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Topic: **First-tier antecedents of supplier satisfaction: The impact of culture and expectations.**

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Acknowledgements

Hereby, I would like to present my master thesis about the impact of culture and expectations on supplier satisfaction and its first-tier antecedents. This thesis represents the last stage of the master 'Business Administration' with a specialisation in 'Purchasing and Supply Management' at the University of Twente. The thesis is executed at CompanyX which operates in the paper packing industry.

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Abstract

Supplier satisfaction is an emerging topic in the buyer-supplier relationship research. Supplier satisfaction is the supplier's feeling of fairness with regard to buyer's incentives and supplier's contributions within an industrial buyer–seller relationship and could lead to preferred customer status, preferential treatment and thus better resource allocation than competitors. This research replicates and extends previous research on supplier satisfaction by taking organisational cultural fit, ethnocentrism, the degree of fulfilment of expectations and cross-cultural differences into account. Drawing on a dataset from the suppliers of CompanyX, qualitative and quantitative analysis is adopted via surveys, SmartPLS 3.2.2 and SPSS version 26. First, this thesis identifies organisational cultural fit as second-tier antecedent of supplier satisfaction, but with almost no predictive power. Additionally, it is found that Germany and the rest of the sample identify different factors as being important for supplier satisfaction. By understanding the differences per country, outcomes of relationships become more predictable and manageable. Next, it is found that ethnocentrism positively influences the degree of fulfilment of expectations and that the national (Hofstede) and organisational (Globe study) cultural dimensions do not play a (moderating) role in the model of Vos et al. (2016). Via polynomial regression with response surface analysis, it is found that expectations do not play a major role. From the findings of this thesis, it is recommended to train purchasers to spot differences in cultures and apply this knowledge in the supplier selection process and ongoing relationships to find the antecedent that needs to most attention and additionally has the best fit with the company's performance. This could help to increase the chance of receiving preferential treatment. Secondly, it is recommended to focus more on relational aspects than economic aspects in the buyer-supplier relationship.

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List of abbreviations

AO	Assertiveness orientation
AVE	Average variance extracted
CETSCALE	Consumer ethnocentrism tendencies scale
CR	Composite reliability
D	Direct procurement
e.g.	Example given
EAS	Ethnocentric attitudes scale
et al.	Et alia meaning and others
FO	Future orientation

FTSE	Financial times stock exchange
GE	Gender egalitarianism
GLOBE	Global leadership and organisational behaviour effectiveness
H	Hypothesis
HO	Humane orientation
HTMT	Heterotrait-monotrait
I	Indirect procurement
i.e.	In essence
IC	In-group collectivism
IDV	Individualism Index
IO	Institutional orientation
IVR	Indulgence versus Restraint Index
LTO	Long Term Orientation Index
MAS	Masculinity Index
N	Sample size
PDI	Power Distance Index
PLS	Partial least square
PMC	Paper machine clothing
PMC	Paper machine clothing
PO	Performance orientation
RACES	Racism, acceptance and cultural-ethnocentrism scale
SEM	Structural equation modelling
SPSS	Statistical package for Social Sciences
SRMR	Standardised root means square residual
TCE	Transaction cost economics
UAI	Uncertainty Avoidance Index
US	United States
VSM	Value stream mapping

1 Introduction to the focus of this research: The impact of culture and expectations on supplier satisfaction

Supplier satisfaction has been increasingly researched in the last decade and is something that should not be overlooked by companies. Supplier satisfaction is defined as ‘a supplier's feeling of fairness with regard to buyer's incentives and supplier's contributions within an industrial buyer–seller relationship’¹, and can benefit companies through the purchasing function by receiving preferred customer status followed by preferential treatment and a competitive advantage². Especially in times of supply chain disruptions, preferred customer status is more important than ever since it can reduce supply risk³.

As empirical context, this thesis features the study of supplier satisfaction of the suppliers of CompanyX, which has hundreds of suppliers worldwide and operates in the paper packaging industry.

Due to the increased use of international purchasing, research on factors driving supplier satisfaction has been popular over the last years. Researchers discuss that different relational (e.g. reliability) and economic factors (e.g. profitability) positively influence supplier satisfaction⁴. All antecedents identified are based on the values of the person filling in the survey (e.g. what is important to him/her? And when are they satisfied?). All factors influencing the given answers are leading back to culture, which is a topic finding its way to supplier satisfaction research. As an increasing number of firms are dealing with foreign buyers and suppliers, there is both a business and an academic need for a better understanding of the impact of cultural differences arising when buyers and sellers differ in nationality, or when cross-cultural dyadic sales interactions occur⁵. However, the term culture is not limited to national culture only. Organisational culture can also distinguish subparts of a general culture, among different organisations, where no generalisation takes place of organisations and individuals who share the same nationality. Several researchers took national and/or organisational culture into account as a factor influencing supplier satisfaction because of its strong influence on business and the buyer-supplier relationship⁶. Even though, national culture, corporate culture and cross-cultural differences have been

¹ See Essig and Amann (2009), p. 104.

² See Vos et al. (2016), p. 4621

³ See Nyaga et al. (2010), p.101

⁴ See for example Essig and Amann (2009), Hüttinger et al. (2014) and Vos et al. (2016) p.1

⁵ See Schiele et al. (2015), p. 132

⁶ See for example Voldnes et al. (2012), Sende (2018), Henn (2018) and Kok (2020)

included in supplier satisfaction research before, there is a lack of research on the relation between the organisational culture of the supplier and the organisational culture of the buyer as an antecedent of supplier satisfaction. This relation can be described as the degree of organisational cultural fit, which is a suggested criterion to assess a firm's status with its supplier⁷. This fit has been researched by Sende (2018) under the term 'cultural compatibility'. However, these results are based on perceived compatibility (i.e. thoughts of the supplier whether the suppliers firm and the customers firm are compatible regarding organisational culture)⁸. A culture can be perceived as compatible by the supplier, but this does not have to be the case in reality⁹.

Therefore, the following research question will be addressed:

- What is the impact of culture on supplier satisfaction in the buyer-supplier relationship, in the paper packaging industry, for CompanyX?

The impact of culture is tested in three ways on supplier satisfaction and its first-tier antecedents, on the replicated model tested by Vos et al. (2016)¹⁰. First, the effect of organisational cultural fit on supplier satisfaction is investigated. Here, organisational cultural fit is defined as the similarity between the organisational culture of CompanyX, and its' suppliers. This will be assessed via calculated numbers instead of perceived fit¹¹, identifying the first theoretical contribution of this thesis. When a relationship is found between organisational cultural fit and supplier satisfaction, an interesting insight is obtained for companies, since organisational cultural fit cannot be influenced and should thus be considered before initiating a relationship. This will trigger more research about the effect of organisational culture on the buyer-supplier relationship. Second, the effect of ethnocentrism on supplier satisfaction is tested since ethnocentrism is the cause of many culturally specific disadvantages. Ethnocentrism is a cultural characteristic which reflects a view where a groups' own culture is perceived as the best and other cultures as 'do not matter'¹², and has not been connected to supplier satisfaction before, which identifies the second theoretical contribution. Lastly, cross-cultural differences are examined based on geographical boundaries to obtain better insight into the real role of culture. This causes a

⁷ See Zijm et al. (2019), p. 69

⁸ See Sende (2018), p. 66

⁹ See Voldnes et al. (2012), p. 1081

¹⁰ See Vos et al. (2016), p. 4620

¹¹ See Sende (2018) p. 66

¹² See Bizumic (2015), p. 3

better understanding of the impact of cultural differences¹³, by replicating the model of Vos et al. (2016) for different countries and comparing them.

According to literature¹⁴ and theories (e.g. social exchange theory), supplier satisfaction could be achieved if the quality of outcome meets or exceeds the supplier's expectations. Expectations are set at the beginning of the relationship and, after a period of time, compared to the outcome. When the outcome equals or exceeds the expectations, satisfaction is obtained, but when expectations are not met this could lead to dissatisfaction¹⁵. Even though this is supported by theory, quantitatively evidence on this is missing and therefore a second research question will be addressed:

- How does the degree of fulfilment of expectations influence supplier satisfaction in the buyer-supplier relationship, in the paper packaging industry, for CompanyX?

By answering this research question, this thesis could be the first research that offers quantitative support for the importance of meeting expectations in the buyer-supplier relationship.

As last, status is also added to the model of Vos et al. (2016) as a new standard control and has been adopted to the model before by van der Lelij (2016). Status is important to consider since it can influence supplier satisfaction as well¹⁶. Both research questions are answered by adopting qualitative and quantitative research. Not only explanatory but also descriptive research is performed.

When more factors are identified as being an antecedent of supplier satisfaction or specific antecedents are identified per country, it becomes clearer where to focus on in relationships and increases the chance of becoming a preferred customer which implicates the practical relevance of this research. Comparing this to how a buying firm scores on the antecedents of supplier satisfaction, a fit can be found between where buyers excel in and what is important for supplying companies. Obtaining preferred customer status will become easier when a buyer excels in the antecedent that is important for the supplier. Finding this fit can become an important aspect in supplier selection processes.

¹³ See Schiele et al. (2015), p. 132

¹⁴ See Schiele et al. (2012), p. 1181

¹⁵ See Oliver (1980), p. 460-461

¹⁶ See van der Lelij (2016), p. 61

In order to answer the research questions, this thesis is structured as follows. First, previous literature on the topics is reviewed regarding the definitions around supplier satisfaction and the importance of culture towards successful relationships. Second, the theoretical framework together with the hypotheses are presented. Both the transaction cost economics theory and theory of diversity are considered. This is followed by the methodology section describing the research setting, data collection, analytical approach and variables. In the results and discussion section, the findings of this thesis can be found. The thesis ends with the limitations and contribution of this thesis and a short conclusion.

2 Introducing the topics: Culture, expectations and supplier satisfaction

2.1 The buyer-supplier relationship: Partnering efforts will not succeed if supplier's needs cannot be satisfied in the process

In the world of purchasing, purchasers daily deal with purchasing goods and services from suppliers. The purchaser is the buyer and the relationship between the purchaser and the supplier is the buyer-supplier relationship. Managing the buyer-supplier relationship in a successful way has found to be difficult without considering the suppliers' satisfaction¹⁷. Research shows that buyers and suppliers have different priorities and perceive things in different ways. This indicates that good intentions can still be perceived in a wrong way which presents the complexity of the buyer-supplier relationship. Nyaga et al. (2010) for example find that buyers focus more on relationship outcomes while suppliers look to safeguard their transaction specific investments through information sharing and joint relationship efforts¹⁸. Also, Voldnes et al. (2012) find differences. They find that buyers and sellers have different theories on how trust is developed, how communication is executed, how power and dependence are distributed and how the partners are willing to commit to each other¹⁹. Since international purchasing has been increasing over the years, also the complexity of managing relationships has increased²⁰. In the buyer-supplier relationship it is important that both the buyer and the supplier is satisfied with the relationship. As Wong (2000, p. 427) has said; 'partnering efforts will not succeed if supplier's needs cannot be satisfied in the process'.

¹⁷ See Essig and Amann (2009), p.103

¹⁸ See Nyaga et al. (2010), p. 101

¹⁹ See Voldnes et al. (2012), p. 1081

²⁰ See Monckza (2015), p. 347

2.2 Supplier satisfaction leads to preferred customer status and preferential treatment

Supplier satisfaction has become more and more important to research over the last decade due to an increase in globalisation. The level of competition between firms increases with globalisation²¹ and according to the relational view of resources-based theory; resources generating competitive advantage can span firm boundaries and embedded in inter-firm relations. Therefore, the sources of competitive advantages are not only from the internal resources owned by a firm itself but also from the external resources from the suppliers²². In order to increase a firm's competitive advantage, supplier satisfaction is necessary which can lead to preferred customer status and preferential treatment²³. A firm has preferred customer status if the suppliers offer better access to its valuable products or services than it offers to other customers, which reduces supply risk²⁴. Preferential resource allocation is especially important in times of supply chain disruptions (e.g. COVID-19). Shortages of supply is a phenomenon that increased during the COVID-19 pandemic due to shut down of transport and productions. When having the preferred customer status, safe supply of the goods and services is provided during such times. Customers without the preferred customer status may suffer from interruptions in their supply.

As an increasing number of firms are dealing with buyers and suppliers abroad, a large body of research focusses on the factors explaining supplier satisfaction²⁵. Different factors have been identified as being antecedents of supplier satisfaction. Growth opportunity, profitability, relational behaviour and operational excellence have been found to have a positive influence on supplier satisfaction and are identified as first-tier antecedents. Innovation potential, support, reliability, involvement and contact accessibility are identified as second-tier antecedents of supplier satisfaction²⁶. These variables are tested by Vos et al. (2016) and their model (appendix A) is partially replicated in this research. Additionally, Vos et al. (2016) find that relational factors, such as relational behaviour, reliability and operative excellence, explain similar or even greater variance in supplier satisfaction than economic factors like profitability and growth opportunity²⁷.

