



On the influence of cultural intelligence on psychic distance in buyer – seller relationship: a study of foreign exporters and their import buyers in an emerging economy

Thesis submitted for the degree of Doctor of Philosophy

By

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ABSTRACT

Purpose – Since managerial decisions are often bounded by rationality, managers use their cognitive capabilities and social interaction to manage their operational cultural and environmental differences. From the resource-advantage theory perspective, this study postulates that import managers' cultural intelligence (CQ) is an intangible but valuable resource capable of reducing the effect of their foreign counterpart's psychic distance and ultimately, their relational and financial performance.

Design/methodology/approach – The measure of CQ in this study comprises metacognitive and motivational CQs to examine the relationship between metacognitive and motivational CQs on psychic distance and its ultimate effect on relational and financial performance. Survey data collected from 228 Nigerian Automobile Retail import managers and a dyadic data of 41 corresponding export counterparts were analysed using structural equation modelling (SEM) and multiple regression analysis to test the proposed conceptual framework.

Findings – The findings revealed that metacognitive CQ reduces the effect of psychic distance in the exchange relationship. Moreover, in the presence of a low-level psychic distance, relational performance increases. This finding confirms the intervening role of CQ on performance relationship. The study offers insights into the under-researched area of CQ in international marketing. It highlights the role of CQ and its influence on psychic distance in the success or failure of relational exchanges in the international market.

Originality/value – The study presents cultural intelligence as a human resource advantage that has the potential to improve managerial relational and financial performance. The research goes further to advance the theoretical understanding of the concept's significance and application in international buyer-seller exchanges and also provides valuable guidelines for import organisations in their recruitment and training of potential managers.

Keywords: Psychic distance, cultural intelligence, human resource advantage, relational performance, financial performance, international buyer-seller relationship.

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DEDICATION

This thesis is dedicated to my lovely wife, Oluwatosin, and beloved children, Adele and Liam; they have been a great source of motivation. To the Almighty God, whose presence in my life inspires me to confront all challenges.

Publications associated with this thesis

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TABLE OF ABBREVIATIONS

Abbreviation	Explanation
AGFI	Adjusted Goodness of Fit Index
AMOS	Analysis of Moment Structures
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CMIN	Minimum Chi-square
DF	Degrees of Freedom
CQ	Cultural Intelligence
EFA	Exploratory Factor Analysis
GFI	Goodness of Fit Index
IFI	Incremental Fit Index
NIMRA	Nigerian Marketing Association
RMSEA	Root Mean Square Error of Approximation
SEM	Structural Equation Modelling
SPSS	Statistical Package for the Social Sciences
TLI	Tucker –Lewis Index

CHAPTER 1

INTRODUCTION

The management of the exchange relationship between buyers and sellers has been acknowledged as one of the primary pillars of marketing theory and practice since by definition, marketing relations cannot occur without an exchange of values between trade partners (Alderson, 1965). As such, managers are instrumental in making managerial decisions in order to create value and maintain suitable relationship with foreign counterparts (Sousa and Lages 2011; Bello, Chelariu and Zhang, 2003; Leonidou, Katsikeas and Hadjimarcou 2002; Klein and Roth 1990). Although substantial number of studies has focused on understanding buyer-seller relationship and its activities (Theodosiou and Katsikeas 2013; Lages, Silva, and Styles 2009; Leonidou, Katsikeas, and Hadjimarcou 2002), limited research has focused on those individuals particularly involved for the creation and execution of the business strategy. This is specifically concerning since the literature suggests that management perceptions, such as psychic distance affects the emergence and execution of management decisions (Evans, Mavondo, and Bridson 2008; Johanson and Vahlne 1977; Johnston et al. 2012).

Psychic distance, defined as an importers' perception of differences between the operating environment of a foreign export counterpart (Klein and Roth 1990; Sousa and Lages 2011; Bello and Gilliland 1997; Johanson and Vahlne 1977). These differences include culture, language, business practices, communication infrastructure, economic environment, political and legal systems (Johanson and Vahlne 1977; Klein and Roth 1990; Sousa and Lages 2011). Psychic distance is described as affecting many-core organisational outcomes. For instance, entry and establishment mode choice (Swoboda and Elsner 2013; Evans, Mavondo, and Bridson 2008), joint and strategic partnership (Johnston et al. 2012), and partner/market selection (Whitelock and Jobber 2004; Johanson and Vahlne 1977). Although scholars have found psychic distance to impact on business managements, their research have produced contradictory findings (Evans, Mavondo, and Bridson 2008). For instance, Sousa and Bradley (2008) argue that the

contradiction in psychic distance research is akin to its level of analysis. Berry et al. (2010) and Kogut and Singh (1988) highlight that psychic distance should be considered at a country level analysis. While other studies (e.g., Child et al. 2002; Sullivan and Bauer-schmidt 1990) contest that since managers are ultimately liable for the key management decisions, their perceptions of psychic distance weighs higher than that of objective country differences. As a result, it is important to measure psychic distance at the individual level, as factors such as political, legal, economic and socio-cultural modify managers' perception of psychic distance (Dow and Karunaratna, 2006).

Specifically, given that import managers are liable for carrying out management and operational decisions including relationship development and strategy execution (Bello, Chelariu and Zhang, 2003; Leonidou, Katsikeas and Hadjimarcou 2002; Conway and Swift 1998; Klein and Roth 1990). This research focusses on the cultural knowledge, skills and capabilities of managers, which is has been established in the literature as cultural intelligence. CQ is defined as a specific type of intelligence aimed at understanding, reasoning and acting effectively in multicultural scenarios (Ang et al., 2007). Empirical work suggests that CQ helps managers to understand, discover and react to various cultures. (Ang et al. 2007; Earley and Ang 2003; Earley and Mosakowski 2004). Moreover, to achieve a working exchange relationship, managers formulate and execute strategic decisions, except that psychic distance renders the execution of these strategies difficult and demanding (Anderson and Gatignon, 1986; Li, and Ng, 2002a). Also, psychic distance can cause problems and intricacy in terms of communication, coordination making it challenging for a trade partner to agree to a mutual understanding (Bello, Chelariu, and Zhang 2003). However, CQ helps to deal with such challenges, as it enables managers to think beyond their limited racial boundaries and decipher dynamic cross-cultural experiences (Andresen and Bergdolt, 2016), thereby minimising perceived psychic distance and potentially improving relational performance (Sharma, 2019). Indeed, despite the call by Rockstuhl and Van Dyne (2018) for scholars to develop studies in other to extend

dynamic effects of CQ and its critical role in successful relationship management, our awareness of this influence in international marketing literature is still minimal (Magnusson et al., 2013, Sharma 2019).

1. RESEARCH AIM AND OBJECTIVES

In an effort to bridge this research gap, this study draws on the resource advantage theory of Hunt and Morgan, (1995) which suggests that human resources may well have competitive advantages if the skills and abilities of the managers are essential and difficult to imitate. Therefore, this research aims to examine the role of import managers' CQ on their perception of their foreign export counterparts' psychic distance and ultimately, their relational and financial performance. Thus, this research pursues the following objectives.

1. Explore the relationship between CQ and psychic distance.
2. Investigate the effect of psychic distance on relational performance.
3. Establish the effect of psychic distance on financial performance.
4. Examine the impact of relational performance on financial performance.
5. Offer theoretical and managerial implications for academics and practitioners

1.1 CONTRIBUTION OF THE THESIS

This research makes several contributions to the international marketing literature. First, by demonstrating that the import manager's CQ weakens their perception of their foreign export counterparts' psychic distance and ultimately, leading to an enhanced relational performance. Second, by evaluating psychic distance at the individual level contributes to the strong disagreement regarding the appropriate level of analysis of psychic distance in the study of international marketing. Third, the study introduces the concept of CQ and advances the theoretical understanding of the concept's significance and application in international buyer-seller relationship. Fourth, the study contributes to the emerging economies literature by providing understanding of how Nigerian import managers utilise CQ to achieve international

marketing success while operating in an advanced economy. Finally, this study offers significant guidance to managers as they attempt to advance effective international marketing strategies and provides practical implications for businesses seeking to recruit and develop active import managers.

1.2 STRUCTURE OF THE THESIS

Table 1 presents an outline of the thesis organisation. A more detailed thesis structure follows the table.

Table 1: Structure of thesis

Chapters		Overview
Chapter one	Introduction	This chapter introduces the background and as well as the purpose of this doctoral thesis, the research aims and objectives and the contribution of the research—finally, the organisation of the study.
Chapter two	Literature review	This chapter presents a critical review of psychic distance and CQ. The chapter concluded by highlighting the knowledge gap on psychic distance and CQ – further introduced the conceptual framework chapter.
Chapter three	Conceptual framework	This chapter presented a discussion that connected all the ideas into a conceptual model.
Chapter four	Methodology	This chapter describes the research methodology and design adopted for this research; the sample population; survey data collection, reliability and validity of the instrument are examined. Data analysis methods are being developed to illustrate how the data are analysed—finally, the ethical considerations taken for the study.
Chapter five	Analysis & Findings	This chapter is dedicated to the data analysis and findings of the study.
Chapter six	Discussion of Findings	This chapter presents a discussion of the research findings based on the objectives that were established in order to find the answers for the central research aim.

Chapter seven	Summary & Conclusions	This chapter presents the summary of findings, conclusion, implications, and recommendations for theory and practice.
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- Chapter one* presents an introduction and background to the study which is followed by a discussion of the weaknesses identified in the literature, the overall aim and objectives of the research and concludes with the structure of the thesis. The introduction begins with a general idea of the operations and management of the buyer-seller relationship and how psychic distance affects it. Subsequently, the effects of psychic distance in the operations and management of buyer-seller relations then paved the way into a more in-depth analysis into preceding research limitations. In an attempt to address these limitations, the following section in this chapter presented the central research aim of the study. In order to find the answers to the research aim, five objectives were established, followed by the research contribution. The final section of this chapter documented the structure of this thesis and discussed how the thesis is organised from beginning to end.
- Chapter two* will present a critical review of the literature on psychic distance and CQ. The chapter will be organised as follows; the first section focuses on import manager as a human resource advantage based on the Resource Advantage Theory. The second section discusses the general concept of distance in international business literature. The third section documents psychic distance, the origin of terms, conceptualisation and operationalisation and its antecedents. The fourth section presented psychic distance from the standpoint of the buyer-seller relationship. This is followed by a critique and statement of knowledge gap – which paved the way for a discussion of this present study’s theoretical foundation. The fifth section presents a review of CQ, highlighting the nature, scope and the mainstream of conceptual and empirical work undertaken

on CQ. The final section introduced the conceptual framework chapter, which outlined the development of hypotheses in order to test the relationship between the variables.

- *Chapter three* is the conceptual framework that connects the variables under study and establishes a conceptual model based on the literature of psychic distance and CQ. The chapter began with a conceptual development, based on the theoretical premises, the conceptual model was formulated, and then some hypotheses were developed.
- *Chapter four* is dedicated to the methodology section of the thesis. The first section of this chapter will commence with the research philosophy that explains the philosophical standpoint of this thesis; this is followed by the research approach of the study. Also, this section will elucidate the sample population, research strategy, method, context (that is, unit of analysis) and design. The second section will document in detail the identification of measurement items in line with current literature, the data collection process and the reliability and validity of the items. The third section will illustrate how the data will be analysed. The chapter will end with the ethical considerations taken for the study.
- *Chapter five*, the empirical analysis and the study findings will be discussed in this chapter. The first section of this chapter will begin by discussing the data analysis procedures, which were broken down as follows; the normality, homoscedasticity and heteroscedasticity, multicollinearity, reliability and validity analysis, and the factor analysis. The second section then documents the findings of the tests of hypotheses which were interpreted using structural equation modelling (SEM) via AMOS graphics software and multiple regression analysis using SPSS.
- *Chapter six* will be dedicated to the discussion of findings based on the research objectives that were established in order to find the answers for the central research aim. Subsequently, the chapter will discuss the findings of the study in line with existing literature to determine whether the results were consistent with preceding studies. The discussions in this chapter will hub on the study

findings, and how they compare with existing literature and theoretical root of the study. The chapter also brings out the value of these study findings towards improving buyer-seller relationship performance.

- Chapter seven presents a summary of findings, conclusion, and recommendations for academics and practice. The chapter also deliberates on the implications of study findings to practice. The chapter concludes by highlighting the limitations of the study and suggests areas for further research.

CHAPTER 2 – LITERATURE REVIEW

2. INTRODUCTION

This chapter offers a critical literature review of the studies related to the variables shown in the conceptual framework in order to illustrate the relationship between and among the study constructs; namely: psychic distance, cultural intelligence, relational performance and financial performance. The chapter is organised as follows; the first section focuses on import manager as a human resource advantage based on the Resource Advantage Theory (R-A theory). The second section discusses the general concept of distance in international business literature. The third section documents psychic distance, the origin of terms, conceptualisation and operationalisation and its antecedents. The fourth section presented psychic distance from the standpoint of the buyer-seller relationship. This is followed by a critique and statement of knowledge gap – which paved the way for a discussion of this present study's theoretical foundation. The fifth section presents a review of CQ, highlighting the nature, scope and the mainstream of conceptual and empirical work undertaken on CQ. The final section introduced the conceptual framework chapter, which outlined the development of hypotheses in order to test the relationship between the variables.

2.1 THEORETICAL BACKGROUND

Existing literature identifies a number of theories that explain psychic distance and performance. This section concentrates on import/export managers as human resource advantage based on the R-A theory of Hunt and Morgan (1995).

2.1 THE RESOURCE ADVANTAGE THEORY

2.1.1 The Import and Export Manager as a Human Resource Advantage

Our focus on the import manager's CQ is rooted in the resource advantage theory of Hunt and Morgan (1995), which views the organisation as a bundle of heterogeneous and imperfectly mobile capital.

The resource advantage theory builds on the resource-based view of the firm (Barney 1991), but one important extension is its identification and categorisation of seven specific capital: (1) physical, (2) financial, and (3) legal which is considered as tangible capitals; and (4) human, (5) organisational, (6) informational, and (7) relational capitals (Hunt 2000; Hunt and Morgan 1995). However, we focus on one of the intangible recourses – human recourse – since competitive advantage arises from the development and leveraging of unique combinations of intangible human recourse (Pena, 2000, Seggie and Griffith 2008). Therefore, by accumulating and deploying the right combination of human capital, the organisation can gain sustainable competitive advantage (Kamukama, Ahiauzu and Ntayi 2010; Cabrilo, Grubic-Nesic and Mitrovic, 2014).

Human recourse is defined as an accumulation of knowledge, skills, abilities, values and social assets, that results in value creation and capture which ultimately affect organisation's performance (Corvino et al., 2019; Bratianu, Jianu and Vasilache 2011; Bontis et al., 2000; Stewart, 1998). In addition, human recourse includes an organisation's employees and their characteristics, such as their knowledge, experience, commitment and motivation (Bontis, 1998; Kianto et al., 2010). Human recourse is one of the dimensions of intellectual capital known as the largest and most important intangible asset for an organisation (Allameh 2018; Castro et al., 2004). Human recourse is constituted into three dimensions; knowledge, intelligence and value (Milost, 2007). To illustrate, knowledge includes both implicit and explicit elements (Bratianu, 2008), and intelligence is viewed in its diverse framework incorporating other elements of intelligence for example, emotional and cultural intelligence (Stewart, 1997), while values is seen as an intangible asset (Bratianu, Jianu and Vasilache, 2011). Bratianu (2008) viewed knowledge, intelligence and value as facets under the umbrella term intellectual capital – since intellectual capital is the sum of everything everybody in an organisation knows that can create competitive advantage (Stewart, 1997; Sanchez-Canizares, Munoz and Lopez-Guzman 2007).

Human recourse is significant for organisations because it is action-oriented and motivate the use of other resources (Hsu and Fang 2009). However, to a greater extent, human capital is embodied within the employees of the organisation and are only the organisation's asset to the extent the organisation combines the asset personified within employees (Bratianu, Jianu and Vasilache, 2011). Accordingly, an organisation to establish and maintain a competitive advantage depends on their managers' skills and competencies (Kamukama, Ahiauzu, Ntayi 2010; Stewart 1997).

Essentially, global business managers are those at the coalface of organising and managing international business activities. In a dynamic and complex foreign market environment, the global business manager should attain or have the required skills to foster, execute, and continuously recalibrate the organisation's strategies (Pena, 2002; Bontis et al., 2000). In addition, a successful international business manager should possess the requisite 'soft skills' in other to objectively and rapidly respond to the market environmental changes (Griffith and Hoppner 2013). Griffith (2010) highlights the complexity of the global market and states that international business managers must be able to accurately evaluate the differences in the business environment of their exchange counterpart in other to achieve successful relationship management.

Particularly, the value of an import manager's human recourse is dependent on his/her ability to change and re-equip the business strategy of the organisation. Consequently, the existence of CQ does not directly affect organisation's performance; instead, it is through the implementations of business strategies that the organisation can grasp the value of CQ (Magnuson et al., 2013). Furthermore, how management decision-making influence organisations performance are further explained by the strategic choice theory of Child, (1972) and the upper echelons theory of Hambrick and Mason (1984), which alludes that an organisation's performance depends on its managers' skills and competence. As a result, we extend the buyer-seller relationship literature by concentrating on the effects of import manager's CQ, as an attribute that influences decision making. In essence, global business managers are a crucial source of human capital.

2.2 CONTEXTUAL BACKGROUND

2.2.1 Distance in International Business

In the international business literature, 'Distance' has been an important concept, both in terms of its direct effect on international business management practices, and as a control variable since the inception (Hakanson et al., 2016; Ambos and Hakanson, 2014; Hakanson and Ambos 2010; Shenkar et al., 2008). The term distance is generally used figuratively to refer to degrees of difference/dissimilarities and/or the ideas behind such difference, an exercise which could be linked directly by a number of scholars researching international expansion of Swedish multinationals to the revival of Beckerman's (1956) concept of psychic distance (e.g., Hörnell et al., 1973; Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975), was strengthened by Kogut and Singh's (1988) initiation of an index for cultural distance, based on Hofstede's (1980) classification of cultural distance dimensions. Moreover, distance in international business is synonymous with distances, discrepancies, foreignness and newness (Prime et al., 2009). The distance in the international business literature is usually regarded to be measurable (Shenkar et al., 2008) and, combined with the spatial usage of the term, the distance between A' and B' is always positive, asymmetric and consistent over time. (Hakanson and Ambos 2014). Maintaining this terminology also means that there has been a lack of direction in distance-related studies (Hakanson et al., 2016) mainly because there can be no single best analogy for defining or elucidating cultural differences (Smith 2010).

In recent years, the notion of liability of foreignness by distance has consistently been questioned (Hutzschenreuter et al., 2014). Shenkar argues that the negative notion of "distance" should preferably be substituted by the "fraction" metaphor (Shenkar 2001, 2012; Shenkar et al., 2008), whereas other scholars, including veterans of the Uppsala University, have suggested an external liability (Johanson and Vahlne, 2009) or liability for novelty and fragility (Puthusserry, Child, and Rodrigues, 2014). The concept of "fraction" has been criticised for retaining the notion of negative consequences, encouraging dichotomies and downplaying discrepancies between cultures (Drogendijk and Zander, 2010). Recent articles have,

besides, pointed out the potential positive effects of distance (Hakanson and Ambos 2014; Hutzschenreuter et al., 2014; Smith et al., 2011; Stahl et al., 2016). They emphasise that not all distances are essential in all cases, e.g., geographical distance can play a small role in e-commerce (Hutzschenreuter, Kleindienst, and Lange, 2011).

Based on this review, this doctoral thesis will address the traditional hard versus soft definitions of distance (Klein and Roth, 1990; Stöttinger and Schlegelmilch, 1998), comprising geographical distance, cultural distance, institutional distance, before turning to the core principle of psychic distance. Finally, this thesis will discuss deeper psychic distance in buyer-seller relationship – the focus of this research.

2.2.2 Geographic Distance

International exchange is inherently related to distances between more than two places. Although the transport and transaction costs of international exchange have fallen significantly over the last years (Hutzschenreuter et al., 2014), economically diverse economies are still engaged in much of their global commerce with closest neighbor's (Kutschker and Schmid, 2011). Soon after World War II, economic experts noticed that there must be something other than geography that has an impact on global business ties (Beckerman 1956). Other scholars have attempted to integrate geography and other fields, such as "geocultural distance," which involves spatial measurements as well as similarities in language and religion (Goodnow and Hansz, 1972). It is essential to highlight that geographical distance does not merely mean a straight line between boundaries or capitals, because major commercial trading has also been used as a measure Geographical Distance (Hakanson and Dow 2012).

Although other soft distance measures have become common since the 1960s, geography remains central to distance (Dow and Karunaratna, 2006). According to Hakanson (2014), geography matters in international trade as it raises travel costs, spending time in travel and can make it harder to acquire useful information (Hakansson 2014). Hence, geography, time zones, or atmosphere are still often included in multifaceted distance conceptualisation. (Berry et al., 2010; Child et al., 2009; Ghemawat 2001; Sousa and

Bradley, 2005) or antecedents to psychic distance perceptions (Hakanson and Ambos, 2010). This research now focuses on the soft or contextual distance (Beugelsdijk et al., 2018) factors which are of particular interest to management because far more so than geographical distance, cultural and psychological distance can contribute and does over time change (Dow and Larimo, 2011).

2.2.3 Cultural Distance

According to Levitt (1983), the globalisation of economies, diverse cultural values, national tastes and values and business structures are relics of the past. Together, there was a cultural revolution in international literature, in which quantitative research on the role of national culture in international management was generally recognised. (Peterson 2007), especially following the seminal works of (Adler 1983a, 1983b; Child 1981; Hofstede 1980a, 1983). Although there have been calls for cultural integration in the light of the extensive transformation of societies (Inglehart and Baker, 2000; Welzel, 2013), there are also signs of further separation of values (Ralston et al., 1997). In the international marketing literature, this dichotomy is debated between advocates of standardisation and differentiation (e.g., Theodosiou and Katsikeas, 2001).

Although the view of culture as a distinct aspect is profoundly rooted in the works of (Kluckhohn 1950; Kluckhohn and Strodtbeck, 1961; Hofstede, 1980a). The novel four dimensions of Hofstede define the sense of equality in society (Power Distance), the view of an individual effort versus group effort (Individualism and Collectivism), the tendency to embrace chance (Uncertainty Avoidance) and the dimension that incorporates gender roles and confidence (Masculinity and Femininity). The later version of his scholarly work, done with the Chinese culture in collaboration with the Michael Harris Bond (Hofstede and Bond, 1988; Hofstede, 2012a), Incorporates the Chinese's dimension of the long-term orientation (Hofstede 2001). Minkov and Hofstede (2011) is the most recent work to Hofstede's dimensional model is study was done based on Michael Minkov's evaluation of data from the World Value Survey

(Minkov 2011). Although Hofstede argues that values to his work remain very constant over the years (Hofstede 1980a), this has recently been questioned (Taras et al., 2010).

Hofstede's research has been extensively criticised, comprising censure from rival research works, such as the theoretically related GLOBE project. (House et al., 2002) the manifestation of this works is in 2006 special issues of journal of international business studies (e.g., Earley et al., 2006; Hofstede 2006; Javidan et al., 2006; Leung 2006). A significant difference between these constructs is that Hofstede argues that the distinction between the "desired" and the "desirable" (Hofstede 2001, p. 6-7), this notion has been blurred. Since the GLOBE project believes that the values "as is" and "will be" (e.g., House et al., 2002, p. 6), an assertion that has been sharply criticised by other writers (Hofstede 2006, 2010). However, both Hofstede and GLOBE rely on survey-based value judgments that are purified into culture dimensions. Also, a substantial critique of this strand of empirical cross-cultural studies questioning the core theoretical premises, methodology and scale synthesis has been made by numerous scholars (Brewer and Venaik, 2012; Fougère and Moulettes, 2007).

The cultural distance index as conceptualised by Kogut and Singh (1988) is a very common operationalisation of cultural differences in the literature. In essence, the Kogut and Singh (KS) index is a one-dimensional index for which cultural distance can be easily measured and used, for instance, as an absolute value in the regression analysis. Since then, the index has been used for several topics, such as partner/market selection, entry mode and establishment choice or the performance of international subsidiaries (Harzing 2003) and is still frequently cited (Shenkar et al., 2008). Dow and Larimo, (2009), for instance, find that 75 per cent of the articles on psychic distance analysed used the KS Index. The intention underneath the KS Index is to compare and condense the differences between the four original dimensions of Hofstede and the two countries into a single variable. The resultant number is the modified mean of all the Hofstede meaning dimension differences that are intended to show how different the culture of a nation is to the culture of another nation. Quantitatively, this involves taking the Euclidean distances of a

dimension that are squared to obtain a single number and adjusted for the difference. The four distances are applied, and the result is distributed by four (Kogut and Singh, 1988). Later variations of Hofstede's additional measurements or GLOBE measurements have been used (e.g., Albaum 2012), but this will not alter the properties of the index (Beugelsdijk et al., 2018).

Subsequently, it is clear that all evaluation of Hofstede's dimensions also extends to the KS Index. In addition, dimensions have also been questioned for transforming a unique structure into a single variable (Beugelsdijk et al., 2018; Maseland et al., 2018), since Hofstede's dimensions are strongly correlated (Beugelsdijk et al., 2018; Yeganeh and Su, 2006), the adverse effects of rates, the oversimplification of discrepancies due to the approximation of distance used (Kandogan 2012), the lack of dichotomy of dimensions (van Hoorn and Maseland, 2014) and linked to the latter the similarity of distance among nations. As far as the findings are concerned, the KS cultural distance Index has led to contradictory results, with some research suggesting that high cultural distance contributes to organisations preferring a high level of control due to ambiguity. In contrast, other studies have found that high cultural distance contributes to a low level of control due to lack of knowledge on the core market (Hakanson et al., 2016). In particular, Harzing (2003) argues that this index could never have gained the almost legendary and unquestionable status it appears to have in the literature on entry and establishment mode choice.

2.1.4 Institutional Distance

A separate definition, while sometimes linked to its operationalisation, is the Institutional Distance. This conceptualisation is based on the seminal research of Tatiana Kostova. She established the concept of country institutional portfolios (Kostova 1997) that allow for the operationalisation of the differences between the institutions of countries, for instance, when institutions follow regulations in their foreign subsidiaries (Kostova 1999). This institutional perspective of international business, except for the Williamsonian New Institutional Economic Perspective (Kostova 1999), is strongly affected by Richard Scott's pillar paradigm (Scott, 1999), in which institutions can be interpreted based on political, moral or

conceptual frameworks. In Kostova's seminal work, these foundations are handled by unique domain survey questions (Busenitz et al., 2000) for company managers, in her case in the field of quality control. The measuring items can be reviewed by the researcher in a future article (Kostova and Roth, 2002). For later studies using institutional distance, researchers mostly use indexed secondary data, the article, as mentioned earlier by (Busenitz et al., 2000) is the only exception. Recall that the conceptual foundation is mostly measured using the Kogut-Singh Index, while the World Bank data is another popular source (Van Hoorn and Maseland, 2016). More recent studies on institutional distance dimensions have appeared in the literature (e.g., Berry et al., 2010; Solomon and Wu, 2012). These other conceptual frameworks of the institutional distance have not yet defined a specific structure for the three pillars or, indeed, a method for the specific operationalisation of the institutions (Voigt 2012). For a much more in-depth review of the analysis of institutional distance (see Kostova 1997).

The crucial distinction from institutional distance is that not only culture or geography are essential among the macro variables that can affect individual perceptions of distance outcomes, but also variations in legal and political contexts. (Harzing 2003). This dimension will be explored once more when Psychic Distance Stimuli is addressed, (i.e. nation-level variations regarding psychic distance).

2.2 PSYCHIC DISTANCE

2.2.1 Origin of Term

The terminology Psychic Distance was taken from the Greek word with the word origin, indicating mind and soul (Evans et al., 2000b; Prime et al., 2009). Psychic distance was first introduced in economic literature as a concept that defines the discrepancy between geographical distance and some other distance variables (Beckerman 1956). The main inspiration on psychic distance in international literature originated from the research of the Uppsala School of Internationalisation (Johanson and Vahlne, 1977), established in

the 1970s at Uppsala University (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Olson and Wiedersheim-Paul, 1978; Wiedersheim-Paul 2017).

The first and most commonly cited interpretation of psychic distance is derived from (Johanson and Wiedersheim-Paul, 1975) and term the concept as a factor that impedes or interrupts the flow of knowledge between the organisation and its targeted marketplace. By this psychological approach to internationalisation, firms are increasingly internationalising based on their experience with overseas markets (Beugelsdijk et al., 2018; Hang and Godley, 2009). The more recognisable the marketplace, the less the psychic distance (Hang and Godley, 2009). Country, where variables such as culture, economic environment, business practices, level of education, communication infrastructures, political and legal system and language are similar to the home country of the manager, will have a low psychic distance (Johanson and Wiedersheim-Paul, 1975).

In reality, the concepts' gradual steps might be a significant cause of actions because organisations operate in a particular economic environment way back in the 1970s (Barkema and Drogendijk, 2007), that can be the explanation why the definition of psychic distance has drifted so much between studies (Smith et al., 2011). This research, therefore, addresses other potential interpretations of psychic distance in a subsequent chapter of this study. Nevertheless, in more recent articles, researchers have reversed some of their earlier conclusions (Johanson and Vahlne, 2009). In addition to the Uppsala School, claims from international commerce and particularly transaction costs were used to describe psychic distance. (Beugelsdijk et al., 2015; Williams and Grégoire, 2014). The statement on transaction cost theory, borrowed from the modern institutional model (Williamson, 1983), suggests that distance poses problems in the buyer-seller relationship and asset specificity (Klein and Roth, 1990). Furthermore, it contributes to higher transaction costs caused by increased volatility in target markets (Sousa and Bradley, 2008).

Though the emergence of psychic distance into international literature was part of the Uppsala School of Management, which responded to the position of a small, trade-oriented market (Johanson and

Vahlne, 2003), there has been very little formal work on the significance of psychic distance work in other economies. The systematic literature review conducted in this study revealed that psychic distance work tends to be particularly prevalent in export-oriented economies, such as Europe, America and Asian publications. On the other hand, the United States Kogut-Singh cultural distance Index has been widely used for the study of Europe, American and Asian firms (Harzing 2003). The main reason behind the research on psychic distance either in management, international business or international marketing literature, is the antecedent of choice of internationalisation (Dow and Larimo, 2009), even so, other aspects of internationalisation, for instance, buyer and seller relationship have also contributed (Ellis, 2008). Shenkar et al. (2008) highlight that psychic distance often applies to foreign direct investment concerns.

According to Smith et al., (2011) twenty-nine per cent of psychic distance study relate to the market selection, and entry-mode related outcomes amounted to twenty-five per cent, while psychic distance has also been used in fields such as knowledge flow and the probability of visiting international websites. Also, psychic distance has been applied in market adaptation versus standardisation in the international marketing literature (Sousa and Lages, 2009), cross-border channels distribution (Johnston et al., 2012), international retail (Evans et al., 2000b) or buyer-seller relationship (Klein and Roth, 1990)—the focus of this study. Notably, psychic distance is not limited to international management but may have various understanding in other areas that is much less relevant to geography, but rather to anthropology. For instance, Poole (1927) differentiated distances into the personal and social realms, with both a subjective and objective component. The subjective social distance is then the perceived discrepancy between groups, for instance, different social-cultural and ethnic groups, while objective social distance involves actual cultural differences (Poole, 1927). From the domain of geographical studies, research which examined the use of telephones between indigenous or bilingual groups in Belgium in the 1960s measured psychic distance as a feature of geographical, linguistic and a description of distances, incorporating cultural,

sociological and technical factors (Klaassen et al., 1972). However, this dimension of psychic distance is not relevant to this thesis.

