



An interpretive examination of the development of cultural sensitivity in international business

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Abstract

Cultural sensitivity is assumed to be important in international business, yet little empirical work explores how cultural sensitivity actually develops. In-depth interviews with buyers from the Asian Pacific Rim were conducted, and support was found for a four-stage model of cross-cultural sensitivity in which buyers move through the stages of romantic sojourner, foreign worker, skilled worker, and partner. This paper explores the development and evolution of cultural sensitivity as it interacts with trust and development of international business relationships.

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INTRODUCTION

Cultural sensitivity plays an important role in inter-firm relationships across cultural boundaries. Given the increasingly dynamic global business environment, firms need culturally skilled workers if they are to succeed in the international business arena (Earley & Peterson, 2004). Marketing managers are better able to buy effectively and negotiate competently when they are culturally sensitive. For example, awareness of nonverbal body language can help a negotiator respond appropriately in a cross-cultural business encounter (Lincoln, 2000).

While international business scholars have long stressed the importance of understanding systematic cultural differences (Hall & Hall, 1987; Hofstede, 1991; Kluckhohn & Strodtbeck, 1961), little empirical research explores how cultural sensitivity emerges. The purpose of this study is to understand how cultural sensitivity develops within the international business context.

LITERATURE REVIEW

Cultural Sensitivity and Intelligence

Recent theoretical and practitioner research focuses mainly on cultural intelligence (CQ). Perhaps the most well-known and cited work is Earley and his colleagues' research on CQ (Earley & Ang, 2003; Earley & Mosakowski, 2004; Earley & Peterson, 2004). CQ refers to a person's ability to observe, interpret, and act upon

unfamiliar and ambiguous social and cultural cues, and function effectively in a novel cultural setting (Earley & Mosakowski, 2004; Earley & Peterson, 2004). Earley's conceptual framework of CQ encompasses three different facets: cognitive (i.e., various knowledge structures, external scanning, pattern recognition, and self-awareness); motivational (i.e., efficacy, persistence, goals, enhancement, and values); and behavioral (i.e., repertoires of practices, rituals, and habits). In delineating differences among cultural, emotional, and social intelligence, Earley and his colleagues propose that one must do more than simply focus on cultural values and "culture-specific assimilators" to claim high levels of CQ (Earley & Peterson, 2004: 103). Successful cross-cultural dyadic relationships require the development and nourishment of these intertwined cognitive, motivational, and behavioral skills and capabilities through adequate managerial training (Earley & Mosakowski, 2004).

Correspondingly, Peterson's (2004) conceptualization of CQ is the intersection of specific knowledge about cultures, culturally appropriate skills and behaviors, as well as reflexivity. CQ becomes a skill developed and leveraged through practice, and represents several interrelated types of intelligence (e.g., linguistic, spatial, intrapersonal, and interpersonal). The more practitioner-oriented literature similarly emphasizes various components of CQ. An excellent case in point is Thomas and Inkson's (2005) research on experiential and cognitive facets of CQ.

While current research offers generative and provocative conceptualizations, little empirical support exists. Moreover, despite the growing interest in cultural sensitivity and intelligence, the recommendations offered are generally intuitive, and stress increasing cultural understanding and adaptation and decreasing cultural biases (Douglas & Craig, 1983; Harris & Moran, 1987; Toyne & Walters, 1989). For instance, LaBahn and Harich (1997: 31) define sensitivity to national business culture as "the firm's understanding of and adaptation to its exchange partner's domestic business practices as perceived by its partner". Similarly, researchers define cultural sensitivity as the awareness of cross-cultural business practices and the ability to deal with and manage these differences (Johnson, Cullen, Sakano, & Takenouchi, 1996; Skarmeas, Katsikeas, & Schlegelmilch, 2002). Other scholars look at alternative concepts in lieu of the term CQ or sensitivity. For example, Gertsen (1990: 346) suggests that cultural competence is "the ability to

function effectively in another culture", and this competence is a function of cognitive, affective, and behavioral dimensions. Johnson, Lenartowicz, and Apud (2006) also argue that a set of skills, knowledge, and attributes determine cultural competence, which is influenced by "institutional ethnocentrism" and "cultural distance" in business contexts.

Despite this varying terminology, some underlying common constructs (e.g., cognitive, affective, motivational, behavioral) perform together to develop cross-cultural skills and the knowledge repertoire needed to function effectively in foreign cultures. Thus researchers define cultural sensitivity and intelligence as some composite of knowledge of cultural facts and the cognitive, motivational, and behavior skills needed to adapt. In addition to the problem of lack of empirical support, three problems exist with regard to these current approaches. First, past research argues for the importance of culturally specific knowledge; however, little guidance is provided regarding the nature of this knowledge and the manner in which it is acquired, assimilated, and utilized. Second, while many researchers suggest that cultural sensitivity involves some type of skill, little agreement exists as to the specifics of what these skills actually are. Finally, cultural sensitivity involves somehow limiting the "bias" of one's own culture, but how this bracketing occurs is uncertain. Based on in-depth interviews with foreign exporters with varied cross-cultural experiences, we develop a process model of cultural sensitivity to minimize the limitations of past approaches.

Trust and Relationships

Cultural sensitivity likely interacts with the development of trust and business relationships, which is an under-researched area. Some notable exceptions are recent studies on cultural sensitivity's influence on exporters' dyadic commitment (Lohtia, Bello, Yamada, & Gilliland, 2005; Skarmeas et al., 2002), corporate alliance trust (Johnson et al., 1996), and communication and conflict resolution (LaBahn & Harich, 1997).

Trust is widely held as the basis of any type of interpersonal relationship, but it is particularly crucial in cross-cultural business contexts. As a complex and multidimensional construct, the researchers conceptualize trust in numerous ways. Perhaps the two most common approaches are to conceptualize trust (1) as an expectation or belief that is influenced by the exchange partner's

credibility or reliability (Anderson & Weitz, 1989; Dwyer, Schurr, & Oh, 1987; Schurr & Ozanne, 1985) and (2) as a behavior reflecting reliance on the exchange partner as well as vulnerability and risk (Giffin, 1967; Schlenker, Helm, & Tedeschi, 1973). Other theorists suggest that belief and behavioral intention are both necessary for trust to exist (Moorman, Zaltman, & Deshpande, 1992). According to this approach, trust is “a willingness to rely on an exchange partner in whom one has confidence” (Moorman, Deshpande, & Zaltman, 1993: 82).

