



Jordan Companies' Trustworthiness through Foreign Business Partners' Lens

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ABSTRACT

This paper seeks to explore the relationships among four independent variables, namely the respect for cultural values of the business partners, the existence of contractual safeguards in business agreements, the capability of delivering on promises and the trustworthiness of the foreign business partners and one dependent variable, the reputation of Jordan companies in international relationships. Findings prove strong correlations between each independent variable (predictor of the reputation of Jordan companies that are involved in international business operations). The results are valuable both for the theoretical development of international relationship management and decision-makers from the level of Jordan companies, whose interest in to develop sustainable business relationships with their foreign partners.

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1. Introduction

Research in international management empirically proved that trust is a fundamental element of successful international business relationships. When a foreign business partner is perceived as trustworthy, it outlines confidence and reduces uncertainty (Sinkovics et al., 2008). Trustworthiness implies that the foreign business partner will act with integrity, honesty, and reliability, making it easier for both partners to collaborate and achieve their shared goals (Hsieh and Rodrigues, 2014).

The awareness and respect for the cultural values of business partners can indeed have a positive effect on reputation in international relationships (Griswold, 2012). Paying respect to cultural values of foreign business partners proves the willingness to understand and appreciate them (Donaldson, 2016). This approach enables the process of building trust, as it reflects that a company values its foreign partners' identity and is committed to establishing a mutually respectful relationship (Schreier et al., 2020).

To our knowledge, few research has been dedicated to identifying the perceptions of business partners to the trustworthiness of a company involved in international operations. The main goal of this quantitative research is to outline the correlations among four pillars of international relationship management and trustworthiness of Jordan companies.

The paper is structured as follows. After a presentation of theoretical background that offers the opportunity to develop the hypotheses, we present the methodology and the findings regarding the effects of the respect for cultural values of the business partners, the existence of contractual safeguards in business agreements, the capability of delivering on promises and the trustworthiness of the foreign business partner on the reputation in international relationships.

2. Theoretical background

Cultural values outline how international business managers perceive and interpret various business practices and behaviors (Moran et al., 2014). By respecting their partners' cultural values, they mitigate the risks of misunderstandings, miscommunications, and conflicts that may arise due to cultural differences (Das and Kumar, 2010).

Effective communication plays an essential role in international business relationships. By respecting cultural values, international business managers are willing to adapt their communication style in order to align with their partners' preferences (Bambacas and Patrickson, 2008). This way of doing business in the international arena facilitates better understanding of partners' needs, active listening, and meaningful communication, leading to stronger and more productive international relationships (Morrish and Earl, 2021).

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The respect for cultural values of foreign business partners leads to the development of long-term valuable partnerships. When foreign business partners perceive that a company genuinely value their culture, they tend to positively perceive that organization and are eager to engage in sustainable business collaborations (Ciulli et al., 2022).

When companies reveal respect for cultural values, their partners are more likely to speak positively about them to other companies. The spread of word-of-mouth enhances a company's reputation in international arena, attracting new partners and capturing available opportunities (Albarq, 2014). A strong reputation for cultural intelligence allows a positioning of a company as a preferred partner in the global marketplace.

Cultural sensitivity should be approached genuinely, rather than as a superficial approach of offering incentives to foreign partners. True respect for cultural values involves a willingness to learn, adapt, and develop meaningful connections with business partners characterized by different cultural backgrounds (Caligiuri, 2013).

Contractual safeguards prove a company's commitment to honoring international agreements and fulfilling obligations. When companies integrate provisions that offer warranties for their rights and interest, as well as their partners, it builds trust and establishes a reputation for reliability. This approach is crucial in international relationships where business partners could be unfamiliar with each other's legal systems or business practices (Reuer and Ariño, 2002).

Contractual safeguards provide a framework for managing risks in the international business relationships, as they reflect rights, responsibilities, and potential remedies in case of contract breaches or disputes. The existence of clear and comprehensive agreements offers companies the opportunity to mitigate risks and avoid potential conflicts (Anderson et al., 2014). Furthermore, a proactive approach to risk management enhances a company's reputation as a responsible business partner.

When a company constantly delivers on promises, it builds trust and credibility with its foreign partners. Trust is a key factor in establishing and maintaining successful long-term international business relationships. By consistently fulfilling commitments and meeting expectations, a company involved in international operations demonstrates its capabilities and enhances its reputation as a trustworthy partner (Cullen et al., 2000).

International business partners that perceive the fulfillment of promises are more likely to engage in developing business activities. They may also recommend the company to others based on their positive experiences (Karani et al., 2022). Moreover, delivering on promises fosters stronger relationships with international partners and argues a commitment to mutual success.

