

## **Exploring the Antecedents of Relationship Commitment in an Import-Export Dyad**

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## **Abstract**

Although examples abound in the study of export theory, the study of governance in dyadic relationships (importers and exporters) in import theory has received so far scant attention in the literature of international business. Our study aims to explore the role of high-quality connections (trust, respectful engagement and vitality) in augmenting relationship commitment between importer and exporter, while controlling for years of importing, supplier visits, supplier reputation, substitutes, and industry. Data collected from 97 importing companies show that both trust and respectful engagement had a positive effect on relationship commitment. However, vitality mediated the relationship between respectful engagement and relationship commitment. The only control variable that had a significant impact on relationship commitment was the presence of product substitutes. Theoretical and managerial implications are discussed.

**Keywords:** Import theory; relationship commitment; high-quality connections

## **Introduction**

How importers and exporters build high-quality work relationships is a key research question in international business studies. A review of the literature on both export theory and import theory reveals some interesting research gaps that have yet to be addressed. First, while scholars have directed much effort to study dyadic relationships in export theory (Ambler and Styles, 2000; Kim and Frazier, 1997; Nijssen, Douglas and Calis, 1999), relatively little research attention has been devoted in examining the relationship between exporter and importer in import theory (Jaffe and Ghymn, 2004; Katsikeas, 1998; Liang and Parkhe, 1997; Leonidou, 1989). Second, after considering that both importer and exporter have established a serious business relationship (Liang and Parkhe, 1997), a key question is how parties in the dyad can sustain and grow their relationships. As the above mentioned authors call for further research in this area, the objective of this paper is to expand where they left off, namely, how the dyad is governed from this point forth.

In reviewing what elements govern the import-export relationship, we found that the role of high-quality connections from Organizational Behavior literature (Dutton, 2003) in increasing the commitment to the relationship were at the forefront to building such a theory in importer behavior. In our context, trust, respectful engagement and vitality are the building blocks of our model. We also took and controlled for various elements we thought would affect the behavior and success of the dyad, such as the number of years the relationship had been in existence, the number of supplier visits, the absence or presence of product substitutes, the type of industry and finally, the reputation of the supplier. Ample literature (Marshall and Boush, 2001; Barney and Griffin, 1992; Barney, 1997; Larson, 1992) points to these important elements as they impact the dyad.

After briefly summarizing such literature as it applies to import theory, we will present our theoretical model, hypotheses and statistical results. A discussion and limitations to the study will conclude the study.

## **Theoretical Background and Research Hypotheses**

### **Relationship Commitment**

Although relationship commitment has been found to produce significant benefits in matters of performance for firms (Skarmeas, Karsikeas, Schlegelmilch, 2002), no framework studying import behavior has included commitment as its strongest component. Borrowing from Organizational Buying Behavior literature, Liang and Parkhe (1997) apply the theories to an import-export dyadic exchange relationship, whose main aim is to understand the behavior of importers in a dyadic relationship.

Morgan and Hunt (1994) define relationship commitment as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes that relationship is worth working on to ensure that it endures indefinitely (p. 23)." By committing to a relationship, the importer will be faced with decisions that are not only based on cost, but also on relational issues, including commitment to the market and to the relationship with the distributor (Styles and Ambler, 2000). For Dwyer, Schurr and Oh (1987), commitment is one of the phases of the multidimensionality of the relational exchange, where buyer and seller meet to exchange economic, communication and/or emotional resources. Because commitment is built over time, the durability of the relationship is also a factor that needs to be considered when studying commitment. Anderson, Hakansson, Johanson (1994) refer to this as

relationship continuity, in which this growth in the relationship increases the economic and psychological benefits to both partners.

Dutton (2003) calls these relationships, high quality connections, defined as "types of connections marked by mutual positive regard, trust and active engagement on both sides...while low-quality connections corrode motivation, loyalty and commitment (p.2)." As people engage in their work tasks more effectively, the benefits of these types of connections are obvious. Not only will trust increase between workers, but so will the respect with which they treat each other and the commitment towards the whole. Hence understanding the quality of this connection is critical to understanding why and how people thrive at work (Dutton and Heaphy, 2003).