Another stream of research emphasizes different components of trust. For example, Ganesan (1994) considers credibility and benevolence as the two key dimensions of trust. Other researchers suggest that competence and benevolence are dimensions of trust crucial in the context of relational exchanges (Singh & Sirdeshmukh, 2000; Sirdeshmukh, Singh, & Sabol, 2002). Finally, some scholars argue that trust is a function of integrity and reliability (Mayer, Davis, & Schoorman, 1995; Morgan & Hunt, 1994). Despite the range of dimensions studied, implicit in the research tradition on trust is an emphasis on the importance of trust in successful business relationships. Despite these advances, no theory of trust provides the conceptual framework for understanding the interplay between trust, cultural sensitivity, and the development of successful cross-cultural business relationships. Current research on trust generally holds culture constant, and offers little insight into the forms of trust likely to emerge in cross-cultural exchanges. This study seeks to fill this gap, and offers a between-culture perspective on trust and cultural sensitivity.

METHODOLOGY

Informants and Context

We interviewed North American buyers who owned firms in the United States but hired Asian firms to produce clothing. Given the many cultural differences existing among Asians and North Americans (Hall & Hall, 1987), cultural sensitivity is likely to be a key factor in business success. Cultural sensitivity is also important within the fashion industry, where even the meanings of color and style are culturally embedded. We sought out buyers who had differing depths of cross-cultural experience to explore the meaning of cultural sensitivity and the process of cultural sensitivity development (see Table 1).

Data Collection Methods

This study employed an emergent design unfolding across three phases, and each phase of data collection guided subsequent phases (McCracken, 1988). First, we conducted participant observations and informal interviews over a 26-month period at six of the world’s largest fashion trade shows. Approximately 20,000 companies participated, and the majority of firms’ annual sales result from contacts at these shows. The first author worked for Mitchell, a key informant, selling his product line, attending social functions, and dining with buyers to understand the importers’ business. During this period we completed 28 informal interviews with buyers to explore the feasibility of the study, identify issues important to them, and find people willing to participate in in-depth interviews.

Second, we conducted in-depth interviews with a subset of the 28 informants who we identified in the initial site exploration and had a range of cross-cultural experiences. We interviewed five informants in person and seven over the phone. The interviews were open-ended, and informants were encouraged to direct the interview. The interviews began with grand tour questions to put the informants at ease, and then we probed broad domains including their formal training, cross-cultural experience, successful and unsuccessful business relationships, cultural sensitivity, trust, and communication (McCracken, 1988). Based on the analysis of this data, we generated new questions, and the design evolved to include an additional set of phone interviews that probed any sources of confusion, gathered additional insights on emerging domains, and explored inconsistencies among informants. While face-to-face interviewing is often a preferred method, the intense schedule of the informants made this method infeasible. Moreover, the phone interviews on average generated longer and more detailed transcriptions than the face-to-face interviews. Sampling stopped at 12 informants when we reached redundancy.

Data Analysis

Interpretive analysis of the transcribed qualitative data occurred through an iterative hermeneutical approach of moving between the data and the literature to identify a logical chain of evidence and develop a coherent conceptual framework. First, we coded and analyzed each individual’s text to understand fully his or her experiences. Second, we made inter-textual comparisons and identified themes. During this phase, contradictory data played an important role in challenging our emergent

Table 1 Summary information on informants

Name	Country (years)	Workers	Contract workers	Gross annual sales (\$1000s)	Import business experience (years)	Stage
Red	Thailand (10) Madagascar (3) South America (6) Indonesia 11	5	150	\$1,200	14	4
Cal	Indonesia (10.5) (Balinese and Javanese)	21	600	\$4,000	10	4
Leigh	Indonesia (7)	7	400	\$1,400	7	4
Jan	Japan (10) Indonesia	18	450	\$800	10	4
Gail	Indonesia	3	30	\$150	2	3
Kirk	Indonesia (4)	3	150	\$300	4	3
Will	Thailand (6)	3	50	\$750	6	3
Mary	China (8)	6	200	\$1,100	8	2
Sam	Indonesia (10)	3	300	\$550	18	2
Dan	Thailand (6)	3	150	\$1,200	6	2
Alan	Thailand (7)	2	25	\$350	2	2
Deb	Indonesia (4)	5	250	\$600	4	2

interpretation. For example, at high levels of cultural sensitivity, informants accepted violations of integrity trust, which contradicts findings at earlier stages (this finding led to the emergence of situated knowledge, which we discuss in the partner stage). Throughout the iterative process of analysis and writing of the results, we used the primary data to (1) challenge and refine the evolving framework and (2) ensure the findings were accurate (Thompson, 1997).

The following section provides a description of the cultural sensitivity process that evolved over four stages: the romantic sojourner, the foreign worker, the skilled worker, and the partner. At each stage, we explain the evolution of different forms of knowledge and skills that combine to form the concept of cultural sensitivity, which emerges fully in the partner stage. Additionally, we describe the workers' attitude and cultural depth, business relationships and strategies, and forms of trust characterizing each stage and allowing the person to operate within the business environment of the host country. The length of the analysis across the four stages varies considerably based on the complexity of each stage and the need to introduce and explain new concepts.

STAGES OF CULTURAL SENSITIVITY

Romantic Sojourner

All informants began their international business adventure as romantic sojourners. Their passion for

travel and desire to learn about different cultures, particularly Southeast Asian cultures, motivated them to choose this profession, which is similar to Thompson and Tambyah's (1999) suggestion that people consume cultural diversity to develop their self. Like the start of a passionate affair, people fall "completely in love" and are "crazy" about the culture and its people. Exotic countries are escapes from our mundane lives. Similarly, the informants were "fascinated" and even spellbound by these "magical" cultures. The glistening surface of the culture mesmerizes, but they know little of its deeper and concealed nature. Each informant fondly remembers the romantic sojourner stage, even though it evolves later into a more realistic understanding of the local culture.

When I first went to Japan, you tend to be the naive American. You tend to think everything is wonderful. You tend to always hit the surface of things. I was amazed at how helpful people are. You ask them for directions. They wouldn't just tell you where to go, they'd actually walk you over to where you are supposed to go or they gave you the wrong address and hurried down the street and say, "No. No. No. This way!" People extended themselves right and left everywhere and you have a naive assumption about that, you sit there and say: "Wow, the Japanese are the friendliest, warmest people I have ever met!" Over time, I don't feel that way any more. I am much more aware that there is a sense of group obligation in Japan and a sense of social obligation... (Jan)

The romantic sojourner acts as a typical tourist enveloped in an idealized vision of the local culture. Cultural events, such as town festivals and

parades, constitute the romantic traveler's main interactions with the host culture members. An active but shallow participation in a broad range of cultural activities leads to contact with an eclectic array of people. However, immersion occurs at a superficial level, and interactions with the business culture are limited.

