Culture Impact on Perceptions of Communication Effectiveness

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Abstract

Early research on relationship marketing highlights the role of communication in shaping trusted and committed business partnerships. Various studies validate communication as one of the strongest determinants of relationship commitment, loyalty, trust and satisfaction. But, few have studied the predictors of communication effectiveness, especially in a global context. The purpose of this study is to analyze the impact of cooperation, quality communication, conflict handling and two-way communication as predictors of communication effectiveness. The perception of their impact on increasing communication effectiveness is tested in the context of buyer-supplier relationship in one high-context/relationship-based country (Brazil) and one low-context/rule-based country (U.S.). Structural equation modeling is used to test the relationships in the model. Results suggest that suppliers focus more on fostering cooperation when dealing with buyers from low-context countries and on conflict avoidance when dealing with buyers of high-context countries. Across both contexts, results further indicate that buyers are universally influenced by the quality of communication exchanged with their buyers.

Keywords: communication effectiveness, culture, cooperation, conflict-handling, communication quality

1. Introduction

A wide body of research acknowledges the essential role of communication in building trusted and committed partnerships. Yet despite its vital function in shaping lasting relationships, very little is known about the complex interaction of relational behaviors that drive communication effectiveness. Moreover, these interactions are rarely examined across nations of disparate economies and cultures. This is surprising given the growing research interest in global contexts as well as evidence suggesting that communication is rooted in culture (Hall, 1976; Hofstede, 2001; Nes, Solberg, & Silkoset, 2007).

1.1 Research Objectives and Questions

To this end, this study examines the impact of relational management behaviors like cooperation, quality communication, conflict handling and two-way communication as predictors of communication effectiveness in a cross-cultural setting. Specifically, the impact of these relational behaviors on communication effectiveness is examined and compared across buyer-supplier relationships in an emerging economy (Brazil) and a developed nation (U.S.). As explained further, the former provides an examination of communication expectations characteristic of high-context, relational-based cultures in emerging economies, while the latter permits a low-context, rule-based perspective that is characteristic of relationships in developed nations. In so doing, this research attempts to address the following questions:

1. What constitutes communication effectiveness in global settings?

2. How does the culture characteristic of developed and emerging economies impact the influence that supplier relational behaviors have on buyer perceptions of communication effectiveness?

2. Literature Review

A growing interest in emerging economies such as those found in the BRIC nations (Brazil, Russia, India and China) has led researchers to examine how developed nation firms can penetrate these markets. At stake are the

investments made in foreign talent, supply chain resources and infrastructure to sustain a profitable relationship. But, beyond just entry mode challenges, these firms face a myriad of cultural and institutional impediments to their expansion strategies when attempting to sustain relationships. Confronted with language barriers, high public mistrust (Li, 2009) and disparate communication styles (Hall, 1976), suppliers of developed nations can easily underestimate the ongoing relational exercises required to bolster their buyer's trust. Communication competence in cross-border partnerships is key for suppliers to successfully increase buyer's trust in both the seller and the company.

A great deal of research has been devoted to the study of interpersonal relationship building between partners spanning developed and emerging nations (Doney, Cannon, & Mullen, 1998). Much relates to the role of relationship behaviors or the establishment of an exchange climate conducive to successful partnerships (Graça, Barry, & Doney, 2015). Exchange theory suggests that a healthy exchange climate "removes barriers of risk and uncertainty while signaling commitment to making a relationship work" (Smith, 1998a, p. 79). But missing in the research is an in-depth examination of how a healthy exchange climate ensures communication effectiveness, as the tie that binds relationships (Duncan & Moriarty, 1998; Styles, Patterson, & Ahmed, 2008).

First, the literature review on communication effectiveness is presented, followed by a discussion regarding relationship behavior, exchange climate and relationship norms. The main predictors of communication effectiveness, namely cooperation, quality communication, conflict handling and two-way communication are presented along with their corresponding hypotheses. Finally, the role of culture in communication competency and effectiveness is examined accompanied by the remaining hypotheses.