### **Relationship Vitality and Relationship Commitment**

Vitality is a complex construct that denotes energy, aliveness, and full functioning (Ryan and Bernstein, 2004; Ryan and Frederick, 1997). "A vital person is someone whose aliveness and spirit are expressed not only in personal productivity and activity-such individuals often infectiously energize those with whom they come into contact" (Ryan & Bernstein, 2004, p. 273). Thus, vitality implies a state of positive arousal, energy and vigor, and a capacity for further development and growth (Ryan and Bernstein, 2004; Ryan and Frederick, 1997).

Relationship between two individuals can also be vital or corrosive (Dutton, 2003; Dutton and Heaphy, 2003). A high quality connection between two people allows the transfer of vital nutrients; it is flexible, strong, and resilient (Dutton and Heaphy, 2003. p.263). Relationship vitality is likely to result in stronger attachment to and a higher willingness to cooperate with one another. When relationships are vital

and alive it gives the parties in the connection the sense that they are in full functioning and thus can produce extraordinary outcomes.

In work settings where these types of high quality connections exist, the benefits that are derived include an enhanced capacity to cooperate with others and a loyalty to the relationship over and above loyalty to oneself (Dutton, 2003). These connections give vitality and energize the parties thus strengthening the work environment as a whole by providing both sides with an increased sense of empowerment, attachment and belonging (Quinn, 2007). This mutual sense of purpose is transmitted through these positive feelings and enables them to accomplish their goals. Based on the above, we hypothesize that relationship vitality will increase both parties commitment to the connection:

*Hypothesis 1: There is a positive relationship between relationship vitality and relationship commitment.*

### **Interpersonal Trust and Relationship Vitality**

For commitment to blossom in a relationship, interpersonal trust must be present (Morgan and Hunt, 1994). Although the work of Styles and Ambler (2000) deals with exporters, they found a direct and significant relationship between trust and commitment to the relationship between the members of the dyad, importer and exporter. As the relationship intensifies, so will the interpersonal trust between them develop and grow over time, and imbuing the relationship with feelings of aliveness and vitality. McAllister's work (1995) also supports the notion that trust needs to exist so that relationships can develop, and includes reliability, dependability, care and concern as the main ingredients for success. Under conditions of uncertainty and complexity in a cross-cultural relationship, mutual trust will be the basis of a

sustained effective coordinated effort, where the interactions of the dyad will be able to proceed on a simple and confident basis (Lewis and Weigert, 1985). Thus, the ability of a firm to become a world-class competitor will be based on the development of high levels of trust with the suppliers (Spekman, 1988).

More recent literature on trust has gone beyond a definition of the term and has been included into a broader category of relationships. For Dutton (2003), trust is defined as "acting towards others in a way that conveys your belief in their integrity, dependability and good motives (p. 106)." It means sharing information, using inclusive language, spreading out control and responsibility. Based on the above theoretical review, we propose that interpersonal trust is positively associated with relationship vitality:

*Hypothesis 2: There is a positive relationship between interpersonal trust and relationship vitality*

### **Respectful Engagement and Relationship Vitality**

As social individuals, we need and look to engage with others for our survival, and to develop feelings of wellbeing and belonging. We interact with individuals at different levels and according to our needs. Kahn (1990) talks of personal engagement as an expression of the personal self. How much one engages of oneself will depend on the work conditions. In addition to surviving and being accepted, we need to feel a sense of belonging and worth. This brings forth a sense of respect and value towards one another. Baker and Dutton (2006) define respectful engagement as "interacting in a way that communicates a sense of worth and value (p. 8)". But how do we form and enable this respectful engagement among individuals to occur?

Dutton (2003) outlines four strategies for its creation: 1. present conveying; 2. affirmation and being genuine; 3. active listening; 4. supportive communication. In present conveying, one minimizes distraction while interacting with others so that the person is completely focused on the individual. In addition, affirming and being genuine convey a sense of looking for value in the other person and communicating recognition of the person's existence. In doing so, one expresses genuine interest in the partner and the relationship, thus treating the time spent together as precious and important. This genuine interest in a person is brought for by a genuine and active manner of listening to him/her with true empathy.

All these elements lead to supportive communication between the individuals, and a sense of reciprocity, a basic factor in the creation of engagement. Another factor that is important in creating this respectful engagement is requesting of the person, as opposed to demanding from him/her. This denotes mutual respect and engagement of one's needs. Communicating through specific rather than general terms and making statements that are descriptive rather than evaluative add to the thoughtfulness and reciprocity one feels. Throughout this interaction imbued with respect, a sense of worth and value is conveyed rather directly as the person is engaged in a highly energized relationship.