... you will see people marching in the street in their costumes that they wear to the temple to do these full moon ceremonies. You'll hear the music going on in the temple during full moon ceremonies and, the people themselves if you're a tourist or anyone visiting the country for any reason, they invite you to come to their ceremonies. They are very open to having you come to their ceremonies. But I have been to many of them and they almost feel like it's an honor to have someone, particularly a Westerner, attend ceremonies... [You are] like an honored guest at their ceremonies. (Cal)

Romantic sojourners are engaged in business activities, yet they lack the necessary skills and knowledge to plumb the cultural depths (which becomes apparent in the next stage). Given their lack of knowledge and experience, they rely heavily on their own home country's cultural categories. Below, Dan recounts his infatuation and failure to understand key cultural concepts or heuristics on how to execute culturally specific actions. In addition, he did not know how to interpret people's facial expressions, body language, or the social situation:

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

When individuals face unfamiliar cultures, they develop two distinct types of knowledge to cope with the complexity of their new surroundings: declarative and procedural knowledge. Declarative knowledge refers to simple facts about the culture, while procedural knowledge consists of rules of thumb or heuristics on how to execute particular actions within the culture. While declarative knowledge provides the building blocks for understanding a cross-cultural exchange, procedural knowledge gives concrete guidance on how this knowledge can be used most effectively (Earley & Ang, 2003; Weitz, Sujan, & Sujan, 1986).

When inexperienced in a new culture, our knowledge repertoire revolves around familiar

concepts we draw from our own culture (i.e., etic). People deal with complex environments by comparing new events to categories already stored in memory (Mervis & Rosch, 1981; Rosch, 1975; Rosch, Mervis, Gray, Johnson, & Boyes-Braem, 1976). With etic procedural knowledge, people organize categories around facts derived from within the home culture and linked to heuristics leading to problem solutions at home. Thus the buyer is initially ineffective in the new environment when this knowledge collides with the host culture. However, with emic procedural knowledge, people organize categories around concepts derived from within the host culture and linked to heuristics leading to problem solutions in this new context. The development of emic knowledge structures requires time and experience.

This tension between etic and emic perspectives emerges during the romantic sojourner stage. Given the superficial involvement with the host culture, the romantic sojourner's etic declarative and procedural knowledge remains unchallenged, and the evolution of an emic repertoire is very limited (see Table 2 for an overview of the process).

Basically, a poor buyer doesn't really understand what the things are going for... or is suckered in by the quaintness of this culture. In other words, "isn't that sweet" and they will think that this person is being trustworthy when actually he's robbing him blind in front of his face. Just because the person is so oblivious and thinks that this person is gold and would never cheat them and it is part of their culture to be so "good" to people, even though, the person is giving them a price that is way too high. (Gail)

The naïve and inexperienced romantic sojourner bases initial business relationships on emerging opportunities. They purchase standard goods from unknown buyers motivated solely by a desire to make a profit (Dwyer et al., 1987; Holm, Eriksson, & Johanson, 1996). For example, Will's initial buying experience in Thailand reflects the sojourner's business approach. Friends recommend a seller and, having little understanding of either the products or the market, Will bought from the existing inventory; I "didn't really know anything."

Within the context of this affective stage, romantic sojourners take uncalculated business risks, given their lack of cross-cultural understanding. Trust is crucial in conducting business in any cultural context. In their seminal work, Dwyer et al. (1987: 18), borrowing from Blau's (1964) definition, conceptualized trust as "a pivotal facet of expectations development during the exploration stage of the relationship, [that] involves beliefs

Table 2 Stages of cultural sensitivity

	<i>Attitude and cultural depth</i>	<i>Cultural sensitivity (knowledge and skills)</i>	<i>Business relationships and strategies</i>	<i>Forms of trust</i>	<i>Stage reached</i>
Romantic sojourner	<ul style="list-style-type: none"> ● Fascination ● Shallow, daily contact ● Tourist 	<ul style="list-style-type: none"> ● Etic declarative and procedural knowledge ● Poor scanning ● Little emic knowledge 	<ul style="list-style-type: none"> ● Discrete, profit-based transactions ● Opportunistic 	<ul style="list-style-type: none"> ● Uncalculated risks ● Naive trust 	<ul style="list-style-type: none"> ● All passed through this stage
Foreign worker	<ul style="list-style-type: none"> ● Immersion in business culture ● More realistic attitude ● Ends in disenchantment and culture shock 	<ul style="list-style-type: none"> ● Begin to develop emic knowledge ● Initial emergence of scanning skills and enacted procedural knowledge (i.e., mimicry, control, and roleplaying) 	<ul style="list-style-type: none"> ● Trial-and-error business practices but developing relationships ● Constructed frames of meaning are tactical and borrowed 	<ul style="list-style-type: none"> ● Competence, integrity, and reliability trust ● Trust violations result in relationship dissolution 	<ul style="list-style-type: none"> ● Deb, Alan, Dan, Sam, Mary
Skilled worker	<ul style="list-style-type: none"> ● Deeper cultural contact ● Skillful diplomats ● Evolution to outsider status 	<ul style="list-style-type: none"> ● Frustration ends as emic knowledge structures develop ● Skillful enacted procedural knowledge and scanning 	<ul style="list-style-type: none"> ● Nurture a few successful relationships ● Business-bounded relationship but expanding into interpersonal ● Shared frames of meaning ● Greater self-efficacy 	<ul style="list-style-type: none"> ● Reliability, integrity, and competence trust still important ● Emerging benevolence trust 	<ul style="list-style-type: none"> ● Kirk, Will, Gail
Partner	<ul style="list-style-type: none"> ● Very deep immersion within the culture ● Balanced and respectful yet re-enchanting 	<ul style="list-style-type: none"> ● Cultural reflexivity ● Situated knowledge of cultural difference ● Enacted procedural knowledge is situated 	<ul style="list-style-type: none"> ● Fosters a few select relationships ● Negotiated business culture as a third way of knowing ● Deep commitment to partners ● Relational, familial ● High self-efficacy 	<ul style="list-style-type: none"> ● Benevolence trust ● Relational trust ● Other forms of trust (integrity, competence, and reliability) become less important 	<ul style="list-style-type: none"> ● Leigh, Cal, Red, Jan

about the reliability of the partner to fulfill his/her exchange obligations." Anderson and Weitz (1989: 312) also define trust as "one party's belief that its needs will be fulfilled in the future by actions undertaken by the other party". The romantic sojourners, however, rely on naive trust, which we define as a leap of faith that buyers will fulfill their obligations without having a clear understanding of the business partner's skills, capabilities, or motives.