²¹ See Koster and Wittek (2016), p. 4

²² See for example Arya and Lin (2007) p. 719 and Lavie (2006) p. 639

²³ See Vos et al. (2016), p. 4621

²⁴ See Zijm et al. (2019), p. 68

²⁵ See for example Vos et al. (2016), Wong (2000), Essig and Amann (2009), Hüttinger et al. (2014), Benton and Maloni (2005) and Hüttinger et al (2012), p.1

²⁶ See Vos et al. (2016), p. 4613

²⁷ See Vos et al. (2016), p. 4621

2.3 The social exchange theory: Meeting expectations leads to satisfaction

In international businesses the involved parties are embedded in different cultures, which in turn influences both expectations and behaviour and thereby the satisfaction with business relationships²⁸. When looking at the expectations aspect, a second theory on how satisfaction can be obtained is given by Schiele et al. (2012, p. 1181) which state that supplier satisfaction could be achieved if the quality of outcomes meets or exceeds the supplier's expectations. This statement is based on the social exchange theory, which is a well-known marketing approach to explain business-to-business relational exchange²⁹.

The social exchange theory (SET) is a sociological and psychological theory that studies the social behaviour in the interaction of two parties leading to interdependence, and highlights that when the costs or efforts are higher than the rewards, the relationship should be terminated. SET builds upon three core elements which are of importance for this thesis: expectations, the comparison level and the comparison level of alternatives³⁰. Assuming that the buyer-supplier relationship is a social exchange process, customer attractiveness, supplier satisfaction and preferred customer status can be linked to the social exchange theory as done in the cycle of preferred customership³¹. Customer attractiveness is based on expectations that the supplier has towards the buyer at the moment of initiating or intensifying a business relationship³². These expectations can be based on quality, price and much more. Attraction can be obtained when the supplier expects an association with the buyer to be rewarding³³. The comparison level is used to compare the expectations with the actual outcome, which describes the suppliers' satisfaction. When expectations are met, supplier satisfaction is obtained. The comparison level of alternatives then refers to the decision to award the buyer with preferred customer status, regular status or discontinue supplying the customer.

Additionally, also the confirmation/disconfirmation paradigm highlights the importance of expectations, where perceived performance is compared to expected performance. When the perceived performance exceeds/equals the expectation, (high) satisfaction is obtained but when the expectations exceed the perceived performance, dissatisfaction is obtained³⁴.

²⁸ See Voldnes et al. (2012), p. 1081

²⁹ See Lambe, Wittmann & Spekman (2001), p. 1

³⁰ See Thibaut and Kelley (1959), p. 31

³¹ See Schiele et al. (2012), p. 1180

³² See Schiele et al. (2012), p. 1180

³³ See Blau (1964), p. 7

³⁴ See Oliver (1980), p. 460-461

Expectations can be influenced by many different variables like demographics, sex, culture, and social hierarchy³⁵, and are of importance to consider since when met, it can lead to improved performance but when they are not met (mismatched), it can lead to less efficient processing which increases costs³⁶.

The importance of expectations in relation to supplier satisfaction is often mentioned in literature³⁷, however it has not been quantitatively tested before but only applied to customer attractiveness which is positively related to supplier satisfaction³⁸. Hüttinger et al. (2014) developed an explorative survey on customer attractiveness based on questions about expectations of the relationship³⁹. However, no comparison has been made with the actual outcome of performance (i.e. the comparison level). Therefore, the degree of fulfilment of expectations is the first variable added to the research of Vos et al. (2016). The research of Vos et al. (2016) is of importance because it points out the importance of relational factors related to supplier satisfaction in the buyer-supplier relationship. An underlying factor to not only these relational factors but also the importance of economic factors, is culture⁴⁰, which has not been considered by these researchers.

2.4 The complexity of the buyer-supplier relationship increases the need for understanding culture

Culture can be defined as ‘the collective programming of the mind that distinguishes the members of one group of category of people from others’⁴¹. Culture consists of different ‘layers’. These layers can be found below in figure 1. Better understanding culture can lead to better managing relationships and operations⁴². However, when not understanding a different culture, problems of communication can arise⁴³. Since communication is one of the factors identified to influence supplier satisfaction⁴⁴, culture can be seen as the underlying antecedent. However, the term culture is not limited to national culture only. Also organisational culture is a common used term in literature and according to Dartey-Baah (2013), both national and organisational cultures are main determinants of success in

³⁵ See Oliver (1980), p. 461 and Johnson and Lewis (2012), p. 107

³⁶ See Gaschler et al. (2014), p. 139

³⁷ See for example Schiele et al. (2012), p. 1180, Vos et al. (2016), p. 4613, and Sende (2018), p. 10

³⁸ See Hüttinger et al. (2014), p. 708

³⁹ See Hüttinger et al. (2014), p. 720

⁴⁰ See Brislin (1993), p. 6 and Chatman et al. (2014) p. 22-28

⁴¹ See Hofstede et al. (2010), p. 6

⁴² See Lebron (2013), p. 131

⁴³ See Laroche (1998), p. 2

⁴⁴ See Essig and Amann (2009) and Whipple et al. (2002), p. 1

multinational businesses⁴⁵. The biggest difference between national and organisational culture is based on practices (as things are) and values (as things should be) whereas national culture differs mostly in values and organisational culture differs mostly in practice and less in value⁴⁶. The distinction between practices and values is made in order to capture both tangible and intangible attributes of culture⁴⁷ where values lie in the ‘deepest level’. Values are defined as ‘broad tendencies to prefer certain states of affairs over others’⁴⁸.

As said by Dartey-Baah (2013, p. 39); ‘The success of mergers and acquisitions involving multinational companies to a large extent depends on the effective management of diverse cultures arising out of such ventures. For this reason, organisations engaged in cross-border mergers and acquisitions need to take into careful considerations cultural issues if they are to be successful.’ Even though it sounds easy to understand a culture, it can take several years before someone knows the ins and outs of it. The principle that explains the difficulties in understanding culture is the cultural iceberg principle developed by Hall (1976), where 90% of the iceberg, and thus 90% of the aspects forming culture are not immediately visible. Symbols and behaviour can be discovered fast (above the surface, the outer two levels of the cultural layers) but the aspects underlying behaviour like attitude, rituals and beliefs can take years to discover. However, in order to understand a culture, backgrounds do not have to be the same. An example can be shown regarding behaviour. Behaviour is one of the visible concepts of culture. Behaviour is influenced by culture in general, but organisational culture also influences behaviour. When not understanding a culture, behaviour will also not be understood. However, people do not have to be from the same background to be able to understand each other’s behaviour. When there is a low level of social distance (i.e. working in the same place) behaviour is also commonly understood⁴⁹. Unfortunately, when the level of social distance increases (i.e. geographical separation) struggles can appear. In international businesses, the involved parties are embedded in different cultures, which in turn influences both expectations and behaviour and thereby the satisfaction with business relationships⁵⁰. In the previous section, the expectation aspect is discussed. When looking at the behaviour aspect; ethnocentrism is the cause of many culturally specific disadvantages⁵¹.

⁴⁵ See Dartey-Baah (2013), p. 39

⁴⁶ See for example Hofstede (2001), p. 394 and Hofstede (2011), p. 3

⁴⁷ See Dartey-Baah (2011), p. 3

⁴⁸ See Hofstede et al. (2010), p. 9

⁴⁹ See Neeley (2015), p. 75

⁵⁰ See Voldnes et al. (2012), p. 1081

⁵¹ See Adler and Gundersen (2008), p. 120

Ethnocentrism reflects a view where a groups' own culture is perceived as the best and other cultures as 'do not matter'⁵². Consumer ethnocentrism is found to be related to the cultural dimensions of Hofstede⁵³, however supplier ethnocentrism has not been investigated before. Also, the link between ethnocentrism and satisfaction has not been considered before which is of importance since ethnocentrism increases discrimination, which leads to negative reactions⁵⁴ and thus can enhance dissatisfaction. Since ethnocentrism is identified as an important factor in culturally specific disadvantages, ethnocentrism is the second variable added to the research of Vos et al. (2016).

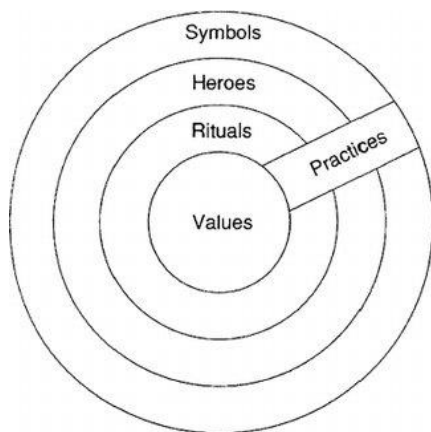


Figure 1: The 'onion diagram': different layers of culture.

Source: Hofstede (1991), p. 9.

2.4.1 Organisational culture as an additional dimension of supplier satisfaction

Organisational culture differs from national culture since it describes the culture of a specific organisation which can differ from another organisation within the same geographical boundaries, whereas national culture is being generalised for all organisations and individuals within the same geographical boundaries. Additionally, it is found that organisational cultural fit is more important to consider than national cultural fit because its' differences are more disruptive than national culture differences for alliance performances⁵⁵. One reason for this is that organisational culture is more proximal to the behaviours of individuals⁵⁶. Looking at Hofstede et al. (2010) definition of culture, organisational culture can be defined as the collective programming of the mind that distinguishes the members of

⁵² See Bizumic (2015), p. 3

⁵³ See for example Pereira et al. (2002), p. 88 and Kumar et al. (2013), p. 235

⁵⁴ See Davidson & Friedman (1998), p. 154

⁵⁵ See Sirmon and Lane (2004), p. 306

⁵⁶ See Sirmon & Lane (2004), p. 315

one organisation from others. It can be considered as a micro culture within a country⁵⁷, and defines the way in which a firm conducts its business⁵⁸. Factors such like an organisations process, employees' behaviour, leadership styles, traditions and structure can influence the organisations culture. Problems that can arise when organisational culture is not aligned are leading to disadvantages and difficulties in communication, which on its turn can increase costs. The importance of organisational culture in the buyer-supplier relationship has expressed itself in research⁵⁹. Wong (2000) is the first researcher who linked organisational culture to the buyer supplier relationship with the term 'co-operative culture' and found that companies need to develop a co-operative culture of working together with their suppliers in order achieve supplier satisfaction⁶⁰. However, Wong (2000) focussed on whether the interaction culture of inter-firm relationships is cooperative or competitive but not on the respective corporate culture of the buying and supplying firms. Whereas national culture of firms has been widely considered in supplier satisfaction research⁶¹, a lack of respective organisational culture is found. The term organisational culture and corporate culture are used interchangeably in research but in this study organisational culture is used as a term.

Corporate culture has been included in supplier satisfaction research before. Henn (2018) tested the same variables as Vos et al. (2016) and added corporate culture as a moderator. By using the competition values framework developed by Cameron and Quinn (2011), she finds that culture has no moderating effect on supplier satisfaction. However, she does find a positive relation between 'clan culture' and supplier satisfaction⁶² which indicates that culture influences the suppliers' satisfaction. This is supported by Deshpandé et al. (1993), who find that corporate culture plays a major role in business-to-business relationships⁶³. Additionally, also Sende (2018) included corporate culture in the model of Vos et al. (2016) via perceived cultural compatibility and found a positive relation to supplier satisfaction⁶⁴. However, a culture can be perceived as compatible by the supplier, but this does not have to

⁵⁷ See Demigha and Kharabsheh (2019), p. 45

⁵⁸ See Barney (1986), p. 657

⁵⁹ See for example Dartey-Baah (2013) and p. 39, Henn (2018), p. 23

⁶⁰ See Wong (2000), p. 429

⁶¹ See for example Carter (2000), Nyaga et al. (2010), Voldnes et al. (2012), Schiele et al. (2015) and Kok (2020)

⁶² See Henn (2018), p. 49

⁶³ See Deshpandé et al. (1993), p. 31

⁶⁴ See Sende (2018), p. 41

be the case in reality⁶⁵. Therefore, organisational cultural fit will be added to the model of Vos et al. (2016), based on calculated fit instead of perceived fit.

To conclude, 3 new variables are added to the model of Vos et al. (2016) and tested in this supplier satisfaction thesis; the degree of fulfilment of expectations, ethnocentrism and organisational cultural fit. Additionally, status is added as a new standard control variable, tested before by van der Lelij (2016).