In addition, through a sense of mutuality, a "way of relating, a shared activity in which each and all of the people involved are participating as fully as possible (Miller and Stiver, 1997, p.43)", the individual will feel an increased engagement and vitality in the relationship. If an individual is motivated to participate or connect in any shape or form, s/he will feel that the "opportunities to engage (Baker and Dutton, 2006, p.8)" are present, thereby facilitating the practice of respectful engagement towards the relationship. Both sides will feel the need to reciprocate, creating an



environment of reliability so that the other person can perform more effectively, and in more vital and committed ways.

For Dutton (2003), the first step towards creating a high quality relationship is through respectful engagement. As an individual feels energized and engaged in the tasks at hand, which s/he will accomplish with much ease and concentration. As both emotional (excitement and support) and instrumental (information) resources allow for a "safe psychological environment", s/he will be capable and allow him/herself to explore, be uncertain and anxious, and express natural feelings (Dutton, 2003). In this way, cooperation with one another will allow for additional engagement to develop, thereby increasing the vitality and commitment within the unit, and of the high quality of the relationship.

Additionally, Baker and Dutton (2006) speak of enablers that increase motivation, opportunities, or both, which foster high-quality connections and reciprocity, two forms which the authors call "positive social capital", and which expand the capabilities of individuals to perform with a heightened sense of aliveness. Hence as individuals are more motivated, they will be more engaged, more trusting and enabled to be more vital in the relationship. The connections that individuals develop under these circumstances will help unleash additional resources that can be used to add value and increase organizational function. Based on the above theoretical review, we posit that respectful engagement is positively associated with relationship vitality.

*Hypothesis 3: There is a positive relationship between respectful engagement and relationship vitality*

## **The Mediating Role of Relationship Vitality**

Mediators establish "how" or "why" one variable predicts or causes an outcome variable. A mediator is defined as a variable that explains the relation between a predictor and an outcome (Barron and Kenny, 1986). In their most recent work on moderation and mediation, Frazier, Tix and Barron (2004), the authors clearly define and establish the steps required to fit a model of mediation, where a variable mediates the relations between a predictor variable and an outcome variable: 1). A significant relation between predictor and outcome must be present; 2). The predictor is related to the mediator; 3). The mediator must be related to the outcome variable; 4). The strength of the relation between the predictor and the outcome is significantly reduced when the mediator is added to the mediation model. This process implies a causal chain of events, where the mediator is also assumed to be caused by the predictor variable and to cause the outcome variable (Kenny et al, 1998).

In our case, the predictors are interpersonal trust and respectful engagement, while the outcome is the dyadic member's commitment to the relationship. The mediator is relationship vitality. Based on the above theoretical argumentation, we propose that vitality mediates between interpersonal trust and commitment on the one hand, and between respectful engagement and commitment on the other:

*Hypothesis 4: Relationship vitality mediates the link between interpersonal trust and relationship commitment.*

*Hypothesis 5: Relationship vitality mediates the link between respectful engagement and relationship commitment.*

## **Method**

### **Sample and Procedure for Data Collection**

Hypotheses were tested with data collected from 97 high-tech industry companies based in Israel. The database (primary source) was provided by the Israeli Manufacturer's Association, Association of Software and Electronics Industries. The average year of establishment for the industry was 1977. The survey data collection lasted from September 2006 to February 2007. On average, each company had 880 employees, had an average of 30% of imports to total purchases, and an average of seven years of import experience.

As the final questionnaire was ready to be administered, we contacted the import manager of each company. We explained the study's goals and its merit. We promised full anonymity and confidentiality. To encourage participation, we promised to deliver the key findings and implications of the study. Upon the firm's agreement to participate, we sent the questionnaire directly to the purchasing manager. Out of 150 companies that were contacted, 105 companies returned their surveys, a response rate of 70%. However, complete data were available only for 97 companies and therefore all analyses were performed on this final data set of 97 firms ( $N = 97$ ).