My first buying experience was a nightmare. It was total blind trust hoping that everything would work out. I didn't know whether my shipper would come through ... You have to secure the right to export the clothing, which is a difficult thing because usually more, I should say often times, all your clothing can be stuck on a shipping lot over there and the government won't let it out. And, you have to get a good price too ... you don't know what to do when you first start. You grab onto the first thing that you see and hope that it works. I certainly didn't know where to find everything and you are afraid to, I don't know. I was kind of afraid to ask questions, which is probably a negative point. (Gail)

Foreign Worker

Unlike the romantic sojourner, who has a naive and emotional view of the host culture, the foreign worker develops a more realistic and cognitive understanding of the local culture. The initial shallow immersion into the local culture now develops into a deeper immersion into the business culture as they become hard-working and committed entrepreneurs. As a result, they get a "real cultural taste" and start to feel integrated into the culture. Jan recounts his transition between stages:

The context of doing everyday business is you get to see how that country operates, and how the people operate within it, and what social customs go in with how they run their business. So you are really part of what's happening, even though you are a foreigner. You are getting more of a real culture taste than you do as a tourist. You meet very interesting people, both people who are from those countries and other people who are purchasing similar-type merchandise. I began to get more involved with the culture. I really became involved in (local) people's lives. (Jan)

The foreign worker begins this stage as an observer and later evolves into a more active participant. Authentic cultural rituals and ceremonies become part of the foreign worker's daily life. Local business colleagues invite the foreign worker to attend these rituals, which marks the privileged status of the foreign worker over the romantic sojourner.

There's a temple right at the factory, right outside, that daily things are blessed. The desk that I work on there, everyday

I walk in and there is a little blessing with incense burning at the top of the desk ... when you have a monumental day like The Machine Blessing Day ... if I am with the owner of the factory, he's invited me to a blessing in his temple at his home for a particular reason, I am dressed up in a Kabai and a Sarong and a special long belt that goes around the waist so that I can go into the ceremony, but I don't actually do any of the things myself, I just observe and I'm included as being there. (Cal)

As they are deeply engaged in the host business culture, the foreign workers begin to develop a wider repertoire of experiences and thus a more realistic perspective from which to assess the host culture.

... you also get involved with business people, so I guess it is seeing a different side of the culture, just standing on what was there before ... When I first started traveling, I was involved only with the simple people, definitely, and they are always very nice people, very relaxed, hospitable. Then I can say this is where we started doing a little bit more business and starting meeting more people. And we were always looking for cheap stuff that we would be running a hard bargain with everyone and those people you never get close to and you don't make any friends. It's just business, well now I think my relationship with the culture and everything, is really different. I think that when I am in Bali, I am a Balinese. (Dan)

Two distinct consequences result from this deeper connection (see Table 2). First, this experiential cultural learning requires the effective appropriation and use of emic procedural knowledge. In contrast to the romantic sojourner phase, emerging emic knowledge structures characterize the foreign worker stage. A sophisticated level of procedural emic knowledge is essential to maintaining successful business relationships in foreign cultures. For example, while a Western business partner might assume their partner is committed to meeting their specifications, Deb forges a more insider understanding of Balinese business practices and engages in detailed specifications with every transaction.

They never say okay we are going to try this again; they are just "Take it or leave it." ... You have to have every base covered because if you leave any little detail to them, it will come out wrong and they won't call you back to ask you. They won't assume anything that's from the past maybe so every single time you sit down and design something new, you need to have the exact body you are doing, exactly how you want it done, drawn up exactly how you want it done because they won't ad lib and they won't be creative on their own. (Deb)

In addition to improving emic structures, foreign workers are developing environmental scanning abilities. In cross-cultural and complex contexts (i.e., Asian-Pacific Rim countries), the individual's cultural declarative and procedural knowledge

interacts with his/her scanning skills. More specifically, the scanning process fills in and develops one's category and knowledge structures. Conversely, one's knowledge structure can improve one's scanning abilities. Environmental scanning involves both receiving (monitoring) and sending (responsiveness) verbal and nonverbal cues. However, monitoring the environment is not an end in itself; it is a preliminary and necessary step towards understanding and adapting to the external world. We conceptually separate out the responsiveness component of environmental scanning and identify different forms of responsiveness. Because engaging in culturally appropriate behaviors (i.e., responsiveness) involves significant cross-cultural experiential learning, we call this responsiveness enacted procedural knowledge. Enacted procedural knowledge is the performance of cross-cultural understanding, and takes three forms: mimicry, control of unacceptable behavior, and role-playing.

Foreign workers learn to engage in authentic social behaviors as they enter the world of "performers" who strive to manage impressions through desirable self-presentation (Goffman, 1959). According to Earley and Peterson (2004: 109), mimicry is a subtle attempt that pertains to "adopting the behaviors consistent with a target culture." It is neither trickery nor deception, but rather an organized and clever attempt to put host culture members at ease.

After I was in business awhile, I learned how to communicate better. Not just the stuff from the books you know, not just what to say, but how to act and see. Now I can see what people are thinking; I can read people. When I look at someone's expression or movement, I know when to make my move. ... How to make an offer, what type to make, when to be silent ... I know the act ... I've got a lot of patience, I am good at half talking, half hand signal, half making it up as you go. Communication/sign language, it's a key thing, that's the key thing, sign language. To try to get by with your sign language you have got to use the little tricks. Just like you make sure you take the time to communicate it out, draw stuff, I don't know the language but I am really good at reading people and getting my message across. (Alan)

In other cases, enacted procedural knowledge manifests itself as control of unacceptable behavior. As they exercise their newly developing emic repertoire, foreign workers learn how to control their Western manners, postures, and verbal and non-verbal language to develop a comfort zone for their Asian colleagues. The development of this skill of control exemplifies the transition between etic and emic worldviews.

Whatever is in your blood with how you interact with others, I think you are going to carry that over to the foreign countries and I think we've done that, but you also learn ... don't pin someone down. They don't like confrontations either, so you don't want to ask anything where they have to confront you because you are embarrassing them. You learn that. Whenever you are working with families, when you are talking with the wife, you have to know that it will impact on the husband ... (Leigh)

The third type of enacted procedural knowledge is role-playing: acting, performing, and pretending are all essential parts of role-playing. Just as in a theatrical performance, foreign workers "implicitly request their observers to take seriously the impression that is fostered before them" (Goffman, 1959: 17). They seek for their business associates to believe what they see and accept their sincerity. Gail explicitly illustrates this role-playing:

... it is kind of like acting, really. You go, you look at the stuff first, you pretend. ... you go through this process of pretending you are angry and bargaining because their whole system in Indonesia is bargaining. So you go through this system where you, at first, you are very respectful, very humble, and you do all the greetings with respect. And then you talk about prices and you start to roll your eyes a little bit and you do the pretend, you-are-walking-out thing and get all angry thing and then you bargain. You reach a price and then you end up making amends, kind of even though it wasn't an argument. You end up making sure the person knows that you are a good person and that boy it sure is hot and boy I sure am hungry and kind of make it why or that's why I am so anxious to get to a price that kind of thing. I just find that happening over and over for this kind of play, this drama in order to get to a price but I have been told that I do it well so it must be the way to do it. (Gail)

