I am confident that I can socialize with locals in a culture that is unfamiliar to me.	1	
	I am sure I can deal with the stresses of adjusting to a culture that is new to me.	1	
	I enjoy living in cultures that are unfamiliar to me.	1	
	I am confident that I can get accustomed to the shopping conditions in a different culture.	1	
Behavioural	I change my verbal behaviour (e.g., accent, tone) when a cross-cultural interaction requires it.	1	
	I use pause and silence differently to suit different cross-cultural situations.	1	
	I vary the rate of my speaking when a cross-cultural situation requires it.	1	
	I change my nonverbal behaviour when a cross-cultural situation requires it.	1	
	I alter my facial expressions when a cross-cultural interaction requires it.	1	

Appendix B Relationship Level Questionnaire

We want to learn about relationship with customers, please rate the extent or degree of current practice of the following items on a five-point Likert scale with 1 = “strongly disagree” to 5 = “strongly agree”

Questionnaire Item	Score (1 to 5)	
Communication	In the relationship, information that might help the other party will be provided timely and forwardly.	1
	Exchange of information in the relationship takes place informally, and not only according to a per-specified agreement.	1
	Both parties keep each other informed about events or changes that may affect the other party.	1
Cooperation	I cooperate extensively with customers with respect to the provided service.	1
	I cooperate extensively with customers with respect to process.	1
	I cooperate extensively with customers with respect to forecasting and planning.	1
	I am able to handle customers complaints immediately.	1
	Customers are collaborative in resolving conflicts with us.	1
Adaptation	Gearing up to deal with customers requires highly specialized tools.	1
	I have made significant investments in tooling and equipment that are dedicated to our relationship with customers	1
	Our system has been tailored to meet the requirement of customers	1
	I offer our customers new solutions in time when conditions change.	1
Trust	Based on your past and present experience, how would you rank the level of trust your firm has in its working relationship with customers?	1
	I feel that we can be counted on to help our customers.	1
	I feel that we can trust customers completely.	1
	Customers have a high level of integrity.	1
Atmosphere	I consider the general atmosphere surrounding the working relationship with customers very harmonious.	1
	I regard the overall relationship with customers as very close.	1
	I believe mutual expectations have been established with customers to a greater extent.	1

Appendix C Cultural Intelligence Scale (CQ) by Ang et al. 2007

The Cultural Intelligence Scale (CQS)

Read each statement and select the response that best describes your capabilities. Select the answer that BEST describes you AS YOU REALLY ARE (1 = strongly disagree; 7 = strongly agree)