2.1 Communication Effectiveness

Sharma and Patterson (1999) describe communication effectiveness as "the formal as well as informal sharing of meaningful and timely information" (p. 158) with the purpose to inform and educate in an empathetic manner. They find that communication effectiveness positively impacts the perceived quality delivered by the supplier and to influence relationship commitment and trust.

Several empirical studies confirm that communication effectiveness accounts for much of the explained variation in relationship outcomes like commitment (Sharma & Patterson, 1999; Styles et al., 2008) and trust (J. C. Anderson & Narus, 1990; Z. X. Chen, Shi, & Dong, 2008; Styles et al., 2008). In essence, communication effectiveness is dependent upon the buyer's perception of how much the supplier keeps the buyer informed regarding their orders and explains concepts and recommendations in a meaningful way. We contend that buyer's perception is a function of his or her culture and country's institution orientation. We also contend that what shapes perception of communication effectiveness is a combination of supplier's cooperation, quality of communication, conflict-handling ability and two-way communication.

2.2 Relationship Behaviors, Exchange Climates and Relationship Norms

Aspects of communication quality, conflict resolution and cooperation have been collectively examined as precursors to successful partnerships in studies of relationship behaviors (Crosby, Evans, & Cowles, 1990; Mohr & Nevin, 1990; Mohr & Spekman, 1994; Smith, 1998b; Tuten & Urban, 2001) and exchange climate (Graça et al., 2015; Park, Vertinsky, & Lee, 2012; Robson, Skarmeas, & Spyropoulou, 2006). Characteristics of communication quality, conflict resolution and cooperation, in these studies, are referred as core attributes of partnerships well suited for task efficiency, trust building and transfer of tacit knowledge among partners (Park et al., 2012). Others refer to a communication competence manifested in relationship norms. In this case, two-way communication and cooperation are two of the social and behavioral factors that govern a buyer-supplier relationship (Heide & John, 1992; Ketkar, Kock, Parente, & Verville, 2012).

2.2.1 Cooperation

Cooperation denotes a voluntary coordinated action intended to achieve reciprocated outcomes. J. C. Anderson and Narus (1990) define it as "similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time" (p. 45). This is a measure of not just how much the supplier helps the buyer, but also the extent to which the buyer's company helps the supplier. Cooperation's main assumption is that mutual outcomes are better achieved as a joint effort. Although cooperation has not been found to be a direct driver of outcomes such as performance satisfaction, cooperation is found to be an important factor in the exchange climate of U.S. business partnerships (Graça, Barry, & Doney, "in press").

From transaction cost perspective, cooperative relationships are seen as economically efficient. Partners can be expected to achieve channel efficiencies that pave the way for achieving mutual goals through more effective

communication. A number of studies have found a positive relationship between cooperation and communication effectiveness both in the U.S. (J. C. Anderson & Narus, 1990; García Rodríguez, José Sanzo Pérez, & Trespalacios Gutiérrez, 2007) and Brazil (Vieira, Monteiro, & Veiga, 2011). Consistent with their findings, we posit that:

H_1: Greater Cooperation will increase buyer's perception of supplier's Communication Effectiveness.

2.2.2 Quality of Communication

Quality of communication demonstrates the supplier's expertise and competence. It relates to the accuracy, timeliness and completeness of the information provided to buyers (Mohr & Spekman, 1994). Quality of communication has been found to improve the quality of relationship between business partners (Graça et al., 2015). Thus, we posit that:

H_2: Greater Quality of Communication will increase buyer's perception of supplier's Communication Effectiveness.

2.2.3 Conflict Handling

"Conflict handling refers to the supplier's ability to minimize the negative consequences of manifest and potential conflicts" (Ndubisi, 2007, p. 133). Thus, the supplier's ability to avoid problems or resolve an issue that may become a problem is the core of conflict handling. Communication is focused on problem-solving and the open discussion of solutions to possible problems that may arise. Maditinos, Chatzoudes, and Tsairidis (2011) found a positive relationship between conflict resolution and communication effectiveness. Consistent with their findings, we posit that:

H_3: Conflicting Handling will increase buyer's perception of supplier's Communication Effectiveness