Immersed in this partly familiar but still challenging world, the foreign worker is no longer an inexperienced admirer; the magic surrounding the romantic love affair is spoiled. The realization that their naïve views of the culture were illusions leads to sadness, disappointment, and frustration. Like the disenchantment phase conjectured by other theorists (Oberg, 1954), they maintain the coexistence of these contradictory feelings of fascination and frustration until a more balanced perspective is achieved:

I think it kind of goes from like aren't these people the greatest, and they know everything, and they are really in touch with the important things in life, to like these people are screwed up, you know. I think you kind of go back and forth a bit and get frustrated and I think the truth is the middle ground. They might look like they are more in touch with reality than Westerners and, in a lot of ways they are, but they have their own sets of neuroses too. (Leigh)



Furthermore, the highly experiential learning and the need to control their Western identities overwhelm the foreign workers. This stressful struggle to learn quickly about the strange environment coupled with feelings of frustration leads to culture shock. Oberg (1954, 1960) first defined culture shock as a psychological disorientation or anxiety that results when a person loses all familiar cultural props while living in a new culture. Culture shock is associated with surprise over cultural practices, a disorienting loss of familiarity, a sense of doubt when cultural practices are questioned, and even a feeling of impotence due to lack of control (Furnham & Bochner, 1986; Oberg, 1960).

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

Culture shock is also associated with powerful feelings of rejection by host culture members (Oberg, 1960). It is a painful lesson to learn that you are an outsider:

... but what I learned is that you can't confuse that [the friendly appearances] with a deep personal friendly stuff. What I've learned is that you rarely get close to people that you are doing business with. Japan is a very insulated nation, for instance. It is much less friendly than people in Indonesia where you can really become friends with people. You get to know them and you get to know them only so far. (Jan)

Individuals deal with this culture shock in a variety of ways, ranging from detachment to the use of diverse coping skills. Our findings suggest that in cross-cultural business contexts an important coping mechanism emerges. Informants forge constructed frames of meaning, which we define as a dyadic or interpersonal zone of common understanding. This concept is similar to Earley and Peterson's (2004) conceptualization of the meta-cognitive and cognitive aspect of CQ, which refers to developing learning strategies and achieving

cultural sense making. However, we extend their approach by delineating different types of frames of meaning that workers use across different stages and which emerge in dyadic relationships. As is developed in the next stages, achieving cultural sensitivity depends on developing both shared frames of meaning and different forms of trust. The foreign worker stage marks the beginning of this growing ability to make sense of the culture.

In order to overcome feelings of frustration and shock, and maintain successful business relationships, foreign workers develop a tool kit of tactical and borrowed frames of meaning. These practical tools evolve as simple solutions to problems encountered, given their growing yet inadequate cultural knowledge and skills. These tactics include frequent communication, regular factory visits, and reliance on Westernized agents (i.e., business partner, third-party agents, and interpreters). The foreign worker borrows the cultural understanding of these third-party agents, using them as their "right-hand" to overcome language barriers and communicate with natives (i.e., custom officials, suppliers).

I have an agent over there, so I don't have to go over, but I still, even though he's from America, he brings me directly to all the makers so I don't have to like buy, you know, wait on the line, but I still have to like not order onesy-twoisy things from him. Like I go over there myself and get all the things that are weird stuff or small quantities and he goes over and I go over and buy the small and I just order the big stuff through him – makes life much easier. (Alan)

Another tactical frame of meaning is the use of monetary incentives to ensure the Asian partner's dedication and good work. Workers use these incentives based on a Western belief that money talks, but ignore more relational approaches that might forge deeper loyalties. Deb relies on gifts, while Alan and Dan choose to pay their suppliers upfront and above the market rate to seal their loyalty.

Learning which tactical frame is appropriate in a particular situation requires a lot of trial and error. The foreign workers learn to be persistent despite challenges, use mistakes as learning moments, and adapt to new situations through trial and error. They are beginning to develop greater self-efficacy, which also emerges in the next stage as characteristic of skilled workers.

Foreign workers still hold on to some Western business cultural categories. For example, they define trust as competence, integrity, and reliability trust (Sirdeshmukh et al., 2002). Mayer et al. (1995)

define competence trust as having the skills and capabilities to get the job done. Demonstration of competence trust is the decisive test at this stage: does your partner have the skills and facilities? At this stage, failure to demonstrate competence trust means the end of the relationship.

Controlling the product is how they made the product. If they can do it good, then we will keep it for the next order. If this time the product is not that good, not satisfied, and for example, Ramie cotton which they, after they folded into the plastic bag, they must, before they put into the plastic bag, it has to be dried, very, very dry otherwise after putting into the plastic bag it is going to be wet so by the time we receive the goods, it's wet inside of the plastic bag. So, next time, of course, a case like this –forget it. We cannot afford this kind of loss. (Mary)

For many theorists, integrity trust is an indispensable aspect of a successful relationship (Mayer et al., 1995; Morgan & Hunt, 1994). Researchers define integrity trust as being honest and disclosing information (Kumar, Scheer, & Steenkamp, 1995), and the foreign workers are very concerned that their partners “are not going to tell them lies”. Lindsfold (1978) defines reliability trust as “the expectancy that the partner’s word or written statement can be relied on” (p 36). Integrity and reliability trust go hand in hand in many relationships; without ensuring integrity trust it is almost impossible to achieve reliability trust, and vice versa. For example, Morgan and Hunt (1994) posit that general trust exists only when “one party has confidence in an exchange partner’s reliability and integrity” (p 23). The following quote demonstrates the marriage of integrity and reliability trust in the eyes of foreign workers:

I guess it has to do with who has the ability to get things done and to be relatively honest, I guess, and straightforward, but a desire to do things with a reasonable amount of quality ... it is just people doing what they say they are going to do – fulfilling commitments. (Sam)

Skilled Worker

The foreign workers who persevere become skilled workers who develop a deeper understanding of the local culture and engage in deeper contact with business associates (see Table 2). For the skilled worker, their relationship with the host culture evolves into a “diplomacy game” aimed at preserving relationships with host country members. Skilled workers become “cautious politicians”:

... when I had one experience with this guy who was a heavy hitter ... and he wanted to take me out and we had dinner, went to a club and the whole thing. I didn't bring

up business, he knew what I wanted and we didn't talk about business until 2:00 in the morning when he was dropping me home. He goes, “So what was it you want exactly?” And I told him and he says, “Okay, I will give you a call tomorrow.” And that was the whole business discussion the whole night. (Will)

Skilled workers’ repertoire of emic declarative and procedural knowledge is now adequate, whether they are dealing with custom workers, understanding the meanings of “deadline” or “promise”, or participating in sacred cultural ceremonies. Their deeper understanding of differences among etic and emic knowledge structures helps skilled workers be more tolerant of mistakes and misunderstandings:

Indonesian culture is such that they don't really have a sense of priority or what we would call importance or something that needs to be done; so that is real frustrating. Sending a fax, a couple of months ago, I guess, I explained that something was very important that they get me some information right away and I looked in the Indonesian dictionary (I was writing it in Indonesian) and they have no word for important, priority, or urgent ... so things get done when they get done. So it is difficult coming from a Western culture, particularly coming from the New York area ... (Kirk)

Skilled workers are now proficient environmental scanners, which aids in their ability to mimic, control unacceptable behaviors, and role-play.