### **Measures**

Drawing upon the literature on high quality connections developed by Dutton (2003), Dutton and Heaphy (2003), we proceeded to construct our measurements. Although feelings of aliveness and vitality are central to these connections, the presence of respectful engagement and of interpersonal trust will create a sense of worth and value, which, when transmitted to the other and to each other, inevitably

leads to feelings of vitality and aliveness among the members of the dyad. If high quality connections are imbued with vitality, then the relationship is likely to result in a stronger attachment and a higher willingness to cooperate with the other, thus increasing the commitment to the relationship that is felt by both importer and exporter.

In addition to the literature described above, we drew from a vast array of articles dealing with the behavioral conceptualizations applicable to our study, these being: *interpersonal trust* (McAllister, 1995; Dwyer and Oh, 1987; Chen, Chen and Meindl, 1998; Kim and Frazier, 1997); *respectful engagement* (Dutton, 2003); *vitality* (Dutton and Heaphy, 2003; Ryan and Bernstein, 2004; Ryan and Frederick, 1997); and *relationship commitment* (Dwyer, Schurr and Oh, 1987; Anderson, Hakansson, Johanson, 1994; Skarmeas, Katsikeas and Schlegelmilch, 2002).

In order to develop our survey we used both focus groups and a pilot study aiming to validate our measures. First, we used a focus group consists of five senior professors from the various business schools of four institutions in Israel. This procedure has yielded an initial list of 60 items. Then we asked ten graduate students in a large university to evaluate the extent to which each item represents the measure it should have assess. This was done by giving them a simple matrix where all the items were listed and they asked to indicate which measure an item represents. After a careful review of the results of this procedure, the list was reduced to 31 items.

This list was then administered to a small sample of twenty purchasing departments of high-tech companies for pre-testing (Hinkin, 1995). This generated no significant changes. The final results were five items for interpersonal trust; five items for respectful engagement; three items for vitality; five items for relationship commitment; six items for reputation; one item for substitutes; two items for industry.

Finally, all measurement items were subjected to factor analyses (see below) using the cut value of .40 for a decision whether to remove or not items.

**Respectful engagement.** This 5-item measure was developed for this study. It assesses the extent to which the supplier respectfully engages in the relationship with importing firm. Sample items are “This supplier is always available in case of need” and “This supplier expresses genuine interest in our dealings”. Responses were on a five-point scale, ranging from 1 = strongly disagree, to 5 = strongly agree.

**Interpersonal trust.** This 5-item measure assesses the extent to which the exporter-importer relationship are based on trust and to what extent the supplier is acting toward the importer in a way that conveys the latter’s belief in the supplier’s integrity, dependability and good motives (Dutton, 2003). Sample items are: “This supplier has high integrity” and “This supplier treats me in a consistent and predictable fashion”. Responses were on a five-point scale, ranging from 1 = strongly disagree, to 5 = strongly agree.

The measurement items for respectful engagement and interpersonal trust were subjected to a principal components factor analysis with Varimax rotation. The results of this analysis, which are shown in Table 1, produced two factors that together explain 56.55% of the overall item variance. The first factor, comprised by five respectful engagement items (Eigenvalue = 2.91), had factor loadings ranging from .65 to .78, while the second factor, consisting of five interpersonal trust items (Eigenvalue = 2.75), had factor loadings range from .60 to .83. None of the items showed evidence of cross-loadings. The Cronbach’s alphas for respectful engagement and interpersonal trust were .80 and .80, respectively.

**Relationship vitality.** This 3-item measure assesses the extent to which the relationship between the exporter and importer are vital and alive, with a high level of

energy and fully functioning (Dutton and Heaphy, 2003; Ryan and Bernstein, 2004; Ryan and Frederick, 1997). Sample items are: “The relationship with this supplier is vital for the organization” and “The relationship with this supplier is reinforcing”. Responses were on a five-point scale, ranging from 1 = strongly disagree, to 5 = strongly agree.

All the three relationship vitality items were subjected to a principal components factor analysis with Varimax rotation. The results of this procedure, which are shown in Table 2, produced a one-factor solution, that together explains 56.97 percent of the overall item variance (Eigenvalue = 1.71). The factor loadings range from .69 to .82 and can be observed in. The Cronbach’s alpha for this measure was .78.