2.2.2 Conceptualisation of Psychic Distance

A variety of definitions of psychic distance were questioned as far back as the 1980s (O’Grady and Lane, 1996). Table 2 provides a detailed summary of several early and generally cited psychic distance conceptualisations, as well as a range of more recent definitions with a slight variation. This summary of articles in Table 2 does not operate to signify all definitions of psychic distance and focuses on the papers mostly quoted in this thesis. Moreover, this description in Table 2 does not claim to reflect all psychic distance concepts; however, it is focused mainly on the papers cited in this study. A detailed overview of the nomological psychic distance definition can be found in studies (e.g., Obadia, 2013; Sousa and Lages, 2011).

Table 2: Definitions of Psychic Distance

Papers	Definitions	Context
Wiedersheim-Paul (1972)	“In psychic distance circumstances are referred to which prevent or restrain the flow of information between firm and market. Physical distance refers to circumstances which prevent or restrain the flow of goods and/or payments between business and market”	Internationalisation of companies.
Johanson and Wiedersheim-Paul, (1975)	“This concept is defined as factors preventing or disturbing the flows of information between firm and market.”	Internationalisation of companies.
Johanson and Vahlne, (1977)	“The Psychic Distance is defined as the sum of factors preventing the flow of information from and to the market.”	Internationalisation of companies.
Nordstrom and Vahlne, (1994)	“factors preventing or disturbing firms learning about and understanding a foreign environment”	Internationalisation of companies.
Stöttinger and Schlegelmilch, (1998)	Psychic distance the individually perceived distances between home and target market which affect the way of doing business”	US managers’ concerning selected markets compared to German samples by other authors

Evans, Treadgold, and Mavondo, (2000)	"Psychic distance refers to the perceived degree of similarity or difference between the home and foreign market"	Conceptual paper on an organization's decision-making process concerning internationalization in retailing.
Child, Rodrigues, and Frynas, (2009)	"The distance that is perceived to exist between characteristics of a firm's home country and a foreign country with which that firm is, or is contemplating, doing business or investing"	Managers of a British SME in Brazil.
Prime, Obadia, and Vida, (2009)	"Perceived psychic distance is an internal unobservable phenomenon resulting from the firm's perceived cultural issues, and problems in the business environment and practices. Psychic Distance makes it difficult or problematic for a firm to understand a market and operate there"	French managers with export orientation.
Sousa & Lages, (2011)	Psychic distance the individual's perceived differences between the home and the foreign country operations in that market."	Portuguese managers in international marketing.
Bello and Gilliland, (1997)	"Manufactures perception of how different the culture of the target export country is from its home country"	USA, a single focus export distributor and foreign market.
Katsikeas et al, (2009)	"How remote a decision maker perceives a foreign market to be in relations to his or her domestic market and in terms of culture, language, values, economic development and so on"	Multiple industries, focus on the importing and exporting distributors.
Skarmeas et al. (2008)	"The importers perception of differences between the operating environment of two partners"	United Kingdom, export distributor.
Klein and Roth (1990)	"A perception of the differences between the operating environments of buyers and sellers in an international exchange relationship"	Canadian export market performance.
Lee (1998)	The perceived difference between the home country and the target country	Australian exporters
Ha et al., (2004)	The extent to which a culture is seen as being different from one's own	Korean exporters and importers
Lohtia et al. (2005)	The firm's awareness of differences between domestic and foreign business practice and its ability to address and manage these differences	U.s exporters
Chelariu et al., (2006)	The inconsistencies between the cognitive framework of trading partners	U.s exporters

Leonidou et al., (2006)	The prevention, delay, or distortion of the flow of information between sellers and buyer, which is responsible for keeping them apart	U.S exporters
Calantone et al. (2006)	The extent of which an export market is similar to the home market	US, Japanese and Korean exporters

What distinguishes clearly in this summary, is that the definition by Uppsala School researchers accurately describes psychic distance as something that exists at the individual level (Johanson and Vahlne, 1977). This is possibly some of the explanations why many scholars find the cultural and psychic distance to be the same (Sousa and Bradley, 2006), including Shenkar’s ground-breaking research questioning conceptualisation and measures of distance (Shenkar, 2001). Based on the criticisms of the psychic distance conceptualisation, this study aligns with prior studies and argue that the different concepts of psychic distance measure entirely different things as the various operationalisation indicate that psychic distance remains one of the most broadly measured constructs in the realm of international business and marketing literature (Hang and Godley 2009; Griffith and Dimitrova 2014). The reason behind this discrepancy can be associated with the different levels of analysis of the concepts of distance and psychic distance. This is very shocking in so far as the issue of the level of analysis—e.g., individual level, national or country level—is a common problem in cross-cultural research (Peterson and Castro 2006; Smith 2004b).

Empirical research distinguishes psychic distance into interorganisational and intraorganisational (Hallen and Wiedersheim-Paul, 1979), although this has not been significantly studied. The vague definitions of psychic distance may be divided into subjective or objective perceptions of distance (Hakanson and Ambos, 2010; Prime et al., 2009), indicating that there might be a psychic distance that is separate from individual assessments. However, psychic distance researchers assess the concept mostly using one level of analysis. A common criticism of psychic distance began at the individual level, where scholars highlight that psychic distance has lost its psychic in its operationalisation (Hakanson and Ambos, 2010; Tung and Verbeke, 2010)—referring back to the origin of the term psychic distance which alludes to

something in the individual's mind. The distance remains in the individual's mind, which depends on how the universe is perceived (Sousa and Bradley, 2005). Understanding the role of the individual as a part of an organisation has been consistently mentioned in management and marketing literature, for instance, the answer to the question of what makes organisations different' calls for an answer to the question of what makes managers different (Adner and Helfat, 2003; Katsikeas et al., 2009).

Internationalisation was seen in the literature of the Uppsala School as an "interaction between attitudes and actual behaviours that is something which occurs at the managerial level (Johanson and Wiedersheim-Paul, 1975). Distance is typically addressed at the individual level, with an emphasis on the understanding of differences a manager holds (Madsen 1989; Olson and Wiedersheim-Paul, 1978; Sousa and Bradley, 2006). The word Perceptual Psychic Distance is, therefore coined by Prime and colleagues¹ (PPD). (Prime et al., 2009) to separate it from objective concepts. Other studies focus on the mind of the individual (Sousa and Bradley, 2006), or concepts of the mind (Muller and Köglmayr, 1986). Some other researchers believe the interfirm of psychic distance plays a role in buyer-seller relationships (Hallen and Wiedersheim-Paul, 1979; Katsikeas, Skarmas, and Bello, 2009). Since the decision-making process on internationalisation or other international operations frequently includes teams, hence, this area of psychic distance research has been under-researched (Baack et al., 2015; Dow et al., 2016), in many situations' individual decides for the organisation and not the other way round (Olson and Wiedersheim-Paul, 1978).

Cultural distance is the most common proxy for psychic distance, leading some scholars to lump the two terms together, which can again cause problems with the level of analysis (Prime et al., 2009). The most popular measure for this psychic distance theory is the Kogut-Singh Index (Em, 2011), as stated in this review earlier. The national-level measures of psychic distance are consistent with the level of liability of foreignness research (Obadia, 2013; Edman 2016). A more suitable, however, sophisticated approach is

¹ The abbreviations PPD and PDS are taken from Hutzschenreuter, Kleindienst, and Lange (2014, p. 39).

the Dow and Karunaratna, (2006) Psychic Distance Stimuli (PPS) research which is assessed as an antecedent of individual-level psychic. Like in other institutional distance operationalisation, the stimuli use an eclectic choice as measures aggregate distance score. The PPD is close to cultural distance scores in that they are static and symmetrical (Botts 2011; Smith et al., 2011). Consequently, much of the criticism of cultural distance can also be attributed to objective psychic distance, deftly summed up by Oded Shenkar (Shenkar 2001) research.

In particular, these different definitions contribute to different operationalisation at various theoretical levels (Hakanson and Ambos, 2010; Prime et al., 2009). A nation-level analysis of PPS by Dow and Karunaratna and individual-level PPD by Hakanson and Ambos revealed that such notions do not overlap (Avloniti and Filippaios, 2014). Besides the issues regarding the level of analysis, there can also be a level asymmetry, e.g., when the premise of the effects of distance exists at the disaggregated level, affecting companies, organisational units or individual employees. At the same time, steps are taken at the macro-level (Beugelsdijk et al., 2015). So, seeing this as a fundamental disparity between three levels does not make much sense. It should be perceived as a two-dimensional object: the object from which the distance stems, and the object that is the target.

2.2.3 Operationalisation of Psychic Distance

For over a decade, the description of no unanimity on the measures of psychic distance still holds (Ellis 2008). Sousa and Lages (2011) classify psychic distance measures into three types: (1) the Kogut-Singh Index; (2) nation-level measurement using proxies; and (3) individual-level measure. Measures of psychic distance at the national level using KS or other proxies leads to the issue of whether Euclidean or Mahalanobis distances should be used (Berry et al., 2010; Kandogan 2012; Yeganeh 2014). Alternatively, whether the index should use absolute values (Franke, Hill, Ramsey, and Richey, 2011), a debate that is not further pursued as this thesis, since this research is focusing on the individual level psychic distance. The PPS as the tendency of capturing the asymmetry between the country's expectancies (Hallen and

Wiedersheim-Paul 1975), either more familiar with the other or divergent country attractions (Puthusserry et al., 2014) (Hakanson et al., 2016). Scales deployed 100-point ranges, with 0 for one's own country, and 5- or 7-point difference or family scales (Franke et al., 2011). Moreover, because the participant must indirectly perform a social comparison between themselves and the target country (Hakanson et al., 2016), the respondent may be granted priority over the shape and rating of the scale (Edwards 2001).

The multidimensional nature of psychic distance has led to the various definitions summarised in Table 3 (Bello et al., 2003; Child et al., 2009; Bello and Gilliland, 1997; Zhang et al., 2003). Keep in mind that while Lee (1998a; 1998b) refer to psychic distance concept as "cultural distance," the conceptualisation and measures are still based on psychic distance definitions. Moreover, Theodosiou and Katsikeas's (1998) research is based on the necessary adaptation of marketing pricing policies, however, has since been included in literature since it is a significant contribution based on Sousa and Lages (1995) studies. Lohtia et al. (2009) and Calantone et al. (2006) referred to theirs as cultural similarity, even though it is the same indicator of psychic distance.

The operationalisation in the original Uppsala studies was clearly used as examples of the potential variations. Different measures of psychic distance have been applied conceptually and or empirically in later studies. The items have been allocated to six groups in order to make the scales equivalent. Keep in mind that not all items fit perfectly into the categories for intents and purposes, though all items have been included, and conceptual variations may occur between similar items. For example, the "Communications Infrastructure" of Klein and Roth and Sousa and Lages' use of the same word tend to be more concerned with the provision of the same technology, whereas the "Data Ties" of (Brewer, 2007) refers to the availability of data from the other nations. Hakanson and Ambos (2010) highlighted that using different psychic distance definitions and scales can lead to dramatically different results. For example, (Brewer 2007) argues that his definition of psychic distance is more nuanced, highlighting that Hong Kong is "closer" than Germany to Australia, rather than the cultural distance scale in which Germany and Australia

were neighbor's. Brewer's proxies closely represent current FDI flows and other trade ties, making it uncompromising that the export relationships the study plans to forecast are more expressed in this psychic distance scale.

2.2.4 Antecedents of Psychic Distance

Antecedents of PPD have been explored in more depth in the latest psychic distance research. Nebus and Chai contend that the position of perspectives (similar to PDS previously discussed in the review) can be more easily understood as PPD employing the situated theory of cognition and affordance (Nebus and Chai, 2014). Some other scholars also speak of social comparison and

Table 3: The Key Dimensions of Psychic Distance Used Across the Literature

Paper	Paper Type	Language	Culture	Business	Education	Economic	Other
Wiedersheim-Paul 1972	Empirical	Everyday Language; Business Language	Culture		Level and Distance of Education	Level and Distance of Economic Development	Connections between Markets
Johanson- & Wiedersheim-Paul, 1975	Examples	Language	Culture		Level of Education	Level of Industrial Development	Political Systems
Johanson & Vahlne, 1977	Examples	Language	Culture	Business Practices		industrial Development	
Madsen 1989a	Empirical	Conventions for Personal Relationships	General Way of Working and Living	Conventions for doing Business			Aerial Distance to Export Market; Importance for Transportation Costs
Klein & Roth, 1990	Empirical	Language of the Country		Accepted Business Practice		Economic Environment	Legal System; Communications Infrastructure
Nordstrom & Vahlne, 1994	Empirical with Proxies	Language	Culture				Structural (Legal & Administrative System)
Lee 1998	Empirical	Language		Business Practices in General; Marketing Infrastructure			Political and Legal Systems

Theodosiou & Katsikeas, 2001b	Empirical, Multi-dimensional Factors			Product Life Cycle Stage; Customer Characteristics		Economic Conditions	Distribution Infrastructure; Legal Environment
Bello et al., 2003	Empirical-	Language	Cultural Dimensions	Business-Practices: Market Structure		Economic Environment	Legal and Political Environment
Child et al., 2009	Empirical	Language	Culture	Accepted Business Practices; Business Ethics	Level of Education	Level of - Economic Development	Regulations; Geographical Distance; Logistic Infrastructure; Legal System; Level of Technical Development
Katsikeas et al., 2009	Empirical		Culture (traditions, values, language)	Accepted Business Practices		Economic Environment	Communication Infrastructure; Legal System
Prime et al., 2009	Qualitative Empirical		Culture (including language)	Differences in Business Practices		Differences in the Macro Environment	
Sousa & Lages, 2011	Empirical	Language	Cultural Values, Beliefs, Attitudes and Traditions; Lifestyles	Purchasing Power of Customers; Consumer Preferences; Marketing Infrastructure; Market Competitive-ness	Level of Literacy and Education	Level of Economic and Industrial Development; Per Capita Income	Communications Infrastructure; Legal Regulations; Technical Requirements

Johnston-et al, 2012	Empirical		Culture (traditions, values, language)	Accepted Business Practices	(Communication Infrastructure)	Economic Environment	Legal System
Nebus &-Chai, 2014	Conceptual		Social	Business		Economic	Political; Institutional; Geography; Technology
Yildiz & Fey, 2016	Empirical	Relationships and Ways of Communicatio n	Norms an-d Values	Organisational Practices		Level of Economic Development	Political System, Regulations and Formal Rules

theory of social identification (Hakanson et al., 2016; Kornmeier, 2002; Stahl and Tung, 2015; Yildiz and Fey, 2016) or assimilation vs contrast (Parente et al., 2007). A community with similar beliefs and traditions is considered more robust than a global one (Parente et al., 2007). Hakanson et al., (2016) also suggest that “pure access” to culture, for instance, through media interactions or personal relationships, may reduce the feeling of distance over time. However, international literature criticised ideas focused on social identity theory, for instance, homophily, which likes similar individuals or cultures rather than different people, for being too stereotypical in a globalised and complex world (Stahl and Tung, 2015).

PPD is associated with exposure to knowledge of cultural, familiarity (Hakanson and Ambos, 2010) or formative assessments (Evans et al., 2000b), which contributes to less informed perceptions of other cultures (Olson and Wiedersheim-Paul, 1978). The knowledge can be achieved through interactions and experiences in foreign countries (Harzing 2003; Hakanson et al., 2016). The individual-level psychic distance assessment (Baack et al., 2015; Harzing 2003; Sousa and Bradley, 2006), still needs further assessment in order to understand what experience means (Dow and Larimo, 2009). On a company level, previous experience has led to lower search costs (Ellis 2008) and less uncertainty and perceived risk (Erramilli 1991; Evans et al. 2008).

Hakanson and Ambos (2010) addressed the “objective” psychic distance variables at the national level as regards cultural distance, geographical distance, language differences, political competition, economic growth difference, institutional disparity, political, economic and cultural influences. Recently, they introduced the Country Attractiveness concept (Hakanson et al., 2016), which may be a source of PPD asymmetry. Baack et al. (2015) highlighted the role of country diversity, which can lead to exposure to different cultures within the home country. The relation between cultural variables and management decisions has also been assessed by other authors (e.g., Stahl and Tung, 2015).

The next section of this review discusses psychic distance in the perspective of buyer-seller relationship, connects the theories that have been used to explain its impact on preceding studies and pondered on the theory of which this present study is based upon.

2.3 PSYCHIC DISTANCE IN BUYER-SELLER RELATIONSHIP

Despite the apparent popularity of psychic distance in the international business literature (see Zhang Cavusgil, and Roath 2003), they are a clear diversity to the conceptual treatment of psychic distance in the buyer-seller relationship literature. Scholars here have defined psychic distance based on the degree to which managers; (1) “perceive degrees of dissimilarity/differences between their home country and their foreign partner’s country (e.g., Griffith and Dimitrova 2014; Johnston et al. 2012; Katsikeas, Skarmeas, and Bello 2009), (2) are familiar with these differences (e.g., Heroux and Hammoutene 2012; Leonidou, Barnes, and Talias 2006; Leonidou et al. 2011), or (3) find these differences problematic” (e.g., Bello, Chelariu, and Zhang 2003; Obadia, 2013) (Durand et al 2016, p. 33). While some studies have concentrated on dissimilarities between nations (e.g., Katsikeas, Skarmeas, and Bello 2009; Skarmeas et al. 2008), while others focused on differences between companies (in regard to business environments, working methods, etc.) (e.g., Leonidou et al. 2011, 2014).

According to Durand, Turkina and Robson (2016), preceding studies have failed to speculate contingent relationships between psychic distance and buyer-seller relationship exchange despite pressure from scholars to do so. For example, psychic distance is defined as an antecedent to trust and commitment with different impact associated on the stages of the relationship (Conway and Swift 2000). Moreover, Magnusson and Boyle (2009) advanced the paradox of psychic distance by suggesting that when buyer-seller relationship is at the beginning stages of interaction, psychic distance could cause a major problem due to the increased case of uncertainty and lack of trust (Leonidou, Barnes and Talias 2006). Whereas in the context of low psychic distance, dissimilarity does not threaten relational exchanges (Skarmeas and

Robson, 2008). Furthermore, when the relational exchange is more developed psychic distance can be favorable to organisations in an event of increasing psychic distance – the uncertainty reduces as a result of continuous information exchange between partners, which can be damaging particularly for low psychic distance. (Skarmeas and Robson, 2008; Skarmeas et al., 2018). Based on the harmful impact of psychic distance research in this field emphasises on the importance of assessing the effect of psychic distance in other to capture the extent psychic distance effect buyer-seller relationships.

2.3.4 Criticism and Knowledge Gap

In the buyer-seller relationship psychic distance has been found to pose huge problems (Skarmeas et al. 2008). According to Samiee and Walters (2006. p. 594), note that “the international context invariably introduces some additional barriers: time-zone, language, lack of or limited face-to-face contacts, and cultural differences – these barriers impede on the information flows which are so critical to relationship exchanges.” Psychic distance rises from factors that affect the way organisations understand behaviours and the market environments of exchange counterpart (Johanson and Vahlne 1977; Nordstrom and Vahlne 1994).

Consistent with transaction costs, behavioural paradigm and the knowledge-based view theories, empirical research in this field of study conclude that psychic distance has a deleterious effect on the relations between buyers and sellers in international market environment (Leonidou, Katsikeas, and Hadjimarcou 2002). However, despite the importance of relationship exchange in international marketing, little attention has been given to the way these negative effects of psychic distance can be mitigated or reduced, and if mitigated, how will the overall effect impact on relational and financial performance between and among channel partners? In moving this field of research forward, the present research will seek to provide clarity on these critical issues; (1) establish how the impact of psychic distance between channel partners could be reduced, and (2) examine how the overall effect impacts on both relational and financial performance. Based on the aforementioned knowledge gap, this research draws on the resource-

advantage theory suggesting that manager's CQ can play a significant role towards reducing the effect of psychic distance and ultimately enhance relational and financial performance.

2.4 CULTURAL INTELLIGENCE

2.4.1 Background of CQ

As an evolving area of research, CQ represents a wide and deep capacity for understanding the new world and offers great possibility of future repatriation changes (Ang and Inkpen 2008). CQ derives from diverse fields of research, namely intercultural psychology and anthropology. This is based on many respected hypotheses in psychological science (Erez and Earley, 1993. The theories of Social Learning, Self-Efficacy and Cultural Analysis by (Bandura, 1977, 1986; Triandis, 2004). In the past ten years, researchers have started investigating the essence of CQ (Earley and Ang, 2003; Earley and Mosakowski, 2004; Thomas and Inkson, 2004). For instance, (Ang, 2003; Aug et al., 2007) seminal work with U.S counterpart.

2.4.2 The Origin of Terms

CQ intertwines strictly (Sternberg, 2004; Sternberg and Detterman, 1986). For example, behaviours and attitudes which in one culture are deemed acceptable and charismatic can be unacceptable and unsuitable in another. Intelligence was first identified by the Francis Galton study of 1879 as an intellectual capacity assessed by mental examination. Intelligence quotient (IQ) tests are commonly used in school and organisations because they work well to predict various people's behaviours. IQ is closely linked to a wide variety of significant social outcomes such as functional training, more years of training, higher employment levels, higher wages and productivity, and an optimal prediction of effective work results (Gottfredson, 2002). Sternberg and Detterma (1986) highlighted that the society is now becoming increasingly aware of the fact that knowledge can be extended to study fields outside the classroom.

The growing emphasis on intelligence studies has contributed to the categorisation of intelligence into separate areas, each focused on a particular aspect of intelligence. Earley and Mosakowski (2004),

expanding further than IQ's book-learning academic skills, characterised CQ as a term primarily focused on a specific area of intelligence: intelligence in intercultural settings. The following review focuses on the interpretation of variations between the CQ and the theoretically misleading definitions of (a) emotional intelligence (Goleman 2006), (b) social intelligence (SQ) (Marlowe, 1986) and (c) personality in order to explain the origin and essence of the CQ.

The emotional and behavioural dimensions of the CQ have parallels with emotional intelligence (EQ) by explaining individual variations following situational requirements and social signals. Earley and Mosakowski (2004) clarify that, in contrast to CQ, EQ does not incorporate culture-wide alteration. EQ pertains to emotion perception and emotions for efficient interactions to be produced and controlled (Goleman 2006). Nevertheless, the capacity to encrypt and interpret emotions of a country's culture does not immediately pass to foreign cultures, since in one culture what is urgent might not be implemented in some other culture (Earley and Ang 2003). That is, in one cultural sense, an emotionally intelligent person might not be emotionally intelligent in another. Persons with high levels of EQ but who are not culturally sensitive may suffer intercultural adjustment as a result of inadequate cultural understanding and perception of cultural situational knowledge. In comparison, the CQ is a general collection of capabilities specific to culturally diverse situations

Social intelligence (SQ) is a second term that can be a source of misunderstanding. SQ is characterised as an ability to understand, perceive and act based on the awareness of emotions, thoughts and actions of interpersonal situations (Marlowe, 1986). Socially talented people can adapt their actions quickly to different social conditions (Marlowe, 1986). However, given the variations between cultures in social interaction laws, the SQ does not automatically translate into successful cross-cultural interaction (Earley and Mosakowski, 2004). In other words, individuals with a high level of QS who can effectively interact in a specific culture might not always be willing to do so in a distinct cultural setting, marked by

various social norms. SQ is culturally related (Goleman, 2013), and since cultures differ, SQ will not effectively characterise positive interpersonal cross-cultural behaviours (Earley and Mosakowski, 2004).

Ultimately, personality may be an alternative spring of contention. Given the essential (Block, 1995), the Big Five personality traits are the popular measuring framework of personality used in cross-cultivation research (McCrae and Costa, 1987), extroversion, belief, conscientiousness, neurosis and openness). Due to behavioural choices, Ang et al. (2006) undertook an analysis exploring the relation with five characteristics and the four-dimensional CQ framework (Earley and Ang, 2003). They deemed it necessary to experience openness in connexion with all four CQ dimensions. The personality characteristic of transparency to experience has been described as innovative, cultural, creative, original, wide-minded, knowledgeable and artistic. Personality characteristics describe what an individual classically performs over time and circumstances (McCrae and Costa, 1987). However, CQ centers on a different kind of distinct skill which describes how an individual can be successful in ethnically different contexts. They are also entirely different definitions. CQ, as a type of intelligence, enables detailed knowledge of the essence of CQ from a variety of reasonably complex definitions that can be improved and sophisticated over time.

In short, EQ and SQ define the capacity of individuals to cope with emotions and relational circumstances in a similar cultural setting. Consequently, there is no cultural aspect for EQ and SQ. They are also less insightful and, thus, less predictive in the cultural diversity of a person's awareness, motivation and behaviours (Earley and Ang, 2003). Since the definition and the meaning of social interaction vary from culture to culture, it really is unrealistic to automatically translate these capabilities into various cultural contexts for people with a high degree of EQ and SQ in a single culture (Earley and Mosakowski, 2004). CQ narratively intersects EQ with SQ, and they are both important for a people to operate effectively, in different social environments and in personal relationships. CQ supports IQ by illustrating individual differences in the way diversity is treated and working in new cultural environments. CQ has many personality and other intelligence concepts but fundamentally varies from those of other intelligence types,

as CQ focuses primarily on reasoning, motivation and behaviours in intercultural contexts, and constitutes a comprehensive array of capabilities for situations marked by multiculturalism (Ang and Inkpen, 2008).

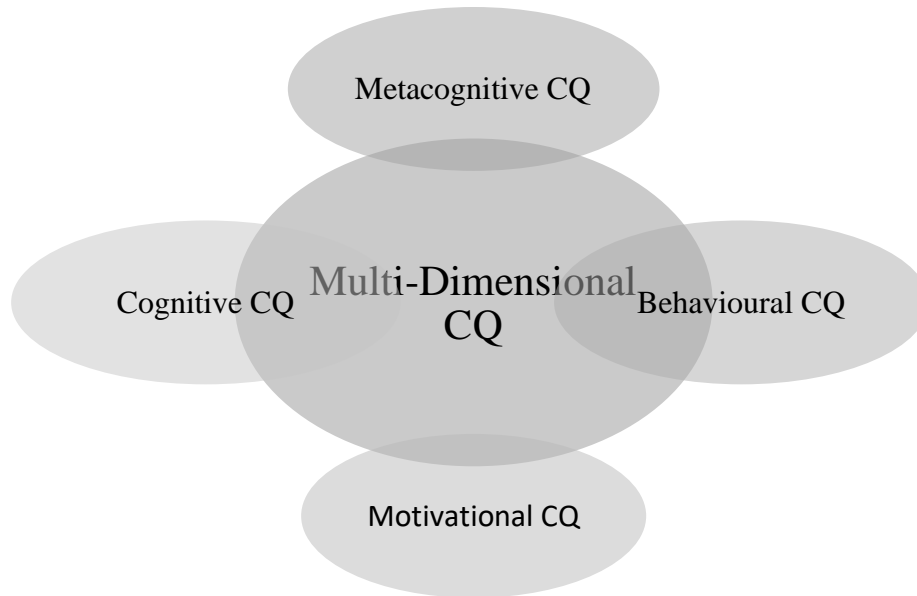
2.4.3 Conceptualisation of Four-Dimensional CQ

In essence, CQ is based on multi-intelligence theory (Sternberg and Detterman 1986) and defined as a multifaceted construct (Earley and Ang 2003). Earley (2002) demonstrates CQ in three aspects: the body, face, and eyes. Both Thomas and Inkson (2004) agree that CQ has three components: intelligence, perception, and a range of behaviours. The following four dimensions (as shown in Figure 3.2) were further advanced by Earley and Ang (2003): (a) meta-cognitive, (b) cognitive and (d) behavioural CQ. These four dimensions of CQ are now a complex, multi-faceted component of current intelligence assessments (Sternberg and Detterman, 1986).

2.4.4 Metacognitive CQ

Meta-cognitive is a greater-level capacity to track, manage and use individual information and strategy (Butterfield, 1994). The definition is a cognitive science test, named "thinking about thinking" (Flavell, 1979) or "perception of perception" (Deonaraine, 1998). According to Flavell (1979), meta-cognition includes two specific components, including (a) metacognitive awareness, i.e., what and how to handle information acquired under a variety of conditions; and (b) meta-cognitive experience, i.e. where and how similar experiences can be incorporated into the framework of future relationships. It gives patience and sensitivity to the information of the hidden nonverbal clues (Davidson, Deuser and Sternberg, 1994) and it involves techniques before cross-cultural contact, the verification of false assumptions during interaction and the modification of cognitive cartographies, where perceptions diverge from expectations (Flavell, 1979). Persons with a more excellent meta-cognitive CQ would also be able to better understand, perceive and respond according to these signals. Thus, meta-cognition is a vital part of the CQ (Earley and Peterson, 2004).

Figure 1: Demonstration of the Dimensions of CQ



Source adapted from Earley and Ang (2003), Earley and Mosakowski (2004) and Ang et al. (2007)

The metacognitive CQ has three main aspects: the design, evaluation and implementation of the cognitive strategy (Earley and Peterson, 2004). Individuals must set a target and create a strategy to accomplish it in order to improve planning. This method involves gaining control over cognitive behaviours and tracking one's thoughts (Deonarine, 1998). Auto-monitoring involves assessing and becoming conscious of one's abilities, evaluating the need for future practice to improve a skill or control a situation (Earley and Peterson, 2004). The topic of self-monitoring is critical to achieving high rates of CQ as it helps to improve skills and prevent failure (Earley 2002).

Ultimately, the application of cognitive approaches in meta-cognition requires an understanding of the self-concerning the methods that managers may use to establish alternative strategies, awareness of specific interpersonal strategies, familiarity of when and how to use those strategies in certain conditions, and comprehension of how these various techniques are going to be successful (Earley and Peterson, 2004). In the initial step of the intercultural conference, preparation, self-supervision and cognitive approaches

interlink to the metadata component of the CQ model, where managers assess themselves and the position in an uncertain situation and generate compartments and solutions that can be implicit and controlled.

2.4.5 Cognitive CQ

The cognitive dimension pertains to people's understanding of a new culture and the awareness that they build up across a collection of facts (Earley, Ang, and Tang 2005). Earley and Ang (2003, p. 109) clarify that cognition requires "the knowledge of" things, "the knowledge of" how to do "things," the knowledge of why and when "and that the computation dimensions of knowledge dependent on the concept of the self-concept are concerned" (Markus and Wurf 1987). According to Markus and Wurf (1987), a person's personality, social identity and social roles are mental representations. Relevantly, Earley and Ang (2003) argue that knowing oneself is not enough for high CQ as knowledge is unlikely to provide flexibility; instead, versatile and useful self-concept management is necessary for high CQ, since experiencing new cultures may require the abandonment of especially post-existing conceptualisations and pre-existing understanding of how and why people factiously understand themselves.

Cognitive CQ skills are reflected in how new messages and information are incorporated and how new cultural meetings are interpreted using their definitions (Earley, 2002). A culturally intelligent person may reliably analyse the social environment to work effectively, as he or she understands what culture is, how different cultures are and how culture affects comports (Thomas and Inkson, 2004). This implies a broad yet extensive knowledge base of cultures and societies including political, cultural, religious and social relations.

2.4.6 Motivational CQ

The third dimension of CQ, motivation, relates to the ability of people to confront and absorb the new society and their determination to forge ahead in circumstances of difficulty (Earley and Peterson, 2004). Motivation has been seen as an essential element of multicultural understanding, as Earley (2002)

states that understanding cannot occur if the motivational side of cultural intelligence is low. Various studies have shown the near association between motivation and culture (e.g. Adler, 2002; Smith and Bond, 1999). Only cognitive comprehension of the new culture and the skills available do not qualify for an effective intercultural change. Moreover, adequate encouragement is required to achieve positive intercultural interaction (Earley, 2002).

Earley and Ang (2003) identify three essential elements of the motivational component of CQ, based upon the social learning theory (Bandura 1977). The goalsetting theory (Locke and Latham 1990) and cultural self-representation theory (Erez and Earley 1993), which include (b) continuity or retention of expectations and principles and (c) self-efficacy, and (d) the setting of objectives. The theory of social learning (Bandura, 1977) indicates that motivation occurs when cognitive illustrations of anticipated results generate a psychological image of the preferred result. As home and host culture differ, people would probably not be driven to alter actions when they have a strong desire to preserve familiarity (Williams, 2008). High-level tendency to uphold national expectations and principles will also lead to a lower resilience in the face of complications, instability and challenges in the host cultural climate. Persons without experience in new cultures will withdraw quickly after having difficulties with new adjustment (Earley, 2002; Thomas, 2006).