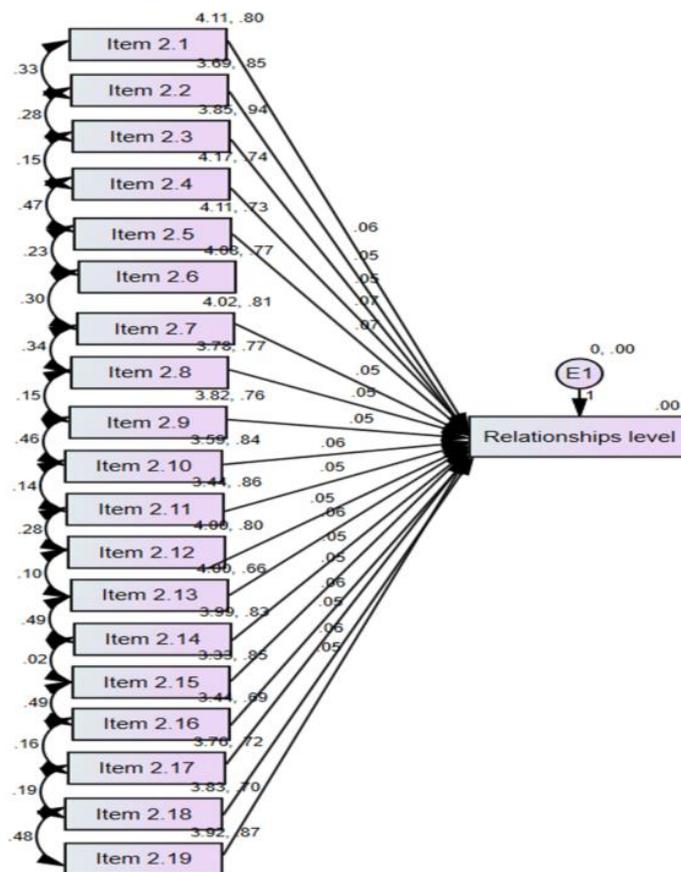
<i>CQ factor</i>	<i>Questionnaire items</i>
Metacognitive CQ	
MC1	I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds.
MC2	I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.
MC3	I am conscious of the cultural knowledge I apply to cross-cultural interactions.
MC4	I check the accuracy of my cultural knowledge as I interact with people from different cultures.
Cognitive CQ	
COG1	I know the legal and economic systems of other cultures.
COG2	I know the rules (e.g., vocabulary, grammar) of other languages.
COG3	I know the cultural values and religious beliefs of other cultures.
COG4	I know the marriage systems of other cultures.
COG5	I know the arts and crafts of other cultures.
COG6	I know the rules for expressing nonverbal behaviors in other cultures.
Motivational CQ	
MOT1	I enjoy interacting with people from different cultures.
MOT2	I am confident that I can socialize with locals in a culture that is unfamiliar to me.
MOT3	I am sure I can deal with the stresses of adjusting to a culture that is new to me.
MOT4	I enjoy living in cultures that are unfamiliar to me.
MOT5	I am confident that I can get accustomed to the shopping conditions in a different culture.
Behavioral CQ	
BEH1	I change my verbal behavior (e.g., accent, tone) when a cross-cultural interaction requires it.
BEH2	I use pause and silence differently to suit different cross-cultural situations.
BEH3	I vary the rate of my speaking when a cross-cultural situation requires it.
BEH4	I change my nonverbal behavior when a cross-cultural situation requires it.
BEH5	I alter my facial expressions when a cross-cultural interaction requires it.

Appendix D Results of path analysis of mediation model using SPSS software

CMIN					
Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	119.683	4	.000	29.921
Saturated model	27	.000	0		
Independence model	6	501.003	21	.000	23.857

CMIN					
Model	NFI	RFI	NFI	RFI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.678	-.345	.701	-.282	.778
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA				
Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.302	.246	.328	.000
Independence model	.294	.344	3.01	.000



	Estimate	S.E.	C.R.	P	Label
Q.b <--- W	.055	.002	25.425	***	par_1
Q.b <--- X	.053	.002	23.861	***	par_2
Q.b <--- Y	.048	.002	24.108	***	par_3
Q.b <--- Z	.068	.003	24.740	***	par_4
Q.b <--- AA	.071	.003	25.949	***	par_5
Q.b <--- AC	.053	.002	24.158	***	par_6
Q.b <--- AD	.049	.002	21.302	***	par_7
Q.b <--- AE	.049	.003	19.198	***	par_8
Q.b <--- AF	.059	.002	24.471	***	par_9
Q.b <--- AG	.054	.002	26.300	***	par_10
Q.b <--- AH	.054	.002	25.322	***	par_11
Q.b <--- AI	.064	.003	21.809	***	par_12
Q.b <--- AJ	.053	.003	20.526	***	par_13
Q.b <--- AK	.049	.003	19.370	***	par_14
Q.b <--- AL	.061	.003	21.140	***	par_15
Q.b <--- AM	.050	.002	21.541	***	par_16
Q.b <--- AN	.057	.003	19.943	***	par_17
Q.b <--- AO	.053	.002	21.770	***	par_18