**Relationship commitment.** This 5-item measure assesses the extent to which the exporter is committed to the relationship with the importer. Respondents were asked to assess on a five-point scale (ranging from 1 = strongly disagree, to 5 = strongly agree) aspects such as care, stability, significance and overall commitment to maintaining and growing this relationship. Sample items are: “This supplier shows caring towards the relationship” and “The relationship with this supplier is of little significance towards the relationship”. The five relationship commitment items were subjected also to a principal components factor analysis with Varimax rotation. The results of this analysis, which are shown in Table 3, produced a one-factor solution that explains 48.60 percent of the overall item variance (Eigenvalue = 2.43). The factor loadings, ranging from .66 to .75. The Cronbach’s alpha for this measure was .73.

**Control variables.** We also tested for *years importing* (Marshall and Bousch, 2001; number of years importing); *supplier visits* (Ghymn, Liesch and Mattsson, 1999;

number of visits a year); *substitutes* (Barney, 1997; Barney and Griffin, 1992); *industry rivalry* (Barney, 1997) [The two industry items were subjected to a principal components factor analysis with Varimax rotation. The results of this analysis, which are presented in Table 5, produced a one-factor solution. Together it explains 70.56 percent of the overall item variance (Eigenvalue = 1.51). All factor loadings were above .80; The Cronbach's alpha for this measure was .65]; and *supplier reputation* (Nijssen, Douglas and Calis, 1999; McAllister, 1995) [the six items measuring supplier reputation were subjected to a principal components factor analysis with Varimax rotation. The results of this procedure, shown in Table 4, produced a one-factor solution. Together it explains 60.65 percent of the overall item variance (Eigenvalue = 3.64). The factor loadings range from .67 to .84; The Cronbach's alpha for this measure was .87], as previous studies have controlled for such criteria in relation to relationship commitment.

### **Data Analyses**

To estimate the research model, we used factor analyses, followed by Pearson correlations and multiple regression analysis to test the strength of the variables. Moreover, we tested the mediating effects of vitality on the relationship between both trust and respectful engagement on relationship commitment. To this end, we followed Baron and Kenny (1986) and a more recent guideline of Kenny, Kahsy and Bolger (1998). A mediation model can be applied when the following three basic conditions are met: 1) A significant relationship between the dependent variable (in our case, relationship commitment) and the independent ones (in our case, interpersonal trust and respectful engagement) is established; 2) A significant relationship between the mediator (in our case, vitality) and the independent variable is established; 3) The significant relationship between the dependent variable and the

independent ones becomes non-significant when the mediator is specified in the model. Nonetheless, if this association is still significant, partial mediation has been identified, instead of full mediation.

**--Insert Tables 1, 2, 3, 4 and 5 about here --**

## **Results**

The means, standard deviations and correlations among the research variables are presented in Table 6. Additional descriptive statistics are shown in Table 7. In summary, the bivariate correlations indicate a significant and positive connection between 1) respectful engagement and relationship commitment ( $r = .65, p < .001$ ); 2) interpersonal trust and relationship commitment ( $r = .45, p < .001$ ); 3) relationship vitality and relationship commitment ( $r = .64, p < .001$ ); 4) vitality and respectful engagement ( $r = .61, p < .001$ ) .

**--Insert Tables 6 and 7 about here --**

We also found that supplier reputation is significantly and positively related to: interpersonal trust ( $r = .45, p < .001$ ); respectful engagement ( $r = .59, p < .001$ ); vitality ( $r = .45, p < .001$ ), and relationship commitment ( $r = .57, p < .001$ ). Nevertheless, the other control variables (years importing; supplier-buyer visits; substitutes; industry rivalry) did not have a significant effect on relationship commitment (all correlations were below .09).

## **Testing the Hypotheses**

To analyze the model's hypotheses, we utilized Pearson correlations and multiple regression analysis, along with mediation analysis to test and verify the proposed paths.



*Hypothesis 1*, which posited a positive relationship between relationship vitality and relationship commitment, *was supported*. As can be seen from the results under Model 1, Table 8, the relationship between interpersonal trust and relationship commitment was significant and positive in direction ( $\beta = .50, p < .001$ ). On the other hand, the results of the same table *reject Hypothesis 2*, which posited a positive relationship between interpersonal trust and relationship vitality ( $\beta = .01, p = \text{n.s.}$ ). Additionally, *Hypothesis 3*, which posited a positive relationship between respectful engagement and vitality, *was supported* ( $\beta = .50, p < .001$ ).