... the most important thing that I learned and that translates through any culture is paying attention ... knowing what things are culturally acceptable and not acceptable. Like a smile in one culture is very different than a smile in another culture. In Thailand, you never touch someone on the head. You never raise your voice – you lose. You display great anger ... you've lost face completely. So, you play it different ways in different places. You have to have some set that makes a lot of sense to have to pay attention to what's acceptable and what's not acceptable. What denotes respect and what denotes disrespect – by paying attention. Just paying attention completely and being aware ... (Jan)

They are talented actors in the cross-cultural “drama”. They become masters of dramaturgy, which translates into greater success in diplomacy, negotiation, and reconciliation.

At the skilled worker stage, they limit the number of their business relationships and thus are able to foster deeper and, consequently, more successful relationships. The tactical and borrowed frames that were once the foreign worker’s most powerful weapons progress into shared frames of meaning. Rather than relying on Westerner agents, skilled workers actively develop direct relationships with their Asian business associates. These relationships

begin within a professional context, but then expand as the skilled workers socialize with their Asian counterparts regularly and even develop relationships with their families. Once relationships reach this level of comfort and intimacy, they co-create frames of meaning with their Asian partner. Skilled workers develop a more active and participatory style. They do not “borrow” Westerners’ services as a coping mechanism but instead co-educate each other throughout the production process and develop greater two-way communication.

When, for instance, a business day when I’m there [referring to the small family-owned clothing factory he is working with] working with them and we just go through fabrics and drawings of different designs, last time I was there the designer would draw some, they seem really dedicated and the designer would draw something and say what do you think of this. When it was something I would like she would bring the fabric into the sewing room, they’d make it up and bring it back in about 15 minutes, just a little prototype ... They also brought out a lot of complementary fabrics where we would do a bottom and they would say how about this top, this fabric for a top, we relate so well together. (Kirk)

Skilled workers and their Asian associates evolve to a more give-and-take relationship that is based on mutual respect and understanding. As Leigh states, “over time, through trial and error ... you grow together.” The skilled worker stage is also associated with greater self-efficacy (Bandura, 1986). The skilled worker is able to assess accurately tasks and situations that match their capabilities.

... I met the right person and took advantage of that opportunity and one thing that I have learned in this business is to recognize my own limitations as far as talent. Obviously, everybody is better at some things than others, and things that I am not as good at I’ve found other people to take care of. So, I think there is some, to be able to recognize those limitations, and deal with that in the best way possible. (Kirk)

Skilled workers are still concerned about integrity, reliability, and competency trust, but this stage also marks the emergence of benevolence trust. Researchers define benevolence trust as a genuine motivation to care about the partner’s welfare and interest and seek mutual gain (Doney and Cannon, 1997; Sirdeshmukh et al., 2002). Benevolence trust is apparent in the skilled worker’s business relationships:

I trust him holding on to my money. I trust him to manage my orders. If I order something from him, I trust that he will tell me if he doesn’t have the time or if he can’t fill the order. I trust that he is giving me a good price. I trust that he will have the order when I need it and if not, if there is a

problem with shipping, he goes out of his way to make sure that everything goes through as far as my order. I mean he could easily say okay I made the order, now it is your responsibility. He is very helpful. (Gail)

Towards the end of this challenging phase, skilled workers develop a relatively realistic understanding and appreciation of the host culture. The workers who stay at this stage sense that they cannot bridge the cultural differences. No matter how deeply they plunge into the culture, or how warmly they are embraced by their Asian friends, they will always be “outsiders”. Unlike the foreign worker stage, where they painfully experience detachment and cultural shock, their status as an outsider does not perturb them. Skilled workers simply accept the culture as it is and enjoy what it has to offer.

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

Ultimately, skilled workers realize that they can never fully be part of the local culture, and gain a greater appreciation for their home culture.

I understand the (local) culture more, I can integrate better. I can communicate better. I can interact with the people and understand more of their customs and more of their culture and I guess I can be a part of the culture more than I used to be. ... I choose not to become a part of the Indonesian culture or let it become part of me. ... [I am] an American who would choose to live in America and choose to spend less time in Indonesia. As I said, a couple of years ago, I was considering getting a home there and spending more time there. (Kirk)

Partner

For a few workers, this long and challenging journey yields the partner stage. At this stage, workers possess the highest cultural sensitivity and a negotiated business culture based on relational trust; we define and discuss these concepts next (see Table 2).

Skilled workers give up their longing to be a cultural insider and forge a balanced understanding of the local culture. They open themselves once again to the host culture and are re-enchanted. “There is this long-term relationship with Thailand

that I've had and I really love Thailand" (Red). This new understanding depends on the cultural knowledge and skills that they achieved in the earlier stages. However, for the partner, the host culture is similar to a labyrinth consisting of several cells or sub-cultures within the larger culture. To reach the cells within the labyrinth, the partner needs to engage in cultural sense-making that involves noticing different cultural and ethnic backgrounds within the larger culture. This "situated knowledge" is a more refined knowledge structure. For example, recalling his experience with two different ethnic sub-cultures in Indonesia, a partner illustrates how he "enacts" his situated knowledge:

The Balinese are more open. They love jokes. They love to make jokes about your physical characteristics. They are very funny. Javanese are different. In high Javanese culture you don't want to be seen like a buffoon. ... The Javanese gentlemen will be more refined and reserved and you don't want to show emotion with them, you shouldn't show negative emotion and even when you are showing your partner emotions, it is still temporary. You still want to swing either way. It is just the way the Javanese view the assigned person. With the Balinese it's a lot of clowning around, it's very open. ... You learn how to read the individual you are with because even though they have their cultural norm, they stay within those frameworks, they are not all alike. You try to read the people – you know what does this person mean, is this person's word really good, are they a bullshit artist because there are all kinds of people there too. Just because on the outer surface they try to be refined, doesn't mean they can't be a bullshit artist at the same time. (Leigh)

Asian partners are unique individuals guided by cultural patterns, yet not determined by them. Partners develop nuanced situated knowledge that might involve an awareness of different work ethics across genders or even professional tendencies within the same culture.