Covariances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
W <--> X	.327	.056	5.814	***	par_19
X <--> Y	.280	.056	4.977	***	par_21
Y <--> Z	.148	.039	3.749	***	par_22
Z <--> AA	.474	.055	8.571	***	par_23
AC <--> AD	.339	.052	6.576	***	par_25
AD <--> AE	.147	.038	3.897	***	par_26
AE <--> AF	.457	.059	7.686	***	par_27
AF <--> AG	.139	.044	3.153	.002	par_28
AG <--> AH	.278	.056	4.940	***	par_29
AH <--> AI	.096	.035	2.768	.006	par_30
AI <--> AJ	.487	.059	8.311	***	par_31
AJ <--> AK	.019	.032	.597	.550	par_32
AK <--> AL	.489	.059	8.256	***	par_33
AL <--> AM	.162	.036	4.538	***	par_34
AM <--> AN	.195	.038	5.134	***	par_35
AN <--> AO	.479	.059	8.086	***	par_36
AB <--> AA	.225	.037	6.014	***	par_20
AB <--> AC	.301	.048	6.310	***	par_24

Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
Q.b	.991

Appendix E Supply Chain Relationship Quality (SCRQ) by Su et al. 2008

Respondents are asked to rate the extent or degree of current practice of the following items on a five-point Likert scale with 1 = "strongly disagree" to 5 = "strongly agree".

Communication (Fynes et al., 2005a, b)

- CM1—in this relationship, any information that might help the other party will be provided for them timely and forwardly.
- CM2—exchange of information in this relationship takes place informally, and not only according to a per-specified agreement.
- CM3—both parties keep each other informed about events or changes that may affect the other party.

Cooperation (Source: Fynes et al., 2005a, b; Woo and Ennew, 2004)

- CO1—we cooperate extensively with this supplier with respect to product design.
- CO2—we cooperate extensively with this supplier with respect to process design
- CO3—we cooperate extensively with this supplier with respect to forecasting and production planning.

- CO4—this supplier is able to handle our complaints immediately.
- CO5—this supplier is collaborative in resolving conflicts with us.

Adaptation (Source: Fynes et al., 2005a; Woo and Ennew, 2004)

- AD1—gearing up to deal with this supplier requires highly specialized tools and equipment.
- AD2—we have made significant investments in tooling and equipment that are dedicated to our relationship with this supplier.
- AD3—our production system has been tailored to meet the requirement of this supplier.
- AD4—this supplier offers us new technical solutions timely when conditions change.

Trust (Source: Fynes et al., 2005a, b)

- T1—based on your past and present experience, how would you characterize the level of trust your firm has in its working relationship with this supplier?
- T2—we feel that this supplier can be counted on to help us.
- T3—we feel that we can trust this supplier completely.
- T4—this supplier has a high level of integrity.

Atmosphere (Source: Woo and Ennew, 2004)

- AT1—I consider the general atmosphere surrounding the working relationship with this supplier as very harmonious.
 - AT2—I regard the overall relationship with this supplier as very close.
 - AT3—I believe mutual expectations for the project have been established with this supplier to a greater extent.
-

Appendix F Preliminary email from Global Sales and Operation Division Manager to participants

Dear All,

Our colleague at ZIM, Mr. Yanir Landenberg, has started his doctorate research two years ago at Nottingham Business School (NBS) on the “Impact of Cultural Sensitivity on Business Growth in the Container Shipping Industry”. He is now at the stage of testing his theory through statistically analysed questionnaires.

I would most appreciate you taking just a few minutes of your time to answer these questionnaires. In line with academic restrictions, all information is highly confidential and will be published completely anonymously.

As this research is solely for external purposes with strictly no personal information from the questionnaires being made available to the Company, this email will be followed by an email from Yanir with the questionnaires themselves and a short letter of explanation.

Appreciate your completion of the questionnaires by **May 17th**.

Thank you in advance for your participation and support.