The findings of the mediating role of vitality in the relationship between both trust and respectful engagement and relationship commitment are depicted in Figure 1. To assess the full mediation, we specified the mediator (vitality) in the model. These show that the path from trust to vitality was insignificant ( $\beta = .01, p = \text{n.s.}$ ), while the one between trust and relationship commitment is significant ( $\beta = .37, p < .001$ ). This indicates that the relationship between trust and relationship commitment is not mediated by vitality, but rather that there is a direct connection between them, thus *rejecting Hypothesis 4*, which posited that relationship vitality would mediate the relationship between trust and relationship commitment. *Hypothesis 5*, which predicted that relationship vitality would mediate the relationship between respectful engagement and relationship commitment, was supported. As can be seen in Figure 1 and in Models 3 and 4 in Table 8, the connection between respectful engagement and relationship commitment became insignificant when the mediator – vitality – was specified ( $\beta = .28, p < .01$  vs.  $\beta = .10, p = \text{n.s.}$ ), and the effect of vitality on relationship commitment remained significant ( $\beta = .45, p < .01$  vs.  $\beta = .37, p < .01$ ), suggesting that vitality fully mediated the relationship between respectful engagement and relationship commitment.

-- Insert Table 8 about here --

## **Discussion**

As the study of import theory has not been widely addressed in the international business literature (Liang and Parkhe, 1997), our aim was to contribute to this area of research, especially to the later stages of the management of the exchange, once the import-export partnership has been established.

As the business relationship expands and grows, the individual partners of the dyad (importer-exporter) are the main players and thus, subjects of study, as it is they who determine how this relationship is governed. For this purpose, we turned to behavioral management (Dutton, 2003; Dutton and Heaphy, 2003), which offered the best tools in understanding what affects the dyadic relationship and its outcome. We took notions such as interpersonal trust, respectful engagement and vitality to determine how committed the relationship was, and applied to them a myriad of statistical tools to evaluate validity and reliability of the data. The results were analyzed, and theoretical and managerial implications, and conclusions drawn.

Our research model and statistics (Figure 1) clearly show that relationship commitment can be created and sustained in different and varying ways. As interpersonal trust and respectful engagement on their own can lead to relationship commitment, the relationship will be more committed if vitality is present. Our data has shown that vitality between partners partially mediates the partner's commitment to the relationship. In other words, both interpersonal trust and respectful engagement lead to more relationship vitality, and subsequently, this vitality leads to a more committed relationship. If vitality is the entire route, then trust and engagement lead to commitment through vitality.

We also found out that the number of years that the relationship was in existence, the trips to/from the supplier, and the industry type were not relevant to the creation of dyadic commitment. As previous studies have shown these variables to be significant in an import situation, these findings were unexpected. Similarly, we proved that supplier reputation was relevant to the importer's commitment to the relationship, but its significance decreased when taking all constructs into consideration. One explanation could be that the reputation of the supplier decreases in importance once the beginning stages of the relationship have been firmly established and the importer already knows with whom s/he is dealing. In contrast, the presence or absence of product substitutes influences the commitment to the relationship, as it shifts, when companies have various choices from where to source.

For managers trying to create more committed relationships, this study points out that it is mainly interpersonal connections that need to be watched and nurtured. Vitality in an import-export relationship is the pivotal point to creating a committed relationship, although trust and respectful engagement will also facilitate commitment between the members of the dyad. The proposed model and the results obtained clearly contribute to the theory of international business and behavioral management in that little research into the intersection of these disciplines has been done.

As with every theoretical study, the main aim of research is to understand problems and find solutions. In our case, not only did we want to contribute to a discipline thus far neglected, but also to give the import managers a change to air their concerns regarding their international business ventures and to help them find ways of solving any problems they may have in their relationships with their suppliers. The study's results clearly showed that the main pillar in creating a successful and committed relationship between importer and exporter is vitality. It is through vitality,

and the feelings of positive arousal, energy and vigor that it brings, that the initial trust and respectful engagement will lead to a committed import-export venture. Now that we know this, additional research needs to follow through in understanding how exactly is this vitality created.