Second, the Principle of Self-representation (Erez and Earley, 1993) assumes that people get self-representation, personality-efficacy and an odd feeling in social encounters and experiences. The definition of self-efficacy refers to a measurement of one's ability to achieve a certain degree of efficiency (Bandura, 1986). This decision is a key motivating factor, as society continues to avoid tasks and circumstances that they think go beyond their capacity to take on or select tasks and situations that they feel are regulated (Erez and Earley, 1993). Self-efficacy plays an essential role in CQ, as positive intercultural interaction is focused on the sense of the effectiveness of an individual in the context of a new social discourse. Persons who doubt their own ability to understand and communicate with new cultures are disengaged after early

setbacks (Earley, 2002). Cultural wisdom thus represents self-concept and motivates and guides adjustment to a new cultural environment.

Thirdly, setting goals offers aims, path, results and input on productive activities and interaction (Locke and Latham 1990; Bandura 2002). Objective setting is a vital part of CQ's motivational dimension as the immediate benefit of setting goals is to guide adaptation policies in successful paths, to reinforce personal commitment to change and to continue in the face of disappointment or uncertainty (Earley and Ang, 2003). Persons with no goals will lack a basis for the self-assessment of completion of their duties because they are the targets and objectives that provide the responsibility and requirements for satisfactory completion (Bandura, 2002). The theories of motivation indicate that attitudes and acts of individuals are merely for motives that make them especially remarkable.

2.4.7 Behavioural CQ

CQ's ultimate meaning means more than thought (meta-cognitive), understanding what to do (cognitive) and being able to involve and persevere (motivational). This also requires individuals to have a fully defined conduct repertoire (Thomas and Inkson) and to be able to pick proper conduct from the repertoire and to conduct themselves culturally suitable under new cultural circumstances quickly (Earley, 2002). It describes the behavioural aspect of CQ as the ability to generate behaviours, which represents cognition and motivation (Earley and Ang, 2003).

Behavioural CQ is the opponent's position only detectable component of the CQ (Earley and Ang, 2003). CQ's most crucial element is behavioural CQ because meta-knowledge, awareness and motivation do not automatically translate into culturally appropriate actions, such as self-presentation, language skill and nonverbal conduct. It focuses on individual capacities at the level of behaviours and represents individual capacity in cultural interactions to demonstrate acceptable verbal and non-verbal acts (Thomas and Inkson 2004). In other words, having proper meta-cognitive, cognitive and motivational elements does not automatically guarantee behavioural QCs and habits which do not always represent meta-cognition,

cognition, and motivation which are not experienced by people in a new cultural environment. Self-presentation and theory of impression management (Goffman, 1978) helps explain the behavioural CQ paradigm. According to Goffman (1978), making an excellent first impression in an interaction requires a person to engage not only in verbal and nonverbal communication but also in kinesics, face expressions, proxemics and social clues that are different from culture. Earley and Peterson (2004) cited instances in which an individual could, but not because of deep reservations, know and want to conduct a culturally appropriate behaviours. Components of behavioural CQ include components of self-presentation, i.e., conscious or unconscious attempts to regulate self-images, language development, i.e. ability to speak foreign languages and non-verbal messages, i.e. body language communication. This means that those with high levels of behavioural CQ should be able to handle themselves in environments based on their varying verbal and nonverbal skills, such as the use of culturally appropriate words, sounds, movements, facial expressions and body language.

Significantly, Earley (2002) clarified the possible effect of imitation on high-level CQ behaviours. Chartrand and Bargh, (1999) study indicate that the actual emulation of the actions of the interlocutor results in higher satisfaction with the relationship, whether unconsciously or mechanically. According to Earley (2002), a highly behavioural CQ individual is a skilled imitator who can absorb and imitate the signs and comportments he has observed through observing others. If mimicry is intended, it is a form of cognitive strategy (Earley, 2002; Thomas, 2006). That is to say, although implicit and unconscious, imitation brings many beneficial advantages in a social setting and can be used as a tool to promote interaction. A high CQ person is a talented imitator even if the imitation is carried out unconsciously.

In summary, there have been few concerns regarding the overall conceptualisation of the four-dimensional CQ model (Earley and Ang, 2003). Hampden-Turner and Trompenaars (2006) have described the most common objections. Criticism of cultural knowledge mainly says, according to Hampden-Turner and Trompenaars (2006), that cultures are considered largely subjective in their values, and it is, therefore,

unfair to have one culture smarter than another; (ii) cultural studies are called postmodernism, although one core concept of culture is modernist –impartations. In their statement, Hampden-Turner and Trompenaars (2006) answered each of the criticisms and supported in management research the validity of the CQ definition. It is important to remember that many of these criticisms are made by researchers who find cultural wisdom at the macro level as a cultural factor rather than at the micro-level. Table 4 summarises the most important work in improving the conceptualisation of CQ and its implementations.

Table 4: Conceptualisation and Applications of CQ

Authors	Conceptualisation of CQ	Constituent Dimensions	Applications
Earley, 2002; Earley and Ang, 2003	The aim is to adapt successfully to new cultural environments as an individual capability.	<ul style="list-style-type: none"> • Mind-Cognitive (including meta-cognitive dimension) • Heart-Motivational • Body-Behavioural 	<ul style="list-style-type: none"> • Global assignment success • Diversity assignments • Training methods
Thomas and Inkson, 2003	Established as skills to understand intercultural interactions, to develop a careful approach to intercultural interactions and build adaptive abilities and a repertoire of behaviours in order to be effective in different intercultural circumstances.	<ul style="list-style-type: none"> • Knowledge • Mindfulness • Behavioural Skills 	<ul style="list-style-type: none"> • Cross-cultural decision making • Cross cultural communication
Earley and Mosakowski, 2004	Established as an obviously normal capacity to perceive unknown and contradictory behaviours in the same way as people's fellow countrymen and colleagues, also to mirror them.	<ul style="list-style-type: none"> • Cognitive • Physical • Emotional/Motivational 	<ul style="list-style-type: none"> • Appropriate behaviours in new cultures
Earley and Peterson, 2004	Defined as the capacity of a individual to gather, analyse and act on dramatically different information to function efficiently in cultural or multicultural contexts.	<ul style="list-style-type: none"> • Meta-cognitive • Cognitive • Motivation • Behaviours 	<ul style="list-style-type: none"> • Intercultural training • Multinational teams
Earley, Ang and Tan, 2006	Defined as a capacity of a person to adapt successfully to new cultural environments, unfamiliar environments due to cultural contexts.	<ul style="list-style-type: none"> • Cultural strategic thinking • Motivation • Behaviours 	<ul style="list-style-type: none"> • Diversity assignments • Global work assignments • Global teams
Thomas, 2006	The capacity to communicate effectively with culturally diverse individuals has been invented.	<ul style="list-style-type: none"> • Knowledge • Mindfulness • Behaviours 	<ul style="list-style-type: none"> • Development • Assessment

Ang et al., 2007	Defined as the ability of an individual to operate and manage culturally diverse environments effectively.	<ul style="list-style-type: none">• Meta-cognition• Cognition<ul style="list-style-type: none">· Motivation· Behaviours	<ul style="list-style-type: none">• Cultural judgment and decision making<ul style="list-style-type: none">· Cultural adaptation· Task performance
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2.5 Empirical Studies on CQ

Since CQ was established during the last decade, a relatively small number of studies have thus far been conducted, the suggestion, however, points to a growing methodological rigor. Empirical CQ studies are primarily based on its relations concerning five characteristics (e.g., Ang, Van Dyne, and Koh, 2006), aesthetic judgement, decision-making and task efficiency (e.g., Ang, and coll., 2007), cultural adaptation (e.g., Templer, and coll., 2006; Ang et al., 2007). Table 3.2 sums up past research studies on the CQ with a brief overview of the problems tackled and not dealt with, to better understand how the four CQ variables influence individuals in modern cultural environments. The results of these representative studies indicated that CQ is associated with a wide variety of personal, professional and outcome variables as an individual level structure. CQ has been shown to occur in many populations, including students, expatriates, foreign employees and international managers; employing many factors such as aesthetic judgement tasks, the standard of business proposals produced through mutual intercultural interaction, adjustment to foreign assignments.

Table 5: Summary of Empirical Studies on CQ

Authors	Context	Data Analysis Technique	Description of work	Issues not covered
Ang et al. (2006)	338 business undergraduates	Hierarchical regression analysis	There were significant relations between CQ, and five personality features examined. (i) Meta-Cognitive CQ and awareness; (ii) cognitive, motivational and compartmental QC expression; (iv) openness with all four CQ factor factors; and (iii) emotional control and emotional stability.	The first study to study personality and CQ, the model is incomplete. Relationship supervisors are absent to determine more restricting criteria for the results.
Templer, Tay, and Chandrasekar (2006)	157 global professionals in Singapore	Hierarchical regression analysis	Examined the relationships between motivational CQ and socio-cultural adjustment. Positive relationships were found between motivational CQ and socio-cultural adjustment (i.e. work adjustment, general living condition adjustment, and host country international adjustment).	-Other three dimensions of CQ not covered. -Psycho-Cultural adjustment outcome not covered. -More host countries in broader contexts are needed to for further validate the findings.
Ang et al. (2007)	Study1: 593 undergraduates from the U.S. and Singapore; Study 2: 98 international managers temporarily in Singapore; Study 3:103 foreign professionals in Singapore.	Hierarchical regression analysis	Examined the relationship between the four dimensions of CQ and three intercultural effectiveness outcomes (i.e., cultural judgment and decision making, task performance, and cultural adaptation). -Meta-cognitive CQ and cognitive CQ were found to be predictors of cultural judgment and decision-making. Motivational CQ and behavioural CQ predicted cultural adaptation. -Meta-cognitive CQ and behavioural CQ predicted task performance. Cross-validated CQS.	- Individual level predictors not covered. -Consistency of design was sacrificed for breadth of findings - Ignored other antecedent variables for other aspects of cultural adaptation.
Tarique and Takeuchi (2008)	221 undergraduates in an American university	Hierarchical regression analysis	Examined the relationships between CQ and international non-work experience.	

Higher numbers of non-work experience was associated with higher levels of CQ.

Table 6: Summary of Empirical Studies on CQ (Continued)

Study	Context	Data Analysis Technique	Description of work	Issues not covered
Tay et al., (2008)	491 business travelers in Brazil, Singapore, and Israel	Hierarchical regression analysis	Examined the relationships between CQ and multicultural experiences and need for control. Multicultural experiences were positively related to cognitive CQ. Need for control was positively related to all four factors of CQ.	Influence of multicultural experiences and need for control have been examined rather than overall cross-cultural adjustment.
Shokef and Erez (2008)	191 MBA students in Israel, Hong Kong, Spain, South Korea, and the U.S.	Hierarchical regression analysis	Examined the effects of working in multicultural teams on CQ and global identity. Working in multicultural teams enhanced the development of meta-cognitive, behavioural, and motivational CQ, and global identity.	As the scope of study was large, there is no narrow focus on multicultural teams.
Balogh et al. (2011)	1242 students in Hungary	Hierarchical regression analysis	Examined the relationships between CQ levels and desired organisational culture. Students with higher levels of CQ preferred to work in an organisation with a culture of adhocracy rather than hierarchical culture. Students with low cultural intelligence prefer hierarchical organisations that value stability, predictability and control.	The study treats CQ as a fixed personal characteristic and neglects the development of CQ and change of CQ levels throughout lifetime experience.

Ramalu et al. (2011)	332 expatriates in Malaysia	Hierarchical regression analysis	<p>Greater general adjustment is related to greater motivational and meta-cognitive CQ.</p> <p>Interaction adjustment is associated with greater motivational, meta- cognitive and cognitive CQ.</p> <p>Greater work adjustment is related to greater motivational CQ.</p> <p>Motivational component of CQ is the only dimension of CQ that is significantly related to all three dimensions of adjustment.</p>	<p>The study limits the examination of cross-cultural adjustment to socio-cultural adjustment alone.</p> <p>Psycho-cultural adjustment issues are not covered.</p>
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2.6 CHAPTER SUMMARY

CQ is an area of intelligence that provides an integrated range of skills that are important to culturally diverse circumstances. It shares some characteristics with EQ, SQ and personality, but varies from the essence of skills, personalities and other types of intelligence because CQ is innately culturally free. CQ's four dimensions are meta-cognitive, cognitive, motivation and behaviours. In particular, meta-cognitive CQ represents a higher mental capacity to learn and understand cultural awareness. The second cognitive dimension of CQ represents the cultural information and information systems acquired and procedural. The third motivating factor is that most awareness is driven and represents the capacity of individuals to channel energy in intercultural contexts to learn about and work. Eventually, behavioural CQ is the capacity to demonstrate correct verbal and nonverbal behaviours.

Prior empirical studies have shown that CQ Build adequately predicts expatriate cultural judgement, decision-making and task efficiency (Ang et al., 2008), cultural adjustment (Templer, 2006; Ang et al., 2007; Williams, 2008; Ramalu, 2011), intercultural interaction and control need (Tay, Westman, Chia, 2008), cross-border multicultural teams (Shokef and Erez, 2008). The value of CQ conceptualisation remains at an early stage in the cross-border buyer-seller relationship (Sharma, 2019; Magnusson et al, 2013), which makes it significant for researchers to examine the effect CQ has had on psychic distance in the sense of buyer-seller relationships. The next chapter provides a conceptual structure to connect these ideas.

CHAPTER 3 – CONCEPTUAL FRAMEWORK

3. INTRODUCTION

This particular chapter aims to tie the ideas of chapter 2 and 3 together; and build a conceptual framework, based on psychic distance and cultural intelligence literature. This chapter is organised as follows—first, the conceptual development. Second, the proposed framework based on theoretical arguments; and finally, an outline of hypothesis and chapter summary.

3.1 CONCEPTUAL DEVELOPMENT

This thesis aims to examine the import manager's CQ on their perception of their foreign export counterparts' psychic distance, and ultimately their relational and financial performance. This work is rooted in the resource advantage theory of Hunt and Morgan (1995), which views the organisation as being an inconsistently flexible resource. Organisations thus gain competitive positions on the foreign market by creating and exploiting exclusive blends of unique resources, (Hunt and Morgan, 1995; Hunt 2000). Some of the most common ways to effectively develop and retain a competitive lead in global business relations would be through its managers. (Chandra et al., 2012; Griffith and Lusch 2007; Hitt et al. 2001; Moeller and Harvey 2011). Managers have unique abilities, experience, principles and attitudes that can dramatically alter global management (Griffith and Lusch 2007; Nath and Mahajan 2011). (Griffith and Hoppner 2013; Magnusson et al. 2013; Sousa, Ruzo, and Losada 2010). Given its effect on a wide range of import relationship phenomena, the import manager's CQ is especially essential.

Ang et al. (2007) develops on Earley and Ang (2003) and Earley and Mosakowski (2004) and describes CQ in a cultural sense as a particular type of intelligence based on ability to learn and act effectively in the different cultural context. While this definition has been identified in the literature on international human resources management (e.g., Chen et al. 2010), it has hardly been used in international

marketing literature. CQ is operationalised as a four-dimensional construct consisting of (1) metacognitive, (2) cognitive, (3) behavioural, and (4) motivational dimensions. Ang et al. (2007) describe all four dimensions: metacognitive CQ as the psychological processes engaged by people to establish and appreciate cultural awareness. Cognitive CQ represents the experience and interpretation of the norms, traditions and customs of individuals in various cultures. Behavioural CQ means behaviours of people rather than thoughts that reflect their ability to demonstrate appropriate verbal or nonverbal acts in culturally specific contexts. Ultimately, Motivational CQ represents the intellectual capacity to use resources vital to finding solutions efficiently.

Whereas as treated a multidimensional construct, pioneer works of CQ view it as a cumulative variable (Magnusson et al., 2013). CQ is noticed to improve the effectiveness of intercultural negotiations (Imai and Gelfand, 2010), promote social network capacity (Siegel 1994) and allow foreign firm managers to set culturally relevant goals and more efficiently and effectively execute organisational innovations (Elenkov and Manev, 2009). Nevertheless, researchers contend that facets of CQ can influence different outcome variables and should, therefore, be taken into consideration separately (Ang et al. 2007; Chua, Morris, and Mor, 2012; Sharma, 2019). Since the CQ framework disintegrates into its component dimensions. Ang et al. (2007) observed that although the metacognitive CQ is substantially linked to aesthetic judgement and decision. Motivational CQ is connected with intercultural communication change and well-being (Aug et al. 2007).

Metacognitive and motivational cultural intelligence is especially relevant in international marketing literature for three specific reasons (Magnusson et al. 2013). First, metacognitive CQ is much more than informational consciousness, as it captures comprehension of perceived cultural differences, prepares for the use of the information without a cross-cultural meeting and tests and recalibrates beliefs or psychological structure when perceptions and actual experiences vary. (Ang et al. 2007). In particular, people with high metacognitive more comprehend mechanisms and transactions as they are tracking their

development, recognising possible cultural misconceptions and changing their actions in compliance with culture. (Elenkov and Pimentel 2010). Many scholars have thus discovered that metacognitive CQ is perhaps the most critical dimension in the CQ aspect as it connects cognition and behaviours. (Chua, Morris, and Mor 2012; Thomas et al. 2008).

Secondly, an individual's capability is not grasped by motivational CQ, instead centers on the ability to acquire a piece of knowledge about various cultures and an element of self-efficacy (that is, belief in one's capacity). The motivational component of the CQ, therefore, encompasses a narratively specific aspect by concentrating on motivation rather than on actual abilities (Chen et al. 2010). Besides, motivation CQ is a more significant dimension than cognitive and behavioural CQ, as it offers agentic influence of the impact, cognition and conduct that promotes the achievement of objectives (Chen et al., 2012). Additionally, since they are an aspect of tautology in the four various dimensions of CQ (Thomas 2010), this research may suggest that far more motivated people have more skills; this may not be the case.

A third explanation of why more attention has been paid to motivational and metacognitive CQ has been that, besides conceptual considerations, it is especially crucial to operate cognitive and behavioural CQ. Established CQ measures (e.g., Ang et al. 2007) requires interviewees to explain facets of their CQ, not to illustrate them critically. Rather than asking study participants regarding their understanding and behaviours, better cognitive and behavioural assessments would necessitate participants to engage in critical thinking and to explain culturally rational behaviours (Ward and Fisher 2008).

Correspondingly, this work indicates that motivational and metacognitive CQ is of specific interest in buyer-seller relationship management processes and establishes clear explanations for each aspect from the previous arguments and endorsed literature. Motivational and metacognitive CQ may be argued to lead to an overall successful buyer-seller relationship management mechanism (Magnusson et al., 2013). Motivational and metacognitive CQ also leads to productive cross-cultural cooperation (Rockstuhl and Van

Dyne, 2018). Additionally, the literature emphasises on the CQ's role in implementing strategic decisions in global business relations management (Rockstuhl and Van Dyne, 2018). Indeed, how CQ aspects impact on strategic decisions interactively has not been well acknowledged. (Rockstuhl and Van Dyne, 2018). Therefore, considering the cultural and social dynamism, contradictions and unforeseen consequences (Kostova et al. 2008), psychic distance challenges must be carefully managed by buyer-seller relations managers.

Psychic distance is the individual perception of both cultural and business difference between an import buyer and of their foreign exporter counterpart (Klein and Roth 1990; Sousa and Lages 2011; Bello and Gilliland 1997; Johanson and Vahlne 1977). In the literature, there are contradictory directions of conceptualising and operationalising psychic distances. One is an objective empirical approach focused on empirical data and quantitative discrepancies between countries (e.g., number of kilometers between countries, per capita domestic product, e.g., Brewer 2007; Dow and Karunaratna 2006). The other being the subjective approach that utilise perceptions-based technique in collecting primary, individual data (Klein and Roth 1990; Evans, Mavondo, and Bridson 2008; Sousa and Lages 2011). Psychic distance in the buyer-seller perspective has widely utilised a subjective approach. Evans and Mavondo (2002a) assert that psychic distance is the processing of cultural and business differences that form the basis of psychic distance in terms of perception. The practical implementation of any channel interaction, therefore, constitutes an informal mechanism informed by perceptual construct (Katsikeas, Skarmeas and Bello, 2009).

Import managers have unique features in the management of buyer-seller relationships, but one that psychic distance affects. Smith et al. (2011) suggest that psychic distance ought not to be perceived as a barrier that similarly affects every organisational manager. The assumptions of an import manager as to the differences between a foreign export counterpart's operating environment can vary due to various personal interactions (Smith et al. 2011). Therefore, it is vital to investigate the individual level psychic distance (Sousa and Bradley, 2006; Ellis, 2007) since it is the manager making the decision to perceive

psychic distance and not the firm themselves (Smith et al., 2011). Therefore, it is essential to consider psychic distance at the individual level, particularly for management, in terms of the psychic distance held by individual managers (Evans and Bridson, 2005; Smith et al., 2011). The perception of the cultural and business difference between an import buyer and of their foreign exporter counterpart to a certain extent depends on prior managers' experiences that occur at the individual level and not at the national or firm level (Sousa and Bradley, 2008). The most suitable unit of analysis to measure psychic distance is the individual rather than the macro-level variables (O'Grady and Lane, 1996; Petersen and Pedersen, 1997; Evans and Mavondo, 2002; Dow and Karunaratna, 2006; Sousa and Bradley, 2006, 2008; Ellis, 2007, 2008; Dow and Ferencikova, 2010; Smith et al., 2011). Sousa and Bradley (2008) also stress that existing metrics in the literature measure the psychic distance at very high scales. O'Grady and Lane (1996), state that the national level operationalisation of psychic distances might neglect variations within regions.

This research focuses on the conceptualisation and operationalisation of psychic distance introduced in the literature by Klein and Roth, (1990); Sousa and Lages, (2011). They assessed psychic distance in terms of cultural and business differences. Their conceptualisation measured cultural variations in terms of values, tradition and language and business conceptualised as differences in the economic development, business practice, communication infrastructure, legal and political system. Since management perception affects decision making (Griffith and Lusch 2007), the perceptions of import managers of various aspects of psychic distance are likely to affect their decision making separately when interacting with their foreign counterparts.

The present literature indicates that buyer-seller relationships are established to better interact with the right combination of resources (Hunt, 2000). These experiences enable the organisation to strengthen its interaction and aid financial performance. The effectiveness of buyer-seller interactions has been central to this field of study. A wide variety of approaches have been undertaken to understand performance, including relational, financial, strategic, export and economic performance (e.g., Obadia 2013; Hultman,

Katsikeas, and Robson 2011; Katsikeas, Samiee, and Theodosiou. 2006; Morgan, Kaleka, and Katsikeas 2004; Zou, Taylor, and Osland 1998). Of these approaches, relational and financial performance has considerably been employed frequently in the marketing literature (e.g., Leonidou et al., 2019; Leonidou et al., 2017; Leonidou et al., 2011). This method is especially useful when working to understand the strategic decision of the import manager towards developing and maintaining a relationship with the foreign export collaborator as it focuses on how the relationship meets the requirements of the manager.

Although import managers aim to establish and execute strategies for sufficient cross-border business ties, the cultural and business differences of their international export counterparts make it challenging to enforce this strategic decision. (Anderson and Gatignon, 1986; Li, and Ng, 2002a). Nevertheless, culturally intelligent managers can assess and decipher cross-cultural experiences beyond their narrow country borders, thereby reducing perceived psychic distances and improving their relational and financial performance with the foreign counterpart (Sharma, 2019).

Combining these arguments lays the foundation for this research's conceptual framework (see Figure 1). Explicitly, the model portrays the direct effects of motivational and metacognitive CQ on psychic distance and its ultimate influence on relational and financial performance.

3.2 HYPOTHESIS DEVELOPMENT

3.2.1 Metacognitive CQ and Psychic Distance

Metacognitive CQ pertains to the psychological processes used by people for attaining and understanding cultural knowledge and appropriate capabilities include the design and revision of psychological, cultural standards feature to countries or groups of people (Ang et al. 2007). Metacognitive cultural intelligent people are mindful of the cultural norms of others, challenge cultural expectations and change their psychological frame with experience and awareness of their mental processes (Brislin et al. 2006). Metacognitive CQ is awareness of higher-order and goes beyond merely recognising differences and

disparities in economic, political and cultural environments (Sharma, 2019). For a productive buyer-seller relationship, scholars claim that import managers preferably have any or all of the following soft skills (e.g., tacit experience, cognitive capability). (Griffith and Hoppner, 2013). This research attributes metacognitive CQ as a useful skill and suggests that associations with the decision-making process of the buyer-seller. Importers with a strong metacognitive CQ are more likely to consider the cultural expectations of others and can challenge cultural beliefs (Ang et al. 2007). Also, literature has described metacognitive CQ as thinking about thinking, including monitoring processes and improving one's thinking and strategies when learning new skills (Chua, Morris, and Mor 2012). Correspondingly, metacognitive CQ is required to strengthen the cross-cultural competences by recognising the motivation and behaviours of a trading counterpart based on their cultural backgrounds and greater cognitive versatility, thus minimising perceived psychic distance (Ang et al. 2007; Magnusson et al. 2013).

Based on this reasoning, import managers with high metacognitive CQ can indulge in efficient self-regulatory practices, such as awareness-raising and inspection, thus reducing unintended effects of cultural knowledge and utilising cultural knowledge better (Van Dyne et al., 2012). Cultural understanding and contexts lead to better use of cultural knowledge and allow for accurate interpretation and the application of cultural knowledge. In addition, import managers with high levels of metacognitive CQ are probably more suited than managers with low levels to interpret cultural activities in the target market because metacognitive CQ improves interpretative judgement as well as decision-making (Ang et al. 2007). This study argues that metacognitive understanding, with its associated cognitive mobility, is more important than knowing just about conventional culture practices of people from different cultures. Since psychic distance influences strategic international marketing decision making, import managers with high metacognitive CQ can better understand, analyse and execute international marketing strategies than managers with low metacognitive CQ. Based on the above discussion, we hypothesise that:

***H1:** The higher the metacognitive CQ of import manager, the lower the psychic distance.*

3.2.2 Motivational CQ and Psychic Distance

Motivational CQ is the ability to focus mental energy on mastering and working in situations denoted by cultural diversity. (Ang et al. 2007). Besides, motivational CQ is an individuals' capacity to use awareness and resources efficiently to resolve issues in diverse cultures (Ang et al., 2007). Bandura (2002) points out that people with highly motivated CQ are also involved and comfortable in achieving success in culturally diverse circumstances. Ang et al. (2007) also offer essential evidence for the effect on cultural interaction of motivational CQ. They contend that it is challenging to work in foreign cultural environments because of variations in expectations and behaviours. Motivational CQ helps to habituate and reduce perceived cultural differences (Sharma, 2019). Motivational cultural intelligent individuals are inherently driven and culturally unconscious (Magnusson et al., 2013; Sharma, 2019). This leads to cross-cultural interactions that contribute to their successful comprehension of cross-cultural environments (Peng et al., 2015). Cultural ego-efficacy means an examination of the capacity to succeed in a multicultural setting. (Bandura, 2002; Templer et al., 2006). Such people acknowledge cultural diversity and cherish interaction with people from various cultures. Therefore, an import manager with high motivational CQ should be mindful of cultural diversity and will be able to manage psychic distance issues while making strategic management decisions effectively. Since their internal drive and self-effectiveness, managers are driven and willing to handle obstacles due to perceived cultural differences.

It is therefore anticipated that an import manager with a high motivational CQ would respond to psychic distance challenges with information and a greater understanding. Being able to understand the market dynamics of trading partners provides import managers with highly motivated CQ with guidance on their intrinsic interest in other cultures and the confidence in the capacity to effectively habituate to other cultures (Magnusson et al., 2013). In comparison, an import manager with low motivational CQ is required to behave more uniformly while making international marketing decisions. Motivational CQ stimulates managers to grasp their business partners' working environment by raising expertise, thus

enabling import managers to understand inconsistencies between the economic, political and cultural environments of overseas counterparts. Based on the above discussion, we hypothesise that:

H2: The higher the motivational CQ of import manager, the lower the psychic distance.

3.2.3 Psychic Distance on Relational and Financial Performance

Psychic distance reflects the perceived differences of both cultural and business distance between the operating environment of the exchange partner (Klein and Roth, 1990; Sousa and Lages, 2011). Psychic distance dissuades parties from supporting one another to accomplish their goals since their different business practices, values, economic and legal processes will lead to adverse action. (Leonidou, Barnes, and Talias 2006). In the global market environment, the culture, language, communication method and other differences between an importer and their oversea counterparts are further intensified (Stöttinger and Schlegelmilch 1998), in the context of a greater psychic distance, the information required to prove that a partner keeps commitments and meets standards is inadequate, which can lead to uncertainty as to the actual role and duty in the business relationship (Magnusson and Boyle, 2009). Psychic distance also hampers the proper functioning of trade relationship as it prevents the accomplishment of commitments (Katsikeas, Skarmeas, Bello 2009), drastically alters the essential exchange of information between counterparts (Nes, Solberg and Silkoset 2007) and lowers the shared concern for the achievement of common aims (Leonidou, Barnes and Talias 2006).

The drawbacks of psychic distance could result in a loss of cohesion of relationship activities (Andersen, Christensen, and Damgaard, 2009), hinder the appropriate flows of resources among the exchange parties (Jean, Sinkovics, and Kim, 2017). Therefore, both direct (e.g., transaction) and indirect (e.g., control) costs increase at high psychic distances, which have an adverse effect on financial performance (Durand et al., 2016; Sachdev and Bello 2014). Based on the above discussion, we hypothesise that:

H3: The lower the import manager's psychic distance, the higher the level of their relational performance.

H4: The lower the import manager's psychic distance, the higher the level of their financial performance.

3.2.4 Relational and Financial Performance

Relational performance is the involvement of one organisation in assisting another reach its goal by managing strategic efforts and improving market practices (Kumar, Stern and Achrol 1992). This illustrates how much the trade counterpart executes its position within the relationship exchanges (Frazier, Gill, and Kale 1989). This may include for instance, in the context of importers, the availability of quality of goods, technical support and supply chain management, proper knowledge of the goods being handled for exporters, the compilation and storage of customer information; and support, supply and the marketing of the Items (Obadia and Vida 2011). The development of mutually supportive and balanced relationships helps to establish inter-organisational processes and procedures that enable better evaluation of different market conditions and trends (Leonidou, Katsikeas, and Hadjimarcou 2002). Also, in a proper working relationship, all exchanges must always be satisfied with the aspect's efficiency (e.g. high-quality products) and profitability (e.g. low-cost procurement) (Selnes and Sallis 2003). Such characteristics will eventually result in reduced costs, higher efficiency, greater revenue, improved profitability as well as other favorable financial performance. (Obadia, 2010; Obadia and Vida 2011). Based on the above discussion, we hypothesis that:

H5: The higher the relational performance in buyer-seller relationship, the better the financial performance.