2.2.4 Two-way Communication

Two-way communication relates to the supplier and buyer ability to maintain each other well informed regarding relevant activities. (E. Anderson & Weitz, 1992; Mohr & Spekman, 1994). Despite mixed findings regarding two-way communication's impact on relationship quality, increasing sharing of pertinent information between business partners contributes to a positive atmosphere, thus we posit that:

H_4: Greater Two-Way Communication will increase buyer's perception of supplier's Communication Effectiveness

2.3 The Role of Culture in Communication Competency

Although these proposed relationships between relational behaviors and communications effectiveness are well founded, their manifestation varies widely across cultures. Indeed ''culture and communication are so intricately intertwined that they are, essentially synonymous'' (Deresky, 2008; Ketkar et al., 2012, p. 782). This would imply that the exchange climate is heavily influenced by culture or the "the collective programming of the mind distinguishing the members of one group or category of people from another" (Hofstede, 2001, p. 5). A number of studies have in fact demonstrated how cultural distance and cultural sensitivity impacts the flow of communication leading to trustworthy relationships (LaBahn & Harich, 1997; Nes et al., 2007).

But an understanding of the communication style adaptations required to suit different cultures is sorely lacking due to the underexplored mechanisms in inter-organizational relations (Nes et al., 2007) as well as the many cultural intricacies used to distinguish nations in the context of communication behaviors. According to (Griffith & Harvey, 2001), ''the lack of research on intercultural communications' role in influencing global relationships development within an inter-organizational network is surprising given the importance of relationships development in the global marketplace and the underlying role of communication in facilitating development'' (p. 88).

In the specific case of comparing relationship success between partners of developed nations with BRIC nations, the literature suggests the following conceptual abstractions when examining inherent cultural differences:

1. Institutionalism – the extant of rule-based (developed nations) vs. relationship-based governance (BRIC nations) stemming from a society's informal institutions (Li, 2009).

2. Context – the degree to which communication is high-context (BRIC nations) or low-context (developed nations) in its relationship building (Hall, 1976).

3. Collectivism/individualism – the degree to which the society is characterized as collectivist (BRIC nations) or individualistic (developed nations) in its approach to relationship building (Hofstede, 2001).

4. Power distance – the degree to which societies are characterized as hierarchical (BRIC nations) or distributed equally (developed nations) as perceived by lower level members (Hofstede, 2001).

As described further, each explanation for inherent cultural distinction characterizes BRIC nations as being inherently more relational and developed nations as being more task oriented. Consequently, the distinct motives for creating exchange climates conducive to communication effectiveness may result in widely different expectations for relationship management behaviors. BRIC nations will likely see communications as an indication of their partner's trustworthiness; an interpersonal perspective. Firms from developed nations, on the other hand, will likely appreciate how effective communication contributes to operational efficiencies (Graça et al., "in press"). Shown in Table 1 is a summary of the distinctions inherent in cross-cultural partnerships between firms of developed and BRIC nations.