Empirical evidence from other research studies revealed that a foreign business partner's trust has a direct impact on the reputation of the company (Nielsen, 2007). If the partner is positively perceived for their trustworthiness, it can positively influence how others perceive the trustworthiness of that company. Otherwise, if the business partner has a negative reputation, it may raise concerns and create doubts about the company's decision to develop business relationships with that company (Becerra et al., 2008).

3. Method

This quantitative research aims at exploring the perceptions of representatives of Jordan companies' partners on four predictors of the reputation in international relationships. A eleven items questionnaire was submitted electronically to decision-makers of companies involved in business relationships with Jordan companies. The invitations have been submitted to chambers of commerce from countries located on different continents. Finally, 100 responses have been validated. The conceptual model is outlined in Figure 1.

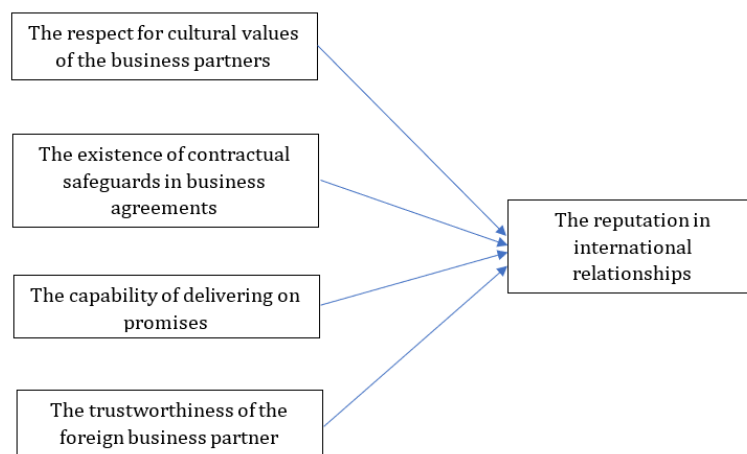


Figure 1 - Conceptual model

Source: authors

The research hypotheses are listed as follows:

H1: The respect for cultural values of the business partners has a positive effect on the reputation in international relationships.

H2: The existence of contractual safeguards in business agreements has a positive effect on the reputation in international relationships.

H3: The capability of delivering on promises has a positive effect on the reputation in international relationships.

H4: The trustworthiness of the foreign business partner has a positive effect on the reputation in international relationships.

4. Findings

Cronbach's Alpha value (.850) reveals the high reliability of the research tool used in this quantitative research, as it overcomes the minimum recommended threshold (.700).

Table 1 - Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.850	.854	5

Source: SPSS software

The Inter-Item Correlation Matrix reflects high correlations between the capability of delivering on promises and the reputation in international relationships (.758), followed by the trustworthiness of the foreign business partner and the same dependent variable (.744).

The smallest correlation can be found in the relationship between the existence of contractual safeguards in business agreements and the trustworthiness of the foreign business partner (.311) – Table 2.

Table 2 - Inter-Item Correlation Matrix

Items	Our business partner behaves in a manner that demonstrates respect for our cultural values	The existence of contractual safeguards in our business agreement consolidates trust and mitigates the inherent risks of any international collaboration	Our business partner has always proved its capability of delivering on promises, which makes our collaboration a very strong one	I consider our business partner as being trustworthy	Our business partner gained a favorable reputation during the development of our business relationships
Our business partner behaves in a manner that demonstrates respect for our cultural values	1.000	.591	.589	.493	.493
The existence of contractual safeguards in our business agreement consolidates trust and mitigates the inherent risks of any international collaboration	.591	1.000	.336	.311	.368
Our business partner has always proved its capability of delivering on promises, which makes our collaboration a very strong one	.589	.336	1.000	.697	.758
I consider our business partner as being trustworthy	.493	.311	.697	1.000	.744
Our business partner gained a favorable reputation during the development of our business relationships	.493	.368	.758	.744	1.000

Source: SPSS software

The contingency table related to the first research hypothesis indicates a concentration of responses on the scales reflecting the agreement of respondents on the items included in the crosstabulation (Table 3).

Table 3 - Crosstabulation related to the first research hypothesis

		Our business partner gained a favorable reputation during the development of our business relationships				Total
		Somewhat disagree	Somewhat agree	Agree	Strongly agree	
Our business partner behaves in a manner that demonstrates respect for our cultural values	Somewhat disagree	2	0	0	0	2
	Neutral	1	0	0	0	1
	Somewhat agree	1	2	15	0	18
	Agree	0	5	13	32	50
	Strongly agree	0	2	16	11	29
Total		4	9	44	43	100

Source: SPSS software

First hypothesis is supported as the asymptotic significance tends to zero, being under the .05 threshold, while the value of Pearson Chi-Square (99.431) is higher than the value reflected in statistical distribution (21.03) in the case of 12 degrees of freedom – Table 4.