3.2.5 The Mediating Role of Psychic Distance

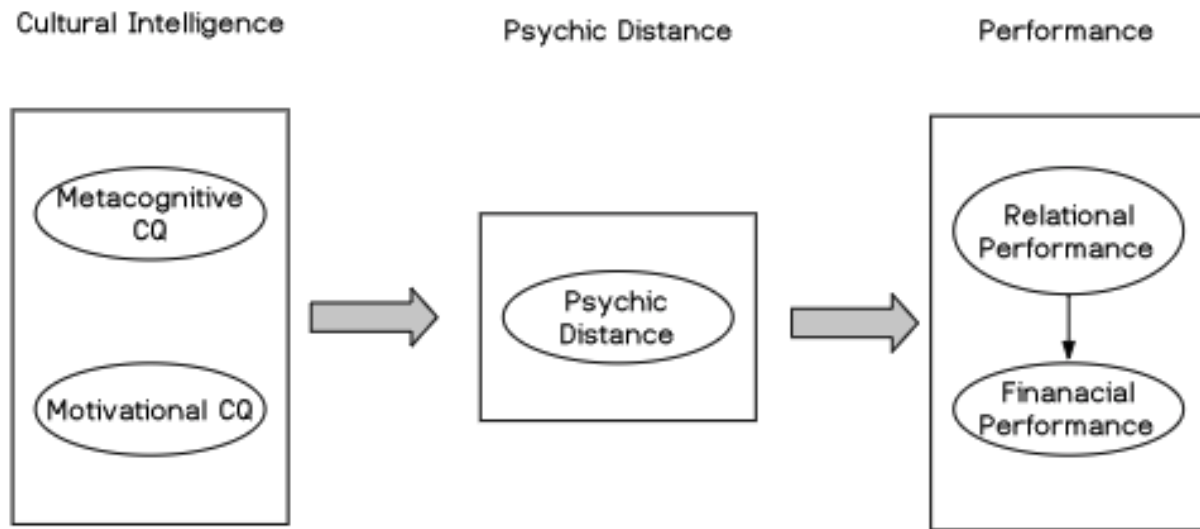
In examining the mediating role of psychic distance, we argue for two relationships: 1) how CQ reduces psychic distance, 2) how reduced of CQ psychic distance contributes to a superior relational and financial performance. In the previous section, we have argued and hypothesised that CQ contributes negatively to psychic distance. In summary, this thesis argued that managers with high CQ seem to be more conscious of, suspend presumptions, adjust behaviours and are less likely to engage in ethnocentric

reactions. Recent studies also show the significant impact of CQ on different elements of cultural diversity, such as relational performance (Egwuonwu, Sarpong and Mordi 2020), negotiations (Groves et al., 2015) and collaborations (Chua et al., 2012). In terms of the impact of psychic distance on the outcome, relations with former clients have been recognized as an important factor in improving performance (Sharma et al., 2016; Egwuonwu, Sarpong and Mordi 2020). The resulting blend of resources and capabilities helps to reduce transaction costs and increase productivity. (Dyer and Singh, 1998). The impact of relationships has been found to result in an 8.5% increase in willingness to pay (Elfenbein and Zenger, 2014 p.237) and an increase in the value of mutual ventures by at least 15% (Enlow and Ertel, 2006). Moreover, they lead to positive outcomes in unfamiliar environments as business partners become a good source of learning (Yu and Sharma, 2016 p. 32).

Psychic distance enhances and creates anxiety and uncertainty (Kostova et al., 2008). However, CQ fills gaps in cognitive assessments and abilities, and thus helps to overcome psychic distance challenges (Sharma, 2019; Egwuonwu, Sarpong and Mordi 2020). The knowledge gained through the skill and competence of business partners reduce uncertainty, which in turn helps manage cultural differences, and thus leads to enhanced relational and financial performance. Based on the above discussion, we hypothesize that:

H6: Psychic distance mediates the association between the CQ facets and relational and financial performance.

Figure 2: Conceptual Framework



3.2.5 Conceptual Hypotheses Summary

Based on the above objectives and the conceptual arguments, the following hypotheses were formulated.

H1: The higher the metacognitive CQ of import manager, the lower the psychic distance.

H2: The higher the motivational CQ of import manager, the lower the psychic distance.

H3: The lower the import manager's psychic distance, the higher the level of their relational performance.

H4: The lower the import manager's psychic distance, the higher the level of their financial performance.

H5: The higher the relational performance in buyer-seller relationship, the better the financial performance.

H6: Psychic distance mediates the association between the CQ facets and relational and financial performance.

This thesis aims to examine the import manager's CQ on their perception of their foreign export counterparts' psychic distance, and ultimately their relational and financial performance. The study proposed that the CQ dampen the effect of psychic distance between buyer-seller relationship partners, thus enhancing relational and financial performance.

3.3 CHAPTER SUMMARY

This chapter explored the theoretical outcome between CQ and psychic distance, combined ideas and provided a conceptual framework based on psychic distance and CQ literature. The study is rooted on the resource advantage theory of Hunt and Morgan (1995), which indicates that the human resources can produce competitive advantages when the capabilities and abilities of the import manager are useful and difficult to imitate. The resource advantage theory allowed the analysis to draw comparisons between the studied variables. The chapter ended with a development the study's hypothesis.

CHAPTER 4 – RESEARCH METHODOLOGY

4.1 INTRODUCTION

The preceding chapter outlined the formation of a conceptual model and a list of hypotheses based on the critical review of the literature. This present chapter documents the methodology used in this thesis. The purpose is to determine the most effective technique for validating the conceptual framework proposed in this study. Consequently, it is essential to determine how to undertake an experiential work properly and why specific procedures were chosen in the experiment in order to achieve reliable results.

4.2 RESEARCH PHILOSOPHY

Research philosophy is how researchers decide whether the essence of science should be established (Collis and Hussey, 2014). In order to clarify an inevitable phenomenon in a particular research context, knowledge acquisition is useful (Bryman and Bell, 2011). This section discusses two major philosophies in social science research: positivism and interpretivism. Positivism relates to experimental methods used by researchers in order to define and evaluate the attributes of physical reality and even beyond (Bryman and Bell, 2011). Positivism is based on specific concepts; according to Collins and Hussey (2014), these concepts include fact or cause-effect relationships in social science. Positivism is in this respect a quantitative method in the social sciences which can be used to test theories and assumptions to improve human mindset and attitude comprehension (Bryman and Bell, 2011). While positivism believes that models and quantitative analysis can clarify anything, interpretivism is a case-by-case interpretation of phenomena (Bryman and Bell, 2011). Interpretivism accepts variations in social and natural sciences between individuals and objects (Bryman, 2015). Additionally, research must consider the subjective nature of social science in order to represent these variations (Collis and Hussey, 2014). It means that individuals communicate with their subject matter and then co-create information through their collaborative

conversation (Bryman, 2015). Academics use a qualitative technique to explain social experiences within this framework. Since the emphasis of this analysis is on evaluating a phenomenon based on an empirically tested theoretical framework of hypotheses, interpretivism, as discussed in the next section, would be an unsuitable method for this study.

Table 7 outlines the characteristics of these two distinct philosophies (Collis and Hussey 2014). Both philosophies influence study in positive and negative ways. Therefore, both philosophies must be specified to choose the most suitable philosophy for conducting this study.

Table 7: Fundamental characteristics of positivism vs interpretivism

Positivism	Interpretivism
Used most probably with quantitative data.	Using with qualitative data most likely
Uses big samples	Small samples are used
Hubs on testing hypothesis	Refers to the development of hypothesis and theory
Data are very precise and reliable	The knowledge is rich and subjective
Conclusions based on low validity and high reliability are reliable and precise	The tests are credible and precise because of their high validity and low uncertainty.
A sample population will generalise findings	From one place to another the results can be generalised

Source: Collis and Hussey (2009, p. 62)

4.2.1 Justification for Implementing Positivism

After the different explanations behind positivism and interpretivism were taken into account. For the following reason, the researcher selected the philosophy of positivism for this research. First, regardless of the ontological assumption that the researcher might have a pre-existing awareness of the study outcome. This study focuses on the fact to examine if CQ dampens the impact of psychic distance in the relationship between buyer and seller; thus, it necessitates a social fact to prove these relationships. Second, researchers' examination of a relationship does not affect the nature of the relationship (Bryman, 2015), which in this study, is the role played by CQ on the psychic distance and their effects on relational and financial performance. Third, the appropriate research philosophy should be based on the need and nature of the research problem (Collis and Hussey 2014). Positivism is therefore consistent and positive in the

sense of this research, considering that this research aims at validating the proposed theoretical model and hypothesis empirically.

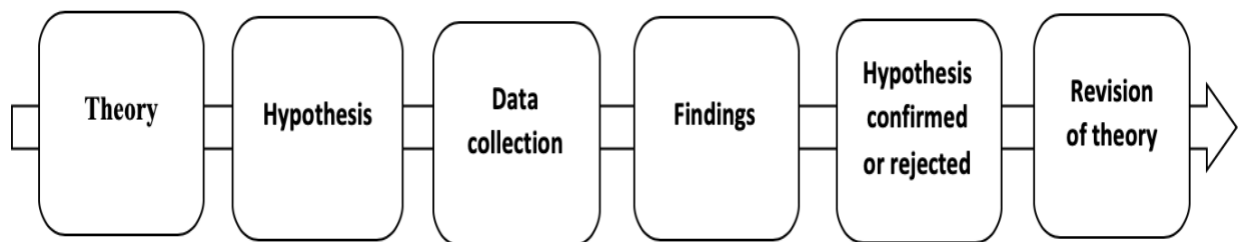
4.2.2 Research Approach

Since this thesis has followed the model of positivism, it is essential to determine which approach to analysis is crucial. Researchers typically use two primary analysis approaches: quantitative and qualitative (Collis and Hussey, 2014).

4.2.3 Quantitative and Qualitative Methods

The quantitative tactic is often related to positivism, which primarily strives to investigate a concept for a broader comprehension of a phenomenon (Saunders et al., 2016). Consequently, in data collection and analysis, quantitative approaches emphasise quantification (Bryman 2015). As shown in Figure 8, a quantitative study usually consists of six thrusts: (1) hypothesis selection; (2) creation of hypotheses; (3) data collection; (4) results; (5) validation or dismissal of hypotheses; and (6) hypothesis revision (Bryman 2015).

Figure 3: Six main Phases of the Deductive Method



Source adapted from Bryman (2015, p. 150).

In comparison, qualitative studies are correlated with interpretivism, in which researchers rely rather than objective data on the compilation and study of thoughts, words and perspectives (Collis and Hussey 2014). Qualitative research is related to the inductive method, which creates a new theory from the study (Collis and Hussey 2014). Researchers discover a particular phenomenon in the inductive

approach in order to develop a new paradigm (Bryman, 2015). Table 8 as alluded to in Saunders et al. (2016) indicates the critical differences between quantitative and qualitative approaches.

Table 8: Quantitative and qualitative methods as it relates to this research

Areas	Quantitative	Qualitative	This study
Features	Investigates the relation between numerically calculated and statistically evaluated variables	Analyses the meanings and relationships of participants across a range of data collection technologies to establish a new theory	Quantitative
Role of theory in research	Deductive	Inductive	Deductive
Research philosophy	Positivism	Interpretivism	Positivism
Research strategy	Experimental surveys	Theory, analyses of events, storytelling, and ethnography	Experimental surveys

Source: Saunders et al., (2016, p. 127)

As presented in Table 5.2, Saunders et al. (2016) differentiated quantitative and qualitative approaches within four subgroups: features, theory in a research position, research philosophy and research strategy. As discussed in the following section, this study took a quantitative approach.

4.2.4 Justification for Implementing Quantitative Method

Collis and Hussey (2014) highlighted that a research methodology would be chosen based on the research's aims and objective. This thesis aimed to establish a conceptual model with the hypothesis to examine the role of import managers CQ on their perception of their oversea counterparts' psychic distance, ultimately their relational and financial performance based on current literature. The study thus took a quantitative method for evaluating the data obtained to test the hypotheses.

There are many reasons why a quantitative method should be implemented. The present research first established hypotheses from existing literature from the methodological perspective to clarify the causal relations of the independent and the dependent variables. Secondly, from an ontological point of view, this thesis focuses on the essence of existence. Therefore, the researcher will critically evaluate the understanding of the import managers' perception of cultural difference amongst its foreign salespersons

and how these perceptions affect the performance of their working relationship (Saunders et al. 2016). Ultimately, in line with the positivist method, perception of cultural differences on trade partners working relationship performance can be confirmed by observations and by measuring these social phenomena (Saunders et al., 2016). The quantitative method also promotes the use of huge samples in order to develop the generalisation of observational findings, a further explanation for the collection of such tests for this study (Saunders et al. 2016). In conclusion, the positivist method with deductive and quantitative methods is more appropriate given the complexity of this study than interpretivism with inductive and qualitative methods.

4.3 RESEARCH DESIGN

This study employed a cross-sectional research design in order to examine the role of import managers' CQ on the perception of their foreign export managers' psychic distance and ultimately their relational and financial performance. According to Saunders et al., (2016). Research design is acceptable when a study is intended by examining a sample of that population to obtain a quantitative or numerical summary of patterns, perceptions or beliefs of the sample. Creswell, (2009) outline two types of research designs: (i) cross-sectional design, where data are gathered at a single time; and (ii) longitudinal design, where data are gathered at several points and evaluated with a fixed sample of respondents over time. The study opted for a cross-sectional design since cross-sectional designs may have benefits over longitudinal methods such as greater feasibility (Anderson, 1995), improves samples representation, slighter mortality, reduced response biases, and are time and resource efficient (Fatima, 2011; Malhotra, 2004). Conversely, there are undisputable values with a longitudinal which has been highlighted in the literature, the researcher recognise these benefits and have addressed them as part of future research implications.

To suitably examine the postulated hypotheses using SEM, a sample of 200 participants is essential (Tabachnick and Fidell, 2007). Various researchers (e.g., Hair, Anderson, Tatham, Black, and Babin, 2010;

Lattin, Carroll, and Green, 2003; Loehlin, 2004) have suggested having about 5- 10 interpretations per variable with the goal of using multiple regression, structural equation modelling, or other multivariate data analysis. Considering that this study involves about 25 relevant variables, the objective is to achieve a functional and sufficient sample size of over 200 import or export managers. This minimum sample size also ensures a reasonable reliability point. (Aaker, Kumar, and Day, 2001) and validity for the testing (Hoelter, 1983).

4.3.1 Research Context

The unit of analysis of this study was a dyadic relationship to examine the role of import managers' CQ on their perception of their foreign counterparts' psychic distance and ultimately their relational and financial performance between a Nigerian import buyer and a particular export supplier in the automobile retail sector. This research used the Nigerian and Nigeria automobile industry as a research setting for the following reasons. The thesis will first discuss why it chose Nigeria as the country-specific and later automobile industry as industry-specifics

4.3.1.1 Country Specific

First, Nigeria is an English colony with diverse cultures. Therefore, significant differences exist in terms of culture, people, customs and traditions. *Second*, many differences exist between Nigeria and the rest of the world in terms of languages, religion, political structure, economic development, educational level, infrastructure and environment. Third, Nigeria's working culture and business attitude are influenced by other countries culture therefore, there is a wider difference in terms of organizational structure for instance in the hierarchy. Nigeria's organisations are based on an unequal hierarchy where the poor are not regraded at all. Whereas in more civilized countries organizational culture is flat and people have equal treatments. *Third*, there are also differences in terms, communication pattern, Nigeria Importers are more comfortable to trade with countries e.g., The USA, Europe particularly countries like

The UK since they are similar cultures. Based on these similarities and differences, Nigeria is suitable as the country-specific for this research.

4.3.1.2 Industry Specific

First, the Nigerian automobile retail industry is an appropriate sector to conduct such research because of its popularity, and it is a predominant growing area (Oigiagbe, George and Owyemi 2012). In the past 30 years, importation and sales of new and used automobile cars in Nigeria have increased to the tune of US\$270 billion in revenue, which is approximately a 42 per cent GDP growth, reflecting the strength of the industry (Nigerian Ministry of Trade and Investment, 2019). Moreover, the latest smart technologies of modern cars have contributed to an increase in imports and sales in this market. (Nigerian Ministry of Trade and Investment, 2019).

Second, Nigeria is highly dependent on imported new or used automobile cars to satisfy local demand due to inadequate domestic production of automobiles. For instance, in 2018, commercial vehicles were the most important export commodity from the U.S.A to Nigeria (U.S. Census Bureau, 2019). However, the Federal Government of Nigerian established a legal framework in other to ascertain the quality of the cars imported into the country. As a result, three companies, Quality Assurance Projects Limited, Medtech Scientific Limited, and Cotecna Destination Inspection Limited were accredited (Central Bank of Nigeria Annual Report 2019). For instance, automobile cars more than 10 years of age are not allowed to enter the country and importing of commercial automobile vehicles are taxed at a very high rate (Central Bank of Nigeria Annual Report 2019).

Third, under the administration of the former President of Nigeria, Dr Goodluck Ebele Jonathan, the Ministry of Trade and Investment between 2010 – 2015, opened trade borders for the importation of used cars from all over the world into the country in order to meet local demands and also reduce the cost of purchase (Nigerian Ministry of Trade and Investment, 2019). Since these businesses operate on a direct buyer and seller relationship it also justifies the choice of this sector as the research setting for the study.

Fourth, the majority of CQ and psychic distance studies have been accessed in these contexts, for example, Sharma's (2019) research was investigated using multiple manufacturing industries, Durand, Turkina and Robson's (2016) study on the wines industry, Skarmeas and colleagues' (2008) examination of psychic distance in the context of textile and paper materials. Hence, the Nigerian automobile retail industry adds potential value to the international marketing literature.

Finally, the studies on CQ (Rockstuhl and Van Dyne 2018) and psychic distance (Aykol and Leonidou 2018) have predominantly focused on regions such as Europe, Asia, North and South America. Continents, for instance; Africa have been largely ignored. Hence, this research will contribute to the international marketing literature in the context of emerging markets.

4.3.2 Survey Strategy

Surveys are a cost-effective way to gather data from a survey for statistical analysis and to generalise it to a population (Collis and Hussey 2014). Surveys are always related to positivism and the deductive approach, which tries to test theories or hypotheses to confirm or reject them (Bryman, 2015). There are many potential explanations for why the survey approach is used. First, it enables the researcher to obtain transparent information from the respondents (Bryman, 2015). Second, it is cheap to collect data from a large sample (Collis and Hussey, 2014). There can be a variety of methods of data collection for surveying e.g., postal, electronic data collection (i.e., email or web-based self-completion surveys), telephone and interviews (Collis and Hussey, 2014). The face-to-face approach is suitable for participants and researchers with much time (Saunders et al. 2016). Therefore, due to time and cost considerations, this approach is not appropriate for present research (Collis and Hussey, 2014).

Using the telephone as a research instrument creates the opportunity for extensive data at a little cost (Saunders et al., 2016). However, again, the telephone approach may lead to biases in limiting the sample to individuals who choose to reply in this way (Collis and Hussey, 2014). This approach is also therefore not suitable as the primary tool for this analysis, but it was nevertheless used as a supporting

tool. In order to promote responsibly, the researcher made phone calls and repeated the phone calls, two weeks after sending a survey to contact persons in the companies surveyed in order to get responses from those who had not replied.

In this study, the researcher used an online questionnaire survey powered by Google for data collection. With regards to the online questionnaire, the term 'online' denotes to internal surveys hosted on a Website. Prospective respondents can be enlisted from repositories (McDaniel and Gates, 2011). The chosen approach enables researchers to concentrate on a large, low-cost, high-speed sample (Collis and Hussey, 2014). Additionally, it is beneficial from the respondent's point of view that the questionnaire can be openly filled out at any time (Bryman and Bell, 2015).

Online survey tools comprise the use of automatic directive e.g., boxes, dropdown menus, and choice of colour and font (Saunders et al., 2016). In addition, the survey subject can be used to customise graphical images, animations and links to the website (McDaniel and Gates, 2011). A well-thought-out graphic design and ideal website design will increase the quality of the survey (McDaniel and Gates, 2011) so that they can provide more dedicated answers. In addition, online surveys can also be administered through phones and tablets. Mobile phones and tablets deliver many options for data gathering with no temporary or spatial constraints, both in terms of functionality and permanence (McDaniel and Gates, 2011). Such tools allow researchers to meet and communicate with respondents for whom other survey types may be difficult to obtain access (McDaniel and Gates, 2011). Online surveys were also widely used in literature (Bryman and Bell, 2015). The benefits and drawbacks of online surveys are listed in Table 9. In this research, the author used the Google Form-Free Platform as a data collection tool.

Table 9: Advantages and disadvantages of online surveys

Advantages	Disadvantages
Speed: fairly good comparison to other techniques.	Sampling frames: Researchers do not know whether the participants match the target population.
Cost: no printing, stationery, and postage costs.	Web access: researchers cannot have access to the survey site to include participants.

Quality of response: design characteristics can make surveys more attractive and interesting.	Technical problems: there are almost no consistent online survey requirements.
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Source: Collis and Hussey (2014, p. 174).

The survey consists of three critical stages: sampling, data collection and instrument creation (Collis and Hussey, 2014). The purpose of the sampling is to generalise a selected smaller population finding for the entire population (McDaniel and Gates, 2011). Data collection refers to the choice of an acceptable form, such as postal or Internet questionnaires as well as telephone and personal interviews (Collis and Hussey 2014). The objective of developing survey instruments is to obtain quality information in order to address the research questions.

4.3.3 Sampling Strategy

The sampling requires the selection of an acceptable sample in a population since it is nearly impossible to obtain data from the whole population (Hair et al., 2010). A sample is a reflective aspect of a population while the universe of units from which a sample is selected is described by a population (Saunders et al. 2016).

4.3.4 Population

The population of this study includes the Nigerian automobile import retailers and their foreign export suppliers. This sector was chosen for this research for the following reasons. First, the automobile retail sector stood for a significant volume of Nigeria's import trade and exhibited a higher propensity toward direct importing than any other sector. Second, psychic distance in buyer-seller relationship strongly relates to industrial product categories and is commonly studied in the context of specific industries (e.g., cars, textile, and machinery) (Skarmeas et al., 2008; Aykol and Leonidou 2018). Because this study is one of the first to investigate the role of CQ on psychic distance and its ultimate effect on relational and financial performance in the buyer-seller relationship, the study required a single industrial context in which import and export relationships are exhibited in a high propensity (Leonidou et al., 2017). Third, the

distance between buyer-seller relationships is broadening and not dwindling, with businesses internationalising in the quest for more business opportunities due to globalisation evolution (Laufs and Schwens, 2014). These scenarios made this sector an ideal setting to conduct this study.

4.3.5 Sampling

Two forms of sampling methods exist: probability and non-probability. Probability samplings are often implemented when a known likelihood occurs for each unit within the population; a non-probability approach is used during the investigative and pre-testing phases of survey tests (Saunders et al. 2016).

Table 10 indicates the variations amongst probability and non-probability sampling methods.

Table 10: Differences between probability and nonprobability sampling techniques

Probability (random) sampling	Non-probability (non-random) sampling	This study
The sampling method is generalisable to the population.	Cannot be widespread after the study.	Population results must be generalised.
Enables statistics, experiments and theories to be used.	There is no interest in population parameters.	Estimate population parameters
Eliminates bias	The sample's adequacy is not understood.	Eliminate bias
Can approximate parameters of demographic samples.	There is no interest in population parameters.	Estimate population parameters
Must have a random selection of units	Cheaper, more comfortable, and quicker to carry out	Ensure the random selection of units

Source: Saunders et al. (2016, p. 118).

This research used a probability sampling method, despite the need for statistical testing of hypotheses and for drawing conclusions about the population. The main objective of a quantitative approach is in particular to obtain a sample that can reflect a population. The sample in this study consists of a single interpersonal relationship in the retail automobile sector. The researcher identified companies for the sampling of this study from the database of Nigerian Marketing Research Association (NIMRA), a popular non-governmental organisation based in Nigeria. From the database, this study identified all contact details for the companies. Hence, the NIMRA database was chosen for this study because the database includes detailed information about companies listed in the Nigerian exporter and importer

directory. Furthermore, this database has details about key personnel (senior manager and purchasing manager, sales manager), including their names, titles, phone numbers, and email addresses.

Finally, the researcher randomly sent emails to 1200 corporations. With regards to random selection, the researcher utilised the random sort function on the database to create a random sample for the study. The comprehensive plan is summarised in Table 11.

Table 11: Data collection plan

	Action	Time frame
Step 1	Access NIMRA computerised database information for all 8,935 companies.	1 hour
Step 2	Obtain information of 1200 companies by using the random sort function on the database to create a sample, the export the random sample into an Excel CSV file.	1 hour.
Step 3	Send email to contact persons of the selected 1200 companies	5 days
Step 4	Make reminder phone calls after 14 days	5 days

4.3.6 Control Variables

For control variables, this study adapted categorisation strategy used by Skarmeas et al., (2008); Leonidou et al., (2019), and controlled for likely causes of survey bias using two variables: Relationship length and relationship stage. Relationship length reflects the length of time international counterparts have been in a relationship (Jap and Ganesan 2000). Moreover, the relationship stage mirrored the extent to which the relationship between the two business counterparts tends to grow or decline (Barnes et al. 2015). Recent studies have indicated that significant corporations would devote more resources to the relationship between supply and overseas to the advantage of the quality of ties (Skarmeas et al., 2008). In addition, international marketing research has shown that larger businesses appear to be healthier because their activities in foreign markets require more significant resources (e.g., Christensen, Rocha and Gertner, 1987).

4.3.7 Sample Size

In reference to the sample size, after choosing a sample approach, it is necessary to decide the sample size to represent the population. According to Collis and Hussey, (2014) the sample size ought to

be broad sufficient to answer the research question. This study used CB-SEM to analyse the conceptual model, which requires a large sample of data for it to work (Saunders et al., 2016). For guaranteeing CB-SEM, a minimum sample size of 100 is required (Hair et al. 2010). The researcher identified a total of 1200 corporations. Saunders et al. (2016) specified that for a population of 1200, at 95% confidence level, the sample size should be at least 112. Therefore, based on this argument as well as the application of CB-SEM technique, the required sample size should be between 100–300. Furthermore, the researcher also analysed a dyadic data of 41 samples to examine the influence of an import manager's CQ on their corresponding foreign counterparts' psychic distance. Due to the small data set for the dyadic analysis, structural equations modelling was not possible; instead, the researcher utilised multiple regression analysis to assess the relationship. Multiple regression analysis, a type of general linear modelling, is a multivariate statistical method used to analyse the relationship between one dependent variable (criterion) and several independent variables (indicator) (Hair et al. 1998).

4.3.8 Contingency Plan

Like any other research project, creating opportunities for a backup plan is necessary. When the first round of data collection does not produce a sufficient sample, the procedure outlined in Table 5.5 will be replicated.

4.4 QUESTIONNAIRE DEVELOPMENT

The design of questionnaires requires special care to ensure a reasonable response rate with reliable and valid responses since data can generally be obtained once (Collis and Hussey, 2014). In view of this, a user-friendly survey is essential to ensure a high response rate. Bryman, (2015) offered some advice on user-friendly nature of the questionnaire, e.g., developing an appealing design, maintaining short length, offering specific instructions and a survey cover letter.

Correspondingly, the researcher carefully crafted the questionnaire to collect reliable and valid analytical test results. The questionnaire is divided into six parts. First, refers to specific background issues related to the importer's relationship with a specific exporter. And also, questions capturing the control variables. Second, investigates issues of cultural differences in the relationship. Third, it focuses on the predictor variables (i.e., motivational and metacognitive CQ). Fourth, deals with the performance of the relationship (i.e., relational and financial performance). Fifth seeks information on the demographic profile and import characteristics of the company. And sixth, the contact information of the specific foreign export supplier.

Questionnaires consist of two kinds of questions, closed and open questions (Collis and Hussey, 2014). Closed questions are commonly used in positivistic research, as closed questions are answered from the specified list (Collis and Hussey, 2014). This study employed closed questions to make the answers simpler and faster. This questionnaire contained questions of classification (e.g. questions in the form of Likert-scales) and numerical questions. All the evaluation questions were based on a seven-point scale that gave participants a variety of opinions.

4.4.1 Research Instrument and Measurement Scale

This section defines the research instruments and the measurements of the study variables provided in the conceptual model. Churchill (1979) proposed two stages to the development of a measurement scale. First, measurement scales from previous research can be used to confirm the validity of the content. Secondly, measuring items can be generated from the literature reviews (Churchill 1979). For this study, the researcher implemented the items and measurement from prior studies in this stream of research. Moreover, a total of five constructs, namely, motivational CQ, metacognitive CQ, psychic distance, relational performance and financial performance were formed along with 25 measuring items. With regards to the survey questionnaires, a Likert scale is commonly used to measure perception and behaviours (Saunders et al., 2012). Hence, the study used the Likert scale (Bryman, 2016) for rating the

questions or for collecting respondents’ opinions. A 7-point rating scale ranging from 1 = strongly disagree to 7 = strongly agree used to measure all constructs. The researcher used a 7-point rating scale because 7-points tend to give the right balance between having adequate points of discrimination without providing too many response options (Bryman, 2015).

4.4.2 Measurement for CQ

The independent variable CQ was defined in terms of motivational CQ the ability to focus mental energy on mastering and working in situations denoted by cultural diversity, and metacognitive CQ the psychological processes used by people for attaining and understanding cultural knowledge and appropriate capabilities include the design and revision of psychological, cultural standards feature to countries or groups of people, (Ang et al., 2007), and was measured with a 7-items in which 5-items captured motivational CQ and 4-item captured metacognitive CQ. Items were assessed on a 7-point scale ranging from 1 = strongly disagree; 7 = strongly agree, as shown in Table 12.

Table 12: Measurement scale for cultural intelligence

Cultural intelligence	Code	Description	Reference
Motivational CQ	MOT1	I enjoy interacting with people from different cultures.	Ang et al., (2007)
	MOT2	I am confident that I can socialise 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.	
	MOT4	I am confident that I can get accustomed to the shopping conditions in a different culture.	
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.	

4.4.3 Measurement Scale for Psychic Distance

The dependent variable psychic distance reflects the perceived differences of both cultural and business distance between the operating environment of the exchange partner; in terms of culture (values, belief and language); business (accepted business practice, economic environment, the legal system, and communication infrastructure) (Klein and Roth, 1990; Sousa and Lages, 2011). Psychic distance items were adapted from Klein and Roth (1990); Sousa and Lages, (2011) and anchored by 1 = strongly disagree and 7 = strongly agree, as shown in Table 13.

Table 13: Measurement Scale for Psychic Distance

Psychic distance	Code	Descriptions	References
Cultural psychic distance	CPD1	I am familiar with the tradition (e.g., behaviours, way of acting of this salesperson.	Klein and Roth (1990); Sousa and Lages, (2011).
	CPD2	I understand this salespersons' foreign language.	
	CPD3	I am familiar with the business values (e.g., principles, ethics, moral code) of this salesperson.	
	CPD4	I am familiar with salesperson's religion (e.g., faith, belief).	
Business psychic distance	BPD1	I am familiar with this salesperson's business practice (e.g., how business is organised)	
	BPD2	I have an understanding of the communication infrastructure (e.g., means of transmitting information) used by this salesperson.	
	BPD3	I understand the political and legal system (e.g., government policies, laws) in this salesperson's home country.	
	BPD4	I am familiar with the level of economic development (e.g., standard of living) in this salesperson's home country.	

4.4.4 Measurement for Relational Performance

The first outcome variable of this relational study performance is defined as is the involvement of one organisation in assisting another reach its goal by managing strategic efforts and improving market practices (Kumar, Stern, and Achrol 1992), and measured with on a 4-items from LaBahn and Harich (1997). Items were scaled on a 7-point scale ranging from 1 = strongly disagree; 7 = strongly agree as shown in Table 14.

Table 14: Measurement scale for relational performance

Relational performance	Code	Description	Reference:
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Rperf1	I have found the time and effort spent on this relationship very worthwhile.	LaBahn and Harich, (1997)
Rperf2	The relationship I have with this salesperson has been very productive.	
Rperf3	The relationship I have with this salesperson has been very effective.	
Rperf4	I have a very rewarding relationship with this salesperson.	

4.4.5 Measurement for Financial Performance

The second outcome variable of this study financial performance was measured with 4-items from McGuire et al., (1988); Hult et al., (2008). Items were scaled on a 7-point scale ranging from 1 = strongly disagree; 7 = strongly agree, as shown in Table 15.

Table 15: Measurement scale for financial performance

Financial performance	Code	Description	Reference:
	Fperf1	Our sales growth has increased significantly, resulting from doing business with this salesperson.	McGuire et al., (1988); Hult et al., (2008)
	Fperf2	Our profit has increased because of products from this salesperson.	
	Fperf3	The relationship with this foreign supplier helped us perform better financially.	
	Fperf4	Our market shares have increased significantly, resulting from doing business with this salesperson.	