Table 1. Cultural Distinctions Between Develop and BRIC Nations

Cultural Dimension	Relationship Marketing Impact		Source(s)
	INDIVIDUALISM	**COLLECTIVISM**	
Relational Motivation	Task prevails over relationship; transaction oriented (i.e., focus on results)	Relationship prevails over task (e.g., focus on process)	(Hofstede, 2011; Kawar, 2012)
Knowledge Interests	Explicit attributes of knowledge (concerned with rationality)	Tacit knowledge (e.g., history, norms & embedded knowledge interpreted through cultural context)	(Möller & Svahn, 2004)
Preferred Governance	Governance through economic instruments (e.g., legal contracts)	Governance through personal ties, relationship norms & involvement	(Ketkar et al., 2012; Li, 2009; Schwartz & Bilsky, 1990)
Trust Formation	Trust is a calculative process (individualists make a cost-benefit analysis of working with other party; based on evidence of competence)	Trust is a predictive process (members seek behavioral conformity; based on evidence of benevolence)	(Doney et al., 1998)
Preferred Mode of Communication	Low levels of social interactions (e.g., written, digital communications)	Extensive face-to-face interaction	(Erez & Earley, 1993; Ketkar et al., 2012; Li, 2009; Möller & Svahn, 2004; H. Triandis, 1995)
Scope of Interaction	Interaction restricted to economic-driven matters	Regularly engage in in-group activities	(Gregory & Munch, 1997; Hui & Triandis, 1986; Ketkar et al., 2012)
Partnering Motivation	Reduce threat of opportunism and transaction costs	Desire for close ties & formation of in-groups	(Steensma, Marino, Weaver, & Dickson, 2000)
Achievement	Inherently competitive, restrained, decision driven	Inherently collaborative, cooperative	(C. C. Chen, Chen, & Meindl, 1998; Hewett & Bearden, 2001; Kawar, 2012)
	LOW POWER DISTANCE	**HIGH POWER DISTANCE**	
Communication channel barriers	Few barriers to knowledge sharing & information processing	Restricted to hierarchical lines	(Möller & Svahn, 2004; H. C. Triandis, Bontempo, & Villareal, 1988)
Information disclosure	Voluntary (e.g., freedom to choose what is disclosed)	Expected to be open (e.g., more secret-sharing)	(Ndubisi, 2011)
Conflict resolution style	Collaborating or compromising style	Contending, accommodating, avoiding style	(Posthuma, White III, Dworkin, Yánez, & Stella Swift, 2006)
	LOW CONTEXT	**HIGH CONTEXT**	
Frankness	Direct, explicit	Indirect, circuitous (e.g., protection of face)	(Kawar, 2012)
Message context	Emphasis on content (e.g., facts, numbers, ratios, statistics)	Emphasis on context (e.g., experience, intuition, the relationship)	(Kawar, 2012)
	RULE-BASED	**RELATION-BASED**	
Dealing with uncertainty	Laws	Personalism & connections	(Möller & Svahn, 2004)
Cooperation motive	Seek economic rewards & reciprocation	Internalize the value of cooperation (e.g., feel morally rewarded)	(Li, 2009)
Public information trust	High reliability of publicly disclosed information	Low trust in publicly disclosed information	(Li, 2009)
Conflict resolution	Reliance on public enforcement (e.g., contracts & fair judges) to resolve disputes	Reliance on private enforcement to resolve disputes	(Li, 2009)

2.3.1 Relation-based versus Rule-based Behaviors

Researchers in international business strategy argue that economic development and business activities in emerging markets stall when foreign entrants from developed nation firms underestimate the complex interaction of the political, legal and economic institutions in a society. In effect, the stall can be attributed to the inability of developed nation firms to appreciate the larger context of competitive forces stemming from a society's institutional environment. According to Li (2009), "governance mechanism chosen by a firm is not entirely up to the firm; it is primarily determined by the dominant environment of the society in which they conduct business" (p. 4). Consequently, institutions are often assumed as background factors in developed nations where firms operating out of stable, market-based institutional environments can easily dismiss society effects when plotting their IB strategy.

But how different countries conduct their exchanges goes beyond a mere appreciation of the formal institutional factors. Culture, in particular, is viewed "as a part of the informal institutions in the environment that underpin formal institutions" (Peng, Wang, & Jiang, 2008, p. 922). According to Li (2009), culture interacts with the political, legal and economic institutions in a society and affects both economic development and business activities collectively in that society. Consequently, advocates of the institutional view of IB strategy would argue that a sensitivity towards and facilitation of this complex interplay of culture and formal institutional environments can help developed nation partners of emerging nation firms improve partnership growth while stimulating the economic growth of the society in the process.

The key to grasping this complex interplay of institutional environments on internationalization is an appreciation of the rule-based, relation-based or family-based governance mechanisms that guide a firm's business activities. As explained further, developed nations operating under rule-based governance will revert to many traditional strategy mechanisms that create efficiencies at the exchange level. Emerging nations operating under relation-based or family-based environments, on the other hand, will seek interpersonal relationships from their exchange partners that offset the general mistrust in people stemming from deficiencies in rule-base governance (Graça, Barry, & Doney, 2016),

As summarized in Table 1, these varying levels of public mistrust among firms of developed and BRIC nations suggests that their motives for and approaches to working together are quite difference. Emerging nation firms will develop healthy exchange climates to shore up a trust deficiency while building a network of personal relationships to secure reliable information and help resolve conflicts. Developed nation firms will build healthy exchange climates to gain operational efficiencies (Graça et al., "in press").