2.5 Several ways in order to conceptualise organisational culture are developed throughout literature

Multiple studies have been used in literature to measure organisational culture, leading to many frameworks to define the culture of an organisation. Jung et al. (2009) developed a literature review of 70 existing qualitative and quantitative instruments for the exploration of organisational culture⁶⁶. Qualitative approaches to measure organisational culture have been traditionally adopted, but a trend towards more quantitative approaches is visible from the late 1980s onward⁶⁷. Quantitative data can be analysed faster and facilitates better in the comparison between organisations and has therefore the preference in this thesis⁶⁸. A distinction can be made between dimensional and typological approaches of determining organisational culture. In the dimensional approach the focus is on specific cultural variables and the extent to which they are present in an organisation, where in the typological approach organisations are categorised into predefined types based on their dominant characteristics. The dimensional approach is most applicable for this thesis since it makes it able to calculate organisational cultural fit based on multiple specific dimensions instead of only dominant characteristics. Additionally, categorisation can lead to a neglect of one of the key points underlying culture⁶⁹. Out of the dimensional approaches, only by a limited number, international collaboration took place. International collaboration is important since it increases skill sets and can enhance the quality of the research⁷⁰. These are the FOCUS questionnaire, GLOBE cultural scales and the Perceived Cultural Compatibility Index⁷¹. The FOCUS questionnaire includes support orientation, innovation orientation, rules orientation and goal orientation as cultural dimensions⁷², the GLOBE cultural scales include power

⁶⁵ See Voldnes et al. (2012), p. 1081

⁶⁶ See Jung et al. (2009), p. 1087

⁶⁷ See Jung et al. (2009), p. 1092

⁶⁸ See Yauch & Steudel (2003), p. 473

⁶⁹ See Jung et al. (2009), p. 1092

⁷⁰ See Edler (2008), p. 2 and Freshwater et al. (2006), p. 296

⁷¹ See Jung et al. (2009), p. 1089-1090

⁷² See van Muijen et al. (1999), p. 562

distance, uncertainty avoidance, in-group collectivism, institutional orientation, gender egalitarianism, assertiveness orientation, future orientation, performance orientation and humane orientation⁷³ and the Perceived Cultural Compatibility Index focusses on individual judgement of perceived compatibility⁷⁴. However, a culture can be perceived as compatible by an individual, but this does not have to be the case in reality⁷⁵. Therefore, the Perceived Cultural Compatibility Index will not be used in this thesis. As last, also the FOCUS questionnaire will be excluded since one of the disadvantages of quantitative organisational culture research is that it is easy for items to not be contained within survey instruments causing them to remain unnoticed⁷⁶. Therefore, it is important to include as many specifically identified cultural dimensions as possible, which leaves the GLOBE cultural scales. Additionally, the GLOBE study has received the greatest credibility in the management literature⁷⁷ and practice⁷⁸ and therefore, is included in this thesis. Even though there have been discussions about the variables used to measure organisational culture, research has shown that there is no problem with measuring organisational culture with the same variables as national culture⁷⁹. Support is found for the aggregation of the cultural dimensions to their desired level of analysis as well as for the unidimensionality of the items within each dimension. The internal consistencies for the societal and organisational cultural practices dimensions are acceptable⁸⁰.

The GLOBE cultural scales originate from Hofstede's cultural dimensions based on national culture and are further developed by House et al. (2004). After sending surveys to 17 000 managers in the banking, food processing and telecommunication industry in 62 different societies⁸¹, the output of their study made is possible to develop a cluster pie from all the 62 societies, where societies with the same score are clustered together and societies with opposite scores are placed across each other in the cluster pie (see appendix B). The final survey, which is still used to measure national, organisational culture and leadership styles, takes into account two important perspectives, namely practices and values where practice

⁷³ See Bright et al. (2019), p. 173

⁷⁴ See Runge & Hames (2004), p. 412

⁷⁵ See Voldnes et al. (2012), p. 1081

⁷⁶ See Jung et al. (2009), p. 1093

⁷⁷ See Leung (2006), p. 1

⁷⁸ See Smith et al. (2008) and (2011), p. 1101-1118

⁷⁹ See Hanges and Dickson (2004), p. 133-137

⁸⁰ See Hanges and Dickson (2004), p. 133-137

⁸¹ See Bright et al. (2019), p. 172-173

is based on; e.g. how something is going in an organisation and value is based on; e.g. how it should be in the organisation.

2.5.1 The GLOBE cultural scales as measurement instrument of organisational culture

To define organisational culture in this thesis, the GLOBE cultural scales are used, which distinguishes organisations based on nine different dimensions. Before going more in depth into these dimensions, the national cultural dimensions of Hofstede are explained. Even though, these dimensions will not be used to calculate organisational cultural fit, it is of the essence to explain them since the definitions of the organisational cultural dimensions of the GLOBE study originate from the national cultural dimension definitions of Hofstede⁸².

When again looking at Hofstede et al. (2010) definition of culture, national culture can be defined as the collective programming of the mind that distinguishes the members of one population from others. The first model to measure national culture is developed by Geert Hofstede in 1980. Its' importance in describing national culture has been shown by several researchers⁸³. According to Hofstede, national culture is shared between people in a country⁸⁴. It has been found that national culture influences organisational culture in several ways⁸⁵, by influencing the leadership styles, communication, reward system and decision-making⁸⁶.

Hofstede's well-known cultural dimensions have been developed over a period of 45 years, based on research conducted at IBM by comparing responses of 117000 employees. The dimensions are developed in order to measure national culture and cross-cultural differences. The six dimensions and their definitions can be found below, and more detailed in appendix C. Next to this, organisational culture has been researched by Hofstede as well, between 1985 and 1987. In this research, 2 countries and 20 organisations are considered to develop the following dimensions describing organisational culture: process-oriented versus results-oriented, job-oriented versus employee-oriented, professional versus parochial, open systems versus closed systems, tight versus loose control and pragmatic versus normative⁸⁷. However, these dimensions cannot be used for further research due to a lack of

⁸² See Bright et al. (2019), p. 172-173

⁸³ See for example Leung (2006), p. 1 and Smith et al. (2008), p. 1101-1118

⁸⁴ See Hofstede (1984), p. 390

⁸⁵ See Dartey-Baah (2011), p. 3

⁸⁶ See Li et al. (2001), p. 117

⁸⁷ See Hofstede (2011), p. 20-21

representativeness of all possible organisations. This limits the confidence that can be placed in the results⁸⁸.

1. Power distance

When there is a high-power distance, there is a higher acceptance for the gaps between the person who is ‘the boss’ or leader and the other person. There is a hierarchic culture. When the power distance is smaller there is a lower acceptance level of power gaps and the culture is more democratic and equal.

2. Individualistic vs. collectivistic

This score measures the degree to which people in a society are integrated into groups. With individualism there is a culture where it is mostly about yourself and your family, and you being independent of others. In a collectivistic culture it is much more about the harmony of a group. Here the people are interdependent and part of a group.

3. Uncertainty avoidance

When there is a high uncertainty avoidance, there are a lot of rules and authority to avoid uncertainty as much as possible. When this is low, there are less rules, less control and more ‘freedom’.

4. Masculinity vs. femininity

This concept refers to the distribution of values between genders. In masculine cultures everything is very competitive and ‘hard’. The focus is mainly on achieving different tasks, without considering the feelings of other people. This is opposite to a feminine culture where it is about caring for each other. The consequences of action regarding others are much more considered.

5. Long-term vs. short-term orientation

With a long-term orientation there is a much higher focus on the future. Everything that is happening now is considered for the futures well-being of a country. When there is an extreme short-term orientation, it can be described as living day by day.

⁸⁸ See Hofstede (2020), p. 1

6. *Indulgence vs. restraint*

In a restraint culture there are a lot of rules and social norms, where the people should be living by. In an indulgence culture this is not the case, there is much more freedom in ways to behave and a higher importance of leisure.

2.5.1.1 **An explanation of the nine organisational cultural dimensions of the GLOBE study**

The GLOBE cultural scales consist of nine dimensions which are both used to measure national and organisational culture, including power distance, in-group collectivism, gender differentiation/egalitarianism, uncertainty avoidance, future orientation, assertiveness, performance, humane and institutional orientation. An explanation of the nine dimensions can be found below. The dimensions are developed by House et. al (2004) and based on the dimensions developed by Hofstede which are explained above⁸⁹. This causes a lot of similarities. Seven out of the nine dimensions can be linked to his national culture dimensions or are the same. These are: 1. *Power distance*, 2. *Uncertainty avoidance*, 3. *In-group collectivism* (individualism), 4. *Institutional orientation* (collectivism), 5. *Gender egalitarianism* (femininity), 6. *Assertiveness orientation* (masculinity), and 7. *Future orientation* (long term vs. short term orientation). The two unique dimensions are *performance orientation* where the organisations can differ in the degree to which they emphasize performance and achievement, and *humane orientation* where they differ in the extent to which organisations place importance on fairness, altruism and caring. A summary of the definitions can be found below in figure 2⁹⁰.

⁸⁹ See Bright et al. (2019), p. 172-173

⁹⁰ See House et al. (2002), p. 6

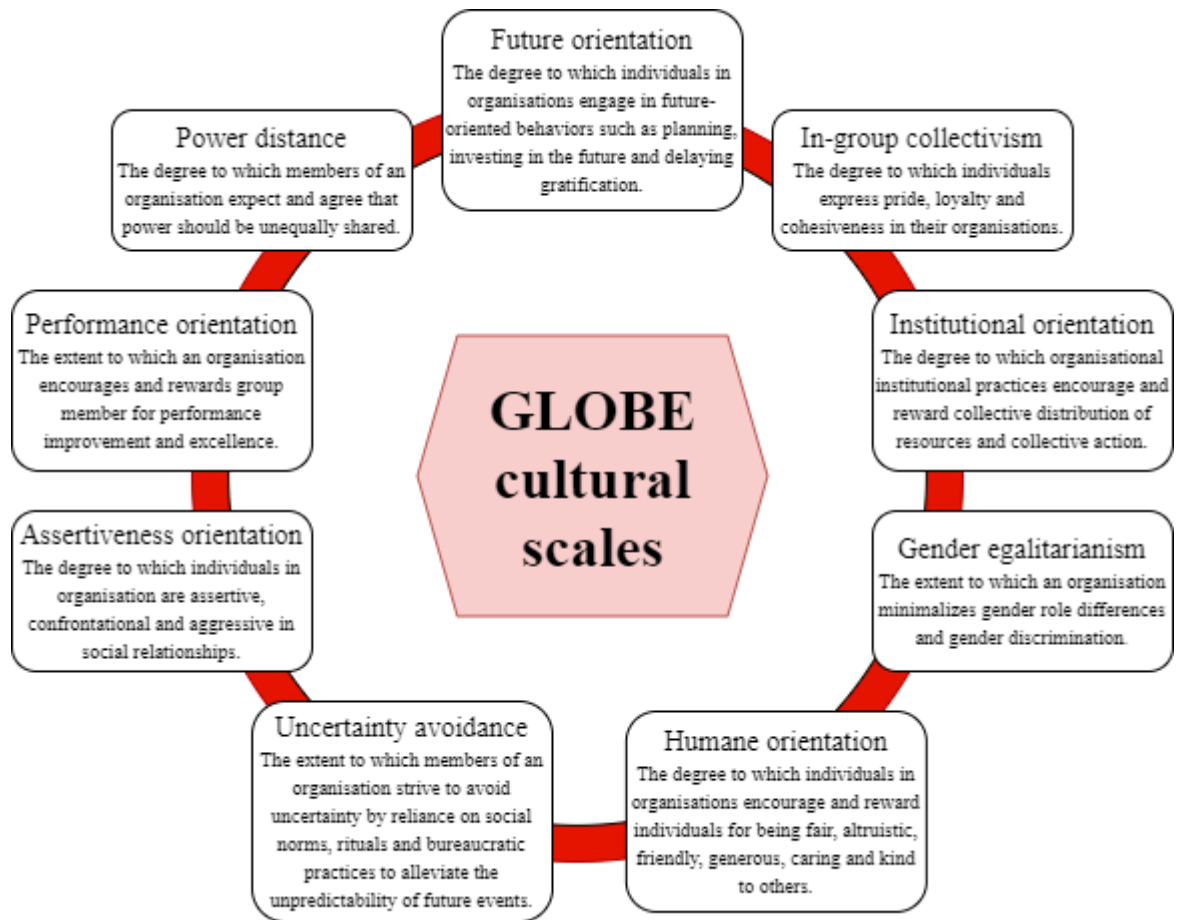


Figure 2: The GLOBE cultural scales.

3 Theoretical perspectives: How culture influences business relationships

3.1 Transaction cost economics theory: Uncertainty increases opportunistic behaviour and bounded rationality

Culture can influence business relationships in several ways. When operating with different cultures, cultural diversity increases which has its benefits but also its drawbacks. Therefore, a trade-off between the benefits of diversity and the problems arising when operating in an intercultural relationship when not understanding the other culture, can be made. Diversity for example can increase flexibility and creativity⁹¹ which leads to more innovation⁹² but can also increase costs because the chance of communication errors increases⁹³. A Summary of the benefits and drawbacks of culturally diverse teams can be found in figure 3. Costs

⁹¹ See Klagge (2013), p. 2-3

⁹² See Hewlett, Marshall and Sherbin (2013), p. 1

⁹³ See Lazear (1998), p. 1

associated with this and other factors, are the transaction costs which are involved in every transaction. This is the principle of the transaction cost economics (TCE) theory.