4.4.6 Managing Common Method Bias

The data obtained during this analysis was cross-sectional. The respondents shared their views at a single contact about predictor variables and criterion variables. The data can, therefore, be subject to specific process bias (CMB). CMB applies to the variation attributed not to constructs but to the measurement' (Podsakoff et al. 2003). In the SEM perspective, CMB is also described as an occurrence induced by the measuring system used in an SEM study rather than by the network of causes and effects in the examined model (Podsakoff et al., 1986). Most researchers in the social sciences believe that CMB is inherently problematic because it jeopardises the integrity of the measurement approach (Podsakoff et al., 2003; Podsakoff et al., 1986). However, Podsakoff et al. (2003) proposed that a variety of approaches could be used to reduce or monitor possible CMBs.

Firstly, the introduction of a psychological unification between the measurements of the predictor and criterion variables. Therefore, psychological isolation is used to construct the present sample. The indicator and criterion variables are isolated from each set of questions and are placed in a different section with a set of instructions. The respondents are thus required to read the instructions first prior to jumping, thereby reducing the likelihood that the respondent will use previous responses. Second, the cover letter told the participants that there are no correct or incorrect responses and that their answers would be anonymous. Consequently, during the planning of this questionnaire, the reduction of the misunderstanding of the scale items and the wording of questions were taken into account.

In this current study, the CB-SEM method was used to analyse the data. A full collinearity test was therefore undertaken to detect and control any CMB as a statistical test. According to Kock (2015), this method is better in the detection of CMB than the generic criterion of convergent and discriminant validity evaluation based on confirmatory factor analysis. If all variance inflation factors (VIFs), resulting from a complete collinearity check is greater than 3.3, a model is assumed to be CMB-contaminate; otherwise, the model may be considered free of CMB (Podsakoff et al., 2003; Podsakoff et al., 1986). Chapter 6 presents the findings of the assessment of CMB.

4.5 PILOT TESTING

As presented in Table 16, a pilot test is necessary before using a data collection questionnaire. The pilot test aimed at improving the questionnaire and allowing the investigator to determine the quality and reliability of questions (Saunders et al. 2016). Validity refers to the mechanism by which experts receive advice on the statistical validity and appropriateness of the questionnaire, while reliability relates to the coherence of answers to questions (Saunders et al.).

Table 16: Purpose of the pilot test

Purpose	Applicable to this study
Testing questionnaire wording	Yes

Testing questionnaire sequencing	Yes
Testing questionnaire layout	Yes
Gaining familiarity with the respondent	Yes
Testing and training fieldworkers	Yes
Estimating the response rate	Yes
Estimating questionnaire completion time	Yes
Testing analysis procedure	Yes

The researcher first validated the questionnaire by consulting four international business and marketing professors from Brunel University. The academic professionals were asked if the questionnaire is perky enough for its purpose, their thoughts if some things could be changed, and whether the survey layout was bright and appealing. A pilot study based on the updated questionnaire was then performed in July 2019. According to Bryman (2015), optimising the advantages of the pilot test is recommended that a small group of participants should be formed which represent the population from which the sample is taken for the full analysis. Consequently, 100 questionnaires were circulated online to Abuja, Lagos and Kaduna companies in Nigeria. Table 117 displays the pilot sampling technique.

Table 17: A sampling strategy for pilot data

Steps	Action	Time frame
Step 1	A list of 9000 car import reporters in Nigeria was downloaded.	1 hour
Step 2	Searching for keywords "Abuja", "Lagos", "Kaduna" in the entire list get 2000 results.	1 hour
Step 3	Obtain 100 numeric codes from Randomizer between 1 and 2000: 223, 184, 1174, 1975, 1341, 1746, 1854, 442, 1341, 421, 84, 739, 644, 516, 872, 153, 86, 932, 1111, 1537, 63, 1, 863, 753, 1777, 535, 53, 42, 124, 653, 421, 753, 433, 1112, 1001, 532, 140, 3, 755, 120, 631, 1321, 1212, 1528, 1234, 1761, 734, 126, 863, 848, 1255, 432, 1237, 862, 15, 137, 46, 157, 49, 115, 125, 643, 723, 216, 1008, 1595, 1130, 1502, 146, 245, 1061, 7, 119, 1111, 1230, 105, 100, 220, 200, 301, 643, 213, 1236, 41, 1344, 1666, 123, 10, 109, 777, 999, 444, 336, 1641, 1479, 424, 192, 142, 4145, 1270.	1 hour
Step 4	Send emails to the contact persons of the selected 100 companies.	1 day
Step 5	send reminder emails and phone calls after 7 days.	2 days

After the above method, 51 responses to the pilot questionnaire were obtained. The researcher ensured that no question in the pilot study was difficult for each respondent to understand or answer. The reliability of the loading items on the same design was then checked for their internal consistency, as shown in Table 18.

Table 18: Reliability Statistics for Pilot Data

Construct	Cronbach's alpha	Number of items
Motivational CQ	0.953	5
Metacognitive CQ	0.979	4
Cultural psychic distance	0.842	4
Business psychic distance	0.946	4
Relational performance	0.980	4
Financial performance	0.979	4

Cronbach's alpha values above 0.7 are commonly considered to be acceptable standards of reliability in the field of social sciences (Hair et al., 2014). All sizes showed acceptable reliability values of 0.8 to 0.9 in this study. Initially, the psychic distance measurement scale in literature ranged from "major problems" to "no problems at all" or "extremely similar" to "extremely different". However, in the current study, changed the scale for psychic distance to 'strongly agree' to 'strongly disagree'. For instance, the original question in the literature was 'to what extent the following aspects of the market where your importer operations are a problem for your company'. These studies are measuring psychic distance at the organisational level. However, in this study, the researcher measures psychic distance at the interpersonal level; as such, the researcher modified the questions to 'please indicate to what degree you agree with the following statements. Then in order to prevent adverse responses based on participants' opinion. Participants were encouraged to choose the actual level of how their perception of psychic distance influences their working relationship with their oversea counterparts.

4.5.1 Data Analysis

This study began data collection with data cleaning to ensure that there is no lack of value or outlier. SPSS is used to encode the data, and clean outliers were screened. SEM was then carried out to verify the conceptual model. This researcher used the AMOS graphics programme to fit in the structural path.

4.5.2 Data Coding

Data coding refers to the conversion of some texts from the survey into numbers. This method allows researchers to translate answers to report them. The researcher used Microsoft Excel to translate all data from word to numbers, and also created a label for dummy variables. Then, the data was imported into the Statistical Package for Social Sciences (SPSS) and analysis of moment structure (AMOS) for further analysis.

4.5.3 Reliability and Validity

This study evaluated convergent and discriminant validity in order to ensure that the items correctly reflected the constructs. Convergent validity relates to the typical high deviation from a given construct (Hair et al., 2010). Convergent validity measures occur in three areas: factor loading, average extracted variance (AVE) and composite reliability. Discriminant validity applies to the comparison of two values: AVE values and the square of the correlation measure between the two constructs. This research compares the average variance derived for each of two constructs to the discrimination validity, which would surpass the squared value of the correlation estimate between the two concepts (Hair et al., 2014). Cronbach alpha was also used to assess the reliability of the internal indicators in order to assess if the scales were accurate. As the threshold suggests, a range of >90 signifies outstanding reliability; 0.70-0.90, high reliability; 0.50-0.70 modest reliability, and 0.50 little reliability (Hair et al., 2010).

4.5.4 Covariance-Based Structural Equation Modelling (CB-SEM)

SEM is a common method for examining experimental and non-experimental observations within the social science domain (Hair et al., 2010). CB-SEM is a part of SEM techniques described as a family of statistical analyses illustrating correlations between several parameters (Hair et al., 2014). Covariance based structural equation modelling CB-SEM evaluates a diverse range of interconnections between endogenous and exogenous variables. Using AMOS, CB-SEM was chosen to test the theories and

conceptual framework because multiple regression analyses are performed between dependent and independent variables, this is consistent with the study's purposes (Anderson and Gerbing, 1988).

4.5.5 Assessment of Model Fit

Many methods are available to analyse the model fit in CB-SEM. Nevertheless, several researchers suggest at least four fitness tests to ensure SEM fitness (Hair et al., 2014). The most frequently used fit indices are chi-square, the goodness of fit (GFI), adjusted goodness of fit index (AGFI), comparative fit index (CFI), and root mean square error approximation (RMSEA). Furthermore, the normed fit index (NFI) and Tucker-Lewis index (TLI) are also frequently used to test the model fitness (Hair et al., 2014). This study measured six model fit indices for CB-SEM. The description and recommended threshold for the six model fit indices are listed in Table 19.

Table 19: Assessment of Model Fit

Goodness-of-fit types	Acceptable levels of goodness-of-fit
Absolute fit measures	
Goodness-of-fit index (GFI)	Greater than or equal to 0.90
Root mean square error of approximation (RMSEA)	Acceptable fit less than or equal to 0.08, good fit less than or equal to 0.05, the marginal fit between 0.09 and 0.1
Incremental fit measures	
Tucker –Lewis index (TLI)	Greater than or equal to 0.90
Comparative fit index (CFI)	Greater than or equal to 0.90
Adjusted goodness-of-fit index (AGFI)	Greater than or equal to 0.80
Incremental fit index (IFI)	Greater than or equal to 0.90
Parsimonious fit measures	
Normed chi-square (CMIN/DF)	CMIN/DF value is greater than or equal to 1.0 and less than or equal to 5.0

Source: Hair et al., (2014)

4.5.6 Hypothesis Testing

SEM is a common tool for testing hypotheses among researchers. SEM, however, contains CB-SEM as well as PLS-SEM. PLS-SEM is a causal modelling technique to maximise the explained variance of latent based constructs (Hair et al., 2014). It is, therefore, different from the objective of CB-SEM, its main purpose is to replicate the theoretical covariance matrix instead of concentrating on the described difference (Hair

et al., 2014). CB-SEM tested the proposed hypotheses in this study. The hypotheses have been tested with a standardised estimate, critical ratio (t-value) and critical value (p-value). AMOS 20.6 graphics were used to test the proposed model

4.6 ETHICAL CONSIDERATION

Ethical concerns related to basic standards and principles on which the code of ethics is based (Collis and Hussey, 2014). Ethical issues have a significant impact on research with human subjects. Ethical concerns such as avoidance of injury, voluntary involvement, confidentiality and privacy are to be addressed by the researchers (Collis and Hussey, 2014). In all phases of research, this study followed all ethical requirements. Before data collection commenced, the necessary ethical approvals were sought. All respondents were informed of the purpose of the study and the need for their participation. The participation was voluntary, and participants were free to withdraw during the survey at any time. However, if the participants did not wish to participate or change their minds, they could quit the survey at any time. The researcher also ensured that the participants were confidential and anonymous. The code of conduct for this study was led by the Brunel University Ethics Committee. The requirements for this Committee include the submission to the academic programme office of a research ethics document containing the signatures of both students and supervisors.

4.7 CHAPTER SUMMARY

This chapter addressed the methods used in this research. This study took the paradigm of positivism and quantitative research methods. Data were collected in four major cities in Nigeria, namely, Abuja, Lagos, Port Harcourt, and Kaduna. These four cities were selected because they are the top commercial cities in Nigeria. 228 sample data were collected. A total of 5 constructs—motivational CQ, metacognitive CQ, psychic distance, relational performance and financial performance, —were formulated for the survey questionnaires, and 25 measurement items rated on a 7-point Likert scale. The questionnaire

was tested for reliability and validity. Ultimately, the chapter's description dealt with plans for future study and emphasised the research's ethical issues.

CHAPTER 5 – ANALYSIS AND FINDINGS

5.1 INTRODUCTION

This chapter presents the analysis and findings of this research. Statistical software such as statistical package for social sciences (SPSS) and structural equation modelling (SEM) via analysis of moment structures (AMOS) was used to analyse the data. The first section presented data analysis part which began with a preliminary examination of the data using, data management, normality, homoscedasticity, and multicollinearity examinations followed by sample profile and descriptive statistics of the survey constructs. The second section presented the findings of the study, which began with a discussion of the reliability and validity of the measurement scale procedures. Subsequently, an exploratory and confirmatory factor analysis (EFA & CFA) was performed. Finally, a structural model was used to test the hypothesised relationships, and a multiple regression analysis was used to test the dyadic data of the study.

5.2 DATA ANALYSIS

5.2.1 Data Management

In order to validate the proposed conceptual model of this study, quantitative data was collected through a questionnaire between July 26th to December 18th, 2019. The survey was written in English since English is Nigeria's most spoken language. The questionnaire was accompanied by a cover page describing the study intent and the design of the questionnaire and offering guidance on how to complete the questionnaire (Behr and Sha, 2018). The survey data collection included research cooperation with a non-governmental agency, the Nigerian Marketing Research Association (NIMRA), which helped the researcher gather samples of Nigerian automotive importers. The survey was conducted online, and sometimes a drop-in-pick-up method was used in order to speed up the process.

Questionnaire packages were sent out to 1200 corporations and sets of follow-up phone calls, e-mails and office visits delivered 222 replies within three and a half months of the first mail that was sent out. A notification card was sent at the end of the third month, generating a further 76 responses reflecting a response rate of 24.8%. Such a response rate represents NIMRA's cooperation, which was necessary to solicit the quick involvement of Nigerian automobile importers. Consequently, a total of 298 vehicle importers took part in this study. However, the researcher assumed that companies using direct imports as their essential international operation could have a clearer understanding of how the cultural experience of import managers affects the psychic distance they have for foreign suppliers. Based on these criteria, 46 Questionnaires were deleted due to error and incomplete forms. A representative sample of 228 importers was then collected.

5.2.2 Missing Data Analysis

Although the researcher carefully wrote all questionnaires, missing data can still exist. Missing data is common due to large volumes of data in business research (Hair, 2007). Missing data may affect observations and analysis. In this research, the researcher clarified the value and desirability of questionnaires to be as accurate as possible to prevent missing data problems. According to Hair, (2007) if a survey questionnaire includes a considerable number of questions unanswered, it is suggested to drop the questionnaire. The practice is to eliminate the questionnaire if the volume of questions unanswered is higher than 10 per cent. Hair (2007) further emphasises the significance of data testing for irrational and contradictory entries, such as when a respondent gives an incorrect answer. This data form must be appropriately treated. This research implemented SPSS version 26 software and found that there were no missing values for all indicators.

5.2.3 Test of Normality

Normality test is used in statistics as a simple test for the estimation of variables (Hair et al. 2014). In this study, the first test for normality was the Kolmogorov and Shapiro test. Though, as can be seen in Table 20, the results for all variables were significant. This may be attributed to the sample size (228) and since the Kolmogorov and Shapiro sensitivity of sample sizes over 200 (Hair et al., 2014). The significant outcome of the Kolmogorov and Shapiro tests cannot, therefore, be seen as a deviation from the standard distribution of the data (Hair, 2007).

Table 20: Normality of Test (Kolmogorov and Shapiro test)

Tests of Normality						
	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Psychic distance	0.099	228	0	0.952	228	0
Relational performance	0.144	228	0	0.963	228	0
Financial performance	0.209	228	0	0.890	228	0
Metacognitive CQ	0.240	228	0	0.807	228	0
Motivational CQ	0.202	228	0	0.861	228	0

Consequently, the Skewness and Kurtosis are also used to test for normality and ensure that the data is usually not distrusted. As presented in Table 21, both skewness and kurtosis variables and markers are below 2.58, as suggested by Hair et al. (2014). The findings thus showed that all variables were randomly distributed.

Table 21: Normality Test (Skewness and Kurtosis test)

Constructs	Skewness	Kurtosis
Psychic distance	-0.102	-1.147
Relational performance	0.451	1.149
Financial performance	-1.153	0.951
Motivational CQ	-1.238	0.822
Metacognitive CQ	-1.763	3.294

5.2.4 Homoscedasticity

According to Hair et al. (2014), the variance of dependent variables with independent variables is measured by homoscedasticity. The concept of linear regression applies to the assumption that variation between dependent and independent variables does not change considerably for all values of the independent variables (Hair, 2007). In this study, the researcher used Levene's test to test for homoscedasticity. As presented in Table 22, Levene test results have shown that all dependent variables have obtained significant $p > 0.05$ values. This implies that the dependent variables are homogeneous with the independent variables.

Table 22: Levene's Test of Homoscedasticity of Variances

Dependent variables	Levene Statistic	df1	df2	Sig.
Psychic distance	2.351	24	194	.001
Relational performance	2.594	24	194	.001
Financial performance	1.918	24	194	.009

5.2.5 Linearity

Linearity relates to the similarity of variables represented on a straight line (Hair et al., 2014). It is necessary in data analysis to know the degree of relationship between variables in order to identify any variation that can affect the relationship (Tabachnick and Fidell, 2007). Many other techniques for homoscedasticity are based on interrelationships and correlations tests including multiple regression, logistic regression, factor analysis and structural equation modelling (Hair et al., 2014). According to Hair (2007), the Pearson Correlation can be used to test for linearity. Linearity problems arise with significant associations between the independent variables (i.e. $r > 0.9$) (Hair et al. 2014). The findings of Pearson's correlation, which can be seen in Table 23, showed that none of the independent variables was associated with $r > 0.9$. The results of the Pearson correlation test, therefore, showed that there are no problems with the collinearity of the data.

Table 23: Pearson’s Correlation Test of Independent Variables

		Motivational CQ	Metacognitive CQ
Motivational CQ	Pearson Correlation	1	.450**
	Sig. (2-tailed)		.000
	N	228	228
Metacognitive CQ	Pearson Correlation	.450**	1
	Sig. (2-tailed)	.000	
	N	228	228

** . Correlation is significant at the 0.01 level (2-tailed).

5.2.6 Sample Profile

Two major statistical categories have been established in this section. The descriptive statistics such as frequencies, percentages and means are used to define and summaries sample information (Hair, 2007) and inferential statistics such as correlations that investigate how variables are linked to one another (Hair, 2007). In this context, a profile of 228 Nigerian automobile importers provided information about their oversea suppliers, location, age of their relationship, sales volume from a particular foreign supplier and the stage of their working relationship as shown in Table 24.

Table 24: Sample Profile

Location	Per cent		Mean
	Belgium	13.2	
	Canada	13.2	
	Germany	9.6	
	Japan	11.8	
	UAE	8.8	
	United Kingdom	15.4	
	USA	28.1	
	Total	100	
Age of relationship in years	Per cent		Mean
			5.2807
	1	7	
	2	13.6	
	3	17.5	
	4	15.8	
	5	8.3	
	6	12.3	
	7	7	
	8	0.4	

	9	5.3	
	10	2.6	
	11	1.3	
	12	3.9	
	13	1.3	
	14	0.4	
	15	1.3	
	16	0.4	
	17	0.4	
	19	0.4	
	20	0.4	
	Total	100	
Relationship stage		Per cent	Mean
			1.89
	Decline	2.6	
	Growing	36.4	
	Introductory	30.3	
	Mature	30.7	
	Total	100	
Percentage of sales accounting from a salesperson		Per cent	Mean
			22.02
	5 %	18.9	
	10 %	15.4	
	15 %	10.5	
	20 %	13.2	
	25 %	8.3	
	30 %	7.5	
	35 %	11.4	
	40 %	7.5	
	45 %	3.5	
	50 %	0.4	
	55 %	0.9	
	60 %	0.9	
	65 %	0.4	
	70 %	0.9	
75 %	0.4		
	Total	100	
Industrial sector		Per cent	Mean
			100
	Automobile retail importer	100	
	Total	100	100

The study discovered that seven countries are where Nigerian importers foreign suppliers are located. The majority are located in the USA with 28.1%, followed by the United Kingdom 15.4%, Belgium and Canada with 13.2% each. Germany, Japan and the UAE were the least countries where the importers'

suppliers are located. The age of relationships with a particular supplier was in the range of one to twenty years, the maximum number of relationship age being three years with 17.5% and the minimum being twenty years with 0.4%. With regards to the relationship stage, the majority of the relationship was at its growing stage with 36.4%, followed by the introductory 30.3% and mature stage 30.7%. Of the percentage of sales accounting for sales from a particular supplier, was in the range of five per cent to seventy-five per cent. With most sales beginning five per cent with 18.9% and the least seventy-five per cent with 0.4%. Moreover, this study collected data using a single industrial sector analysis (i.e., automobile retail sector).

Table 25: Characteristics of Respondents

Respondents Job title			Mean
		Per cent	
			0.79
	Purchasing manager	56.6	
	CEO/Owner	8.3	
	Procurement manager	35.1	
	Total	100	
Salespersons Job title			Mean
		Per cent	
			0.56
	CEO/Owner	62.3	
	Sales manager/rep	19.3	
	Sales executive	18.4	
	Total	100	

Furthermore, as shown in Table 25, the majority of the respondents in this survey were purchasing managers, which accounted for 56.6%, followed by the procurement manager 35.1% and the CEO/owner of the business with 8.3%. With regards to the foreign suppliers, the majority of Nigerian importers deal directly with the CEO/owner of the business accounting for 62.3%, followed by the sales manager/representative and the sales executive 18.4% respectively.

5.2.7 Descriptive Statistics

Descriptive statistics typically include three types of indicators: frequency distribution, central tendency calculation, distribution measurements. During this step of the analysis, all these statistical measures were used.

In order to ensure the consistency of the measurements from the survey items, this research undertook a descriptive statistic. All measuring items were valued on a 7-point Likert scale with a score of 7 representing strongly agree and a score of 1 representing strongly disagree. As indicated in Table 26, the mean scores for all the variables are as follows: psychic distance = 30.46, relational performance = 14.67, financial performance = 19.03, metacognitive CQ = 21.65, and motivational CQ = 25.50. These descriptive statistics signify that respondents have positive responses to the constructs since all means were greater than 3.0. The total average of the means for all constructs is >3 (meaning impartiality), suggesting that the survey participants largely agree with the items. Furthermore, the low standard deviation value of all construct in descriptive statistics often means that that respondents mostly agreed with the survey questions

Table 26: Descriptive statistics

Variables	N	Mean	Std. Deviation	Variance
Psychic distance	228	30.64	13.42	180.3
Relational performance	228	14.67	2.64	6.98
Financial performance	228	19.03	4.95	24.55
Metacognitive CQ	228	21.65	4.42	19.57
Motivational CQ	228	25.50	6.60	43.62
Valid N (listwise)	228			

Further, this research employed descriptive statistics for all items. Table 27 presents the standard deviation, mean and variance for all the items. The results of the descriptive statistics showed that the means for all items were more significant than 2. Besides, the majority of the items had a low standard deviation, suggesting that most respondents were satisfied with the results.

Table 27: Descriptive Statistics for all Items

Indicators	N	Mean	Std. Deviation	Variance
PD1	228	3.688	1.789	3.202
PD2	228	3.421	2.423	5.874
PD3	228	3.605	1.887	3.561
PD4	228	3.200	1.998	3.992
PD5	228	4.179	1.812	3.284
PD6	228	4.377	1.834	3.363
PD7	228	4.013	1.869	3.493

PD8	228	4.166	1.948	3.795
RPERF1	228	4.627	1.265	1.600
RPERF2	228	4.649	1.317	1.735
RPERF3	228	4.521	1.406	1.977
RPERF4	228	4.978	1.415	2.003
FPERF1	228	4.508	1.309	1.713
FPERF2	228	4.750	1.284	1.650
FPERF3	228	4.520	1.406	1.977
FPERF4	228	4.513	1.322	1.748
MC1	228	5.328	1.187	1.411
MC2	228	5.495	1.239	1.537
MC3	228	5.464	1.242	1.545
MC4	228	5.364	1.264	1.598
MOT1	228	5.188	1.878	3.528
MOT2	228	4.973	1.589	2.527
MOT3	228	5.039	1.589	2.346
MOT4	228	5.149	1.491	2.224
MOT5	228	5.149	1.368	1.871
Valid N (listwise)	228			

The reliability assessment indicated that all items were more significant than the standard threshold of 0.7, with others attaining more than 0.8 (decent) and more than 0.9 (outstanding) (Hair, 2007) and thus, reflects the reliability for this study. All these values revealed satisfactory to a considerable suitable level of internal consistency. The next part of the study will discuss the exploratory factor analysis intended to verify the measures of the study constructs.

5.3. EXPLORATORY FACTOR ANALYSIS AND SCALE VALIDATION

In this part, the collected data are analysed employing the exploratory factor analysis (EFA) to validate the measuring components of the study items. The 25 items amounted for seven constructs, which is now subjected to an EFA using SPSS.

5.3.1 Exploratory Factor Analysis

EFA in social science research is used to reduce variables, which determines the number of latent constructs and the actual factor structure during the initial scale development phase (Bryman, 2015). The EFA has usually been used to investigate the potential underlying structure of a set of evaluated variables

without enforcing any predetermined results interpretation (Bryman, 2015), that illustrates the exploratory essence of the technique. Even though this research began with some well-established measurement scales, a few of these items have been rephrased and adjusted to a particular context. The researcher used SPSS 26 as a tool for the EFA. The variables under study are as follows: (1) psychic distance (PD), (2) relational performance (Rperf), (3) financial performance (Fperf), (4) metacognitive CQ (MetaCQ), and (5) motivational CQ (MotCQ).

The suitability of the data was first evaluated before the start of the EFA. The analysis of the correlation matrix indicates the existence of several 0.3 and higher coefficients. The value of Kaiser-Meyer-Olkin (KMO) was 0.874. It was above the suggested value of 0.6 (Kaiser, 1974), and the statistical significance of the Bartlett Sphericity test was ($p < 0.05$), which confirmed the factoring of the correlation matrix (Pallant, 2005). Therefore, the EFA was used, and it highlighted the presence of four (4) items eigenvalues beyond 1, demonstrating 29.87%, 24.52%, 15.17% and 6.84% collectively of the total variance (see Table 28).

Table 28: Total Variance

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	7.469	29.877	29.877	7.469	29.877	29.877	7.074	28.296	28.296
2	6.130	24.52	54.397	6.13	24.52	54.397	6.525	26.101	54.397
3	3.794	15.177	69.575						
4	1.710	6.841	76.415						
5	0.725	2.901	79.316						
6	0.664	2.657	81.973						
7	0.628	2.511	84.484						
8	0.51	2.041	86.525						
9	0.387	1.55	88.075						
10	0.378	1.513	89.588						
11	0.324	1.298	90.886						
12	0.315	1.258	92.144						
13	0.271	1.084	93.228						
14	0.243	0.973	94.2						
15	0.213	0.853	95.053						
16	0.188	0.752	95.805						
17	0.167	0.667	96.472						
18	0.154	0.615	97.087						
19	0.135	0.539	97.626						
20	0.13	0.519	98.145						
21	0.108	0.431	98.576						
22	0.099	0.395	98.972						
23	0.096	0.383	99.355						
24	0.086	0.342	99.697						
25	0.076	0.303	100						

Furthermore, the researcher performed a parallel analysis, as suggested by Monte Carlo to ensure that the correct eigenvalues were kept for further analysis. The parallel analysis supported the researchers' option of keeping the four components from the total eigenvalues. The results of the parallel analysis are presented in Table 29.

Table 29: Parallel Analysis

Component number	Actual eigenvalue from EFA	Criterion value from parallel analysis	Decision
1	7.469	1.657	Accept
2	6.130	1.547	Accept
3	3.794	1.467	Accept
4	1.710	1.400	Accept

Note: This analysis was performed using 25 items with 228 valid cases

A Varimax Rotation approach was used to help interpret these four components, and the two components account for a total of 64.66% variance. Table 30 presents the matrix, which shows the prevailing factor loads for each item of the component and thus, the grouping effect of the items is highlighted. The representation of the four components confirms the earlier conclusions of the four constructs, with psychic distance heavily loaded in Component 1 and relational performance, financial performance, metacognitive CQ and motivational CQ items heavily loaded in Component 2.

Table 30: Rotated Component Matrix

Rotated Component Matrix	Factors	
	1	2
Cultural psychic distance: I am familiar with the tradition (e.g., behaviours, way of acting) of this salesperson.	0.852	
Cultural psychic distance: I understand this salesperson's foreign language.	0.814	
Cultural psychic distance: I am familiar with the business values (e.g., principles, ethics, moral code) of this salesperson.	0.870	
Cultural psychic distance: I am familiar with this salesperson's religion (e.g., faith, belief).	0.922	
Business psychic distance: I am familiar with this salesperson's business practices (e.g., how business is organised).	0.853	

Business psychic distance: I have an understanding of the communication infrastructure (e.g., means of transmitting information) used by this salesperson.	0.907
Business psychic distance: I have an understanding of the political and legal system (e.g., government policies, laws) in this salesperson's country.	0.898
Business psychic distance: I am familiar with the level of economic development (e.g., standard of living) in this salesperson's country.	0.865
Relational performance: I have found the time and effort spent on this relationship very worthwhile.	0.870
Relational performance: The relationship I have with this salesperson has been very productive.	0.876
Relational performance: The relationship I have with this salesperson has been very effective.	0.838
Relational performance: I have a very rewarding relationship with this salesperson.	0.864
Financial performance: Our sales growth has increased significantly resulting from doing business with this salesperson.	0.873
Financial performance: Our profit has increased because of products from this salesperson.	0.848
Financial performance: The relationship with this foreign supplier helped us perform better financially.	0.751
Financial performance: Our market shares have increased significantly resulting from doing business with this salesperson.	0.841
Metacognitive CQ: I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds. .	0.848
Metacognitive CQ: I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.	0.860
Metacognitive CQ: I check the accuracy of my cultural knowledge as I interact with people from different cultures.	0.850
Metacognitive CQ: I am conscious of the cultural knowledge I apply to cross-cultural interactions.	0.789
Motivational CQ: I enjoy interacting with people from different cultures.	0.825
Motivational CQ: I am confident that I can socialise with locals in a culture that is unfamiliar to me.	0.855
Motivational CQ: I am sure I can deal with the stresses of adjusting to a culture that is new to me.	0.777
Motivational CQ: I enjoy living in cultures that are unfamiliar to me.	0.732
Motivational CQ: I am confident that I can get accustomed to the buying conditions in a different culture.	0.874

5.3.2 Results of The Exploratory Factor Analysis.

The EFA helped to validate the items used to evaluate the theoretical model of the study. All the eight items of psychic distance adopted from Klein and Roth (1990); Sousa and Lages (2011) were all confirmed. Items for metacognitive and motivational CQ adopted from Ang et al., (2002) were all accepted. Items from LaBahn and Harich (1997) for relational performance were also confirmed. Items adapted from

McGuire et al., (1988); Hult et al., (2008) for financial performance were also confirmed. Moreover, the confirmation of all these items at this stage of the analysis did not come to the researcher as a surprise, since the items were well-established items from previous research.

5.3.3 Scale Validation

After completing the EFA, a more rigorous statistical test was performed to substantiate further the hypotheses proposed in the research. Structural Equation Modelling (SEM) technique was used to provide validation for all study items. Nevertheless, it is necessary to validate scales before submitting data for SEM analysis (Katsikeas and Skarmeas, 2003). This study utilised a three-step approach. First, the Cronbach alpha values were estimated to check for internal consistency for each construct. In Table 6.15 (the figures in bold) demonstrates that all scales offered an alpha score higher than 0.70, thereby meeting the appropriate threshold point (Nunnally and Bernstein, 1994). Secondly, in order to assess internal validity, according to Churchill (1995), the item-to-total correlations were determined within each construct. All the correlation coefficients were strong (> 0.6), in the path predicted and highly significant at 0.01 point, that indicates for each factor both items contributed to the construct. Thirdly, there is some support of discriminatory validity in the correlation matrix in Table 31. It is because the correlation between that and other variables in this study is not as high as the alpha scores (Katsikeas and Skarmeas, 2003).

Table 31: Construct Validity

Constructs		X1	X2	X3	X4	X5
Relational performance	X1	.88				
Motivational CQ	X2	.57	.79			
Metacognitive CQ	X3	.52	.55	.86		
Psychic distance	X4	.39	-.45	-.13	.89	
Financial performance	X5	.83	.24	.23	.13	.89

Notes: Scales reliability (coefficients alpha) are on the diagonal.