Table 4 - Chi-Square Tests in the case of first hypothesis

	Value	Degrees of freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	99.431	12	.000
Likelihood Ratio	56.216	12	.000
Linear-by-Linear Association	24.087	1	.000
Number of Valid Cases	100		

Source: SPSS software

The contingency table related to the second research hypothesis highlights convergent opinions of respondents regarding the items included in the crosstabulation (Table 5).

Table 5 - Crosstabulation related to the second research hypothesis

		Our business partner gained a favorable reputation during the development of our business relationships				Total
		Somewhat disagree	Somewhat agree	Agree	Strongly agree	
The existence of contractual safeguards in our business agreement consolidates trust and mitigates the inherent risks of any international collaboration	Somewhat disagree	3	0	0	0	3
	Neutral	0	1	5	4	10
	Somewhat agree	0	0	14	6	20
	Agree	1	8	18	22	49
	Strongly agree	0	0	7	11	18
Total		4	9	44	43	100

Source: SPSS software

Since the asymptotic significance highlighted in Table 6 tends to zero, being under the .05 threshold, and the value of Pearson Chi-Square (86.814) is higher than the value reflected in statistical distribution (21.03) in the case of 12 degrees of freedom, second hypothesis is also supported.

Table 6 - Chi-Square Tests in the case of second hypothesis

	Value	Degrees of freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	86.814	12	.000
Likelihood Ratio	38.495	12	.000
Linear-by-Linear Association	13.443	1	.000
Number of Valid Cases	100		

Source: SPSS software

The contingency table related to the third research hypothesis concentrates the main part of answers on the agree scale of the items included in the crosstabulation (Table 7).

Table 7 - Crosstabulation related to the third research hypothesis

		Our business partner gained a favorable reputation during the development of our business relationships				Total
		Somewhat disagree	Somewhat agree	Agree	Strongly agree	
Our business partner has always proved its capability of delivering on promises, which makes our collaboration a very strong one	Disagree	1	0	0	0	1
	Somewhat disagree	3	0	0	0	3
	Neutral	0	2	0	0	2
	Somewhat agree	0	3	6	0	9
	Agree	0	2	27	15	44
	Strongly agree	0	2	11	28	41
Total		4	9	44	43	100

Source: SPSS software

The third hypothesis is statistically supported by the value of the asymptotic significance and the value of the Pearson Chi-Square (145.242), which is higher than the value reported in the statistical distribution (25.00) in the case of 15 degrees of freedom (Table 8).

Table 8 - Chi-Square Tests in the case of third hypothesis

	Value	Degrees of freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	145.242	15	.000
Likelihood Ratio	69.062	15	.000
Linear-by-Linear Association	56.898	1	.000
Number of Valid Cases	100		

Source: SPSS software

The contingency table related to the fourth research hypothesis reveals the highest concentration of the main part of answers on the agree scale of the items included in the crosstabulation (Table 9).

Table 9 - Crosstabulation related to the fourth research hypothesis

		Our business partner gained a favorable reputation during the development of our business relationships				Total
		Somewhat disagree	Somewhat agree	Agree	Strongly agree	
I consider our business partner as being trustworthy	Somewhat disagree	2	0	0	0	2
	Somewhat agree	2	8	6	0	16
	Agree	0	1	27	14	42
	Strongly agree	0	0	11	29	40
Total		4	9	44	43	100

Source: SPSS software

The fourth hypothesis is statistically supported by the value of the asymptotic significance (lower than .05) and the value of the Pearson Chi-Square (112.144), which is higher than the value reported in the statistical distribution (16.92) in the case of 9 degrees of freedom (Table 10).

Table 10 - Chi-Square Tests in the case of fourth hypothesis

	Value	Degrees of freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	112.144	9	.000
Likelihood Ratio	73.595	9	.000
Linear-by-Linear Association	54.738	1	.000
Number of Valid Cases	100		

Source: SPSS software

5. Conclusions

The findings from this research reveal that trustworthiness and reputation play crucial roles in international business collaborations. By partnering with a reputable and trustworthy company, companies can mitigate the risk of fraud, unethical practices, or unclear contracts. The strong correlation among these variables proves the fact that a Jordan business partner's reputation for trustworthiness serves as empirical evidence that they are credible and can be relied upon to fulfill their obligations. Contractual safeguards are measures that reinforce the credibility of international business partnerships, being a significant predictor for reputation.

The interplay between reputation and respect for cultural values of a business partner is highly important in international business partnering, as we can see from our findings, as well. Respecting the cultural values of a business partner proves to be crucial for maintaining a positive reputation and building credibility. When Jordan companies' business partners demonstrate an understanding and appreciation for their partners' cultural values, it enhances the perception that they are respectful, inclusive, and willing to adapt to the specific Jordan cultural context.

The main limitation of this study is that we analyzed only symmetric relationships among the variables, without considering their latent nature. A configurational study aiming to identify the causal recipes leading to reputation in the international business relationships will open new avenues for research.

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