The TCE theory is conceptualised by Coase (1937) in his book, ‘the nature of the firm’ and later refined by Williamson in 1975 in his book ‘Markets and Hierarchies’, which has become an important theory in social science research⁹⁴ and until now the most popular theory backing purchasing research⁹⁵. The goal of the TCE theory is to achieve economic efficiency by minimizing the costs of exchange. There are three types of transaction costs: search and information, bargaining and decision, and policing and enforcement. Costs considered for search and information are for example stockbroker fees, market availability and comparing prices, for bargaining and decision; negotiation of exchange terms, writing contracts, inspecting results and enforcing deals, and for policing and enforcement, lawyer fees⁹⁶. The transaction cost economics theory can help in the ‘make-or-buy’ decision and decision-making regarding contracting⁹⁷. It can help in the make-or-buy decision by looking at the picture of total costs involved, considering all categories mentioned above. The question that will arise is: ‘is it cheaper to produce the product inhouse, or to buy it from someone else?’. The transaction cost picture can also help to find the support needed for the final decision to negotiate and sign a contract. When the costs of the transaction are higher than the reward, no contract should be signed. The theory outlines that when uncertainty increases, the risk of opportunistic behaviour (i.e. actions taken in an individual’s best interest) and bounded rationality (i.e. decision-making is based on limited information and time) also increases.

3.2 Drawbacks of intercultural relationships: Higher costs, more complexity and ethnocentrism

Uncertainty increases with intercultural relationships (i.e. increase in cultural diversity). Opportunism can lead to incomplete and distorted disclosure of information and calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse⁹⁸, which on its turn would lead to dissatisfaction, since communication, trust and reliability have been found to be positively related to supplier satisfaction⁹⁹. Additionally, opportunism erodes the

⁹⁴ See Masten (1993), p. 120

⁹⁵ See Zijm et al. (2019), p. 62

⁹⁶ See Cousins et al. (2008), p. 31 and Dahlman (1979), p. 147-148

⁹⁷ See Zijm et al. (2019), p. 62

⁹⁸ See Williamson (1985), p. 47-48

⁹⁹ See Essig and Amann (2009), p. 103 for communication and trust and Vos et al. (2016), p. 4618 for reliability

prospect of future commitment and the establishment of longer-term exchange¹⁰⁰. In order to decrease opportunistic behaviour, monitoring can take place, but also this has its costs. Second, bounded rationality can lead to taking wrong decisions due to information asymmetry and time pressure. Both opportunism and bounded rationality can increase the cost of transactions and dissatisfaction in the intercultural relationship.

3.2.1 Ethnocentrism is the cause of many culturally specific disadvantages

Next to the disadvantage of increased costs, ethnocentrism is identified as a factor leading to inefficient managing of team diversity¹⁰¹ and the cause of many culturally specific disadvantages¹⁰². As stated by Adler and Gundersen (2008, p. 72); ‘In cross-cultural business situations, labelling others’ behaviour as bizarre usually reflects culturally based misperception, misinterpretation, or misevaluation; rarely does the behaviour reflect intentional malice or pathological motivation’. Additionally, ethnocentrism can lead to discrimination, where people see their own in-group as central, as having proper standards of behaviour, and as offering protection against threats from out-groups¹⁰³. When increasing the number of intercultural skills and competency, the degree of ethnocentrism can decrease, due to a better understanding of each other’s culture. However, intercultural skills and competency are based on the acquisition of intercultural communication skills. Without these communication skills, no intercultural skills are developed and no benefit from diversity is obtained. A result is miscommunication and a higher complexity of the relationship¹⁰⁴. But why would people then choose to be in an intercultural relationship? Well, there are also a lot of advantages of working with different cultures.

3.3 Benefits from working with culturally diverse teams: Increased innovation

The other part of the trade-off are the benefits of culturally diverse teams. Due to globalisation, there is an increase in collaboration between different countries which means that the diversity of people in the group increases. Diversity can be divided into two groups; inherent and acquired diversity, where inherent diversity involves traits people are born with (e.g. gender and ethnicity) and acquired diversity involves traits gained from experience (e.g. mindset and ways of thinking)¹⁰⁵. Culturally diversity then refers to a reality of coexistence

¹⁰⁰ See Gundlach et al. (1995), p. 86-87

¹⁰¹ See Adler and Gundersen (2008), p. 141

¹⁰² See Adler and Gundersen (2008), p. 130

¹⁰³ See Brislin (1993), p. 39

¹⁰⁴ See Klagge (2013), p. 3

¹⁰⁵ See Hewlett, Marshall and Sherbin (2013), p. 1

of diverse knowledge, beliefs, languages, nationalities, abilities etc.¹⁰⁶ Many scholars have assessed the benefits of cultural diversity¹⁰⁷, which can lead to having a competitive advantage¹⁰⁸.

Even though the disadvantages of diversity can be an increase in costs and communication errors, diversity can also lead to decreasing costs and certain errors. When having a diverse team, cultural awareness and competence of its members can also be better considered, helping the team to establish itself and function more effectively. Additionally, cultural awareness and competence could reduce potential misunderstandings and miscommunications which have cultural origins¹⁰⁹, which emphasizes the importance of understanding cultures. Hong and Page (2004) found that diverse groups can lead to two things: 1) finding the optimal solution to difficult problems (i.e. cognitive diverse) and 2) even with limited abilities they can outperform a homogeneous group with high problem-solving abilities¹¹⁰. Diversity enhances flexibility and creativity¹¹¹. Organisational culture is a major factor which affects the speed and frequency of innovation and with an increase in flexibility and creativity, this can lead towards an innovation culture. Meyer (2014, p.8) came up with the following definition for an innovation culture based on 200 international studies; ‘the social environment that enables staff members to develop ideas and implement innovation’. Innovative developments are of importance for the buyer-supplier relationship since it can increase attractiveness for (future) clients¹¹², and growth opportunities¹¹³. Next, Ager and Brückner (2013), found that polarisation (i.e. reinforce opposites) has a negative effect on output per capita and fractionalisation (i.e. different language/ethnic group¹¹⁴) a positive effect on output per capita within the US¹¹⁵, however dealing with individuals originated from different countries, which indicates that diversity also influences (economic) growth. As last, when working with a diverse group, a more diverse set of resources can be

¹⁰⁶ See Lin (2019), p. 1

¹⁰⁷ See for example Siakas and Siakas (2015), p. 223, Hong and page (2004), p.1 and Klagge (2013), p. 2-3

¹⁰⁸ See Siakas and Siakas (2015), p. 223

¹⁰⁹ See Jones et al. (2020), p. 327

¹¹⁰ See Hong and page (2004), p.1

¹¹¹ See Klagge (2013), p. 2-3

¹¹² See Hüttinger et al. (2014), p. 702

¹¹³ See Vos et al. (2016), p. 4620

¹¹⁴ See Alesina and La Ferrara (2005), p. 763

¹¹⁵ See Ager and Brückner (2013), p. 76

enhanced. When these resources are not too similar to the resources used by the other firm, the collaboration is valuable and mutual benefits can be achieved¹¹⁶.

Even though several benefits of diversity are explained, Lazear (1998) finds that without communication, there are no gains from diversity¹¹⁷, indicating that good communication is key for diversity benefits. Despite, a potential of reducing miscommunication when having good cultural awareness¹¹⁸, communication is still more complex when operating with different cultures than with the same culture¹¹⁹. Therefore, it is assumed that the costs outweigh the benefits of cultural diversity.

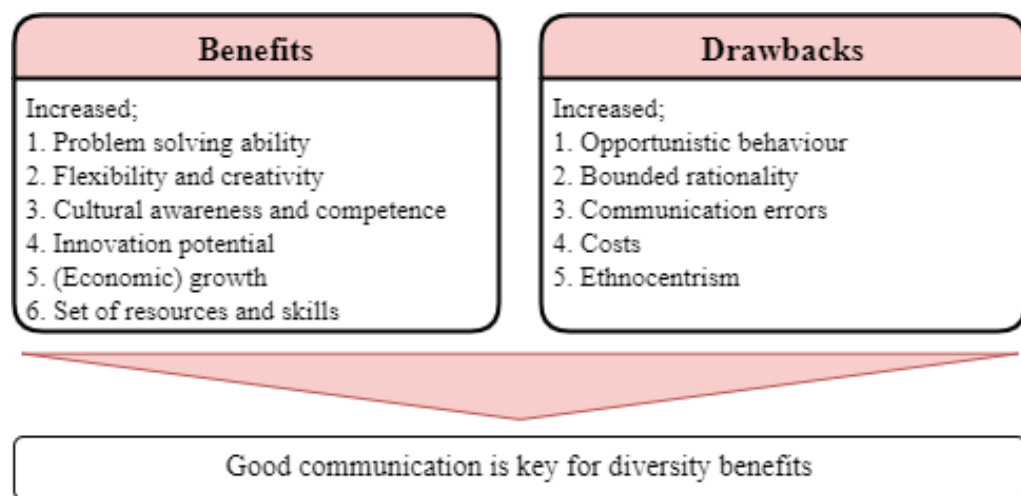


Figure 3: Summary of the benefits and drawbacks of culturally diverse teams.

4 Hypotheses: Organisational cultural fit, ethnocentrism and the degree of fulfilment of expectations as additional dimensions of supplier satisfaction

4.1 Replication of the model of Vos et al. (2016) and the addition of a new standard variable

In this thesis, a replication of the model of Vos et al. (2016) is made (see appendix A). To this replication, several new variables are added. Status is added as a new standard control to the model of Vos et al. (2016). Status has been tested before by van der Lelij (2016). Additionally, organisational cultural fit, the degree of fulfilment of expectations and ethnocentrism are added as new variables as an extension on the study of Vos et al. (2016). The results found by Vos et al. (2016) on the concepts; growth opportunity, profitability,

¹¹⁶ See Walter et al. (2001), p. 366

¹¹⁷ See Lazear (1998), p. 12

¹¹⁸ See Jones et al. (2020), p. 327

¹¹⁹ See Laroche (1998), p. 2

relational behaviour, operative excellence, supplier satisfaction, preferred customer status and preferential treatment¹²⁰, and the results found by van der Lelij (2016) on status¹²¹, are used to form the following hypotheses.

Hypothesis 1: Growth opportunity (H1a), profitability (H1b), relational behaviour (H1c) and operative excellence (H1d) are positively related to supplier satisfaction.

H1e: Supplier satisfaction is positively related to preferred customer status.

H1f: Preferred customer status is positively related to preferential treatment.

Hypothesis 2: Status is positively related to supplier satisfaction (H2a) and preferred customer status (H2b).

4.2 Organisational cultural fit as a new antecedent for supplier satisfaction

Cultural fit has been defined in literature before as the fit between the national and organisational culture¹²². However, in this thesis, the fit between the organisational culture of CompanyX and its suppliers is assessed. In order to determine the influence of organisational cultural fit on supplier satisfaction, next to costs and ethnocentrism, the similarity-attraction theory is considered. According to the similarity-attraction theory, people are more attracted to similar others and prefer this relationship over others¹²³. The quality of the buyer-seller relationship increases and interaction becomes easier with others who have similarities in attitudes, activities and experiences¹²⁴, which leads to a positive impact on the relationship in general. This is supported by Sende (2018), who found that cultural compatibility is positively related to supplier satisfaction¹²⁵. Combining this with the TCE theory, when interaction is easier, less costs for bargaining and decision-making will be necessary. Since communication¹²⁶ and profitability¹²⁷ have been found to be positively related to supplier satisfaction, and operating with similar cultures increases both, the following is hypothesised:

Hypothesis 3: Organisational cultural fit is positively related with supplier satisfaction.

¹²⁰ See Vos et al. (2016), p. 4620

¹²¹ See van der Lelij (2016), p. 61

¹²² See Siakas and Siakas (2015), p. 208

¹²³ See Smith (1998), p. 7

¹²⁴ See Smith (1998), p. 17

¹²⁵ See Sende (2018), p. 41

¹²⁶ See Essig and Amann (2009) and Whipple et al. (2002), p. 1

¹²⁷ See Vos et al. (2016), p. 4618

4.3 The degree of fulfilment of expectations as a new antecedent for supplier satisfaction

Schiele et al. (2012, p. 1181) stated that supplier satisfaction could be achieved if the quality of outcomes meets or exceeds the supplier's expectations. So, buyers who meet or exceed the supplier's expectations can receive the best resources (i.e. preferential treatment). Expectations can be influenced by many different variables like demographics, sex, culture, and social hierarchy¹²⁸, and are of importance to consider since when met, it can lead to improved performance but when they are not met (mismatched), it can lead to less efficient processing which increases costs¹²⁹. The effect of expectations on customer satisfaction has been qualitatively investigated before, where a positive relationship is found¹³⁰. Together with this finding, the social exchange theory and the confirmation/disconfirmation paradigm, the following is hypothesised:

Hypothesis 4: The degree of fulfilment of expectations is positively related to supplier satisfaction.