2.3.2 Collectivist versus Individualistic Behaviors

A common characteristic of emerging nations is their collectivist culture. Hofstede (1983) found a negative correlation between a nation's GDP per capita and its collective orientation suggesting that undeveloped and developing nations have a greater cohesion to their social groups as their survival depends on it. In fact, all BRIC nations score high in collectivism. Developed nations like the U.S. on the other hand score high on individualism.

As demonstrated in Table 1, the high self-orientation of firms operating out of individualistic nations results in their having a greater task orientation than their collectivist counterparts. Individualists are driven more by cost benefit calculations in their cooperative pursuits with partners. Communication in partnership setting is perceived as a necessity for ensuring adequate information transfer and the reduction in transaction costs. Similarly, tight cooperation among partners is seen as permitting more efficient sharing of information. This penchant for efficiency often trumps concerns for interpersonal ties. Collectivists, on the other hand, see communications as a way to gauge the trustworthiness of their partners. Stressing the priority of group goals over their own, they are more willing to cooperate, avoid conflict, and emphasize harmony (Rego & Cunha, 2009).

2.3.3 High versus Low Power Distance

Another dimension of Hofstede (2001) used to demonstrate distinctions in communicative behaviors is that of power distance. This dimension describes how individuals of a certain cultural class view power relationships (e.g., between superiors and subordinates). Those buyers in nations of high power distance accept that power is spread unequally. Consequently, as demonstrated in Table 1, communications and cooperation can be rather restrictive. As explicit direction is normally taken from superiors, these firms restrict their flow of information to select in-groups. Buyers from developed nations characterized by low power distance feel less restricted to share information horizontally. Their individualistic natures, on the other hand, suggest that such a free flow of sharing

is often explicit in nature and is conducted for expectations of reciprocal gains.

2.3.4 High-context versus Low-context Communication

One way to study the role of communication within cultural contexts is to view cultures on a continuum from low to high context. Hall (1976) defines two distinct cultures in the world in terms of how they communicate and interact in relationships. Essentially, he proposes that culture affects every aspect of communication mechanisms, categorizing countries as belonging to either high-context or low-context cultures (Graça et al., "in press").

In high-context cultures, the message is implicit and individuals rely more heavily on the circumstances surrounding the situation to convey and derive meaning. Social cues and body language are used as part of the message; thus how the message is said is more important than what is said. Because meaning is often implicit, lengthy and literal explanations as well as detailed contracts are not desired and for the sake of harmony, 'no' often means 'maybe'(Hall, 1976).

In low-context cultures, the message is explicit and emphasis is placed on the literal meaning of the word. Communication is direct and to the point. Individuals in low-context cultures are often described as logical, factual and direct, placing much emphasis on the accuracy of written and spoken language (Hall, 1976). In low-context societies, "discussion is a means to an end: the deal" (Hall & Whyte, 1960) and meetings serve as a place for negotiating the terms of the contract. Therefore, cooperation is vital in low-context cultures where participants express their opinions openly and objectively in order to arrive at a decision (Hooker, 2012).

Research suggests that the importance placed on cooperation as a precursor to communication effectiveness should be influenced by the culture of a buyer's nation of operation. According to (Chatman, Polzer, Barsade, & Neale, 1998), cooperation emphasizes group accomplishments; so it is generally considered to be a collectivistic trait. But Leonard, Cosans, Pakdil, and Collaborator (2012) study of cooperation across 16 cultures; however, failed to show that cooperation is more valued in some cultures than others.