As the import experience takes off, interpersonal trust where both partners convey to each other feelings of integrity, dependability and good motives will bring about a sense of energy and vigor to the relationship. In addition, feelings of engagement, a sense of worth and purpose of one's actions will also create the vitality necessary to build on the commitment needed for the success of the venture. As we said before, vitality is the mediator, the route through which commitment grows and blossoms. Other, non-behavioral factors, did not seem to affect the relationship. Our data showed that the number of years the exchange had been in place, the number of visits to and from the supplier, the type of industry and even the supplier's reputation had no bearing in the creation of relationship commitment, contrary to what previous studies have shown. Only the absence/presence of substitute products had a bearing on commitment but of a lesser degree than the behavioral factors, which very clearly are the driving force behind the success of the venture.

Hence the questions purchasing managers should ask themselves when entering into an international exchanges are: "How do I develop feelings of trust, engagement and vitality, which I know will lead to a relationship commitment and to a successful relationship for my supplier and for me?"; "How do I enhance the exchange so that it is fruitful, committed and vital, and what characteristics will facilitate this exchange?". Now that this study has given managers the ability to pinpoint the main issues surrounding the exchange, further research needs to uncover ways to create the conditions conducive towards these goals.

Nevertheless, as with every study, this one has its limitations. Although this study was done in Israel (with suppliers abroad), the study could and should be replicated in different cultural settings to test its applicability. In addition, as our sample consisted mostly of high tech companies (albeit including different industries within this category), further study of other industry types could give further credibility to the model. Including other behavioral/socialization characteristics could result in a more complete framework integrating Dutton's work (2003) on high quality connections, as little research has been done on the behavioral aspects of import-export theory, either from the importer's or the exporter's side of the equation. Therefore the 'marriage' of international business and organizational behavior would take on an added dimension, as there is virtually no research in the intersection of these two disciplines. In addition, other criteria, which would measure in financial terms the commitment to the dyad, could be added to expand and enrich the model. Another interesting question is whether the behavior of local purchasers and importers vis-a vis their suppliers differs or not. As there is no data or model to support this question either way, further study into this interesting area of organizational behavior is necessary. It is important also to note that each set of data consisted of one questionnaire per purchasing team of each company, as most companies had one person in charge of international purchasing. As these self-reports are subjective and can lead to data inflation, it is important that at least two members per purchasing team provide data in subsequent studies.

## **Conclusion**

In an international dyadic relationship, where both importer and exporter are the main players, trust and respectful engagement between them are prerequisites in

creating a committed business relationship. In addition, our study uncovered the role of vitality as it mediates the effects of trust and respectful engagement upon relationship commitment. To this end, our study provided a trampoline from which further research can be done in understanding how these feelings can be created and how they affect work performance in an international setting both for theory development, but also for managers who wish to understand and develop successful international ventures.

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<b>Table 1: Factor Analysis Results for Respectful Engagement and Trust</b>		
	Respectful Engagement (Alpha = .80)	Trust (Alpha = .80)
This supplier is always available in case of need	<b>.65</b>	.13
This supplier expresses genuine interest in our dealings	<b>.76</b>	.11
This supplier treats our time together as precious	<b>.78</b>	.20
This supplier listens with empathy	<b>.75</b>	.14
This supplier communicates in specific rather than general terms	<b>.70</b>	.05
This supplier has high integrity	.30	<b>.74</b>
This supplier treats me in a consistent and predictable fashion.	.34	<b>.60</b>
This supplier is not always honest and truthful	.00	<b>-.74</b>
This suppliers motives and intentions are good	.19	<b>.71</b>
I am not sure we fully trust my supplier	.01	<b>-.83</b>
% of variance explained	29.08	27.47
Eigenvalues	2.91	2.75

<b>Table 2: Factor Analysis Results for Relationship Vitality</b>	
	Factor Loadings (Alpha = .78)
The relationship with this supplier is vital for the organization	.693
The relationship with this supplier is reinforcing	.817
The relationship with this supplier is alive	.750
% of variance explained	56.97
Eigenvalues	1.71

<b>Table 3: Factor Analysis Results for Relationship Commitment</b>	
	Factor Loadings (Alpha = .73)
This supplier shows caring towards the relationship	.719
The relationship with this supplier is very stable	.747
The relationship with this supplier is of little significance towards the relationship	.686
The relationship with this supplier is of high importance to my firm	.664
Both sides are committed to maintain and grow the relationship	.665
% of variance explained	48.60
Eigenvalues	2.43