4.4 Ethnocentrism as a new antecedent for supplier satisfaction

Ethnocentrism has been identified as the cause of many culturally specific disadvantages¹³¹, where one culture thinks about their own culture/background as being the best and other cultures as 'do not matter'¹³². If this is the case, then they will expect the same from other cultures then what they are expecting from their own culture/in their own country. The opposite culture is highly likely to not meet the expectations made by the ethnocentric people. An example is when looking at the cultural dimension, power distance, used by both Hofstede and House et al. China for example scores high on power distance but the United states is characterised by low power distance¹³³. Since China values the opinion of the boss and inequalities are expected, and the United states values social interaction and equality within an organisation, problems can occur in their relationship when working together. If the United States expects to see equality in the relationship and China expect to see inequality, a cultural clash can occur which can lead to dissatisfaction. Therefore, it is expected that ethnocentrism is negatively related to supplier satisfaction.

¹²⁸ See Oliver (1980), p. 461 and Johnson and Lewis (2012), p. 107

¹²⁹ See Gaschler et al. (2014), p. 139

¹³⁰ See Qazi et al. (2017), p. 450

¹³¹ See Adler and Gundersen (2008), p. 130

¹³² See Bizumic (2015), p. 3

¹³³ See Hofstede insight

However, this can also work the other way around when no ethnocentrism is taking place and China and the United States understand each other's cultures. This would mean that their expectations are adapted and not the same standards are expected for this relationship then for the relationship within the same country. Homburg et al. (2002, p. 10) has confirmed this thought by saying that if 'firms acquainted with the consequences of cultural differences, communication problems, and technological and geographical distance are likely to have lower expectations in transnational as opposed to domestic business-to-business relationships'. This would indicate that even when the expectations are met, no preferred customer status is obtained due to lower expectations. Additionally, that when operating with the same culture, more expectations are met due to setting the right standards. From this, the following hypotheses are developed:

Hypothesis 5: Ethnocentrism is negatively related to supplier satisfaction (H5a) and the degree of fulfilment of expectations (H5b).

Hypothesis 6: The influence of supplier satisfaction on preferred customer status (H6a) and the influence of supplier satisfaction on the degree of fulfilment of expectations (H6b) are positively moderated by organisational cultural fit, i.e. more similarities between the organisational culture of the supplier and the buyer will more strongly increase the positive effect of supplier satisfaction on preferred customer status and of the degree of fulfilment of expectations on supplier satisfaction.

4.5 Organisational cultural fit as positive moderator between supplier satisfaction and its first-tier antecedents

The two theories considered for the moderating effect of organisational cultural fit between supplier satisfaction and its first-tier antecedents are the TCE theory and theory on cultural diversity, where the assumption has been made that the costs outweigh the benefits of diversity. The costs that would mostly increase due to bad communication are the bargaining and decision-making costs. Additionally, Adler and Gundersen (2008, p. 71) states that 'the greater the difference between the sender's and the receiver's cultures, the greater is the chance for cross-cultural miscommunication' which would mean that when cooperating with a different culture, there can be costly consequences¹³⁴. The costs do not only increase due to miscommunication but also due to monitoring. Uncertainty increases opportunistic behaviour and operating with different cultures increases uncertainty, and thus the

¹³⁴ See Neeley (2015), p. 75

assumption can be made that when operating with a different culture, opportunistic behaviour also increases. Opportunistic behaviour is one of the factors identified as decreasing trust and relational strengths¹³⁵. In order to decrease opportunistic behaviour, monitoring and control can be implemented in the relationship. However, the level of complexity of monitoring increases with distance and greater costs are a result¹³⁶. As last, when working with different organisational cultures, alliance performance decreases¹³⁷, which can also decrease profitability and operative excellence. Therefore, the following hypotheses are developed:

Hypothesis 6: The influences of growth opportunity (H6c), profitability (H6d), relational behaviour (H6e) and operative excellence (H6f) on supplier satisfaction are positively moderated by organisational cultural fit.

4.6 Organisational cultural fit as negative moderator between status and supplier satisfaction

As mentioned above, operating with different cultures, increases uncertainty. Uncertainty can also be linked to status. In order to avoid or deal with uncertainty, the status of a company is used¹³⁸. Podolny (2005, p. 18) states that ‘the greater market participants’ uncertainty about the underlying quality of a producer and the producer’s product, the more that market participants will rely on the producer’s status to make inferences about that quality’. This identifies that when there is more uncertainty, status becomes more important. Since there is more uncertainty in intercultural relationships, it can be assumed that the relationship between status and supplier satisfaction is stronger than when working with the same culture. Therefore, it is expected that organisational cultural fit will negatively moderate the relationship between status and supplier satisfaction.

H6g: The influence of status on supplier satisfaction is negatively moderated by organisational cultural fit.

¹³⁵ See Ozkan-Tektas (2014), p. 22

¹³⁶ See Jiang and Tian (2009), p. 15

¹³⁷ See Sirmon and Lane (2004), p. 309

¹³⁸ See Piazza and Castellucci (2014), P. 301

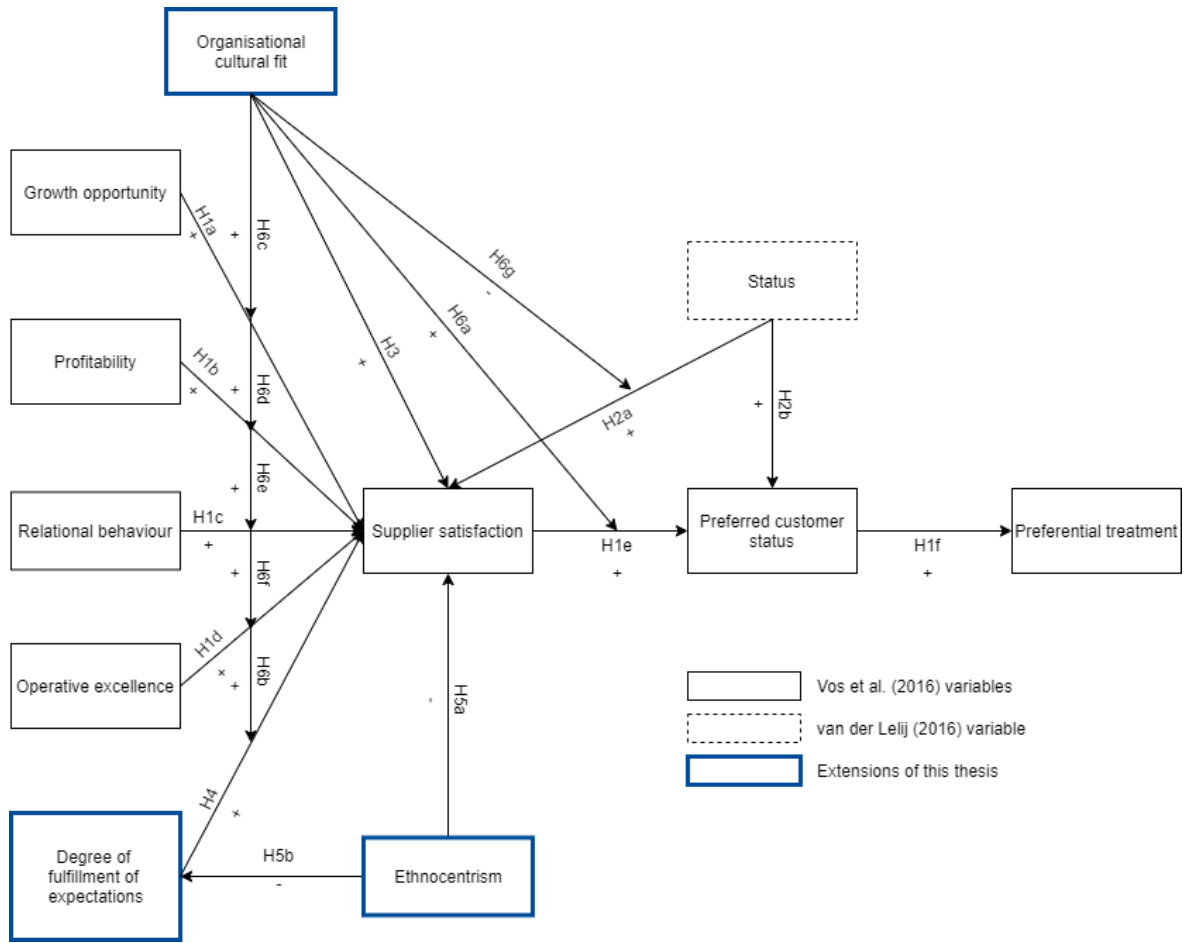


Figure 4: Conceptual model.

5 Methodology

5.1 The case company: One of the leading providers of paper-based packaging solutions in the world

CompanyX is one of the leading providers of paper-based packaging solutions in the world, across 35 countries on three continents. It is also the patent holder for some bag-in-box products. CompanyX was founded in 2005 from the merger of two other companies. CompanyX operates a number of recycled and kraft liner paper mills, which sell paper as a raw material to the corrugated plants. They have an excess of 200 packaging plants which can be divided into integrated corrugated plants, sheet plants and sheet feeders. Corrugated plants are high-volume plants where papers are combined to produce corrugated boards, which is then converted into high quality packaging for many market sectors. At the smaller sheet plants, corrugated board is purchased as a raw material, and then converted into packaging. Sheet feeders produce corrugated boards and sell it as a raw material to conversion plants. CompanyX has a high focus on recycling and sustainability throughout its operations.

The survey is sent to 222 suppliers of CompanyX (i.e. their main suppliers) distributed over 9 categories, namely; machines, transport, chemicals, PMC, containerboard, starch, forklift trucks and company car leases, ink and varnishes, and consumables.

5.2 Data collection: Over a period of 6 weeks a response rate of 54% is achieved

All data gathered from CompanyX's suppliers for the data analysis section is of current suppliers. All suppliers filled in the survey in English, consisting of 14 open (location of company, age, etc.) and 126 multiple choice questions coming to a total of 140 questions, which is sent via Qualtrics on the 5th of October 2020 to 192 suppliers, after CompanyX has send an introduction about the research to its suppliers. The suppliers had 4 weeks to respond and received a reminder on the 12th, 19th, 26th and 30th of October. On the 16th of October there was a checkup, to see whether the threshold of 100 respondents was met. Unfortunately, this was not the case, and the number of suppliers in the database had to be increased, and more pressure has been put on filling in the survey. An extensive explanation of the survey development can be found below in paragraph 5.3 and the survey can be found in appendix G. The research is done on 103 suppliers, who stayed anonymous throughout the research. The response rate of this research is 54% (N=113). When looking at the valid number of responses, the response rate is 49%. This is way above the common response rate

which usually fluctuates between the 15% and 25%¹³⁹. Since most research has a response period of 2 weeks, and this research a period of 6 weeks, this could explain the higher number. However, due to the high response rate, mitigation of the non-response bias is taking place¹⁴⁰. By sending out the survey from a university account with explanation about anonymity, the social desirability bias is tried to be kept at its minimum. When there would be a high social desirability bias, results would not be reliable since respondents would answer the questions in a manner that would be viewed favorable by CompanyX (i.e. overreporting positive things and underreporting negative things)¹⁴¹. An overview of the weeks of data collection and a flowchart of the data processing can be found in figure 5 and 6 respectively. The type of data collected gives insight into the importance of profitability, growth opportunity, operative excellence, support, involvement, contact accessibility, relational behaviour, reliability, innovation potential, length of the relationship, customer attractiveness, status, organisational cultural fit, ethnocentrism and degree of fulfilment of expectations on supplier satisfaction in a cross-cultural setting. The conceptual model that is tested can be found in figure 4 above. This model is tested with all suppliers included, but also per country to identify differences in strength of the relationships. The characteristics of the sample can be found in table 1.

¹³⁹ See Vos et al. (2016), p. 4616

¹⁴⁰ See Vos et al. (2016), p. 4621

¹⁴¹ See Carter (2000), p. 199

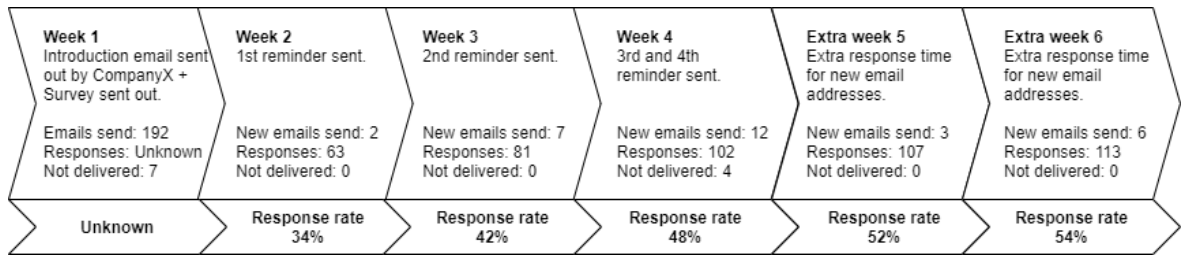


Figure 5: Overview per week of the data collection period.