Best Regards,

Oren Maor, Global Sales Operations Division Manager
Global Sales Directorate
Tel: +972-4-865-2713; **Mobile:** +972-52-600-2713
maor.oren@il.zim.com www.zim.com



Appendix G email sent to participants by SurveyGizmo

Dear Participant,

Further to the email you received from Mr. Oren Maor, Global Sales and Operation Division Manager, my name is Yanir Landenberg and I work for ZIM at the HO finance directorate. Unrelated to my duties at ZIM, I am doing doctoral research at Nottingham Business School (NBS) on the topic of "Impact of Cultural Sensitivity on Business Growth in the Container Shipping Industry". With ZIM's management approval to carry this research, I would appreciate your assistance by taking part in the following survey:

[Click Here to Start the Survey](#)

---do not answer this email---

Thank you for agreeing to consider participating in this research project. I would be grateful if you would take time to read the following information carefully. Please feel free to contact me and to discuss any questions you may have or anything you find unclear with this research.

Research aim: This research addresses how cultural sensitivity of salespersons within the global container shipping industry is associated with the quality of the relationships they have with clients. This research aims to deepen our understanding of cultural sensitivity and cross-cultural engagements. The first part of the data will be collected by means of the questionnaire below; the second part will be collected by me through generation of data from the company's database.

The research initiator: The project is being conducted by me (Yanir Landenberg) as part of my doctoral studies in business management, together with Professor Mollie Painter Morland and Professor Marius Van Dijke from NBS. This research is for my own personal education and is NOT for company purposes. All data will be stored on my private computer and will not be linked to the company's databases and will be confidentially secured. Throughout the research process participants will remain anonymous, and the results will be treated with complete confidentiality.

Why am I asking you to take part? I am asking you to take part because I feel that you can help me develop an understanding of cultural sensitivity and cross-cultural engagements. Your experience in business engagements and your membership in a global organization are unique for my study.

What does participation entail? The study involves a short questionnaire to be conducted via SurveyGizmo (an online survey platform). This questionnaire involves answering questions about your cultural sensitivity and the quality of the relationships you have with your clients.

Do you have to take part? **No.** Participating in the research is completely voluntary. If you do decide to take part, and fill out the questionnaire, you will be giving us your informed consent to use your data as part of the aggregated dataset. Your responses will remain anonymous and confidential.

Signed: Yanir Landenberg



Contacts for further information

Please feel very welcome to contact me for further information:

Yanir Landenberg

Nottingham Business School (NBS)

Email: yanir.landenbergl2014@my.ntu.ac.uk

Tel: +972 -4-865-2850

Mobile: +972 -52-600-2509

If you have any concerns or issues that you do not wish to discuss with the researchers above, please contact Nottingham Business School directly.

Nottingham Business School

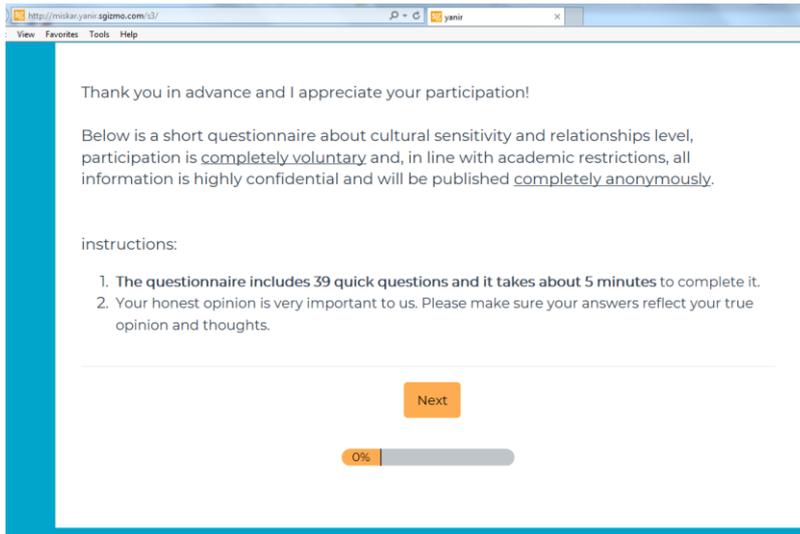
Nottingham Trent University

50 Shakespeare Street

Nottingham NG1 4FQ

+44 (0)115 941 8418

Appendix H Introduction to the survey



Thank you in advance and I appreciate your participation!