In addition, at this stage a form of transcultural understanding based on reflexivity emerges (Thompson, 2002). Reflexivity involves deep reflections on the underlying patterns within different cultures and then the application of these lessons to one's own culture. This cultural reflexivity extends beyond a cognitive understanding and represents the marriage of both cognitive and emotional powers that are critically applied.

It is interesting because when I first went overseas I was very involved ... you become a Japanophile they call it. I find that as times go on I am not as interested in that. I am extremely appreciative of what I have learned from other cultures because it has changed the way that I operate in this country. It's my awareness – a blind sense of being American – has changed. I appreciate this country and its

culture a lot more than I used to while at the same time I am also more – when I was young I was very radical and I was very, very critical and cynical of this country's philosophies and ways of doing things. Now I am very appreciative of this country in some ways. I am just as critical in some of the other aspects, but it has leveled a little bit by wisdom and stuff. I find I am more interested in being international than I am in being a particular Japanophile or Indonesia-nophile or something. What I particularly enjoy is people from different cultures in general and finding commonality between the two of them and being interested in what their differences say about their culture, about humanity in general, but I am not interested in immersing myself in Japanese society and becoming a Japanese person. (Jan)

In summary, *cultural sensitivity* is an ability to environmentally scan and make sense of cross-cultural differences via emic declarative, procedural, and situated knowledge structures, and to use these understandings to enact culturally appropriate behavior such as mimicry, control, and role-playing. The highest levels of cultural sensitivity involve a form of reflexivity in which individuals forge transcultural understandings and critically apply these understandings to their own culture.

Given this sophisticated understanding of both themselves and their Asian counterparts, people at the partner stage select better partners and establish strong professional relationships. Like the skilled worker stage, a few carefully selected relationships are preferred over the many shallow encounters that were typical within the earliest stages.

These long-term experiences and interactions develop into relational, and almost familial, exchanges (Dwyer et al., 1987). The partners personally know their suppliers and business partners' families, socialize with them regularly, and are genuinely committed to working through problems. Both parties educate each other and are dedicated to overcoming cross-cultural misunderstandings. Frames of meaning that were once simply tactical and representative of either the Asian or the Western perspective now transform into a co-created, fully shared, and achieved business culture. Sacrifices are not one-way any more (e.g., Western partners adapting to the Asian way of doing business or Asian partners trying to become Westernized). Hence a third way emerges that is neither Eastern nor Western.

... [we are] forging a new thing ... he's an international enough person that it can fool you in some ways. You start thinking he's American and he's not – he's Japanese with a veneer that penetrates deeper than most Japanese ... and I am an American that's caught up in one of the cultures. So we, over years, come to a place of understanding ... I think there is an area of communication, understanding and trust



that is forged not necessarily by me just mimicking his culture, I mean we mimic each other's cultures – he mimicked mine and I mimicked his ... (Jan)

Within the context of this co-created business culture, partners rely on their cultural sensitivity, and new forms of communication arise. Partners strive to maintain a balanced perspective between respecting the host culture and adapting to the host culture in a way that fits their Western identity. For instance, Red highlights how he reshapes and adapts his deep knowledge of the Thai culture to his Western mentality through the expression “Mai ben lai”:

In Thailand they have an expression called “Mai ben lai”. It means or kind of like “don't worry about it” it means “all right” in business ... that is the kind of ultimate expression all the time when something goes wrong. ... In a lot of ways it's an excuse not to do something. It's an excuse. It's a very common expression. It has a negativity to me in a lot of ways, whereas in Thailand, in Thai culture it means something positive. It's like don't worry about it, but my whole expression in business is that yes, I am going to worry about it. And I say to the Thais all the time that mai ben lai (there is a problem), and I always say it in a way with a smile and a laugh so they know that I am serious about it yet I am not going to freak out. Just like I said when you freak out, that's the worst possible scenario. You don't get anything done. So when you have mai ben lai, you have a problem, you address it. (Red)

Partners develop strong self-efficacy and are now fully aware of their potential and capabilities.

The formation of a negotiated business culture coupled with high cultural sensitivity yields new approaches to trust. Cross-cultural insights assume an almost purging function; only a few key trust categories survive in this culturally sensitive phase. First, partners fully develop the benevolence trust that emerged in the skilled worker stage.

... You are also sympathetic and empathetic to someone else's needs. I like to leave money on the table for other people. Like I don't want to keep all the money for myself and I hope that by leaving money on the table, and by being fair – Golden Rule type thing ... That's how we run our business and it gives them incentives to want to continue working with you. (Leigh)

Most importantly, a more relational form of trust exists.

I go out to dinner with these people. I spend a lot of time with them. I know the family really well. There are people that I spend so many hours with we have become close. It is almost like a family. It's a really nice feeling. It also makes it harder too, when something goes wrong, I have to be real tough with them and at first it got to be hard, but now I feel like I can just about say anything and get as tough as I can

and they handle it like a family member would or a friend would. They just listen, deal with it, and take care of it. Our relationship is more important economically and spiritually and I guess that is a very different way of doing business. I think the business relationships that I have over there are going to last forever. It's my life. (Red)

Surprisingly, integrity, reliability, and competence trust become less important. While workers considered a lie as a violation of integrity trust in the earlier stages, now the partner perceives this as inappropriately pressing for a direct answer as opposed to engaging in indirect exploration. Leigh explains about the deeper meaning of what a Westerner would call deception: “... they don't want to come out and tell you all their needs. Sometimes they might be too embarrassed or for whatever reason.” Thus their intimate understanding of the other person allows them to interpret appropriately the meaning of a “white lie”.

We have this one long-term supplier that we have been working with for about eight years. We have grown together. We've always done it on a handshake. We've never violated each other's trust beyond an occasional white lie, sometimes it's more diplomacy than a sense of an outright lie, you know. I tolerate some white lies as long as the big picture is good in business. (Leigh)

Similarly, workers earlier saw the failure to get goods on time as a violation of reliability trust, but these sensitive buyers now understand that they were in error if they made demands that were unreasonable given the local realities of labor and capital.

Partners base relational trust on both cultural sensitivity and a genuine concern for one's partner so that business occurs with a “handshake.” Partners willingly make themselves vulnerable by advancing tens of thousands of dollars of goods or credit.