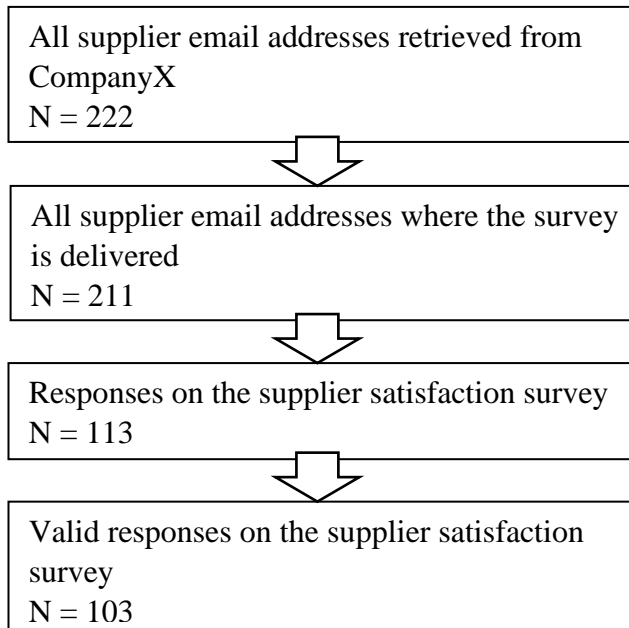


Figure 6: Flowchart of data processing.

5.3 Variables

5.3.1 Organisational cultural dimensions from the GLOBE study used to calculate organisational cultural fit

In order to measure organisational culture, the survey used in the GLOBE study is used¹⁴². House et al. (2004) have developed two types of surveys, an alpha and beta survey where the alpha survey focusses on organisational culture and the beta survey focusses on societal culture, which means that the alpha survey is used for this thesis. Since this survey has a lot of questions which are not considered in the calculations of the dimension scores, only the questions mentioned as relevant in the GLOBE study syntax file (2006) are included in the study¹⁴³. This means that instead of 214 questions, only 32 (as is, practises) are included. It has been shown that values only have very little contribution to organisational culture, which is why the 35 should be, value questions are excluded from the survey. Recent research has

¹⁴² See the GLOBE foundation (2006), link 1, p. 5-9

¹⁴³ See the GLOBE foundation (2006), link 2, p. 6

shown that when less questions are included; the response rate is higher¹⁴⁴. This is preferable for this research. Since the questions used to calculate the nine dimension scores are all included, this reduction in the number of questions is assumed not to be a problem. Usually the dimensions of the GLOBE study are measured via a 1-7 Likert scale. Since all the other variables in this thesis are measured via a 1-5 Likert scale, all the multiple-choice questions from the GLOBE study are also reduced to a 1-5 Likert scale. The GLOBE study score per dimension is calculated in Excel 2010 by reversing the scores (i.e. 1=5,2=4 etc.) and then calculating the mean of the scores of the questions used for the specific dimensions according to the GLOBE study syntax file (appendix E). All responses from the same company received the same organisational culture dimension score based on the average of all those respondents.

5.3.2 Other variables: Insight into how the variables are tested

Organisational cultural fit. Organisational cultural fit is the similarity between the organisational culture of CompanyX and its' suppliers. When scoring high on organisational cultural fit, there are a lot of similarities between the organisational culture of the two companies. When there is a low score for organisational cultural fit, there are few to no similarities between the organisational cultures. From the GLOBE study dimensions, the organisational cultural fit can be calculated. In order to do so, the case company also filled in the questionnaire (N=15) in order to calculate the differences in culture and come up with a score for organisational cultural fit. The organisational cultural fit (OCF) is calculated via the following formula that calculates organisational cultural misfit (OCM) involving absolute numbers:

$$OCM: \frac{\Sigma |Difference\ per\ GLOBE\ dimension\ (e.\ g.\ PD\ supplier - PD\ CompanyX)|}{9}$$

Since this formula creates a lower score for more similarities (and thus less differences) and a higher score for more differences in organisational culture (i.e. misfit), the final beta coefficient of the relationship is rescaled from positive to negative and negative to positive. For example, when a negative moderating relationship is found it means that the lower the organisational cultural misfit score, the more strongly the positive effect of status on supplier satisfaction. However, this actually means that the better the fit, and thus less differences,

¹⁴⁴ See Kok (2020), p. 38-39

the stronger the effect between status and supplier satisfaction and thus a positive moderating relation is in place.

Ethnocentrism. Whether a culture is characterised by ethnocentrism (i.e. perceiving its' own culture as the best), is measured via the ethnocentric attitudes scale (EAS)¹⁴⁵, involving 4 statements. EAS is part of the RACES survey which also includes an accepting attitude scale (AAS) and a racist attitude scale (RAS). Even though more useful when utilised interdependently, EAS on its own is also a valid scale¹⁴⁶. The variable is measured as an ordinal variable via a Likert-scale from 1-5 (i.e. 1 = fully disagree; 5 = fully agree). The average score of the 4 statements indicates the degree of ethnocentrism (i.e. a low score is means low ethnocentrism and a high score means high ethnocentrism).

Degree of fulfilment of expectation. Usually, expectations are measured via a pre- and post-questionnaire/interview to make it a measurable construct. However, this is not possible for this thesis, so an alternative method has been developed, based on statements. Hüttinger et al. (2014) used the concept 'customer attractiveness' to measure the expectations set by the supplier. These questions are also used in this thesis. However, no comparison has been made with the actual outcome (i.e. the comparison level). Since these questions are included in their research but not used for comparison, this is done in this research. The exact comparison can be found in appendix F. The variable: degree of fulfilment of expectation, is calculated as a ratio variable (i.e. 0 = no expectations met; 0.25 = ¼ of the expectations met; 0.5 = half of the expectations met; 0.75=¾ of the expectations met; 1=all expectations met), based on the average score from all expectation constructs (i.e. profitability, innovation potential, improvement and outcome).

Growth opportunity, operative excellence, reliability, relational behaviour and profitability are already tested by Vos et al. (2016). Next to this, the relationship between ***supplier satisfaction, preferred customer status and preferential treatment*** are also tested in the same research. For these variables, the same survey questions are used as in the research of Vos et al. (2016) and are tested via a Likert-scale from 1-5 (i.e. 1 = fully disagree; 5 = fully agree), which makes them ordinal variables.

¹⁴⁵ See Grigg & Manderson (2016), p. 114

¹⁴⁶ See Grigg & Manderson (2016), p. 118

Status is tested before by van der Lelij (2016), so also here the same survey questions are used and are tested via a Likert-scale from 1-5 (i.e. 1 = fully disagree; 5 = fully agree).

5.3.3 Extra variables: National culture and the type of procurement

Next to the variables explained above, there are 2 extra variables used in this research, namely national culture and the type of procurement. Research shows that national culture influences organisational culture¹⁴⁷. In order to validate the answers given on the GLOBE study (organisational culture) survey, the answers are compared to the answers given on the Hofstede (national culture) survey. The variables explained in paragraph 2.5.1 are developed by Hofstede and are tested via his VSM 2013 survey¹⁴⁸, where the VSM 2013 manual is used to obey the rules of this survey (e.g. at least 20 respondents per country). In order to obey the '20 respondents' rule, every supplier is asked to send the survey to 2 other colleagues to increase the number of countries which meet the rule and thus increase the countries available for comparison. This questionnaire consists of 30 questions, with answers ranging between the 1-5. This questionnaire makes it able to determine different variables influencing supplier satisfaction based on cross-cultural differences. Hofstede's scores are calculated via VSM 94 manual¹⁴⁹ in Excel 2010, and transformed to absolute values (i.e. all positive). The formulas used for the calculation of Hofstede's dimensions can be found in appendix D.

Additionally, the distinction between direct and indirect procurement is made to compare the replication in this thesis to the model of Vos et al. (2016). Chemicals, containerboard, starch and ink and varnishes suppliers belong to direct procurement (i.e. built into and disappear in the final product) and machines, transport, PMC, forklift trucks and company car leases, and consumable suppliers belong to indirect procurement (i.e. do not end up in the final product but are needed to support the production of the final good). In this thesis, only a short summary is provided on these findings and a more detailed explanation can be found in appendix O. The complete survey can be found in appendix G and in total consists of 140 questions.

¹⁴⁷ See Sirmon and Lane (2004), p. 307

¹⁴⁸ See VSM (2013), link 1, p. 1-5

¹⁴⁹ See VSM (2013), link 2, p. 1-10

5.4 Analytical approach: A combination of SPSS version 26 and SmartPLS 3.2.2

In order to answer the research questions: ‘What is the impact of culture in the buyer-supplier relationship on the likelihood of supplier satisfaction in the paper packaging industry, for CompanyX?’, and ‘How do expectations in the buyer-supplier relationship influence the likelihood of supplier satisfaction in the paper packaging industry, for CompanyX?’, a mixed-method approach is adopted combining qualitative and quantitative research. Qualitative research is done via a survey, whereas the quantitative research is done using SmartPLS version 3.3.2. This research makes use of nominal (e.g. country), ordinal (e.g. satisfaction) and ratio (e.g. length of the relationship) data which would mean that the usage of the Chi-Square test of Independence for all variables would be suitable¹⁵⁰. However, since there are multiple independent and dependent variables, this would be highly time consuming. Another option would be combining the Chi-Square test with multiple linear regression, however also this would take more time than needed since multiple dependent variables are involved. When considering partial least square (PLS) modelling, it has a better overall predictive performance, more robust values of coefficients and is lower in sensitivity to the distributions of variable values than multiple regression analysis¹⁵¹. So, even though it is possible to combine different statistical techniques, PLS would be the fastest option for this research since the entire model can be tested at once¹⁵². With PLS-modelling, the path coefficients and significance can be calculated via the SmartPLS 3.0 software of Ringle et al. (2015). PLS-SEM is used since SEM is adequate for small sample sizes (100-150)¹⁵³ and it enables the examination of a series of interrelated dependence relationships among the measured variables and latent constructs (i.e. the dependent and independent variables), which cannot be observed and measured directly, as well as between several latent constructs¹⁵⁴. Even though, this research uses a relatively small sample size (N=103), the sample size is bigger than the minimum sample size required for PLS according to the ‘ten-times arrowhead rule’. This rule states that the minimum sample size is the maximum number of arrow heads pointing at any latent variable multiplied by ten (which is in this case 80)¹⁵⁵. Additionally, SPSS version 26 is used for the principal component analysis.

¹⁵⁰ See SPSS manual (2020), p. 18

¹⁵¹ See Chapter 4 (1999), p. 172

¹⁵² See Hair et al. (2014), p. 111

¹⁵³ See Hair Jr. et al. (2014), p. 576

¹⁵⁴ See Hair Jr. et al. (2014), p. 546

¹⁵⁵ See Hair et al. (2011), p. 144

Table 1: Sample characteristics (N=103).

Length of relationship with CompanyX*				Tenure of respondent in company			
<5 years	3%	<5 years	13%	<5 years	13%		
5 – 10 years	14%	5 – 10 years	17%	5 – 10 years	17%		
11 – 20 years	30%	11 – 20 years	32%	11 – 20 years	32%		
>20 years	53%	>20 years	39%	>20 years	39%		
average	25.5 years	average	17.3 years	average	17.3 years		
Industry of Respondent				Number of employees			
Primary sector	14%	<100	29%	<100	29%		
Secondary sector	69%	1 – 499	20%	1 – 499	20%		
Tertiary sector	15%	500 – 999	10%	500 – 999	10%		
Quaternary sector	3%	1000 – 5000	21%	1000 – 5000	21%		
		>5000	21%	>5000	21%		
		average	4310	average	4310		
Gender of respondent				Percentage of turnover made with CompanyX			
Female	14%	0 – 25%	97%	0 – 25%	97%		
Male	86%	26 – 100%	3%	26 – 100%	3%		
Location of the company				Commodity group			
Austria	2%	Netherlands	14%	Machines	23%	Forklift trucks and	
Belgium	3%	Poland	5%	Transport	12%	company car leases	1%
Denmark	2%	Spain	8%	Chemicals	19%	Ink and Varnishes	6%
Finland	4%	Sweden	1%	PMC	12%	Containerboard	8%
France	5%	Switzerland	1%	Starch	4%	Consumables	8%
Germany	28%	UK	5%	Other	8%		
Italy	10%	US	11%				
Japan	2%						

* Even though CompanyX exists since 2005, some suppliers come from the previous relationships before the merge.