Below is a short questionnaire about cultural sensitivity and relationships level, participation is completely voluntary and, in line with academic restrictions, all information is highly confidential and will be published completely anonymously.

instructions:

1. The questionnaire includes 39 quick questions and it takes about 5 minutes to complete it.
2. Your honest opinion is very important to us. Please make sure your answers reflect your true opinion and thoughts.

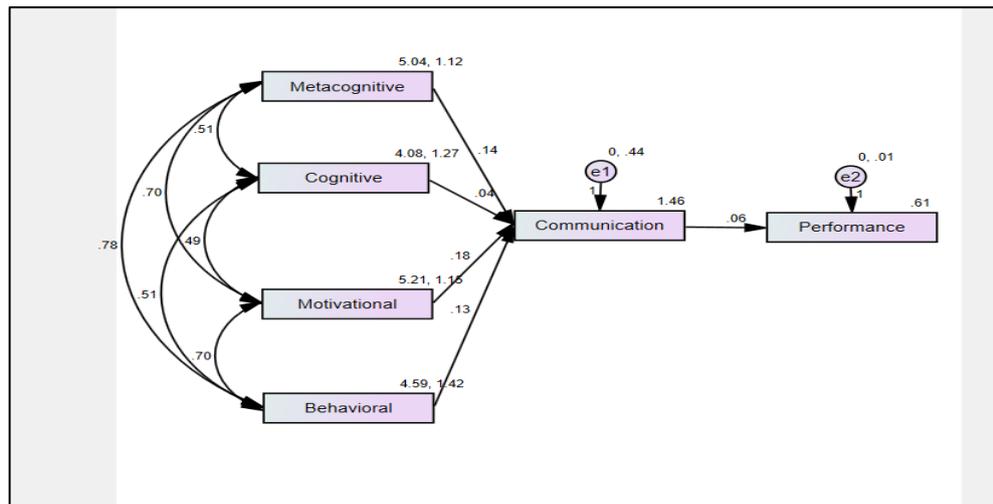
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Appendix I Results of path analysis of mediation model using SPSS software

	Estimate	S.E.	C.R.	P	Estimate
F1 <--- F2	.498	.057	8.789	***	.743
F3 <--- F1	.108	.014	7.973	***	.554
Q.b2 <--- F1	1.192	.093	12.760	***	.873
Q.b3 <--- F1	.897	.083	10.749	***	.740
Q.b4 <--- F1	.992	.083	11.902	***	.816
Q.b5 <--- F1	1.223	.095	12.843	***	.879
Q.a1 <--- F2	1.000				.813
Q.a2 <--- F2	.676	.088	7.648	***	.532
Q.a3 <--- F2	.955	.082	11.615	***	.775
Q.a4 <--- F2	1.028	.093	11.083	***	.742
AP <--- F3	1.000				1.00
Q.b1 <--- F1	1.000				.728
Model	RMSEA	CFI			
Default model	.130	.901			
Independence model	.360	.000			

Appendix J Each of the relationship-level dimensions as mediator compared to overall relationship-level component as mediator.



CMIN

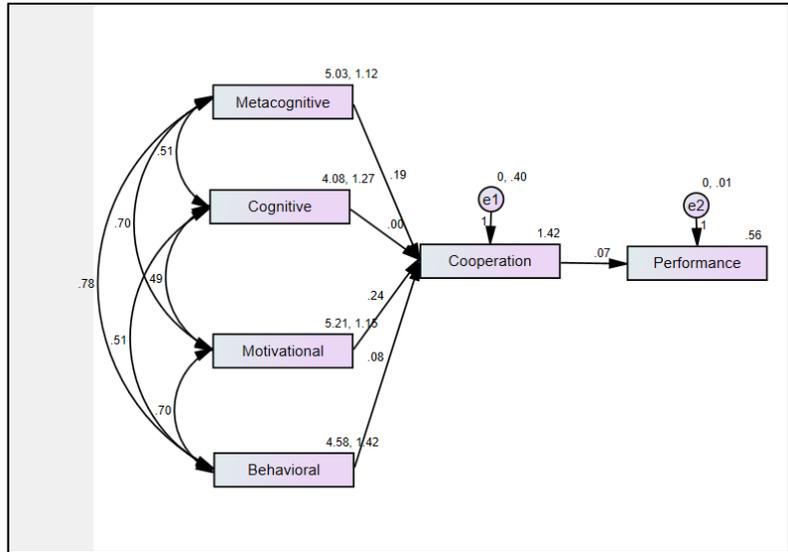
Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	124.683	4	.000	31.171
Saturated model	27	.000	0		
Independence model	6	537.091	21	.000	25.576