5.4 FINDINGS

5.4.1 Structural Equation Modelling

The data of this research were analysed using SEM technique in this section. SEM is particularly useful in social science research as it carefully analyses and validates the relationships between the constructs proposed in the theoretical framework.

5.4.2 An Introduction to Structural Equation Modelling

SEM is an analytical procedure used to evaluate and validate causal relationships using quantitative data and qualitative correlation hypotheses (Byrne, 2014). It combines both factor analysis and structural path analysis (Byrne, 2014). SEM provides four significant benefits for test concepts (Byrne, 2014). Firstly, it involves a confirmatory path to data analysis instead of an exploratory. SEM provides enormous potential for more advancement of hypotheses through the evaluation and modification of theoretical models (Anderson and Gerbing, 1988). SEM provides vast potential for more advancement of hypotheses through the evaluation and modification of theoretical models (Anderson and Gerbing, 1988). SEM provides vast potential for more advancement of hypotheses through the evaluation and modification of theoretical models (Anderson and Gerbing, 1988). SEM demonstrates a more reliable estimate, and that is closer to the fact than conventional multivariate procedures in which error terms are often overlooked, by eliminating estimation errors from the testing procedure (Fornell and Larcker, 1981). Third, SEM requires the study to be carried out using observed factors as well as unobserved variables in contrast with other approaches. The latent variables, which are not explicitly calculated but estimated in the calculated variables model, are referred to as the variables which are expected to tap into the latent variables (Fornell and Larcker, 1981).

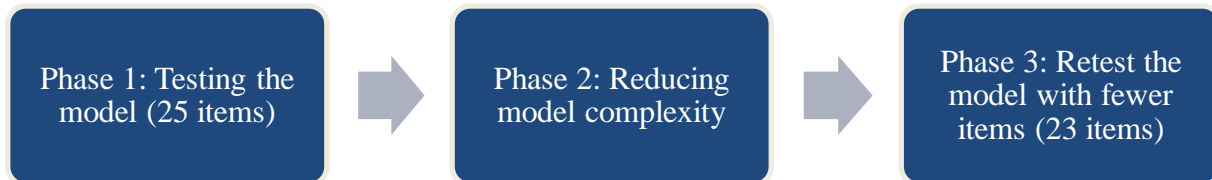
Finally, SEM makes it much easier to model multivariate relationships and to estimate the indirect effect point or otherwise intervals (Bryman, 2015). SEM can be achieved with a number of statistical programs, including AMOS, LISREL, Stata and EQS. The AMOS program is used for this analysis since it

provides the benefit of operating from a route map directly. It enables the author, in an insightful path illustration, to define, measure, evaluate and display the framework with hypothesised ties between variables (Kline, 1998).

5.4.3 Structural Equation Modelling Analysis Process

Figure 11 illustrates the three critical phases in conducting structural equation modelling. The first phase is to test the model, followed by the reduction technique in order to reduce the complexity of the model. Finally, retesting the model with fewer items in order to increase the goodness fit indexes.

Figure 4: SEM Procedures



5.4.4 Phase One

The items under investigation in this research include 4 items for metacognitive CQ, 5 for motivational CQ, 8 for psychic distance, 4 for relational performance and 3 items for financial performance: amounting to a total of 24 items. The conceptual model was tested with AMOS 25 after designing path diagrams into AMOS Software. The initial path diagram developed from Amos created an over-identified model, with the degrees of freedom and goodness of fit way below the accepted threshold (see Table 32).

Table 32: Summary of Goodness-of-Fit (full scale)

Full scale (25 items)	X ² (DF)	P	NFI	CFI	TLI	IFI	RMSEA
Conceptual model	1205.4 (245)	0	0.787	0.821	0.822	0.799	0.13

X² = chi-square statistics

DF = degree of freedom

P = probability value

NFI = Normed fit index

CFI = comparative fit-index

TLI = Tucker-Lewis index

IFI = Incremental fit index

RMSEA = root means square error of approximation

As presented in Table 6.16, the indices include the Chi-squared statistics, the probability value (P) the normed fit index (NFI), the comparative fit index (CFI), the Tucker-Lewis index (TLI) and the root mean square error of approximation (RMSEA). The adequate threshold of these indices was based on NFI, CFI, TLI and IFI > 0.90, and RMSEA < 0.08 (Byrne et al., 1989; Steenkamp and Baumgartner, 1998; Raju et al., 2002). The greater the likelihood value, the stronger it is to the optimal match between the hypothesised model.

However, since the probability value is usually significantly higher if the model does not fit as well as if the sample size is big, the p-value is used as a specific predictor in this instance (Jöreskog and Sörbom 1993). Table 6.16 indicates that the Chi-squared statistics (1205.4), 245 degrees of freedom and less than 0.0001 ($p < 0.0001$) probability is significant, which indicates that the fit of the data is not fully acceptable. The values of the model fit indices illustrate this since they have not all met their requirements. Therefore, though all the hypotheses were validated by the conceptual model, the original 25 items cannot be considered as a good approximation to the theoretical framework.

5.4.5 Phase Two

Since the aim of this phase is to increase the goodness of fit indices of the model using a reduction in the scale of the items, thus helping to avoid infringing on the sample size ratios (Cadogan et al., 2006). In order to enhance the goodness of the model, inter-item correlations were used to exclude such posts, thus improving the inter-item consistency and increasing the validity of each construct. The items with lower interaction and factor loads were then removed (Liu et al., 2007). Base on this procedure, 3 items with low inter-item correlations were eliminated. After dropping the low inter-item, a total of 22 items were left for further analysis. These remaining items include 4 items for metacognitive CQ, 3 motivational CQ items, 8 psychic distance items, 4 relational performance items and 3 financial performance items (see Table 6.17).

For the researcher to ensure construct reliability and validity, additional tests were carried out before these 22 items were then subjected to the second phase of the SEM process. According to Churchill (1979), construct validity indicates how much the conceptual or theoretical concept is evaluated by the item's scales. To ensure that the 22 items are loaded strongly, and EFA of both orthogonal and oblique rotations was performed (Podsakoff et al. 2003). In this second round of EFA, all the items loaded strongly on a single factor. This indicated a good construct validity. To evaluate the reliability of the items, the alpha scores were calculated as an indicator (see Table 6.17) Owing to the alpha scores were over 0.8 for each item, this indicates a reliable measure is suggested by (Nunnally and Bernstein, 1994). Table 33 also displays the composite reliability (CR) of all constructs from 0.62 to 0.80. That means that the reliability of each construct is acceptable, and the reliability of the model is further guaranteed (Fornell and Larcker, 1981).

Table 33: Final Items

Items	Factor loading	Cronbach's alpha	Composite reliability	Variance
Psychic distance: I am familiar with the tradition (e.g., behaviours, way of acting) of this salesperson.	0.852	0.883	1.854	0.715
Psychic distance: I understand this salesperson's foreign language.	0.814			
Psychic distance: I am familiar with the business values (e.g., principles, ethics, moral code) of this salesperson.	0.870			
Psychic distance: I am familiar with this salesperson's religion (e.g., faith, belief).	0.922	0.941	1.793	0.801
Psychic distance: I am familiar with this salesperson's business practices (e.g., how business is organised).	0.853			
Psychic distance: I have an understanding of the communication infrastructure (e.g., means of transmitting information) used by this salesperson.	0.907			
Psychic distance: I have an understanding of the political and legal system (e.g., government policies, laws) in this salesperson's country.	0.898			
Psychic distance: I am familiar with the level of economic development (e.g., standard of living) in this salesperson's country.	0.865	0.928	2.025	0.743
Relational performance: I have found the time and effort spent on this relationship very worthwhile.	0.870			
Relational performance: The relationship I have with this salesperson has been very productive.	0.876			
Relational performance: The relationship I have with this salesperson has been very effective.	0.838			
Relational performance: I have a very rewarding relationship with this salesperson.	0.864	0.918	1.772	0.742
Financial performance: Our sales growth has increased significantly resulting from doing business with this salesperson.	0.873			

Financial performance: Our profit has increased because of products from this salesperson.	0.848			
Financial performance: Our market shares have increased significantly resulting from doing business with this salesperson.	0.841			
Metacognitive CQ: I am conscious of the cultural knowledge I use when interacting with people from different cultural backgrounds.	0.848	0.918	2.139	0.715
Metacognitive CQ: I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.	0.860			
Metacognitive CQ: I check the accuracy of my cultural knowledge as I interact with people from different cultures.	0.850			
Metacognitive CQ: I am conscious of the cultural knowledge I apply to cross-cultural interactions.	0.789			
Motivational CQ: I enjoy interacting with people from different cultures.	0.825	0.892	2.731	0.653
Motivational CQ: I am confident that I can socialise with locals in a culture that is unfamiliar to me.	0.855			
Motivational CQ: I am sure I can deal with the stresses of adjusting to a culture that is new to me.	0.852			

The second phase SEM was then performed with the 22-item scale after using the item reduction procedure to test the validity and reliability of the construct. At this stage, the goodness of fit indices in the model increased considerably and demonstrated acceptable goodness of fit. As presented in Table 34, the chi-square has substantially reduced. A chi-square to degree of freedom at (1.99) ratio, which is less than 2 is considered acceptable (Liu et al., 2007). The overall goodness of fit levels is also desirable (NFI= 0.93). Correspondingly, the comparative fit score of the model (CFI= 0.96) is considered exceptional (Byrne, 2001).

Table 34: Model Fit Indices for Structural Path Model

Model	X2 (DF)	NFI	CFI	TLI	IFI	RMSEA
Default model	318.74 (160)	0.934	0.966	0.955	0.966	0.06

X2 = chi-square statistics

DF = degree of freedom

P = probability value

NFI = Normed fit index

CFI = comparative fit-index

TLI = Tucker –Lewis index

IFI = Incremental fit index

RMSEA = root means square error of approximation

According to Arbuckle and Werner’s (1999) study in order to determine the convergent and discriminant validity of study items, the factor loading of each variable should be evaluated. As presented in Table 6.17, the analysis shows that the factor loading for each variable is equivalent to or above 0.70, indicating strong construct validity. This illustrates why the total variances amount to 50 per cent, which

means that the discriminant and convergent analysis reflect the structure of the actual data (Fornell and Larcker, 1981). Finally, discriminant validity was assessed by selecting two structures at random and measuring the difference in the chi-square. Since a substantial difference was evident between the two constructs, discriminant validity is apparent (Bagozzi and Phillips 1982; Anderson and Gerbing 1988).

Furthermore, the process adopted by Podsakoff and Organ's, (1986), was used again to test independent variables with exploratory factor analysis to eliminate common method bias. There have been no significant problems since three individual factors exist, and no particular factor has evolved to take account of most of the covariance when evaluating independent variables: 4 items for metacognitive CQ and 3 for motivational CQ. Therefore, no common method bias issues were found.

5.4.6 Hypotheses Testing

The research hypotheses were tested using SEM. The analysis revealed an acceptable model fit, as shown in Table 6.19 ($\chi^2/DF = 1.97$; NFI = 0.901; CFI = 0.948; TLI = 0.938; IFI = 0.949; RMSEA = 0.06). Table 6.19 demonstrates the standardised path coefficients along with the respective t-values of the structural model.

5.4.7 Main Effects

Hypotheses regarding metacognitive CQ on psychic distance are supported, while none of the hypotheses regarding motivational CQ on psychic distance was supported. The connection between psychic distance and relational performance was confirmed. However, the study found no significant relationship between psychic distance and financial performance. Ultimately, the study found support for the link between relational performance and financial performance.

Table 35: Results of the Path Coefficients (SEM)

Hypotheses and hypothesised direction (SEM)				β	t	p	Finding
Main Effect							
H1	Psychic Distance	<---	Metacognitive CQ	-.21	-3.10	.002	Supported
H2	Psychic Distance	<---	Motivational CQ	.46	.662	.508	Not supported

H3	Relational Performance	<---	Psychic Distance	-.26	-3.90	.000	Supported
H4	Financial Performance	<---	Psychic Distance	-.00	-.01	.988	Not supported
H5	Financial Performance	<---	Relational Performance	.64	7.63	.000	Supported
Mediation Effect							
H6a	Relational Performance	<---	Meta CQ	-.27	-6.71	.000	Supported
H6b	Relational Performance	<---	Mot CQ	.33	.532	.270	Not supported
H6c	Relational Performance	<---	MetaCQ*PD	-.20	-3.28	.050	Supported
Control Effect							
	Relational Performance	<---	Relationship age	.03	.58	.560	
	Financial Performance	<---	Relationship age	.05	1.01	.312	
	Relational Performance	<---	Relationship stage	.37	4.154	.000	
	Financial Performance	<---	Relationship stage	.03	.62	.532	

Sig. at * $p < 0.10$, ** $p < 0.05$, and *** $p < 0$ levels.

It was predicted in H1 that the higher the metacognitive CQ of import manager, the lower the psychic distance. Specifically, in support of the hypothesis, import managers' metacognitive CQ is related negatively to the psychic distance they hold for their oversea counterpart ($\beta = -.21$, $t = -3.10$, $p < .002$), thus, H1 supported. Contrary to expectations, where the research predicted in H2 that the higher the motivational CQ of import manager, the lower the psychic distance. However, no significant association in this prediction ($\beta = .46$, $t = .662$, $p = .508$), thus, H2 not support performance. This hypothesis revealed a significant negative relationship ($\beta = -.26$, $t = -3.90$, $p < .000$), thus, H3 supported. With regards to H4, it was predicted that the lower the import manager's psychic distance, the higher the level of their financial performance. However, the result of H4 did not uphold expectation as the relationship between psychic distance, and financial performance revealed no statistically significant association ($\beta = -.00$, $t = -.01$, $p < .988$). Finally, as predicted in H5, high level of relational performance, related positively to high level of financial performance ($\beta = .64$, $t = 7.63$, $p < .000$). Further, the results of the conceptual model show that the study constructs collectively explain over a quarter (26%) of the observed variance in the endogenous constructs

5.4.8 Mediation Effects

To examine the extent to which psychic distance mediates the relationship between CQ and relational performance (H4), this thesis relied on the three-step approach recommended by Baron and Kenny (1986). To meet the first mediation condition, both Metacognitive and motivational CQ are significantly related to relational performance, thus satisfying the first condition of mediation, i.e., variations in the mediators significantly account for variations in the independent variable (Baron and Kenny 1986). In the next step, in the absence of the mediators, we examined the relationship between metacognitive and motivational CQs and relational performance. The results show that metacognitive CQ is significantly related to relational performance ($\beta = -.27$, $t = -6.71$, $p < .000$), however, motivational CQ revealed no significant association thus satisfying the second condition of mediation. However, focusing on the significant part, after entering the mediator the result show that metacognitive CQ is still significantly related to relational performance ($\beta = -.20$, $t = -3.28$, $p < 0.05$) in the presence of the mediator (psychic distance). However, we found that there is a substantial reduction in the path coefficient (from .27 to .20) and the t-value (from 6 to 3) for the direct link between CQ and relational performance after entering the mediator. Thus, psychic distance partially² mediates this link (Baron and Kenny, 1986; Zhou et al., 2007).

5.4.9 Control Effects

The study also examines the impact of relationship age and relationship stage as control variables on relational and financial performance. Relationship age revealed no significant relationship on relational performance ($\beta = .03$, $t = .58$, $p = .560$) indicating that the longer or shorter the duration of the relationship

² A non-significant path between Metacognitive CQ and relational performance in the presence of the mediator would suggest that psychic distance fully mediates the impact of CQ on relational performance (Baron and Kenny, 1986).

does not create a likelihood that it will perform well. However, the relationship stage—that is, whether the relationship was growing or declining—revealed a statistically significant effect on relational performance ($\beta = .37$, $t = 4.154$, $p < .000$). This indicates that, if the relationship is at a mature stage, there is a tendency for the relationship to perform better. Moreover, relationship age ($\beta = .05$, $t = 1.01$, $p = .312$) and relationship stage ($\beta = .03$, $t = .62$, $p = .532$) revealed no significant relationship on financial performance. This indicates that the longer or shorter the duration of the relationship, or if the relationship is at a mature stage does not create a possibility that it will perform better.

5.4.10 Alternative Model

Bollen and Long (1992) suggest that research using SEM should not only assess the proposed model of the study but also compare rival models. The structural path analysis in this research suggests that a managers' metacognitive and motivational influence their perception of their international supplier's psychic distance, and ultimately increase their relational and financial performance. Therefore, an opposing model may present a direct relationship among metacognitive CQ, motivational CQ, and psychic distance on relational and financial performance. The researcher tested this comparable structural model, and the goodness fit was as follows; $X^2/DF = 5.66$; $NFI = 0.761$; $CFI = 0.794$; $TLI = 0.765$, $IFI = 0.795$, $RMSEA = 0.07$, this alternative is taken into account. The findings of the alternative model are substantially worse than the comparable indices in the structural model of the study. It can, therefore, be argued that, in addition to being less parsimonious, the rival model does not always clarify the data as well as the actual model.

5.5 POST HOC ANALYSIS MULTIPLE REGRESSION

Since the results of the proposed model revealed that metacognitive CQ has a negative relationship with psychic distance, and motivational CQ presented no significant at all in the relationship. The study further investigated these effects using dyadic data related to the effect of import manager and the

corresponding export managers' metacognitive and motivational CQ on their perception of their psychic distance. In order to collect corresponding dyadic data, the respondents from the importer's perspective survey were asked to provide the address, telephone number and e-mail of a specific foreign counterpart. Only 100 importers agreed to provide this information. Based on the information provided by the 100 importers, the corresponding counterparts were then contacted by e-mail and telephone and were invited to respond to a short online questionnaire. The questionnaire was completed by a total of 41 respondents from 7 different countries. Responses from this participant provided an assessment of how CQ impact on the psychic distance they hold for their Nigerian counterparts

The research investigated data from the 41 dyads to examine the effect of import managers and their corresponding export managers' metacognitive and motivational CQ on their perception of their psychic distance. The motivation is that managers' high level of CQ will reduce the effect of the psychic distance they hold for their foreign counterparts (for a detailed demonstration of the impact of psychic distance in buyer-seller relationships, see Durand et al., 2016). Given the small sample of 41 dyadic data, SEM was not possible; instead, the researcher utilised multiple regression analysis to assess the relationship. According to Hair et al., (1998), multiple regression analysis is a multivariate statistical model that can be used to evaluate the correlation between a specific dependent variable and multiple independent variables. In the multiple regression analysis, each independent variable will be measured in the regression model to ensure optimal prediction from the set of variables (Hair et al., 1998). These weights reflect the relative contribution of the independent variables to the overall prediction and make it easier to understand the effect of each variable on prediction (Hair et al., 1998). The set of weighted independent variables will form the regressive variant, (which is also called the regression equation or regression model) a linear combination of the independent variables that best predict the dependent variables (Hair et al., 1998).

Table 36: Regression Model Fit Summary

Model 1: Dependent variable psychic distance					
Independent variables	R	R Squared	Adjusted R Square	F	p
(Constant)	0.310	0.096	0.088	2.014	0.002

Note: Constant is metacognitive CQ and motivational CQ. Sig. at $p < 0.010$ level.

5.5.1 Assessment of Regression Model Fit

It is essential to satisfy the presumptions of the regression analysis to guarantee that the findings derived are accurately reflective of the sample, and the research produced the best possible outcome. The study met numerous assumptions: (1) linearity, (2) outliers, (3) normality, (4) multicollinearity, (5) homoscedasticity and heteroscedasticity, and (6) residue independence. For linearity, there are no nonlinear associations between dependent variables and independent variables in the distribution of individual variables. The multi-linearity check shows that there is no multi-linearity problem.

Table 37: Results of Regression Analysis

Model 1: Dependent variable Psychic Distance				
Independent variables	Unstandardised Coef. (β)	Standardised coef. (β)	t	p
Metacognitive CQ	-.38	-.11	-.740	.464
Motivational CQ	-.61	-.26	-1.667	.104

Loading shows in standardised estimates Sig. at * $p < 0.10$, ** $p < 0.05$ and *** $p < 0$

5.5.2 Results of Regression Analysis

Specifically, the multiple regression analysis (see Table 37) revealed that the corresponding export managers' metacognitive CQ ($\beta = -.11$, $t = -.740$, $p = .464$), and motivational CQ ($\beta = -.26$, $t = -1.667$, $p = .104$) has no significant effect on import managers' psychic distance. Even though the limited number of the dyadic sample does require a careful evaluation of the findings –still they contribute to the evaluation of the impact of CQ on psychic distance in the international buyer-seller relationship studies.

5.6 CHAPTER SUMMARY

Based on the SEM analysis and multiple regression analysis, the research concluded that some relationships were supported in this context, while others were not. Significant relationships in the final

research model are summarised in Table 35. It shows whether those relationships were supported or not supported in the context of this study. Next, the findings and results from the SEM analysis and multiple regression analysis will be integrated into chapter six of this thesis in light of the extant literature on psychic distance, cultural intelligence and its ultimate effect on relational and financial performance.

CHAPTER 6 – DISCUSSION OF FINDINGS

6.1 INTRODUCTION

This study examined the role of import managers' CQ on their perception of their foreign export counterparts' psychic distance and ultimately, their relational and financial performance. This research sheds light on the inter-dependencies among metacognitive and motivational CQs, psychic distance, relational performance and financial performance. Based on the results obtained from the previous chapter, this chapter discusses the findings of the study in line with existing literature to establish whether the results are consistent with the preceding studies. The chapter mainly highlights the study findings, discusses how they compare with theoretical contributions of the study and the knowledge gaps seeking to address.

6.2 HYPOTHESISED RELATIONSHIPS

This section presents a detailed discussion of the results for hypotheses associated with the impact of 'metacognitive' and 'motivational CQs' on 'psychic distance', as well as 'psychic distance' on 'relational performance' and 'financial performance', and 'relational performance' on 'financial performance'.

6.2.1 Metacognitive CQ and Psychic Distance

The findings of H1, which is, the relations between metacognitive CQ, and psychic distance revealed a significant association. This result is consistent with preceding studies on cultural intelligence which found that metacognitive CQ has a significant relationship on cross-border business interactions (e.g., Ang et al., 2007; Ramalu et al., 2011; Templar et al., 2006; Williams, 2008). The findings suggest that an import manager with a high level of metacognitive CQ are better and more able to develop cross-cultural relationships, understand the international market environment, and thus, diminish the perception of the psychic distance they hold for their oversea counterparts. Moreover, import managers with high level of

metacognitive CQ have an inherent interest and confidence in managing issues pertaining cultural difference effectively (Bandura, 2002). Import managers with high metacognitive CQ are more culture averse and enjoy working with people from culturally diverse settings (Ang et al., 2007; Peng et al., 2015). In essence, managers with great metacognitive CQ exercise better decision making when dealing with an international counterpart from an extremely dissimilar/different environment.

As cited in the literature review, import managers with high metacognitive CQ are more aware of other cultural preferences (Ang et al. 2007). Consequently, metacognitive CQ should enhance cross-cultural competencies through an increased sense of awareness that a channel partners' behaviours are shaped by their cultural contexts and greater cognitive flexibility (Ang et al. 2007; Chua, Morris, and Mor 2012). In a broader sense, because import managers are responsible for the daily operation of international business, they become potentially human resource advantage for organisations. Furthermore, import managers' high metacognitive CQ are substantial asset for their organisation because they not only recognise when cultural variations are required, they abruptly make modifications and exercise better judgment in determining how best to utilise their cultural knowledge when dealing with foreign counterpart from a different cultural and business environment.

6.2.2 Motivational CQ and Psychic Distance

With regards to H2, motivational CQ revealed no statistical relationship on psychic distance. This finding suggests that import managers' motivational CQ does not influence the perception of the psychic distance they hold for their foreign export suppliers. Even though previous research found that motivational CQ significantly affects and predicts psycho-cultural interactions (Sharma, 2019; Magnusson et al., 2013). However, this present study contradicts prior research findings by affirming that manager's motivational CQ does not motivate the perception of the psychic distance they hold for their overseas counterpart. While this result challenges previous research findings (e.g., Sharma et al. 2019; Magnusson et al., 2013), it is essential to note that these studies are centered on a particular group of people in a specific

country, (e.g., New Zealand for Sharma, and the United States for Magnusson and colleagues). However, country-specific knowledge may become more relevant when the sample is confined to one particular country (Templar et al., 2006).

6.2.3 Psychic Distance and Relational and Financial Performance

Pertaining to H3, the results of this proposition brought to light mixed findings on the effects of psychic distance on both relational and financial performance. The results revealed that psychic distance has a negative association with relational performance, while the relationship between psychic distance and financial performance revealed no significant association. This study findings concerning psychic distance and relational performance indicate that when an import manager's perception of psychic distance for a foreign counterpart is low, the performance of their working relationship significantly increases. Essentially, this empirical finding is consistent with prior studies on psychic distance in the buyer-seller relationship. Since low level psychic distance is associated as a resource advantage for organisations involved in channel relationship, understanding the culture and operating environment of foreign counterparts are vital in order for firms to obtain a successful business relationship (Johnson and Vahlne 1977; Wiedersheim and Vahlne 2009).

Furthermore, the significant negative relationship found in this study in the connection between psychic distance and relational performance could be associated with the following factors. (1) the majority of foreign export suppliers surveyed in this research were based in highly developed countries and also shared similar cultures with the Nigerian importers. 28.1 per cent of these foreign export suppliers that responded to this survey were from the United States, 15.4 per cent from the United Kingdom and 13.2 per cent from Canada. These findings are consistent with that of (Evans and Mavondo 2002), which highlighted that the international market with very similar cultural and business environments offer financial and strategic opportunities, and (2) it is possible that when an import manager perceives distance between an

overseas export counterpart as similar, it enables managers to exercise better decision-making processes and in turn, enhance relational performance (Leonidou et al., 2019).

Regarding the findings of H4, the relationship between psychic distance and financial performance revealed no significant association. The results suggest that import managers' low perception of psychic distance does not influence their financial performance. This finding is compatible with preceding research, which failed to find a significant relationship between psychic distance and financial performance (Evans and Mavondo 2002; Leonidou, Katsikeas, and Hadjimarcou 2002). Moreover, results from this research can be attributed to the fact that the vast majority of the surveyed foreign export suppliers in this study, the relationship with their Nigerian importers were either at the introductory stage 30.3 per cent or the growing stage 36.4 per cent. Consequently, international business relationships at this stage might not attain stability, as such, greater financial performance might not be viable. This might not necessarily be the case.

6.2.4 Relational and Financial Performance

Finally, the results of H6, the correlation between relational performance and financial performance revealed a strong relationship. The coefficient level that was found in this association was among the strongest between all the constructs in the model. This finding insinuates that sound working relationships between and importers and their oversea counterparts lead to more immeasurable financial performance because channel partners need to collude with partnering organisations in order to operate and compete more effectively and efficiently (Palmatier, Dant, and Grewal 2007). This is strikingly true in foreign markets where psychic distance predicaments are faced by both sellers and buyers (Leonidou, Katsikeas, and Hadjimarcou 2002). Subsequently, a pleasing working relationship is vital to develop strategies, processes and procedures that are important to the financial efficiency and effectiveness of the business relationship (Selnes and Sallis 2003).

6.2.5 Control Variables

Control variables reflect other characteristics and situational factors, which have potential implications for the prediction of a study's outcome variables. This part of the discussion section will present the results of the additional tested control variables in the conceptual framework. The study tested two control variables, which are: relationship age and relationship status. As specified above, this study utilised two control variables. These control variables were used because they have shown to have potential effects on performance in other similar studies (e.g., Skarmeas et al., 2008; Leonidou et al., 2019). In this study, relationship stage and relationship age did not reveal any statistically significant on financial performance, and also relationship age did not show any significant association on relational performance. However, the relationship stage revealed a significant effect on relational performance (see Figure 5). The following discussion on control variables will be based on the control variable that was found significant in the model. The non-significant control variable will be generally ignored.

Relationship stage. Congruent with preceding studies (e.g., Skarmeas et al., 2008; Leonidou et al., 2019a; Leonidou et al., 2019b), the control variable of relationship stage was found to have significant positive relationships with relational performance ($p < .000$) in the current study. This indicates that channel relationship at an introductory stage might not perform so well. However, should the relationship exist and reach a mature stage, there is a tendency for the relationship to perform better. Moreover, this significant finding is explained by the resource-advantage theory, of Hunt and Morgan's (1995) in which individuals, over some time, learn to understand the operating environment of their foreign counterparts through accumulated repertoires of appropriate behaviours and cultural norms by daily interacting with foreign counterparts. Dwyer et al. (1987) have also found that buyer-seller relationships take place over time; therefore, relationship stage is a critical factor for predicting relationship performance in international marketing.

6.3 POST HOC ANALYSIS (DYADIC RELATIONSHIP)

6.3.1 Metacognitive and Motivational CQs and Psychic Distance

The section presents a discussion of the 41 corresponding dyadic data examined in this study in order to access a dyadic relationship between a Nigerian importer buyer and a particular foreign supplier. Despite the research proposition, the multiple regression analysis (see Table 36) revealed that the corresponding export managers' metacognitive CQ and motivational CQ has no significant effect on import managers' perception of psychic distance. Though the limited number of the dyadic sample does require a careful evaluation of the findings –still they contribute to the evaluation of the impact of CQ on psychic distance in the international buyer-seller relationship studies.

6.4 CHAPTER SUMMARY

This chapter discussed the outcomes of this study in light of preceding research and strived to place the findings obtained from the pertinent literature; the discussion highlighted significant contributions. In summary, the findings of this study suggested that import managers' metacognitive CQ reduces their perception of their foreign export counterparts' psychic distance. In contrast, import managers' motivational CQ unveiled no relationship on psychic distance. Furthermore, the study found that in the presence of low perception of psychic distance relationship performance increases. However, psychic distance revealed no significant association with financial performance. Moreover, the relationship between relational performance and financial performance reported a healthy relationship. Subsequently, the study also explored the role of export managers' CQ on their perception of their overseas import counterparts' psychic distance. Due to the limited amount of data, these relationships were analysed using multiple regression analysis. Findings from the multiple regression analyses indicate that motivational CQ of export managers has no significant effect on their perception of their international trade partners' psychic

distance. At the same time, metacognitive CQ revealed no significant effect. The next chapter will present the summary, implications, limitations and conclusion of the study.

CHAPTER 7 – SUMMARY AND CONCLUSIONS

7.1 INTRODUCTION

The overall aim of this doctoral thesis is to examine the role of import managers' CQ on their perception of their foreign export counterparts' psychic distance, and ultimately their relational and financial performance. Consequently, this research developed and tested a conceptual framework based on the interrelations between CQ, psychic distance, relational performance and financial performance. Following findings from the proceeding chapter, this final chapter begins with an overview of the thesis, by drawing together the research process and the key findings into a broader conclusion.

Figure 5: The Research Process



This is followed by a discussion of how the thesis confirmed nor rejected its hypotheses and its contribution to the international marketing literature. The research produced several theoretical and managerial

implications which will be discussed in this chapter. Finally, the limitations of the study are outlined, and areas are identified for future research.

7.2 SUMMARY OF THE THESIS

In this section, a summary of the study is given by combining the research objectives, process and its findings into a specific conclusion. Figure 6 demonstrates the framework that helps structure the conclusion and summaries the significant research findings. In short, the thesis evolves from the first to the fifth phase. The dotted arrows are indicator lines coming out from the research aim and pointing to the first phase to the fifth phase. This helps to demonstrate the central function of the research target; and how it is focused and connected levels in the research. Each of the research phases is described in the following section.

7.2.1 Phase One – Research Aim

The first phase of the study started with the idea to extend the buyer-seller literature by examining the role of import managers' CQ on their perception of their foreign export counterparts' psychic distance, and ultimately their relational and financial performance. The research is grounded in Hunt and Morgan's (1995) resource-advantage theory, which suggests that human resources may well have competitive advantages if the skills and abilities of the managers are essential and difficult to imitate. Additionally, the study examines a dyadic relationship of the influence of import managers and the corresponding export managers' CQ on their perception of their psychic distance. Based on the literature of both psychic distance and CQ, the research developed a clearly defined aim that leads to a framework which could contribute to the understanding of psychic distance in the buyer-seller relationship. The unit of analysis of this study was the dyadic relationship between a Nigerian importer and a particular export supplier within the automotive retail sector.