5.5 Quality assessment of the data: Two indicators need to be removed

The strength of the relationships hypothesised in section 4, can only be meaningfully interpreted if construct validity is established¹⁵⁶. So before looking at the results of SmartPLS, the construct validity is assessed. Validity is a measure to determine the accuracy of research. Construct validity is designed to measure whether the items really measure what they intent to measure. In this thesis, construct validity is measured via convergent and discriminant validity. Principal component analysis is done in SPSS version 26, all other validity measures are tested in SmartPLS 3.3.2.

Convergent validity. Convergent validity is measured in three ways: via factor loadings, the average variance extracted (AVE) and composite reliability (CR)¹⁵⁷. First, principal component analysis (PCA) is done. Principal components analysis can be used to analyse interrelationships among many variables¹⁵⁸. All variables are grouped into factors based on their underlying dimensions. It makes it possible to assess the factor loadings and unique variance of items on their hypothesised components. The minimum cut off loading is 0.5¹⁵⁹. When running PCA, the default option is set to varimax retaining 13 components based on an eigenvalue of 1. The rotation converged in 11 iterations. The rotated component matrix can be found in appendix H. S_Growth_20_2, S_RelBehavior_80_4 and S_OperativeExc_40_4 do not meet the threshold and need to be excluded. When excluding these three indicators, S_Growth_20_4 also ends up below 0.5. When removing S_Growth_20_4, S_Growth_20_3 ends up below 0.5. Since this would mean that the variable 'Growth opportunity' would then only be measured based on 1 statement, all growth indicators are kept in the PLS model. When only removing S_RelBehavior_80_4 and S_OperativeExc_40_4, the total variance explained shifts from 75.0% to 75.8%. The only indicator not meeting the threshold but kept in for analysis is S_Growth_20_2 which measures: 'The relationship with CompanyX is very important for us with respect to growth rates', and scores 0.458.

Another interesting thing worth mentioning in the rotated component matrix is that S_Growth_20_1 and S_Growth_20_2 load on different factors and S_Growth_20_3 and S_Growth_20_4 on the same. S_Growth_20_2 loads on the same factor as the indicators of profitability and S_Growth_20_1 on the same factor as the indicators of innovation potential.

¹⁵⁶ See Peter and Churchill (1986), p. 10

¹⁵⁷ See Hair Jr. et al. (2014), p.618-619

¹⁵⁸ See Hair Jr. et al. (2014), p. 16

¹⁵⁹ See Hair jr. et al. (2014), p. 618

This can be explained by the fact that economic factors influence growth¹⁶⁰ and that S_Growth_20_1 and the indicators of innovation potential both focus on the market position. Additionally, S_Profitability_90_2 loads on a different factor than the rest of the profitability indicators. This indicator loads on the same factor as the indicators of innovation potential. One reason for this can be that S_Profitability_90_2 focusses on large sales volumes and the indicators of innovation potential focus on a high number of new products and services being developed and brought onto the market, which are interlinked. Third, S_Collaboration_50_1 loads on a different factor than the rest of the collaboration indicators and on the same factor as the indicators of relational behaviour. This can be because both questions are focusing on improvements. Lastly, the preferential treatment and preferred customer status indicators load on the same factor. When assessing the correlation matrix (table 2), preferred customer status and preferential treatment show high correlation (>0.7), which means that multicollinearity needs to be assessed¹⁶¹. This is done below.

The PCA above is done in SPSS. The rest of the quality assessment criteria are done in SmartPLS. First, the outer loadings are assessed via PLS algorithm. All the indicators left for analysis after the PCA score above 0.5 and everything is thus left in. Second, AVE is measured to determine the average percentage of variations explained by the items of the construct. The threshold is above 0.5. When the AVE is below 0.5, there is more error in the items than the variance it explains¹⁶². All variables have met the threshold. Organisational cultural fit and the degree of fulfilment of expectations have an AVE of one which means that these two variables are perfectly measured by their indicator, which is as expected since these two variables only have one indicator.

Third, CR is measured which indicates whether there is internal consistency and thus reliability. Scores above the 0.7 represent good reliability, when the score is between the 0.6-0.7, the reliability is acceptable when the two indicators explained above are meeting their threshold¹⁶³. A second measure of reliability is Cronbach's alpha, which received some critic in research, as being a lower bound and, hence underestimating the reliability. Additionally, CR is usually calculated in conjunction with SEM¹⁶⁴, which is the case with

¹⁶⁰ See Johnson & Lenartowicz (1998), p. 337

¹⁶¹ See Hair Jr. et al. (2014), p. 201

¹⁶² See Hair Jr. et al. (2014), p. 619

¹⁶³ See Hair Jr. et al. (2014), p. 619

¹⁶⁴ See Peterson and Kim (2013), p. 194

this research. Despite, the critic on Cronbach's alpha, also this measure of reliability is shown in table 2. All variables score above 0.7 which indicates good reliability and thus all thresholds for convergent validity are met.

Discriminant validity. Additionally, discriminant validity is tested via multicollinearity, Fornell-Larcker (\sqrt{AVE}) and HTMT. First, multicollinearity is tested via the VIF score. The threshold is between 1-10¹⁶⁵. Table 2 presents the bivariate correlations between the variables in the analysis. Owing to a high correlation value (orange field, >0.7), a check for the variance inflation factor (VIF) of each of the predictors as an indicator of multicollinearity is done. All the VIF values are within the acceptable threshold, so no multicollinearity issue is detected. Due to this, preferred customer status and preferential treatment are left in the model as how it is. Second, Fornell-Larcker principle is tested and compared to the AVE. The average variance extracted should be smaller than the squared average variance extracted. As shown in table 2, this is the case for all variables. For all variables in this thesis, the latent constructs explain more of the variance in its item measures that it shares with another construct¹⁶⁶. Third, HTMT is tested where the threshold is below 0.85¹⁶⁷. All HTMT scores are below 0.85 and can be found in appendix I.

Next, the quality criterium of the tested model is assessed via the standardized root mean square residual (SRMR) to assess the goodness of fit. A score over 0.1 suggest a problem with the fit¹⁶⁸. However, when using a sample size below 250 with more than 30 total indicator variables, the SRMR threshold is <0.09 with a confidence interval above 92%¹⁶⁹. The SRMR value for the saturated model is 0.086, and for the estimated model is 0.097 which means that the threshold is not met for the estimated model. However, with only 0.007 outside the range, this is not considered as a very big issue.

Last, when 10 or more countries are compared in national culture, reliability needs to be assessed via Cronbach alpha. In this research, only 1 country (Germany) meets the rule of at least 20 responses, so the reliability of the VSM at the country level must be taken for granted¹⁷⁰.

¹⁶⁵ See Hair Jr. et al. (2014), p. 201

¹⁶⁶ See Hair Jr. et al. (2014), p. 620

¹⁶⁷ See Henseler et al. (2015), p. 121

¹⁶⁸ See Hair Jr. et al. (2014), p. 579

¹⁶⁹ See Hair Jr. et al. (2014), p. 584

¹⁷⁰ See VSM (2013), link 2, p. 9

Table 2: Cross-correlations and quality criteria of constructs (the orange field represents a high correlation value (i.e. >0.7)).

Construct		1	2	3	4	5	6	7	8	9	10	11
1	Supplier Satisfaction	1.00										
2	Growth Opportunity	0.42	1.00									
3	Profitability	0.41	0.55	1.00								
4	Customer Relational Behaviour	0.55	0.42	0.42	1.00							
5	Customer Operative Excellence	0.41	0.32	0.36	0.58	1.00						
6	Preferred Customer Status	0.35	0.34	0.10	0.18	0.06	1.00					
7	Preferential Treatment	0.31	0.36	0.11	0.14	0.06	0.71	1.00				
8	Status	0.37	0.43	0.28	0.28	0.31	0.41	0.37	1.00			
9	Ethnocentrism	0.02	0.04	-0.01	-0.13	-0.05	0.16	0.08	-0.06	1.00		
10	Degree of fulfilment of expectations	0.22	0.25	0.32	0.14	0.14	0.00	-0.13	-0.04	0.16	1.00	
11	Organisational cultural fit	0.12	0.28	0.20	0.19	0.06	0.12	0.21	0.13	-0.09	0.17	1.00
Quality Criteria												
	AVE	0.76	0.53	0.56	0.66	0.72	0.63	0.66	0.81	0.66	1.00	1.00
	$\sqrt{\text{AVE}}$	0.87	0.73	0.77	0.81	0.85	0.79	0.81	0.90	0.81	1.00	1.00
	CR	0.93	0.82	0.88	0.91	0.89	0.89	0.91	0.94	0.88	1.00	1.00
	Cronbach's alpha	0.89	0.71	0.83	0.87	0.81	0.85	0.87	0.92	0.88	1.00	1.00
	Highest VIF	4.21	1.52	2.49	2.19	2.20	2.72	2.59	4.95	3.45	1.00	1.00
Additional information												
	Mean	4.45	3.60	2.99	3.45	3.30	3.56	3.74	4.13	1.81	0.46	0.42
	Standard deviation	0.52	0.65	0.63	0.63	0.70	0.68	0.67	0.64	0.75	0.28	0.17

6 Results

The results are generated in SmartPLS using a one-tailed test with the significance level of 0.05 and the recommended bootstrapping sample of 5000¹⁷¹. A one-tailed test is used instead of a two-tailed since a one-tailed test is recommended if the coefficient is assumed to have a sign as shown in the developed hypotheses¹⁷². First, the R^2 is assessed to determine the predictive power of the model. When the R^2 is 0.75, 0.50 or 0.25, the predictive power is substantial, moderate or low, respectively¹⁷³. The highest R^2 is found for preferential treatment (0.52), followed by supplier satisfaction (0.44) and preferred customer status (0.24). All other R^2 's are below 0.20. Preferential treatment has substantial predictive power, supplier satisfaction has moderate predictive power, and preferred customer status needs to be regarded as having weak predictive power. All other variables need to be regarded as having (almost) no predictive power.

6.1 Results for the replicated variables: Only significance for the relation between relational behaviour, supplier satisfaction, preferred customer status and preferential treatment is found

Secondly, the path coefficients are examined and can be found in figure 7 for the replication of the study of Vos et al. (2016) and van der Lelij (2016), and for the model extension. Additionally, the standard errors, t-values and Cohen's effect size (f^2) are also examined and can be found in appendix J. The hypotheses can be accepted when significance is reached, which means that the lower the significance level, the higher the representative of the population is for the random sample (i.e. t-value above 1.65¹⁷⁴). First, when looking at the variables from Vos et al. (2016) support is found for H1c, H1e and H1f. Relational behaviour has a positive effect on supplier satisfaction (H1c; $t=2.97$, $\beta=0.33$, $f^2=0.12$), supplier satisfaction has a positive effect on preferred customer status (H1e; $t=1.97$, $\beta=0.23$, $f^2=0.06$), and preferred customer status has a positive effect on preferential treatment (H1f; $t=15.28$, $\beta=0.70$, $f^2=0.99$). These findings are found to be significant and in line with the findings of Vos et al. (2016) and additionally also with the findings of other researchers¹⁷⁵, and therefore can be accepted. In line with H1a, H1b and H1d, growth opportunity (H1a; $t=1.04$, $\beta=0.13$, $f^2=0.01$), profitability (H1b; $t=1.06$, $\beta=0.13$, $f^2=0.01$) and operative excellence (H1d; $t=0.67$, $\beta=0.09$, $f^2=0.01$) are positively related to supplier satisfaction. However, there are no

¹⁷¹ See Ringle et al. (2015)

¹⁷² See Kock (2014), p. 2

¹⁷³ See Hair et al. (2011), p. 145

¹⁷⁴ See Hair et al. (2011), p. 145

¹⁷⁵ See for example Sende (2018), p. 41 and Kok (2020), p. 99

significant effects, so H1a, H1b and H1d cannot be accepted. All effect sizes can be considered as not existing to small, except for the relationship between preferred customer status and preferential treatment, this effect size is found to be large (0.99). When comparing the relational with economic antecedents, relational antecedents explain more variance in supplier satisfaction ($f^2_{(\text{relational})} = 0.13$; $f^2_{(\text{economic})} = 0.02$).

6.2 Results for the standard control of van der Lelij (2016): Status is positively related to supplier satisfaction and preferred customer status

When looking at the variable from van der Lelij (2016), support is found for both hypotheses (H2a; $t=2.04$, $\beta=0.19$, $f^2=0.05$ and H2b; $t=3.63$, $\beta=0.36$, $f^2=0.13$). In line with van der Lelij (2016), status positively influences supplier satisfaction and preferred customer status. All effect sizes of the relationships are not existing to small.