To effectively understand how culture impacts the influence that cooperation has on communication effectiveness requires a more in-depth understanding of buyer motives to cooperate. Being more economically motivated, buyers of developed nations likely see the benefits of cooperation from a task and transaction cost perspective. This motive is supported by Western research proposing that a reduction in communication barriers during cooperation reduces overall organizational costs (Borman & Motowidlo, 1993; Leonard et al., 2012). When cooperation is viewed as a means to accomplish individual interests and goals, further gains will likely be made in communication effectiveness as suppliers do their part in creating efficiencies. This perspective requires that buyers convince their supplier counterparts that working together is required to accomplish a specific task.

Since emerging nation buyers have a more in-group and interdependent view of their working relationships, they likely view cooperation as a means of creating harmony. But the high context nature of their communications suggests that proactive efforts to cooperate may only add to tacit knowledge and trust building. And because of the culture characterized as having high power distance, buyers of emerging nations may not feel compelled to participate in the open sharing of information across horizontal boundaries. Their cooperation is often restricted to in-group members and superiors. In their study of collaborative behaviors across cultures, Song, Xie, and Dyer (2000) demonstrated that "the positive effect of participative management on the use of collaborative behaviors is stronger in the U.S. and U.K. firms than in Japanese and Chinese (Hong Kong) firms" (p. 62).

Consistent with these findings, we expect that:

H_5: Cooperation's positive impact on Communication Effectiveness will be greater in the U.S.

H_6: Quality Communication's positive impact on Communication Effectiveness will be greater in the U.S.

The concept of 'saving face' is widely practiced by emerging nation firms, especially in business settings and negotiations. According to Li (2009), conflicts in relational societies are not protected by laws and information. Consequently, individuals in high-context nations avoid at any cost saying anything that might offend a business counterpart, especially when decisions are discussed, conflicts must be resolved in an amicable manner (Hooker, 2012). In addition, Stone, Levy, and Paredes (1996) point out that conflict resolution, uncertainty and frequent renegotiation increase the transaction cost of doing business in Brazil.

Firms from developed nations, on the other hand, have less of a conflict avoidance and more of a collaborative conflict resolution style as demonstrated by Posthuma et al. (2006). Guarded by the objective standards outlined in their legally binding contracts, buyers of developed nation firms are not always concerned with avoiding conflict. Coupled with the aggressive and competitive nature rooted in their individualism, they are less compelled to save face. Much of this apparent insensitivity towards harmonizing stems from having more of a

task and less of a relational orientation. And as shown in Table 1, the calculative nature of their trust formation process almost excludes partner empathy from the equation. Instead, developed nation firms are often direct and frank in their conflict dealings. Parties who disagree state their views openly, because their differences are resolved by what are regarded as objective standards.

Therefore, we expect the following:

H_7: Conflict Handling's positive impact on Communication Effectiveness will be greater in Brazil.

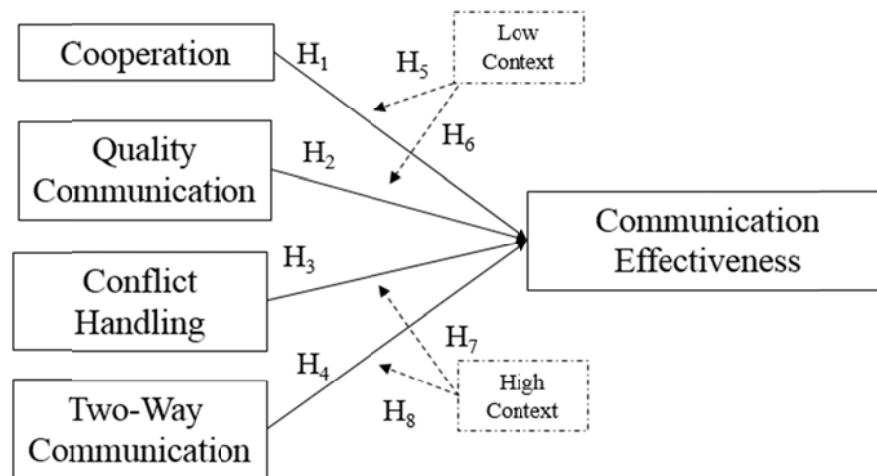H_8: Two-Way Communication's positive impact on Communication Effectiveness will be greater in Brazil.