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.768	-.219	.774	-.228	.766
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.327	.279	.378	.000
Independence model	.295	.274	.317	.000



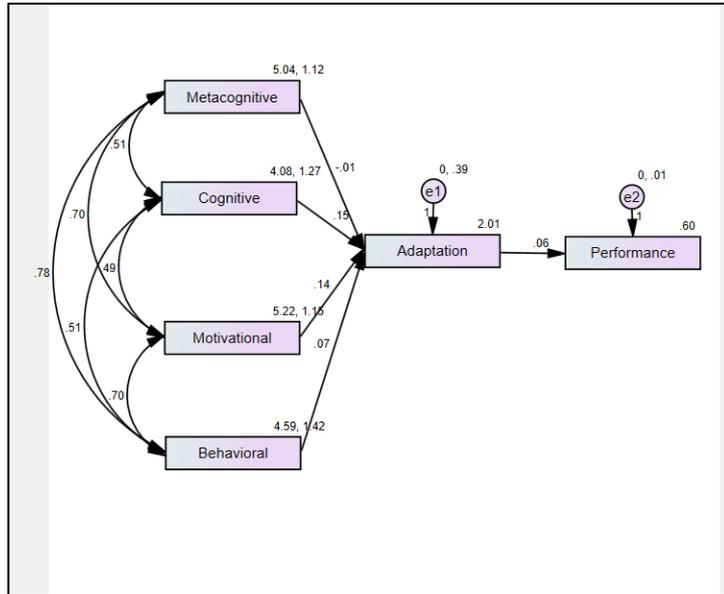
CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	109.854	4	.000	27.463
Saturated model	27	.000	0		
Independence model	6	557.648	21	.000	26.555

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.803	-.034	.809	-.036	.803
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.306	.258	.357	.000
Independence model	.301	.280	.323	.000



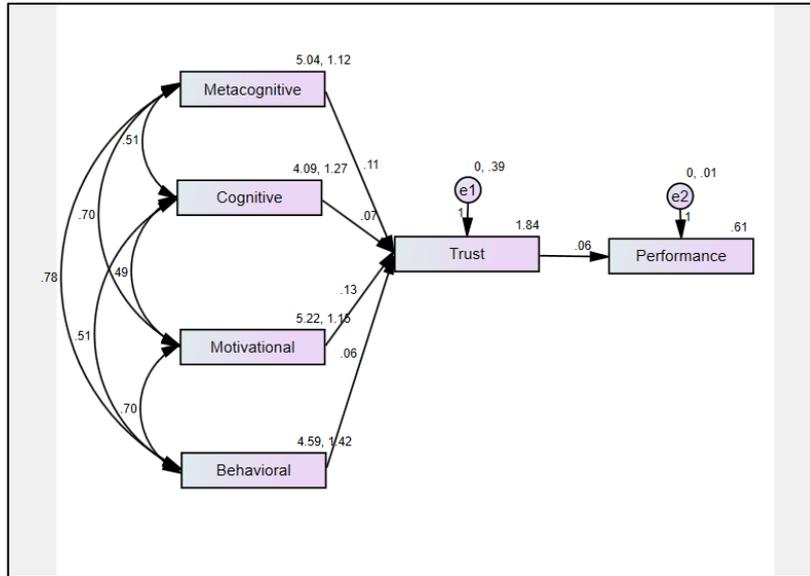
CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	131.059	4	.000	32.765
Saturated model	27	.000	0		
Independence model	6	509.242	21	.000	24.250