This thesis employs the Nigerian automobile industry as a research setting for this study for the following reasons. First, the Nigerian automobile retail industry is an appropriate sector to conduct such research because of its popularity, and it is a predominant growing area (Ogiagbe, George and Owoyemi 2012). In the past 30 years, importation and sales of new and used automobile cars in Nigeria have increased to the tune of US\$270 billion in revenue, which is approximately a 42 per cent GDP growth, reflecting the strength of the industry (Nigerian Ministry of Trade and Investment, 2019). Moreover, the latest smart technologies of modern cars have contributed to an increase in imports and sales in this market. (Nigerian Ministry of Trade and Investment, 2019). Second, Nigeria is highly dependent on imported new or used automobile cars to satisfy local demand due to inadequate domestic production of automobiles. For instance, in 2018, commercial vehicles were the most important export commodity from the U.S.A to Nigeria (U.S. Census Bureau, 2019).

Third, under the administration of the former President of Nigeria, Dr Goodluck Ebele Jonathan, the Ministry of Trade and Investment between 2010 – 2015, opened trade borders for the importation of used cars from all over the world into the country in order to meet local demands and also reduce the cost of purchase (Nigerian Ministry of Trade and Investment, 2019). Since these businesses operate on a direct buyer and seller relationship, it also justifies the choice of this sector as the research setting for the study. Fourth, the majority of CQ and psychic distance studies have been accessed in the context, for example, Sharma's (2019) research was investigated using multiple manufacturing industries, Durand, Turkina and Robson's (2016) study on the wines industry, Skarmeas and colleagues' (2008) examination of psychic distance in the context of textile and paper materials. Hence, the Nigerian automobile retail industry adds potential value to international marketing literature. Finally, the studies on CQ and psychic distance have predominantly focused on regions such as; Europe, Asia, North and South America. (Rockstuhl and Van Dyne 2018; Aykol and Leonidou 2018). Continents, for instance; Africa have been largely ignored. Hence, this research will contribute to the international marketing literature in the context of emerging markets.

7.2.2 Stage Two – Literature Review

Based on the research purpose, this study began with a review of general distance from management and international business perspective. Then after, moved to review psychic distance in buyer-seller relationships perspective. The researcher considered this essential in order to pin-point the conceptualisation and operationalisation of psychic distance in the literature, justify pre-identified research gap and establish a conceptual framework that will link the proposed ideas. From the review the study confirmed that the initial conceptualisation of psychic distance relates to the concept as a collection of factors which obstruct information flow to and from a specific foreign market (Johanson and Vahlne 1977). This study defined psychic distance as the importer's perception of differences between the operating environment of the foreign export counterpart, based on (Klein and Roth 1990) conceptualisation of psychic distance. Moreover, the idea behind the conceptualisation is that the lower the degree of differences, the lower the level of psychic distance surrounding the importer-exporter relationship (Stöttinger and Schlegelmilch, 1998; Klein and Roth 1990; Johanson and Vahlne 1977). Empirical research has shown that psychic distance poses huge problems (Skarmeas et al. 2008).

According to Samiee and Walters (2006. p. 594), note that "the international context invariably introduces some additional barriers: time-zone, language, lack of or limited face-to-face contacts, and cultural differences – these barriers impede on the information flows which are so critical to relationship exchanges." Psychic distance rises from factors that affect the way organisations understand behaviours and the market environments of exchange counterpart (Johanson and Vahlne 1977; Nordstrom and Vahlne 1994). Psychic distance inhibits communication and social interactions (Bello and Gilliland, 1997), which are essential for the development of relationships (Morgan and Hunt, 1994). Moreover, Shoham, Rose, and Kropp, (1997) also find that dissimilarities in international exchange partners' operational environments have increased the prospective for confusion between the parties, and thus, reduces relational performance. With the objective of reducing the effect of psychic distance in the buyer-seller business relationship and

enhancing relational and financial performance among exchange parties, the study posits that import managers' CQ are intangible but valuable resources capable of reducing the negative effect of psychic distance in the buyer-seller relationship.

7.2.3 Stage Three – Conceptualisation

Following the discussion from literature, a conceptual framework was proposed consisting of five constructs. The five constructs are metacognitive CQ, motivational CQ, psychic distance, relational performance, and financial performance (see Figure 2). Five hypotheses are presented to illustrate the structure amongst the constructs. As shown in Figure 2, hypothesis H1 maintains that high levels of metacognitive CQ will lead to a reduced psychic distance within the relationship. Hypotheses H2 maintain that high levels of motivational CQ will lead to reduced psychic distance. Hypotheses H3 describes that low levels of psychic distance will simulate a high level of relational performance. Hypotheses H4 also describes that low levels of psychic distance will simulate a high level of financial performance. Finally, Hypotheses H5 posits that high levels of relational performance will lead to increased financial performance.

7.2.4 Stage Four – Quantitative Survey

In order to test and verify the conceptual framework, quantitative data were collected with Nigerian importers and their foreign export suppliers. Participants were asked to concentrate on their third most important foreign counterpart in terms of volume of sales. This was considered relevant in order to achieve consistency in our data and avoid bias whereby respondents will only concentrate on a partner they enjoy working with (Anderson and Narus 1990; Skarmeas et al. 2008). The research tool was established using seven-point Likert scales measuring the psychic distance of an import manager from that of their international suppliers. The study constructs were motivational CQ, metacognitive CQ, psychic distance, relational performance and financial performance.

The items for this study were drawn from preceding studies and produced a high internal consistency, (i.e., Cronbach's alpha >0.7). The data were obtained by means of a combination of an online and drop-off questionnaire process. Pre-survey telephone calls were made to 1200 companies identified. These 1200 companies were randomly selected from the Nigerian Marketing Research Association (NIMRA) database. This helps the researcher to collect an initial sample of 298. Finally, a total of 228 usable data were identified. This resulted in a response rate of 24.8 per cent, which was a satisfactory outcome, bearing in mind that collecting online data from a developing country is challenging to achieve due to lack of infrastructures. Furthermore, from the Nigerian importers the researcher collected 41 dyadic data in order to investigate dyadic relationship of the proposed research framework.

7.2.5 Stage Five – Results

Initially, an EFA was performed to verify the measuring items of the study. The results of the EFA supported the 5-items for measuring motivational CQ, 4-items for metacognitive CQ, 8-items for psychic distance, 4-items for relational performance and, 4-items for financial performance. The goodness of fit indices from SEM estimates indicated that; (a) there was a good match between the theoretical framework and the results, and (b) three of the five hypotheses were accepted (see Figure 5). Therefore, given that the appropriate cut-off points were based on the comparative fit index (CFI) > 0.90 and the root mean square approximation error (RMSEA) < 0.08 (Byrne et al., 1989; Steenkamp and Baumgartner, 1998; Raju et al., 2002), the model was considered to fit well with CFI= 0.96, and RMSEA= 0.06.

Furthermore, as shown in Figure 5, It was predicted in H1 that the higher the metacognitive CQ of import manager, the lower the psychic distance. Specifically, in support of the hypothesis, import managers' metacognitive CQ is related negatively to the psychic distance they hold for their oversea counterpart. Contrary to expectations, where the research predicted in H2 that the higher the motivational CQ of import manager, the lower the psychic distance. However, no significant association in this prediction. As foretold in H3, the lower the import manager's psychic distance, the higher the level of their

relational performance. This hypothesis revealed a significant negative relationship. With regards to H4, it was predicted that the lower the import manager's psychic distance, the higher the level of their financial performance. However, the result of H4 did not uphold expectation as the relationship between psychic distance, and financial performance revealed no statistically significant association. Finally, as predicted in H5, a high level of relational performance, related positively to a high level of financial performance. Moreover, the results of the conceptual model show that the study constructs collectively explain over a quarter (26%) of the observed variance in the endogenous constructs

7.2,6 Post Hoc Analysis Multiple Regression

The research also examined the data from 41 dyads to explore the impact of export managers CQ on their perception of the psychic distance they hold for their foreign import buyer. Therefore, given that the appropriate cut-off points were based on R-squared (r^2) > 0.3 and $p < 0.000$ (Byrne et al., 1989; Steenkamp and Baumgartner, 1998; Raju et al., 2002), the model was considered to be an acceptable model with $r^2 = 0.31$, and $p < 0.010$.

Specifically, the multiple regression analysis (see Table 37) revealed that the corresponding export managers' metacognitive CQ and motivational CQ has no significant effect on import managers' psychic distance. Although the limited number of the dyadic sample does require a careful evaluation of the findings –still the dyadic sample of this study contribute to the evaluation of the influence of CQ on psychic distance in the international buyer-seller relationship studies.

7.3 RESEARCH IMPLICATIONS

By examining the role of import managers' CQ on their perception of their foreign export counterparts' psychic distance and ultimately, their relational and financial performance, the present study has a number of theoretical and management implications.

7.3.1 Theoretical Implications

This research contributes to theory in several ways. *First*, by examining the role of import managers' CQ on their perception of their foreign export counterparts' psychic distance and ultimately, their relational and financial performance is important as this study is among the first empirical research that has taken into account the import managers skills and abilities in the management and operations of buyer-seller relationship. The research findings show that import managers with a high degree of metacognitive CQ appear to communicate and function more with oversea partners, allowing them the ability to understand and grasp the business environment of their trading counterpart and consequently reduce their psychic distance perceptions. Furthermore, import managers with high metacognitive CQ seem to be more productive in intercultural collaboration and cultural evaluation, which in turn enhance the performance of their working relationship with foreign trade counterparts. Fundamentally, greater metacognitive CQ allows import and export managers to develop a healthier strategic plan and exercise better decision-making when dealing with an oversea counterpart from an unfamiliar culture and business environment.

Second, the examination of metacognitive CQ provides a richer understanding of the soft skills of international marketing managers and how these skills enhance exchange relationship. Three of the ten essential soft skills for international marketing managers introduced to the literature by Griffith and Hoppner's (2013) research are supported in this practical examination of metacognitive CQ. Among those supported to metacognitive CQ are learning (which is, managers ability to utilise the knowledge acquired), unlearning (which is, the process whereby a manager relinquishes their general knowledge and replaces it with a newly obtained knowledge upon which to operate), and intuition (which is, a sense of conviction relating to a specific matter, without being able to rationalise how the knowledge came about). This research does not assert that metacognitive CQ is the only ability that counts for a profitable buyer and seller relationship; however, view this as an expansion towards a more efficient import managers' skills

and attributes. This study reaffirms Griffith and Hoppner (2013) call for scholars to develop research using international marketing managers as the research context.

The *Third* theoretical contribution of this study relates to the level of analysis of psychic distance. For over four decades of distance related research, there has been conflicting evidence with regards to its operationalisation. Researchers argue that these inconsistencies are akin to its level of analysis (e.g., Berry et al., 2010; Evans, Mavondo, and Bridson 2008; Sousa and Bradley 2006; Stöttinger and Schlegelmilch 2000). Some studies claim that psychic distance should be measured at the country-level based on quantitative variations in country features (Berry et al. 2010; Kogut and Singh 1988). While others argue that it should be measured at the individual level, since managers are tasked with the key responsibilities of making strategic decisions, as such their understanding of psychic distance differ from that of country-level measures (Sousa and Bradley 2008; Swift, 1999). Consequently, the results of this study demonstrate how the examination of the individual level evaluation of psychic distance can theoretically extend knowledge in this area of research.

This study findings demonstrate that metacognitive CQ have a unique effect on import managers' perception of their foreign export counterparts' psychic distance, which in turn, leads to an enhanced relational performance. Specifically, consistent with the study's argumentation, that it is the individual (manager) who makes the decisions for the organisations and not the organisation itself. Moreover, metacognitive CQ is a skill acquired by the individual, in this sense the import manager, and by applying the acquired metacognitive CQ skills diminishes the perception of psychic distance the import manager holds for the foreign export counterpart and ultimately, foster the enhancement of working relationship. As such, this research extends Sousa and Bradley's (2008) theoretical argumentation by providing fresh insight into the significance of measuring psychic distance at the individual level. This makes significant contributions to the buyer-seller relationship and advances the exploration of individual-level analysis of psychic distance in the buyer-seller relationship exchange.

The *fourth* theoretical contribution of this study relates to the research scope. The studies on CQ and psychic distance have predominantly focused on regions such as Europe, Asia, North and South America (Rockstuhl and Van Dyne 2018; Aykol and Leonidou 2018). Continents such as Africa, Oceania and Latin America have been largely ignored. Moreover, internationalisation of the firm has moved beyond the developed countries into the developing economies due to globalisation (Ghemawat, 2001). As a result, researchers are calling for more attention into the emerging markets. This current study responds to this need by expanding the scope of research geographically and socially by looking into relatively under-researched countries such as Nigeria. This could offer a broader research base and thereby further enhance research understanding of buyer-seller relationships within the international context.

The *fifth* theoretical contribution of this study is related to the unit of analysis. This research conducted different examinations that have not been employed in preceding studies on CQ (e.g. Ang et al., 2007; Ramalu et al., 2011), which extends research on CQ. Empirical studies underline the need for research to collect and analyse dyadic data as pathway to offer a comprehensive and robust representation of the buyer-seller relationship literature. This study examined a dyadic relationship of the role of CQ on import manager's perception of their foreign export counterparts' psychic distance. Although the dyadic data collected for this study was small, and also the result revealed no statistical relationship in the model – the findings still contribute to the evaluation of the impact of CQ on psychic distance in the international buyer-seller relationship studies.

7.3.2 Methodological Implications

This study offers a significant methodological contribution by employing quantitative methodology. The concept of CQ has been largely developed with qualitative methods since its inception. Considering this methodologically development of the concept follows the pattern of more enforcing the actual reality of what CQ is. In order to fix this shortcoming, this study is one of the few studies that has

investigating the concept of CQ quantitatively. Through using a quantitative methodology, the study could access in depth information about the CQ construct and its applicability.

Likewise, this study is one of the few studies that has utilised quantitative methodology to examine the role of CQ on psychic distance and its ultimate effect on both relational and financial performance in the Nigerian automobile industry. Through using the quantitative method, this study collected in-depth insights about the relational exchanges of Nigerian automobile importers together their corresponding counterparts in seven different countries, which may not have been possible through qualitative means. Also, through quantitative methods, the study was able to examine the relationship exchanges between trade counterparts and established the role of CQ. Through this insight, was it apparent the presents of CQ particularly metacognitive CQ strengthened the relationship and this was explained in the previous chapters.

7.3.3 Managerial Implications

7.3.3.1 Import managers' perspective

This present research offers fresh ideas to managers in three main respects. The study suggests different coping strategies where in the buyer-seller exchange the impact of psychic distance is detrimental. Earlier research in this area of study have recommended varieties of coping strategies e.g., cross-cultural training, trips abroad, and language programme (Leonidou, Barnes, and Talias 2006; Leonidou et al. 2011). Since psychic distance provides import managers with difficulties in the management of buyer-seller exchange relationship due to lack of common cognitive frameworks (Skarmeas et al., 2017). A deliberate strategy to strengthen import managers' metacognitive CQ will serve as a coping mechanism for firms and also support import managers in the development of successful marketing strategies in other to operate in an unfamiliar cultural and business environment effectively, which in turn will enhance relational performance.

The outcome of the study will benefit import managers involved in international marketing as well as their hiring managers that are tasked with the responsibilities of selecting and recruiting managers for international marketing positions. To demonstrate, for an organisation to succeed in the international business environment, it is important that their import and hiring managers should; (1) have or acquired a high degree of CQ with a particular function for metacognitive CQ, (b) allow their import managers to incorporate their foreign marketing activities by improving cultural knowledge as strategies for the growth of human capital, and (c) ensure the recruitment managers are acquainted with CQ concepts as greater knowledge of CQ for their hiring managers will help the company develop its personnel pool in order to pick and hire import managers.

7.3.3.2 Export managers' perspective

Another managerial contribution of this research goes further than selection and hiring of managers with high metacognitive CQ. It will be beneficial for organisations to nurture metacognitive CQ with the organisation, particularly the managers involved in their international business operations. Since the literature suggest CQ can be acquired and heightened (Earley and Mosakowski 2004), Moreover, previous studies (e.g., Adler, 2002; Mendenhall and Oddou, 1985) encourage firms to have metacognitive CQ training for export managers involved in the management and operation of their global trade. This research applauds that present and future export managers should be subject to the same condition.

According to Andresen and Bergdolt, (2016) export managers with high metacognitive CQ think beyond their limited racial boundaries and decipher dynamic cross-cultural experiences, thereby minimising the perception of psychic distance and potentially improving relational performances. Moreover, export managers with a high metacognitive CQ is a resource advantage gotten through training of existing staff or hiring of new members of staff. Given the important role of metacognitive CQ in success of buyer-seller relationship, it is imperative that organisations strive to recruit highly metacognitive CQ managers and also foster them in their current managerial activities.

7.4 RESEARCH LIMITATION

Notwithstanding the above implications, some limitations should be considered when evaluating the results of the study as it is with any research work, the limitations of this study, therefore, provide an avenue for future research agenda.

First, as an inquiry-based on a research survey, it may suffer from the typical weaknesses of self-reported research (i.e., CQ, psychic distance, relational and financial performance), such as sincerity, knowledge, response capacity, impulsiveness, and other-process bias issues from respondents (Crampton and Wagner, 1994; Podsakoff, Mackenzie, Lee, and Podsakoff, 2003). Common method bias can interfere with the evaluation of the data. Consequently, future exploration may consider longitudinal research, using a qualitative and quantitative method, since CQ is a complex construct (Ang, Van Dyne, and Koh, 2006), the condition for its impact on psychic distance and performance implications will vary over time. Therefore, conducting a longitudinal study, as recommended by Crawford-Mathis (2009), can yield different insights and knowledge on these changes over time, and provide a greater comprehension of CQ and its impact on various performance outcomes. Furthermore, a longitudinal study where data are collected from export suppliers at the various stages of their relationship with their import counterpart could be undertaken to certify and extend the results of this study. Moreover, future investigations could also involve qualitative approaches with a longitudinal research design on export suppliers where cost and time permits.

Second, this study assessed two of the four facets of CQ. Future research can consider exploring the interrelations of the full four dimensions of CQ since CQ is a complex and a multi-dimensional construct that can be best studied at its full dimensional level. Consequently, future research may consider the interrelationships of these four-facets of CQ. For instance, how metacognitive CQ moderates motivational CQ to effect psychic distance and its overall influence on performance outcomes. Since the importance of multi-dimensional concepts sprawls in its distinct convergent accuracy of each of its components. (see Edwards,

2011). Furthermore, postulating how the various facets of CQ uniquely impact a wider variety of parameters rather than similar will be interesting for future research. Besides, CQ can also be explored at the organisational levels to accommodate diverse views of investigations – as this study analysed it at the individual level.

Third, another limitation relates to sample size concerns. Where time and cost permit, a more significant sample will indicate more fruitful findings. The results of the present study indicated important implications for metacognitive CQ having a healthy relationship over psychic distance between buyers and their foreign export suppliers, leading to enhanced relational performance. This fascinating interplay between metacognitive CQ and psychic distance could be supplemented by innovative research to assess relations of larger sample size in broadly different cultures. This requires further research to focus more extensively on evaluating CQ and its effect on psychic distance and ultimately, performance outcomes in a broader context. Therefore, the sample size of importers and their corresponding oversea counterpart could be expanded past Nigeria, and the seven countries recorded in this study as to where the export suppliers assessed in this study were located. Through incorporating respondents from more countries, the results of this study can be re-tested, and a fuller understanding might unfold. Such findings will be interesting and valuable to pursue. Furthermore, this study examined a dyadic relationship, using small data of 41 participants from 5 different countries. However, future research should consider gathering a more comprehensive sample of dyadic data if time and cost will permit – since psychic distance is a dyadic construct it would be interesting to measure the relationship from both sides.

Fourth, the individual level psychic distance examined in this study has important implications. However, future studies could go beyond this scope and focus on differences in specific country's cultural values using objective psychic distance measures and compare that to the individual measures. This, however, may provide a more focused and more robust approach to the notion of CQ and psychic distance.

Finally, the research focused on import managers in the Nigerian automobile retail industry with fewer exchange export counterparts. To expand the understanding about CQ facilitation this study can be further expanded a multi-country study. Furthermore, the study can look into several contexts by setting parameters to include countries that represents more different continents, political systems, economy, religions etc. By expanding the context, the knowledge can be maximised into how CQ has facilitated relationship of individuals in different contexts in different continents and countries. Moreover, the present study has been limited to survey data. Replicating this research qualitatively will enhance our understanding about the belief of what CQ is and how it works in the buyer-seller relationship exchanges rather than reflecting on the actual reality.

7.5 CHAPTER SUMMARY

To conclude, this study proposes a research framework that intends to cover contextual gaps and weaknesses identified in proceeding literature. The general research question driving the inquiry was to examine how import managers' CQ effects on their perception of their foreign export counterparts' psychic distance, and ultimately their relational and financial performance? This study adopted a quantitative research approach in order to examine the study constructs. The research used SEM to analyse the data. The findings of the study show that there is a profound effect of metacognitive CQ on psychic distance, and also a strong negative relationship of psychic distance on relational performance. However, the proposition between motivational CQ and psychic distance did not show any significant relationship. The correlation between psychic distance and financial performance did not show a statistical relationship. However, the study found a strong relationship between relational performance and financial performance.

Furthermore, this study investigated a dyadic relationship, using multiple regression analysis to test the impact of the corresponding export managers' CQ on the perception of the psychic distance they

hold for their import buyer in a comparative context. However, the dyadic analysis revealed no significant relationship between metacognitive and motivational CQ on psychic distance. This finding yet contributes to the evaluation of the role of CQ on psychic distance in the international buyer-seller relationship studies.

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Appendix 1: the Research Questionnaire Cover Letter



On the Influence of Cultural Intelligence on Psychic Distance in Buyer – Seller Relationship: A Study of Foreign Exporters and Their Import Buyers in An Emerging Economy.

Statement of purpose

The purpose of this survey is to be used a part of PhD research to be able to understand how export managers 'cultural intelligence can diminish their perception of psychic distance they hold for their foreign export counterparts. It also considers how the reduction of psychic distance can, in turn, enhance their relational and financial performance. The research concentrates mainly on import managers that are key decision-makers for their companies. The aggregated results of the survey will be used for data analysis in my PhD thesis and scientific publications. However, no individual company will be identified by name for anonymous. The survey is divided into different aspects, which are key to the research. Please answer all of the following questions. Thank you for your cooperation in advance.

Thank you for your voluntary

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Appendix 2: Research Questionnaire Buyer Perspective

On the Influence of Cultural Intelligence On Psychic Distance In Buyer – Seller Relationship: A Study of Foreign Exporters A
Economy

The questionnaire is organised in six (6) sections. The sections are:

Section 1: Background information which refers to your business relationship with a chosen salesperson.

Section 2: Your views on the external environment in which this salesperson operates (psychic distance).

Section 3: How your company has performed resulting from doing business with this salesperson (performance).

Section 4: Your knowledge of culture in general and not about a particular culture (cultural intelligence).

Section 5: Information about your business (this will only be used to help us interpret the survey).

Section 6: Your foreign salesperson's contact details (this will only be used to control for multiple responses and will not be included in any data file).

* Required

Background
Information

Please choose a salesperson whom you normally buy your products from, and please answer the following questions about your relationship with him/her.

1. In which country is this salesperson located? *

2. How many years have you been trading with this salesperson? *

3. What percentage of your total sales accounts for sales from this salesperson? *

4. In terms of business, how would you describe the stage of your relationship with this salesperson? *

Check all that apply.

Introductory

Growing

Mature

Decline

5. What is this salesperson's responsibility in their company? *

Check all that apply.

CEO/Owner

Managing Director

Sales Manager/Representative

Purchasing Manager

General Manager

Please indicate to what degree you agree with the following statements.

Psychic Distance

6. I am familiar with the tradition (e.g., behaviours, way of acting) of this salesperson. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

7. I understand this salesperson's foreign language. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

8. I am familiar with the business values (e.g., principles, ethics, moral code) of this salesperson. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

9. I am familiar with this salesperson's religion (e.g., faith, belief). *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

10. I am familiar with this salesperson's business practices (e.g., how business is organised). *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

11. I have an understanding of the communication infrastructure (e.g., means of transmitting information) used by this salesperson. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

12. I have an understanding of the political and legal system (e.g., government policies, laws) in this salesperson's country. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

13. I am familiar with the level of economic development (e.g., standard of living) in this salesperson's country. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

Please indicate to what degree you agree with the following statements.

Performance

14. I have found the time and effort spent on this relationship very worthwhile. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

15. The relationship I have with this salesperson has been very productive. *

Mark only one oval.

1	2	3	4	5	6	7		
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

16. The relationship I have with this salesperson has been very effective. *

Mark only one oval.

1	2	3	4	5	6	7		
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

17. I have a very rewarding relationship with this salesperson. *

Mark only one oval.

1	2	3	4	5	6	7		
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

18. Our sales growth has increased significantly resulting from doing business with this salesperson. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

19. Our profit has increased because of products from this salesperson. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

20. The relationship with this foreign supplier helped us perform better financially. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

21. Our market shares have increased significantly resulting from doing business with this salesperson. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

Please indicate to what degree you agree with the following statements.

Cultural Intelligence

22. I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds. . *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

23. I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

24. I am conscious of the cultural knowledge I apply to cross-cultural interactions.

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

25. I check the accuracy of my cultural knowledge as I interact with people from different cultures.

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

26. I enjoy interacting with people from different cultures. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

27. I am confident that I can socialise with locals in a culture that is unfamiliar to me. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

28. I am sure I can deal with the stresses of adjusting to a culture that is new to me. *

Mark only one oval.

1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

29. I enjoy living in cultures that are unfamiliar to me. *

Mark only one oval.

1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

30. I am confident that I can get accustomed to the shopping conditions in a different culture. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

Your Company Details

Please tell us your company details (this will only be used for research purposes)

31. Company Name

32. Respondent Name

33. Industry Group

34. Position Held

35. Email

36. Address

37. Phone number

Salesperson's Contact
Information

Finally, please tell us your company information (this is only used to control for multiple entries and is not retained in any data file).

38. Company Name

39. Email

40. Address

41. Phone number

THANK YOU FOR PARTICIPATING

Appendix 3: Research Questionnaire Buyer Perspective

On the Influence of Cultural Intelligence on Psychic Distance In Buyer – Seller Relationship: A Study of Foreign Exporters And Importers In A Developing Economy

The questionnaire is organised in six (6) sections. The sections are:

Section 1: Background information which refers to your business relationship with a chosen salesperson.

Section 2: Your views on the external environment in which this salesperson operates (psychic distance).

Section 3: How your company has performed resulting from doing business with this salesperson (performance).

Section 4: Your knowledge of culture in general and not about a particular culture (cultural intelligence).

Section 5: Information about your business (this will only be used to help us interpret the survey).

Section 6: Your foreign salesperson’s contact details (this will only be used to control for multiple responses and will not be included in any data file).

* Required

Background
Information

Please choose a buyer whom you normally sell your products to, and please answer the following questions referring to your relationship with him/her.

1. In which country is this buyer located? *

2. How many years have you been trading with this buyer? *

3. What percentage of your total sales accounts for purchases from this buyer? *

4. In terms of business, how would you describe the stage of your relationship with this buyer? *

Check all that apply.

Introductory

Growing

Mature

Decline

5. What is this buyer's responsibility in their company? *

Check all that apply.

CEO/Owner

Managing Director

Sales Manager/Representative

Purchasing Manager

General Manager

Please indicate to what degree you agree with the following statements.

Psychic Distance

6. I am familiar with the tradition (e.g., behaviours, way of acting) of this buyer. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

7. I understand this buyer's foreign language. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

8. I am familiar with the business values (e.g., principles, ethics, moral code) of this buyer. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

9. I am familiar with this buyer's religion (e.g., faith, belief). *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

10. I am familiar with this buyer's business practices (e.g., how business is organised). *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

11. I have an understanding of the communication infrastructure (e.g., means of transmitting information) used by this buyer. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

12. I have an understanding of the political and legal system (e.g., government policies, laws) in this buyer's country. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

13. I am familiar with the level of economic development (e.g., standard of living) in this buyer's country. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

Please indicate to what degree you agree with the following statements.

Performance

14. I have found the time and effort spent on this relationship very worthwhile. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

15. The relationship I have with this salesperson has been very productive. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

16. The relationship I have with this salesperson has been very effective. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

17. I have a very rewarding relationship with this salesperson. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

18. Our sales growth has increased significantly resulting from doing business with this buyer. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

19. Our profit has increased because of products from this buyer. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

20. The relationship with this foreign buyer helped us perform better financially. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

21. Our market shares have increased significantly resulting from doing business with this buyer. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

Please indicate to what degree you agree with the following statements.

Cultural Intelligence

22. I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds. . *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

23. I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

24. I am conscious of the cultural knowledge I apply to cross-cultural interactions. *

Mark only one oval.

	1	2	3	4	5	6	7	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

25. I check the accuracy of my cultural knowledge as I interact with people from different cultures. *

Mark only one oval.

1 2 3 4 5 6 7

Strongly Disagree Strongly Agree

26. I enjoy interacting with people from different cultures. *

Mark only one oval.