Figure 1. Hypothesized Model

3. Methodology and Results

Data were collected via electronic survey from buyers, managers and business owners who were members of one chamber of commerce in the U.S. and one chamber of commerce in Brazil via three separate emails. In Brazil, data was also collected via paper questionnaire due to the low response rate online. We tested for nonresponse bias and differences between the means of early and late as well as electronic versus paper respondents and did not find statistically significant differences (Armstrong & Overton, 1977). The final sample included 169 U.S. and 110 Brazilian respondents. Sample composition is summarized in Table 2:

Table 2. Sample Composition

Length of Relationship with Supplier	1 – 5 Yrs	6 – 10 Yrs	11 > Yrs
USA Sample	39.05%	37.87%	23.08%
BRAZIL Sample	47.27%	31.82%	20.91%
Responsible for Purchase	**Buyer**	**Non-buyer**	
USA Sample	82.80%	17.20%	
BRAZIL Sample	80.00%	20.00%	
Main Offering	**Product**	**Service**	**Both**
USA Sample	40.80%	66.90%	24.85%
BRAZIL Sample	61.80%	55.50%	17.27%

The original survey was administered in the USA in English and translated and back-translated to Portuguese to assure consistency in meaning when administered in Brazil. We also sought the advice of experts in Brazil on the meaning of the survey items and tested the instrument in both countries (Malhotra, Agarwal, & Petersen, 1996). Measures were adapted from seminal studies in the fields of communication and they were assessed for reliability and validity following J. C. Anderson and Gerbing (1988) two-step approach. Composite reliability scores were greater than 0.70 for each scale indicating internal consistency of the measures (Hair, Black, Babin, & Anderson, 2010). Discriminant validity is demonstrated as correlations between the same variables are larger than correlations between distinct variables. The resulting survey scales and origins are included in Appendix A. Table 3 summarizes the reliability and validity tests for the final scales in the study.

Table 3. Cross-cultural Sample Statistics for Measures

| | United States | | | | Brazil | | | |
Scale Name	Mean	S.D.	CR	AVE	Mean	S.D.	CR	AVE
Conflict Resolution	5.49	1.04	0.89	0.732	5.42	.92	0.787	0.558
Quality of Communication	5.66	1.41	0.95	0.822	5.55	1.21	0.899	0.691
Two-way Communication	5.08	1.01	0.91	0.719	5.06	1.06	0.809	0.523
Cooperation	5.00	1.32	0.91	0.835	4.60	1.55	0.874	0.778
Communication Effectiveness	5.49	1.22	0.89	0.797	5.64	1.25	0.833	0.725

The relationships in the model were tested simultaneously using structural equation modeling software. The measurement models demonstrate adequate fit to the data exhibiting convergent validity for both samples. Table 4 summarizes the results.

Table 4. Results of the multi-group analysis and pairwise comparison tests

Theoretical Variables			β U.S.	β Brazil	Z Scores
$H_{1\,\&\,5}$: Cooperation	→	Communication Effectiveness	.45***	.18	-2.466**
$H_{2\,\&\,6}$: Conflict Resolution	→	Communication Effectiveness	.27***	.57**	1.949*
$H_{3\,\&\,7}$: Quality of Communication	→	Communication Effectiveness	.38***	.26**	-0.570
$H_{4\,\&\,8}$: Two-Way Communication	→	Communication Effectiveness	n/s	n/s	

Model Statistics		US	Brazil
R^2 for Communication Effectiveness	.96		.77

Notes: *** $p < 0.01$; ** $p < .05$; * $p < 0.10$; β = standardized parameter estimates; Z = critical ratio scores
Model Fit: $\chi2\ (279) = 72.11$, p<.01; CFI = .98; IFI = .98; TLI = .97; RMSEA = .051