<b>Table 4: Factor Analysis Results for Supplier Reputation</b>	
	Factor Loadings (Alpha = .87)
This supplier is dependable	.728
This supplier has a very good reputation	.844
This supplier supplies high quality products	.787
This supplier is a socially responsible firm	.670
This supplier is a prestigious firm in the market	.801
This supplier enjoys high credibility in the market	.828
% of variance explained	60.65
Eigenvalues	3.64

<b>Table 5: Factor Analysis Results for Industry Type</b>	
	Factor Loadings (Alpha = .65)
There is intense rivalry in the high-tech industry in Israel	.869
Changes in the high-tech industry in Israel are rapid	.869
% of variance explained	75.56
Eigenvalues	1.51

<b>Table 6: Means, Standard Deviations and Correlations</b>											
	Mean	S.D.	1	2	3	4	5	6	7	8	9
1. Years importing	6.38	4.38	1.00								
2. Supplier-buyer visits	3.53	3.76	.02	1.00							
3. Substitutes	2.96	1.26	-.13	-.11	1.00						
4. Industry rivalry	4.03	.76	.15	.10	.06	1.00					
5. Supplier reputation	4.03	.65	.15	.21	.02	-.02	1.00				
6. Interpersonal trust	4.16	.60	-.03	.03	.03	.04	.45***	1.00			
7. Respectful engagement	3.94	.60	.09	.09	.09	-.08	.59***	.36***	1.00		
8. Vitality	3.97	.71	.25*	.13	-.23*	.01	.45***	.25*	.61	1.00	
9. Relationship commitment	2.78	.58	.11	.09	-.17	-.03	.57***	.45***	.65***	.64***	1.00
N = 97; two-tailed test * $p < .05$ , ** $p < .01$ , *** $p < .001$											

<b>Table 7: Descriptive Statistics of the Research Variables</b>						
	Scale	Cronbach's Alpha	Min.	Max.	Mean	Standard deviation
Years importing	> 0	--	.50	20.00	6.38	4.38
Supplier-buyer visits	0 +	--	.00	25.00	3.53	3.76
Substitutes	1-5	--	1.00	5.00	2.96	1.26
Industry rivalry	1-5	.65	2.00	5.00	4.03	.76
Supplier reputation	1-5	.87	1.00	5.00	4.03	.65
Interpersonal trust	1-5	.80	1.80	5.00	4.16	.60
Respectful engagement	1-5	.80	1.20	5.00	3.94	.60
Vitality	1-5	.78	1.67	5.00	3.97	.71
Relationship commitment	1-5	.73	1.60	4.75	2.78	.58

<b>Table 8: Regression Results for the Relationships between Trust, Respectful Engagement, Vitality, and Relationship Commitment</b>				
	Model 1	Model 2	Model 3	Model 4
	Vitality	Relationship Commitment	Relationship Commitment	Relationship Commitment
Constant <sup>#</sup>	1.14 <sup>*</sup>	1.72 <sup>*</sup>	1.00 <sup>*</sup>	1.72 <sup>*</sup>

Years importing	.13	-.02	-.11	-0.07
Supplier visits	.01	-.04	-.07	-0.04
Substitutes	-.26**	-.27**	-.15*	-0.18*
Industry rivalry	.04	.00	.00	-0.02
Supplier reputation	.16	.08	.21***	0.02
$R^2$	.29	.21	.21	.21
Adjusted $R^2$	.25	.17	.17	.17
$F$ for $R^2$	8.02***	5.20***	5.20***	5.20***
Degrees of freedom	5, 99	5, 99	5, 99	5, 99
<b>Vitality</b>			<b>.45***</b>	<b>.37***</b>
$\Delta R^2$			.14	.14
$F$ for $\Delta R^2$			21.54***	21.54***
$R^2$			.35	.35
Adjusted $R^2$			.31	.31
Degrees of freedom			1, 98	1, 98
<b>Interpersonal trust</b>	<b>.01</b>	<b>.37***</b>		<b>.37***</b>
<b>Respectful engagement</b>	<b>.50***</b>	<b>.28**</b>		<b>.10</b>
$\Delta R^2$	.17	.19		.12
$F$ for $\Delta R^2$	14.93***	15.14***		10.87***
$R^2$	.46	.40		.47
Adjusted $R^2$	.42	.35		.43
Degrees of freedom	2, 97	2, 97		2, 96
# Unstandardized coefficients; * $p < .05$ ; ** $p < .01$ ; *** $p < .001$				

Figure 1: The Research Model