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30. I am confident that I can get accustomed to the shopping conditions in a different culture. *

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Your Company Details

Please tell us your company details (this will only be used for research purposes)

31. Company Name

32. Respondent Name

33. Industry Group

34. Position Held

35. Email

36. Address

37. Phone number

THANK YOU FOR PARTICIPATING

Appendix 4: Data Analysis Results

EFA Table Summary

Rotated Component Matrix

	Component						
	1	2	3	4	5	6	7
Rperf2	0.594			0.579			
BPD1		0.901					
CPD3		0.886					
BPD3		0.881					
BPD4		0.863					
CPD1		0.854					
BPD2		0.836					
CPD2		0.810					
CPD4		0.742					
MOT2			0.829				
MOT1			0.813				
MOT5			0.760				
MOT3			0.722				
MC2			0.710				0.469
MOT4			0.681				
MC3			0.679				0.523
MC4			0.678				0.423
MC1			0.668				0.488
Fperf4	0.420			0.750			
Fperf2	0.488			0.734			
Fperf3	0.484			0.729			
Fperf1	0.506			0.694			
Rperf4	0.548			0.630			

Case Processing Summary

		N	%
Cases	Valid	228	99.6
	Excluded	1	0.4
	Total	229	100.0

Reliability Statistics

Cronbach's Alpha	N of Items
0.949	8

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BPD1	26.47	138.779	0.896	0.937
CPD3	27.04	138.077	0.872	0.938
BPD3	26.64	138.823	0.863	0.939
BPD4	26.48	138.304	0.834	0.941
CPD1	26.96	141.703	0.831	0.941
BPD2	26.27	142.410	0.789	0.944
CPD2	27.23	131.604	0.770	0.948
CPD4	27.45	142.716	0.704	0.949

Case Processing Summary

		N	%
Cases	Valid	228	99.6
	excluded	1	0.4
	Total	229	100.0

Reliability Statistics

Cronbach's Alpha	N of Items
0.919	10

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
MOT2	47.90	80.211	0.760	0.907
MOT1	47.80	82.793	0.696	0.910
MOT5	47.71	81.847	0.687	0.911
MOT3	47.86	80.597	0.781	0.905
MC2	47.71	82.041	0.759	0.907
MOT4	47.79	81.597	0.612	0.916
MC3	47.74	82.626	0.728	0.909
MC4	47.84	83.053	0.693	0.910

MC1	47.87	83.460	0.726	0.909
-----	-------	--------	-------	-------

Case Processing Summary

		N	%
Cases	Valid	228	99.6
	excluded	1	0.4
	Total	229	100.0

Reliability Statistics

Cronbach's Alpha	N of Items
0.937	5

Item-Total Statistics

	Scale Mean if Deleted	Scale Variance if Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Deleted
Fperf4	19.50	24.903	0.828	0.923
Fperf2	19.26	25.030	0.848	0.920
Fperf3	18.75	22.796	0.863	0.917
Fperf1	19.50	24.894	0.840	0.921
Rperf4	19.03	24.550	0.786	0.931

CFA Goodness of Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	89	521.216	210	0	2.482
Saturated model	299	0	0		
Independence model	46	5274.153	253	0	20.846

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	0.901	0.903	0.939	0.925	0.938
Saturated model	1		1		1
Independence model	0	0	0	0	0

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	0.83	0.748	0.779
Saturated model	0	0	0
Independence model	1	0	0

NCP

Model	NCP	LO 90	HI 90
Default model	311.216	247.906	382.212
Saturated model	0	0	0
Independence model	5021.153	4788.33	5260.36

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	2.296	1.371	1.092	1.684

Saturated model	0	0	0	0
Independence model	23.234	22.12	21.094	23.173

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.051	0.042	0.073	0
Independence model	0.296	0.289	0.303	0

AIC

Model	AIC	BCC	BIC	CAIC
Default model	699.216	720.26		
Saturated model	598	668.7		
Independence model	5366.153	5377.03		

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	3.08	2.801	3.393	3.173
Saturated model	2.634	2.634	2.634	2.946
Independence model	23.639	22.614	24.693	23.687

HOELTER

Model	HOELTER 0.05	HOELTER 0.01
Default model	107	114
Independence model	13	14

SEM Goodness of Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	92	318.747	160	0	1.992
Saturated model	252	0	0		
Independence model	42	4844.866	210	0	23.071

Baseline Comparisons

Model	NFI Delta1	RFI rho1	CFI Delta2	TLI rho2	CFI
Default model	0.934	0.914	0.966	0.955	0.966
Saturated model	1		1		1
Independence model	0	0	0	0	0

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	0.762	0.712	0.736

Saturated model	0	0	0
Independence model	1	0	0

NCP

Model	NCP	LO 90	HI 90
Default model	158.747	111.764	213.515
Saturated model	0	0	0
Independence model	4634.866	4411.911	4865.069

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	1.404	0.699	0.492	0.941
Saturated model	0	0	0	0
Independence model	21.343	20.418	19.436	21.432

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.066	0.055	0.077	0.007
Independence model	0.312	0.304	0.319	0

AIC

Model	AIC	BCC	BIC	CAIC
Default model	502.747	522.493		

Saturated model	504	558.088
Independence model	4928.866	4937.881

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	2.215	2.008	2.456	2.302
Saturated model	2.22	2.22	2.22	2.459
Independence model	21.713	20.731	22.727	21.753

HOELTER

Model	HOELTER 0.05	HOELTER 0.01
Default model	136	146
Independence model	12	13

SEM Estimate Result Summary

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
BPD	<---	MotCQ	0.047	0.085	0.546	0.585	
CPD	<---	MotCQ	0.056	0.091	0.615	0.538	
BPD	<---	MetaCQ	-0.272	0.108	-2.511	0.012	
CPD	<---	MetaCQ	-0.474	0.116	-4.084	***	

Rperf	<---	CPD	-0.133	0.042	-3.208	0.001
Rperf	<---	BPD	0.068	0.045	1.53	0.126
Fperf	<---	Rperf	0.903	0.073	12.358	***
MC1	<---	MetaCQ	1			
MC2	<---	MetaCQ	1.083	0.047	22.794	***
MC3	<---	MetaCQ	1.009	0.052	19.528	***
MC4	<---	MetaCQ	0.843	0.063	13.409	***
MOT1	<---	MotCQ	1			
MOT2	<---	MotCQ	1.045	0.08	13.084	***
MOT3	<---	MotCQ	0.974	0.075	13.014	***
BPD1	<---	BPD	1			
BPD2	<---	BPD	0.928	0.049	18.839	***
BPD3	<---	BPD	1.008	0.046	22.01	***
BPD4	<---	BPD	1.071	0.046	23.14	***
CPD3	<---	CPD	1			
CPD2	<---	CPD	1.066	0.067	15.833	***
CPD1	<---	CPD	0.822	0.048	16.989	***
Rperf4	<---	Rperf	1			
Rperf3	<---	Rperf	1.166	0.075	15.647	***
Rperf2	<---	Rperf	1.085	0.07	15.515	***
Rperf1	<---	Rperf	1.039	0.067	15.443	***
Fperf4	<---	Fperf	1			
Fperf2	<---	Fperf	0.904	0.052	17.478	***
Fperf1	<---	Fperf	1.027	0.047	21.896	***

Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
BPD	<---	MotCQ	0.039
CPD	<---	MotCQ	0.043
BPD	<---	MetaCQ	-0.175
CPD	<---	MetaCQ	-0.28
Rperf	<---	CPD	-0.224
Rperf	<---	BPD	0.105
Fperf	<---	Rperf	0.834
MC1	<---	MetaCQ	0.905
MC2	<---	MetaCQ	0.939
MC3	<---	MetaCQ	0.873
MC4	<---	MetaCQ	0.717
MOT1	<---	MotCQ	0.739

MOT2	<---	MotCQ	0.913
MOT3	<---	MotCQ	0.882
BPD1	<---	BPD	0.921
BPD2	<---	BPD	0.845
BPD3	<---	BPD	0.9
BPD4	<---	BPD	0.917
CPD3	<---	CPD	0.961
CPD2	<---	CPD	0.799
CPD1	<---	CPD	0.834
Rperf4	<---	Rperf	0.776
Rperf3	<---	Rperf	0.914
Rperf2	<---	Rperf	0.908
Rperf1	<---	Rperf	0.905
Fperf4	<---	Fperf	0.899
Fperf2	<---	Fperf	0.836
Fperf1	<---	Fperf	0.934

Intercepts: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
MC1	5.329	0.079	67.737	***	
MC2	5.496	0.082	66.925	***	
MC3	5.465	0.082	66.387	***	
MC4	5.364	0.084	64.069	***	
MOT1	5.189	0.124	41.71	***	
MOT2	4.974	0.105	47.235	***	
MOT3	5.039	0.101	49.676	***	
BPD1	4.18	0.12	34.736	***	
BPD2	4.377	0.122	35.961	***	
BPD3	4.013	0.124	32.344	***	
BPD4	4.167	0.129	32.212	***	
CPD3	3.605	0.126	28.706	***	
CPD2	3.421	0.161	21.241	***	
CPD1	3.689	0.119	31.011	***	
Rperf4	4.978	0.093	53.635	***	
Rperf3	4.522	0.092	49.234	***	
Rperf2	4.649	0.086	54.025	***	
Rperf1	4.627	0.083	55.984	***	
Fperf4	4.513	0.087	52.018	***	
Fperf2	4.75	0.084	56.276	***	

Fperf1	4.509	0.086	52.536	***
---------------	-------	-------	--------	-----

Variiances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
MetaCQ	1.151	0.132	8.705	***	
MotCQ	1.918	0.306	6.263	***	
e22	3.044	0.332	9.164	***	
e23	2.696	0.3	8.973	***	
e24	1.103	0.161	6.84	***	
e25	0.422	0.06	6.97	***	
e1	0.254	0.035	7.288	***	
e2	0.182	0.034	5.411	***	
e3	0.366	0.044	8.376	***	
e4	0.773	0.078	9.944	***	
e5	1.595	0.173	9.227	***	
e6	0.421	0.102	4.115	***	
e7	0.518	0.095	5.441	***	
e8	0.502	0.071	7.085	***	
e9	0.964	0.106	9.101	***	
e10	0.666	0.084	7.944	***	
e11	0.605	0.083	7.257	***	
e12	0.272	0.123	2.212	0.027	
e13	2.126	0.243	8.748	***	
e14	0.978	0.123	7.951	***	
e15	0.778	0.08	9.731	***	
e16	0.314	0.042	7.449	***	
e17	0.294	0.038	7.689	***	
e18	0.281	0.036	7.809	***	
e19	0.327	0.045	7.319	***	
e20	0.487	0.055	8.934	***	
e21	0.214	0.039	5.527	***	

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

	Estimate
CPD	0.08
BPD	0.032
Rperf	0.063

Fperf	0.695
Fperf1	0.872
Fperf2	0.699
Fperf4	0.809
Rperf1	0.819
Rperf2	0.825
Rperf3	0.836
Rperf4	0.602
CPD1	0.695
CPD2	0.639
CPD3	0.924
BPD4	0.841
BPD3	0.809
BPD2	0.713
BPD1	0.847
MOT3	0.778
MOT2	0.833
MOT1	0.546
MC4	0.514
MC3	0.762
MC2	0.881
MC1	0.819

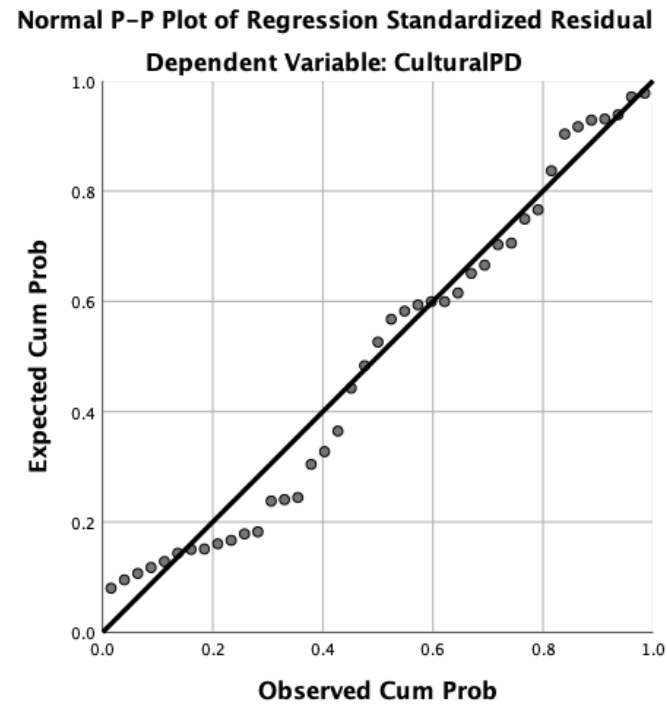
Regression Model 1

Descriptive Statistics									
	Mean	Std. Deviation	N						
CulturalPD	8.6098	4.69509	41						
MetaCQ	22.7805	3.33551	41						
MOTCQ	13.2195	4.67714	41						
Correlations									
		CulturalPD	MetaCQ	MOTCQ					
Pearson Correlation	CulturalPD	1	-0.224	-0.227					
	MetaCQ	-0.224	1	0.211					
	MOTCQ	-0.227	0.211	1					
Sig. (1-tailed)	CulturalPD	.	0.079	0.077					
	MetaCQ	0.079	.	0.092					
	MOTCQ	0.077	0.092	.					
N	CulturalPD	41	41	41					
	MetaCQ	41	41	41					
	MOTCQ	41	41	41					
Variables Entered/Removed ^a									
Model	Variables Entered	Variables Removed	Method						
1	MOTCQ, MetaCQ ^b	.	Enter						

a Dependent Variable: CulturalPD									
b All requested variables entered.									
Model Summary ^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.290a	0.084	0.036	4.61004	0.084	1.745	2	38	0.188
a Predictors: (Constant), MOTCQ, MetaCQ									
b Dependent Variable: CulturalPD									
ANOVA ^a									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	74.162	2	37.081	1.745	.188b			
	Residual	807.594	38	21.252					
	Total	881.756	40						
a Dependent Variable: CulturalPD									
b Predictors: (Constant), MOTCQ, MetaCQ									

Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	17.023	5.135		3.315	0.002			
	MetaCQ	-0.26	0.224	-0.185	-1.162	0.253	-0.224	-0.185	-0.18
	MOTCQ	-0.189	0.159	-0.188	-1.184	0.244	-0.227	-0.189	-0.184
a Dependent Variable: CulturalPD									
Residuals Statistics ^a									
	Minimum	Maximum	Mean	Std. Deviation	N				
Predicted Value	7.0597	13.4813	8.6098	1.36163	41				
Std. Predicted Value	-1.138	3.578	0	1	41				
Standard Error of Predicted Value	0.723	2.969	1.145	0.501	41				
Adjusted Predicted Value	6.5296	18.0773	8.6871	1.80553	41				
Residual	-6.48135	9.23198	0	4.49331	41				
Std. Residual	-1.406	2.003	0	0.975	41				
Stud. Residual	-1.838	2.038	-0.007	1.028	41				
Deleted Residual	-11.07732	9.56415	-0.07732	5.04614	41				
Stud. Deleted Residual	-1.9	2.131	-0.003	1.045	41				

Mahal. Distance	0.008	15.62	1.951	3.273	41				
Cook's Distance	0	0.799	0.046	0.126	41				
Centered Leverage Value	0	0.391	0.049	0.082	41				
a Dependent Variable: CulturalPD									

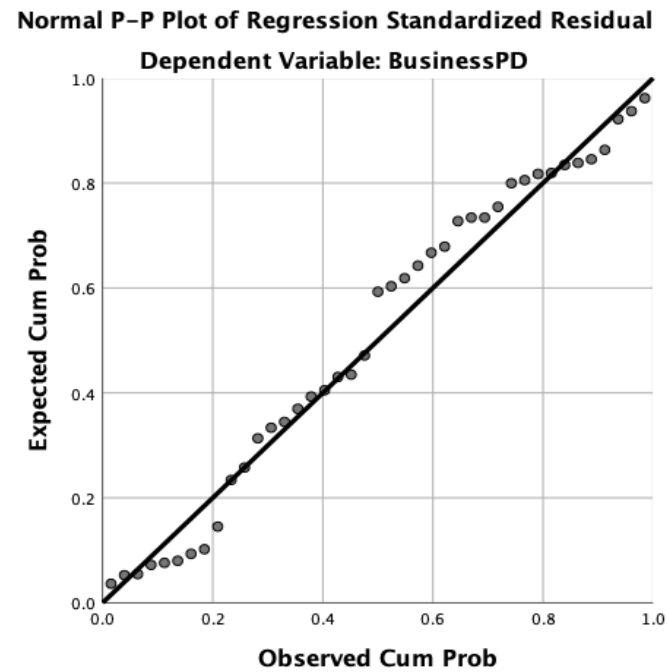


Regression Model 2

Descriptive Statistics						
	Mean	Std. Deviation	N			
BusinessPD	15.2439	6.78521	41			
MetaCQ	22.7805	3.33551	41			
MOTCQ	13.2195	4.67714	41			
Correlations						
		BusinessPD	MetaCQ	MOTCQ		
Pearson Correlation	BusinessPD	1	-0.125	-0.31		
	MetaCQ	-0.125	1	0.211		
	MOTCQ	-0.31	0.211	1		
Sig. (1-tailed)	BusinessPD	.	0.219	0.024		
	MetaCQ	0.219	.	0.092		
	MOTCQ	0.024	0.092	.		
N	BusinessPD	41	41	41		
	MetaCQ	41	41	41		
	MOTCQ	41	41	41		
Variables Entered/Removed ^a						
Model	Variables Entered	Variables Removed	Method			
1	MOTCQ, MetaCQ ^b	.	Enter			
a Dependent Variable: BusinessPD						
b All requested variables entered.						
Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	

					R Square Change	F Change
1	.316a	0.1	0.052	6.60571	0.1	2
a Predictors: (Constant), MOTCQ, MetaCQ						
b Dependent Variable: BusinessPD						
ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	183.417	2	91.708	2.102	.136b
	Residual	1658.144	38	43.635		
	Total	1841.561	40			
a Dependent Variable: BusinessPD						
b Predictors: (Constant), MOTCQ, MetaCQ						
Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	23.8	7.357		3.235	0
	MetaCQ	-0.126	0.32	-0.062	-0.393	0
	MOTCQ	-0.43	0.228	-0.297	-1.884	0
a Dependent Variable: BusinessPD						
Residuals Statisticsa						
	Minimum	Maximum	Mean	Std. Deviation	N	
	Predicted Value	12.2981	20.3898	15.2439	2.14136	41
	Std. Predicted Value	-1.376	2.403	0	1	41
	Standard Error of Predicted Value	1.036	4.255	1.64	0.718	41

Adjusted Predicted Value	11.302	26.339	15.3305	2.64319	41
Residual	-11.86697	11.70186	0	6.43845	41
Std. Residual	-1.796	1.771	0	0.975	41
Stud. Residual	-1.821	1.845	-0.005	1.021	41
Deleted Residual	-14.33903	12.698	-0.08657	7.13345	41
Stud. Deleted Residual	-1.881	1.908	-0.009	1.036	41
Mahal. Distance	0.008	15.62	1.951	3.273	41
Cook's Distance	0	0.652	0.04	0.107	41
Centered Leverage Value	0	0.391	0.049	0.082	41
a Dependent Variable: BusinessPD					



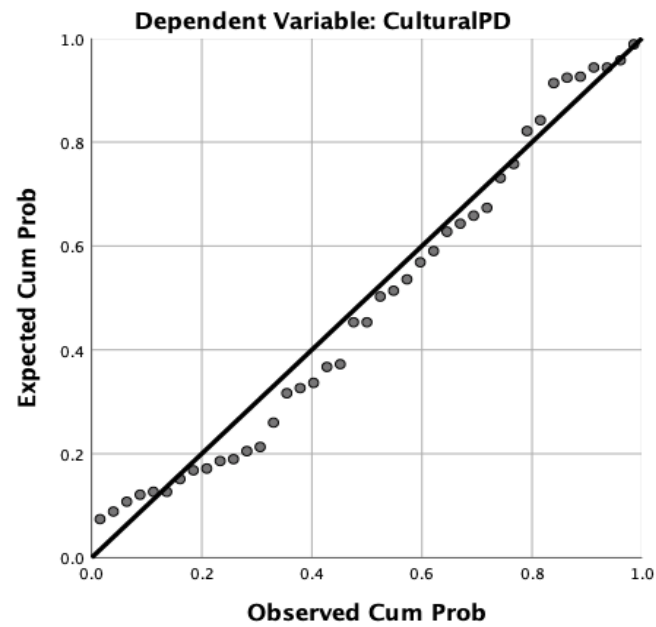
Regression Model 3

Descriptive Statistics						
	Mean	Std. Deviation	N			
CulturalPD	8.6098	4.69509	41			
RelationalP	18.0488	4.70612	41			
Correlations						
		CulturalPD	RelationalP			
Pearson Correlation	CulturalPD	1	0.313			
	RelationalP	0.313	1			
Sig. (1-tailed)	CulturalPD	.	0.023			
	RelationalP	0.023	.			
N	CulturalPD	41	41			
	RelationalP	41	41			
Variables Entered/Removed ^a						
Model	Variables Entered	Variables Removed	Method			
1	RelationalP ^b	.	Enter			
a Dependent Variable: CulturalPD						
b All requested variables entered.						
Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	.313a	0.098	0.075	4.51573	0.098	4.241

a Predictors: (Constant), RelationalP						
b Dependent Variable: CulturalPD						
ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	86.474	1	86.474	4.241	.046b
	Residual	795.282	39	20.392		
	Total	881.756	40			
a Dependent Variable: CulturalPD						
b Predictors: (Constant), RelationalP						
Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.971	2.828		1.051	0.3
	RelationalP	0.312	0.152	0.313	2.059	0.046
a Dependent Variable: CulturalPD						
Residuals Statisticsa						
	Minimum	Maximum	Mean	Std. Deviation	N	
Predicted Value	5.1578	11.0939	8.6098	1.47032	41	
Std. Predicted Value	-2.348	1.69	0	1	41	
Standard Error of Predicted Value	0.705	1.819	0.957	0.283	41	
Adjusted Predicted Value	4.4312	11.7393	8.5775	1.59073	41	
Residual	-6.5318	10.21733	0	4.45893	41	
Std. Residual	-1.446	2.263	0	0.987	41	

Stud. Residual	-1.472	2.408	0.003	1.017	41
Deleted Residual	-6.76325	11.56875	0.03225	4.73036	41
Stud. Deleted Residual	-1.495	2.576	0.011	1.036	41
Mahal. Distance	0	5.512	0.976	1.34	41
Cook's Distance	0	0.383	0.031	0.062	41
Centered Leverage Value	0	0.138	0.024	0.033	41
a Dependent Variable: CulturalPD					

Normal P-P Plot of Regression Standardized Residual



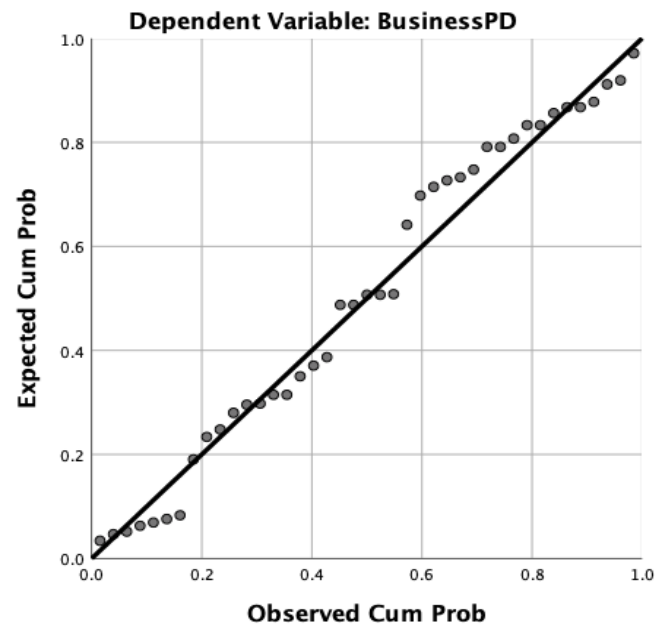
Regression Model 4

Descriptive Statistics						
	Mean	Std. Deviation	N			
BusinessPD	15.2439	6.78521	41			
RelationalP	18.0488	4.70612	41			
Correlations						
		BusinessPD	RelationalP			
Pearson Correlation	BusinessPD	1	0.227			
	RelationalP	0.227	1			
Sig. (1-tailed)	BusinessPD	.	0.077			
	RelationalP	0.077	.			
N	BusinessPD	41	41			
	RelationalP	41	41			
Variables Entered/Removed ^a						
Model	Variables Entered	Variables Removed	Method			
1	RelationalP ^b	.	Enter			
a Dependent Variable: BusinessPD						
b All requested variables entered.						
Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	.227 ^a	0.051	0.027	6.6928	0.051	2.112

a Predictors: (Constant), RelationalP						
b Dependent Variable: BusinessPD						
ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94.612	1	94.612	2.112	.154b
	Residual	1746.949	39	44.794		
	Total	1841.561	40			
a Dependent Variable: BusinessPD						
b Predictors: (Constant), RelationalP						
Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.346	4.191		2.23	0.032
	RelationalP	0.327	0.225	0.227	1.453	0.154
a Dependent Variable: BusinessPD						
Residuals Statisticsa						
	Minimum	Maximum	Mean	Std. Deviation	N	
Predicted Value	11.6332	17.8424	15.2439	1.53796	41	
Std. Predicted Value	-2.348	1.69	0	1	41	
Standard Error of Predicted Value	1.045	2.695	1.419	0.419	41	

Adjusted Predicted Value	9.8199	17.4021	15.1339	1.79799	41
Residual	-12.20836	12.71323	0	6.60861	41
Std. Residual	-1.824	1.9	0	0.987	41
Stud. Residual	-1.856	2.021	0.008	1.018	41
Deleted Residual	-12.64095	14.39478	0.11002	7.0371	41
Stud. Deleted Residual	-1.919	2.109	0.006	1.034	41
Mahal. Distance	0	5.512	0.976	1.34	41
Cook's Distance	0	0.27	0.033	0.058	41
Centered Leverage Value	0	0.138	0.024	0.033	41
a Dependent Variable: BusinessPD					

Normal P-P Plot of Regression Standardized Residual

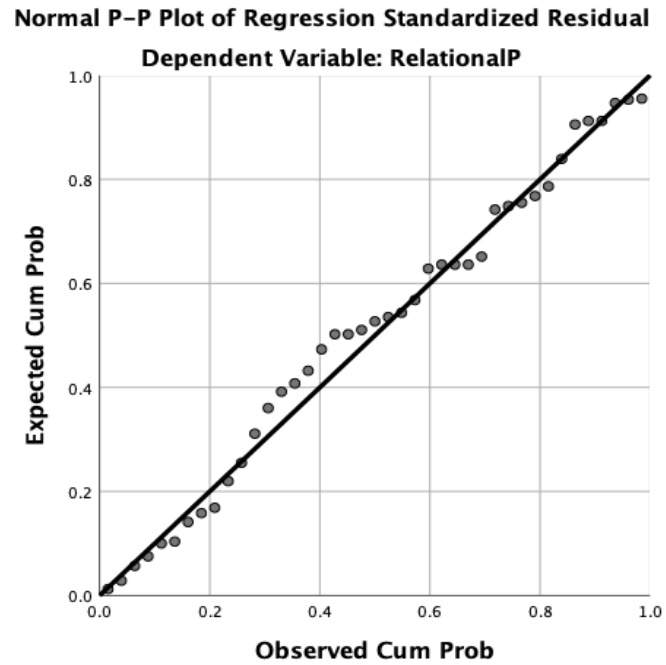


Regression Model 5

Descriptive Statistics						
	Mean	Std. Deviation	N			
RelationalP	18.0488	4.70612	41			
FinancialP	13.2439	3.35247	41			
Correlations						
		RelationalP	FinancialP			
Pearson Correlation	RelationalP	1	0.758			
	FinancialP	0.758	1			
Sig. (1-tailed)	RelationalP	.	0			
	FinancialP	0	.			
N	RelationalP	41	41			
	FinancialP	41	41			
Variables Entered/Removed ^a						
Model	Variables Entered	Variables Removed	Method			
1	FinancialP ^b	.	Enter			
a. Dependent Variable: RelationalP						
b. All requested variables entered.						
Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	

					R Square Change	F Change	
1	.758a	0.575	0.564	3.10737	0.575	52.749	
a Predictors: (Constant), FinancialP							
b Dependent Variable: RelationalP							
Coefficientsa							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
1	(Constant)	3.952	2.001		1.975	0.055	
	FinancialP	1.064	0.147	0.758	7.263	0	
a Dependent Variable: RelationalP							
Residuals Statisticsa							
	Minimum	Maximum	Mean	Std. Deviation	N		
Predicted Value	8.2096	23.1112	18.0488	3.56836	41		
Std. Predicted Value	-2.757	1.419	0	1	41		
Standard Error of Predicted Value	0.487	1.439	0.656	0.205	41		
Adjusted Predicted Value	8.2668	23.3624	18.083	3.53491	41		
Residual	-6.98237	5.27523	0	3.06828	41		
Std. Residual	-2.247	1.698	0	0.987	41		
Stud. Residual	-2.295	1.722	-0.005	1.009	41		
Deleted Residual	-7.28306	5.42625	-0.0342	3.20687	41		
Stud. Deleted Residual	-2.436	1.768	-0.009	1.03	41		

Mahal. Distance	0.005	7.603	0.976	1.472	41	
Cook's Distance	0	0.113	0.023	0.03	41	
Centered Leverage Value	0	0.19	0.024	0.037	41	
a Dependent Variable: RelationalP						



SEM Estimates for Rival Model

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Rperf	<---	MetaCQ	0.34	0.07	4.896	***	
Rperf	<---	MotCQ	-0.091	0.079	-1.157	0.247	
Rperf	<---	CPD	0.374	0.044	8.477	***	
Rperf	<---	BPD	-0.098	0.041	-2.374	0.018	
Fperf	<---	MetaCQ	0.334	0.074	4.492	***	
Fperf	<---	MotCQ	0.149	0.085	1.753	0.08	
Fperf	<---	CPD	0.482	0.048	10.141	***	
Fperf	<---	BPD	-0.282	0.045	-6.272	***	
MC1	<---	MetaCQ	1				
MC2	<---	MetaCQ	1.078	0.047	22.875	***	
MC3	<---	MetaCQ	1.004	0.051	19.512	***	
MC4	<---	MetaCQ	0.843	0.062	13.496	***	
MOT5	<---	MotCQ	1				
MOT4	<---	MotCQ	1.159	0.111	10.425	***	
MOT3	<---	MotCQ	1.417	0.116	12.189	***	
MOT2	<---	MotCQ	1.463	0.12	12.139	***	
MOT1	<---	MotCQ	1.478	0.14	10.55	***	
CPD3	<---	CPD	1				
CPD2	<---	CPD	1.104	0.068	16.155	***	
CPD1	<---	CPD	0.856	0.048	17.668	***	
BPD4	<---	BPD	1				
BPD3	<---	BPD	0.942	0.043	21.971	***	
BPD2	<---	BPD	0.864	0.046	18.643	***	

BPD1	<---	BPD	0.929	0.04	22.97	***
Rperf1	<---	Rperf	1			
Rperf2	<---	Rperf	1.037	0.041	25.274	***
Rperf3	<---	Rperf	1.106	0.044	25.235	***
Rperf4	<---	Rperf	0.931	0.055	16.933	***
Fperf1	<---	Fperf	1			
Fperf2	<---	Fperf	0.824	0.038	21.695	***
Fperf4	<---	Fperf	0.942	0.034	28.015	***

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
MetaCQ	1.157	0.132	8.744	***	
MotCQ	0.909	0.156	5.831	***	
CPD	3.105	0.344	9.016	***	
BPD	3.185	0.356	8.96	***	
e24	1.031	0.119	8.691	***	
e25	1.173	0.132	8.914	***	
e1	0.248	0.035	7.199	***	
e2	0.187	0.034	5.554	***	
e3	0.372	0.044	8.433	***	
e4	0.769	0.077	9.936	***	
e5	0.955	0.099	9.665	***	
e6	0.994	0.106	9.369	***	
e7	0.512	0.075	6.778	***	
e8	0.572	0.082	6.947	***	
e9	1.526	0.164	9.291	***	
e10	0.441	0.106	4.158	***	

e11	2.068	0.235	8.814	***
e12	0.911	0.114	7.979	***
e13	0.594	0.082	7.215	***
e14	0.653	0.083	7.898	***
e15	0.972	0.106	9.13	***
e16	0.522	0.072	7.278	***
e17	0.253	0.035	7.135	***
e18	0.287	0.039	7.325	***
e19	0.329	0.045	7.349	***
e20	0.833	0.085	9.77	***
e21	0.133	0.042	3.133	0.002
e22	0.575	0.062	9.326	***
e23	0.345	0.049	7.073	***

SEM Goodness of Fit for Rival Model

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	54	1258.029	222	0	5.667
Saturated model	276	0	0		
Independence model	23	5274.153	253	0	20.846

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	0.739	0.729	0.664	0.587
Saturated model	0	1		
Independence model	0.974	0.236	0.166	0.216

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	0.761	0.728	0.795	0.765	0.794
Saturated model	1		1		1
Independence model	0	0	0	0	0

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
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Default model	0.877	0.668	0.696
Saturated model	0	0	0
Independence model	1	0	0

NCP

Model	NCP	LO 90	HI 90
Default model	1036.029	928.317	1151.224
Saturated model	0	0	0
Independence model	5021.153	4788.33	5260.36

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	5.542	4.564	4.09	5.071
Saturated model	0	0	0	0

Independence model	23.234	22.12	21.094	23.173
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RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.143	0.136	0.151	0
Independence model	0.296	0.289	0.303	0

AIC

Model	AIC	BCC	BIC	CAIC
Default model	1366.029	1378.797	1551.213	1605.213
Saturated model	552	617.261	1498.499	1774.499
Independence model	5320.153	5325.592	5399.028	5422.028

ECVI

Model	ECVI	LO 90	HI 90	MECVI
-------	------	-------	-------	-------

Default model	6.018	5.543	6.525	6.074
Saturated model	2.432	2.432	2.432	2.719
Independence model	23.437	22.411	24.491	23.461

HOELTER

Model	HOELTER 0.05	HOELTER 0.01
Default model	47	50
Independence model	13	14