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.743	-.351	.749	-.366	.740
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.336	.288	.386	.000
Independence model	.287	.266	.309	.000



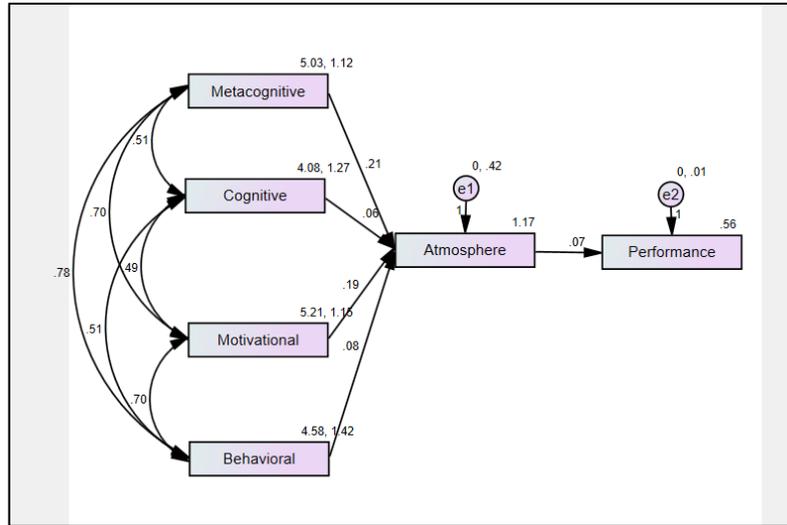
CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	130.974	4	.000	32.743
Saturated model	27	.000	0		
Independence model	6	509.714	21	.000	24.272

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.743	-.349	.749	-.364	.740
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.336	.288	.386	.000
Independence model	.287	.266	.309	.000



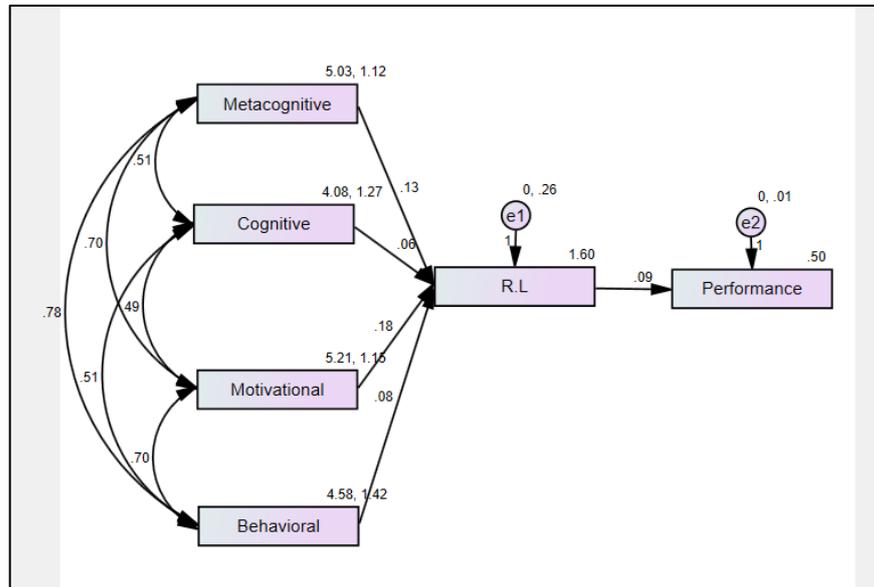
CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	105.364	4	.000	26.341
Saturated model	27	.000	0		
Independence model	6	554.381	21	.000	26.399

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.810	.002	.816	.002	.810
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.300	.252	.351	.000
Independence model	.300	.279	.322	.000



CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	23	103.917	4	.000	25.979
Saturated model	27	.000	0		
Independence model	6	564.870	21	.000	26.899

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.816	.034	.822	.036	.816
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.298	.250	.348	.000
Independence model	.303	.282	.325	.000