Shown in Figure 2 are the model results. The first numbers represent U.S. results while the second represent results in Brazil. All values are significant unless otherwise noted. Parameters in bold indicate significant differences (p < .10) between the two country groups.
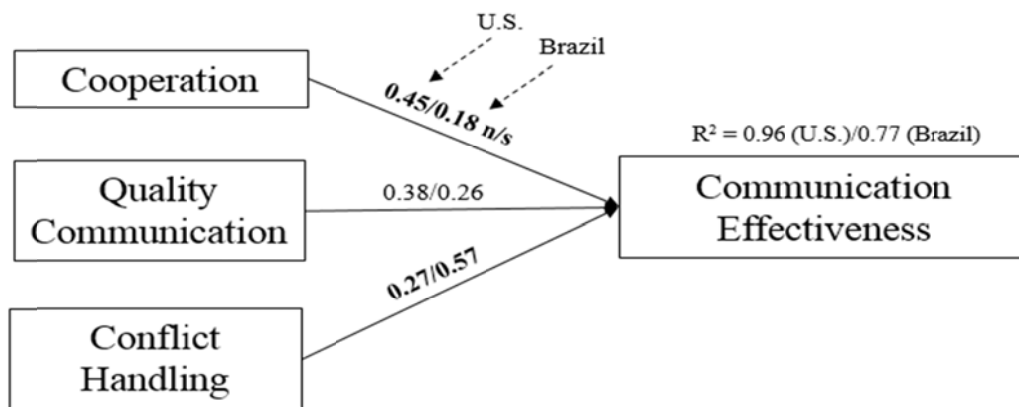

Figure 2. Model Results

Two-way communication was not found to be a precursor to communication effectiveness and it was removed from the model. Results show that cooperation between buyer and supplier increase buyer's perception of supplier's communication effectiveness greater in the U.S. Also, conflict handling is the greater determinant of communication effectiveness in Brazil. Quality Communication is a universal predictor of communication effectiveness as its impact is not significantly different between the two groups.

4. Managerial Discussion

Results indicate that managers should be cognizant of the differences in perceptions regarding communication effectiveness in emerging versus developed markets. Cooperation is found to increase the perception of communication effectiveness in the U.S. more than in Brazil. Buyers in developed countries view conflict as a healthy aspect of business negotiation and are more used to direct communication. However, cooperation is not

always present and is regarded very highly by U.S. buyers. Cooperation is a more effective technique to increase communication effectiveness and manager are recommended to help buyers with anything they may request.

On the other hand, direct communication is often construed as 'conflict' in high-context cultures, thus conflict-handling is regarded as the most important aspect of communication in Brazil. 'Saving-face' is widely practiced and suppliers are advised to avoid controversies and find solutions to issues before they become problems.

Universally, managers and suppliers should pay great attention to the quality of communication provided to buyers. Both U.S. and Brazilian buyer's perception of communication effectiveness is positively influenced by the accuracy, timeliness and completeness of information being exchanged.

5. Limitations and Future Research

Although the insights revealed in this study are promising, a number of limitations restrict its generalizability and relational outcome scope. The derivation of this study's comparative results from a sample of only two countries limits its extendibility to all developed and developing nation dyads. Opportunities for future research include testing the model in other BRIC countries such as China, India and Russia and developed countries such as Canada and the U.K. Future studies of communication effectiveness outcomes are also encouraged. An extension of the model to constructs like trust, commitment and satisfaction, for example, could shed light on how communication effectiveness contributes to lasting partnerships.

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Appendix A: Original Scales

Items and Original Author(s)

Communication Effectiveness - Sharma and Patterson, 1999

This supplier keeps us very well informed about what is going on with our orders

This supplier explains concepts and recommendations in a meaningful way

Cooperation - Anderson and Narus, 1990

Our company helps this supplier in whatever ways they ask

This supplier helps our company out in whatever ways we ask

Quality - Mohr & Spekman, 1994

This supplier provides us with accurate information

This supplier communicates information to us on a timely manner

This supplier provides us with complete information

Conflict Handling - Ndubisi, 2007

This supplier tries to solve manifest conflicts before they create problems

This supplier has the ability to openly discuss solutions when problems arise

Two-Way - Mohr & Spekman, 1994 and Anderson & Weitz, 1992

We keep this supplier well informed about what is going on in our company

We seek the advice of this supplier when planning our operations

We set goals together with this supplier

We listen and incorporate suggestions given by this supplier

Scales have been adapted to fit the context of this study