There is an antique dealer in Japan that I've had a relationship with for seven years, we share a lot, and in some ways, there is a great amount of trust, he'll ship to me even though I still owe him money without a contract. He knows that I am going to pay him and I know that I am going to pay him too, he is going to send the merchandise out and stuff and I am real happy. I have been able to develop a lot of relationships like that, that's nice. (Jan)

DISCUSSION

In summary, our empirical findings support a four-stage process of cultural sensitivity in which people pass through the phases of romantic sojourner, foreign worker, skilled worker, and partner. This process is slow and demanding, and spans years. Cultural sensitivity is an ability to monitor the new

environment and engage in sense-making using emic and situated knowledge structures, and these understandings are used to perform enacted procedural knowledge. As informants move from one stage to the next, they acquire sophisticated forms of knowledge (e.g., emic knowledge, enacted procedural knowledge) and culturally appropriate environmental scanning abilities. Similarly, higher levels of cultural sensitivity provide the Western entrepreneurs with more meaningful and intimate levels of trust.

Past studies define cultural knowledge broadly, and do not consider declarative and procedural knowledge (Gudykunst & Kim, 1984; Leong & Kim, 1991); or these studies postulate the use of schemata but do not specifically define cultural knowledge (Ridley, Mendoza, Kanitz, Angermeier, & Zenk, 1994). Based on empirical research, this study describes how workers integrate emic and etic knowledge within declarative, procedural, and situated knowledge structures, highlights the role of environmental scanning, and presents the process by which buyers become more culturally sensitive. Environmental scanning skills play a crucial role in the ongoing acquisition and integration of emic declarative, procedural, and situated knowledge. Furthermore, we extend the work of previous studies by distinguishing among various types of enacted procedural knowledge such as mimicry, control of unacceptable behavior, and role playing.

Perhaps the research most closely aligned with our study is the conceptual work on CQ by Earley and his colleagues (Earley & Ang, 2003; Earley & Mosakowski, 2004; Earley & Peterson, 2004). Clearly, our work offers considerable empirical support for the cognitive component of CQ as conceptualized by Earley, and our findings on enacted procedural knowledge flesh out in more detail the behavioral skills. However, we found less support for the motivational component. For example, self-efficacy appears to increase as buyers' cultural sensitivity improves. Moreover, all of the buyers shared goals of making profit and being successful, which did not seem to vary across stages.

This study also contributes to understanding successful cross-cultural relationships. The concept of shared frames of meaning emerged as an important concept across the stages of cultural sensitivity. These common zones of understanding take on three different forms (i.e., tactical and borrowed, shared, and fully negotiated) as one moves

across the stages. As cultural sensitivity increases, dyadic exchange partners are better able to negotiate a common understanding (i.e., a "third-way" culture), which is of significant strategic importance. Past research on the adoption of a "third culture perspective" supports our findings. Research on this third culture approach posits the importance of acquiring a viewpoint in which one is nonjudgmental (i.e., holding neither the perspective of the host nor of the home culture) but simply observes cultural cues and responds to them appropriately (Hammer, Gudykunst & Wiseman, 1978; Hannigan, 1990). This process of developing negotiated frames may be important in successful, long-term channel relationships. Future research might consider how negotiated frames of meaning develop through the observation of dyadic relationships.

This study also lends insight into why culture shock takes place. Specifically, it frames culture shock within the cross-cultural learning process, where the development of emic procedural knowledge creates a tension with pre-existing etic procedural knowledge. The experience of culture shock is a normal and necessary part of cross-cultural learning and adaptation. Past literature on culture shock fails to consider the role of different types of knowledge in explaining the process (Furnham & Bochner, 1986; Oberg, 1960). Cross-cultural training might highlight the use of different knowledge structures to explain culture shock. The early creation of shared frames of meaning might mitigate the adjustment to the host culture across the stages of cultural sensitivity. Moreover, if the romantic sojourner realizes prior to embarking on their journey that s/he will likely become infatuated, perhaps a more balanced approach can be attempted, which may encourage the neophyte to develop knowledge and skills more quickly. Many participants possessed significant cultural knowledge prior to entering their business relationships, yet they still suffered great disappointments. A more realistic approach is likely to attenuate disappointment early within the process, and decrease cynicism and withdrawal from relationships with host culture members. It is strategically important to avoid cultural disengagement, because this withdrawal may send confusing messages to exchange partners and result in poor business relationship development.

Finally, we contribute to the trust literature by exploring the interaction of trust with cultural sensitivity. Across the four stages, different forms of trust are important. Naïve trust, for example, occurs



when cultural sensitivity is so low the buyer does not understand their trading partner and must make an uninformed leap of faith. During the next stages, the buyers still rely heavily on Western notions of trust. In contrast, relational trust emerges when cultural sensitivity is particularly high. The culturally sensitive buyer can cast aside traditional notions of integrity and reliability trust and instead can accurately forecast success given their intimate understanding of the exchange partner and his or her capabilities and facilities.

From a managerial standpoint, this study has implications for the selection and training of cross-cultural workers. Reliance on the number of years of international business experience is not necessarily a good surrogate for cultural sensitivity. Instead, training and selection based on skills in monitoring and adaptation – such as mimicry, control, and role-playing – may be more important. Moreover, training programs need to incorporate the range of knowledge that exists for host countries including declarative, procedural, situated procedural, and culturally reflexive knowledge. Given the scarcity of people who reach the partner stage, firms should prize individuals who either are at this stage or show promise in reaching it.

Future theoretical development of a cultural sensitivity model might consider boundary conditions. In this study, the exchange partners were from maximally dissimilar cultures. It might be interesting to explore how cultural sensitivity develops in cultures that are more similar. When exchange partners are from similar cultures, expectations could be more realistic, and withdrawal from relationships could be less dramatic. Some scholars suggest otherwise (Mitra & Golder, 2002; O'Grady & Lane, 1996). In fact, our informants described three of their worst exchange relation-

ships as being with North American partners in which violations of expectations led to very hard feelings, perhaps because the buyers assumed greater similarity than existed. Therefore it is worthwhile to analyze the construction of cultural sensitivity across similar cultures. Moreover, the fashion context involves a wide range of culturally embedded concepts. A different process of cultural sensitivity may exist when exchange contexts are more technologically based and less culturally embedded. Finally, this study explored cultural sensitivity from the perspective of North Americans engaged in international business within the Pacific Rim. Future studies might examine both sides of the dyad and extend these findings into different cultural business relationships. An examination of cultural sensitivity from both sides of the dyadic relationship might reveal interesting findings regarding different components of cultural sensitivity. For instance, we might gain greater insight into reliability, integrity, and competence trust when the Asian business partners' perspective is considered. Similarly, Easterners might reveal different notions of cultural knowledge and skills (e.g., saving face by being non-confrontational and respectful at all times). The exploration of both sides of the exchange might offer important insights into the meaning of cultural sensitivity, and help solve cross-cultural misunderstandings.

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