6.3 Results for the model extension: Organisational cultural fit shows no moderating effect

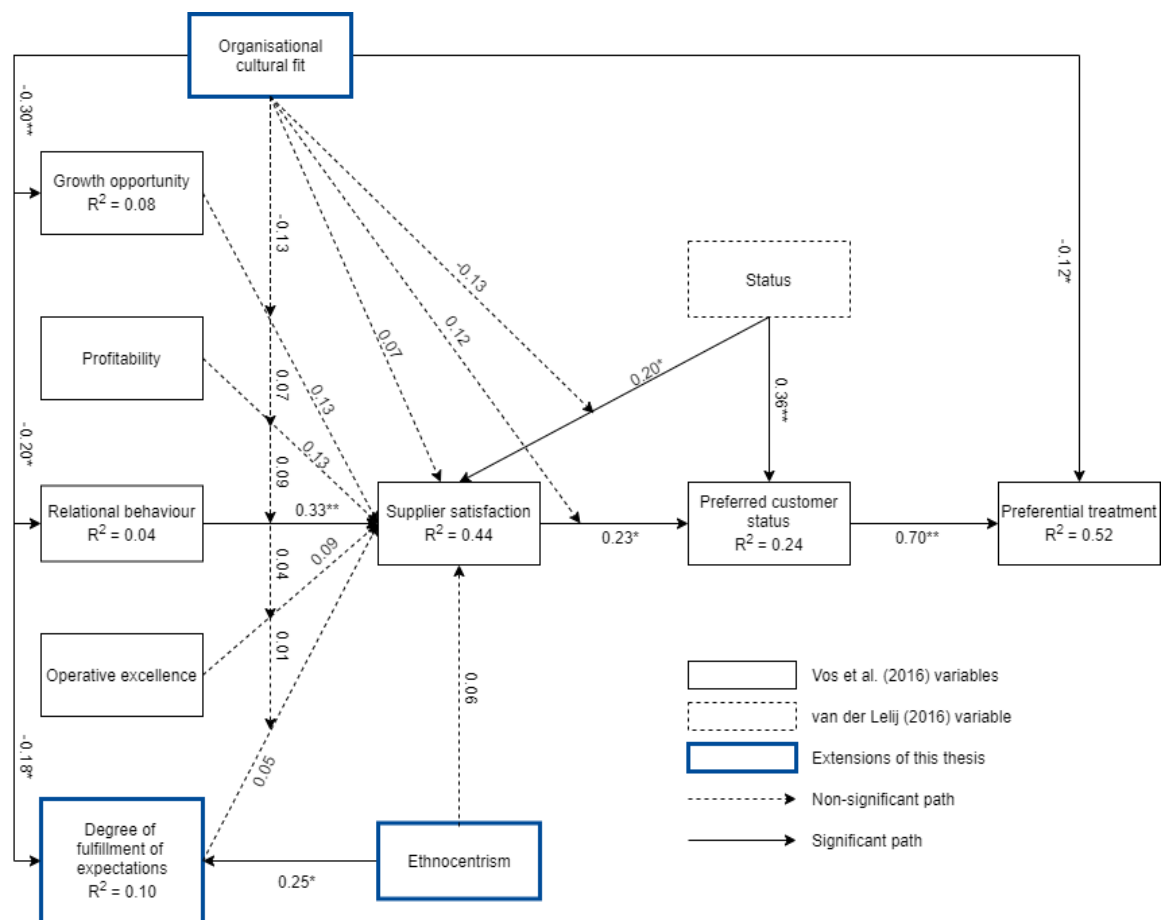
Next, the model extension is analysed. In line with H3, H6a, H6b, H6d, H6e, and H6f, organisational cultural fit is positively related to supplier satisfaction (H3; $t=0.64$, $\beta=0.07$, $f^2=0.01$) and has a positive moderating effect on the relationship between the degree of fulfilment of expectations (H6b; $t=1.02$, $\beta=0.11$, $f^2=0.01$), profitability (H6d; $t=0.66$, $\beta=0.07$, $f^2=0.01$), relational behaviour (H6e; $t=0.67$, $\beta=0.09$, $f^2=0.01$), operative excellence (H6f; $t=0.07$, $\beta=0.01$, $f^2=0.00$) and supplier satisfaction and between supplier satisfaction and preferred customer status (H6a; $t=1.51$, $\beta=0.12$, $f^2=0.02$). However, insignificance leads to not being able to accept H3, H6a, H6b, H6d, H6e, and H6f. Not in line with H6c, the moderating effect of organisational cultural fit on the relationship between growth opportunity and supplier satisfaction is found to be negative but insignificant (H6c; $t=1.04$, $\beta=-0.13$, $f^2=0.01$). Due to this, H6c cannot be rejected. In line with H6g, organisational cultural fit negatively moderates the relationship between status and supplier satisfaction (H6g; $t=0.09$, $\beta=-0.13$, $f^2=0.02$). Also, here insignificance is found so H6g cannot be accepted. Therefore, no support is found for all hypotheses related to organisational cultural fit.

6.4 Results for the model extension: The degree of fulfilment of expectations and ethnocentrism have no effect on supplier satisfaction

When looking at the relationship between the degree of fulfilment of expectations and supplier satisfaction (H4; $t=0.49$, $\beta=0.05$, $f^2=0.00$), a positive relation is found which is as expected. However, also this hypothesis cannot be accepted due to insignificance. As last, not in line with H5a and H5b, ethnocentrism is positively related to supplier satisfaction

(H5a; $t=0.02$, $\beta=0.00$, $f^2=0.00$) and the degree of fulfilment of expectations (H5b; $t=1.84$, $\beta=0.25$, $f^2=0.08$), where the latter is found to be significant. Therefore, H5b can be rejected. All effect sizes for the model extension are not existing to small. Additionally, the following four relationships are found to be negative and significant: organisational cultural fit negatively influences growth opportunity ($t=2.91$, $\beta=-0.30$, $f^2=0.09$), relational behaviour ($t=1.67$, $\beta=-0.20$, $f^2=0.04$), preferential treatment ($t=1.98$, $\beta=-0.12$, $f^2=0.03$) and the degree of fulfilment of expectations ($t=2.14$, $\beta=-0.18$, $f^2=0.04$) and organisational cultural fit thus plays a role in the replicated model of Vos et al. (2016) (Appendix J). However, all R^2 's are below 0.25, indicating that organisational cultural fit has almost no predictive power in the model. The model of Vos et al. (2016) is replicated including the first- and second-tier antecedents of supplier satisfaction. This model can be found in appendix N.

Because no effect is shown for the degree of fulfilment of expectations in SmartPLS, the moderating effect of the expectations between the actual outcome and supplier satisfaction is investigated via polynomial regression in SPSS. These findings are shown in chapter 7.



* <0.05 (one-tailed), ** <0.01 (one-tailed)

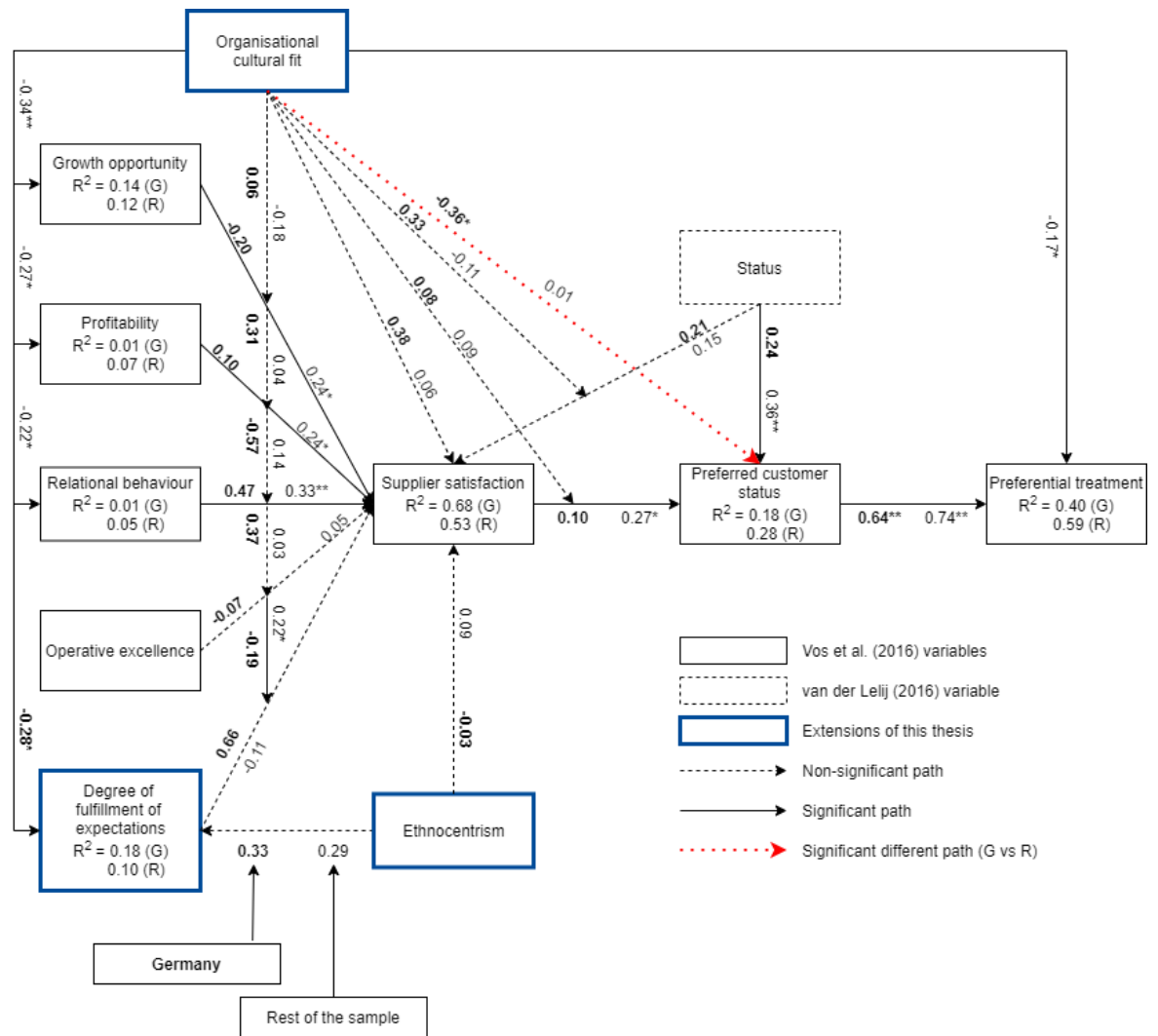
Figure 7: Results of the conceptual model via PLS-SEM (N=103).

6.5 Results for the distinction between Germany and the rest of the sample: German suppliers emphasize less on growth opportunity, profitability and relational behaviour

Next to the analysis of the model of Vos et al. (2016), van der Lelij (2016) and the model extension based on all respondents, the results per country are also analysed to see whether national culture plays a role (i.e. distinction based on geographical boundaries). Due to the '20 respondents per country' rule¹⁷⁶, only Germany can be analysed separately, and be compared to the rest of the countries involved. The results can be found below in figure 8 and in appendix L. Results show that there is a difference in factors significantly influencing each other when looking at Germany and the rest of the countries that have responded. The first difference can be identified for the effect of organisational cultural fit. For Germany it is found that organisational cultural fit significantly and negatively influences the degree of fulfilment of expectations ($t=1.81$, $\beta=-0.28$, $f^2=0.10$) and preferred customer status ($t=1.90$, $\beta=-0.36$, $f^2=0.15$), whereas for the rest of the sample, organisational cultural fit does not show these effects. For the rest of the sample, it is found that organisational cultural fit significantly and negatively influences growth opportunity ($t=2.81$, $\beta=-0.34$, $f^2=0.13$), profitability ($t=2.17$, $\beta=-0.27$, $f^2=0.08$), relational behaviour ($t=1.96$, $\beta=-0.22$, $f^2=0.05$) and preferential treatment ($t=2.25$, $\beta=-0.17$, $f^2=0.07$), and positively influences the relationship between the degree of fulfilment of expectations and supplier satisfaction ($t=1.86$, $\beta=0.22$, $f^2=0.05$). Second, differences are found for the effect of the first-tier antecedents of supplier satisfaction. For Germany, no support is found for the effect of the first-tier antecedents of supplier satisfaction, whereas for the rest of the sample it is shown that growth opportunity ($t=2.00$, $\beta=0.24$, $f^2=0.07$), profitability ($t=1.88$, $\beta=0.24$, $f^2=0.06$) and relational behaviour ($t=2.63$, $\beta=0.33$, $f^2=0.11$) have a positive influence on supplier satisfaction. Lastly, differences are found for the effect of factors influencing preferred customer status. For Germany only organisational cultural fit influences preferred customer status ($t=1.90$, $\beta=-0.36$, $f^2=0.15$), whereas for the rest of the sample supplier satisfaction ($t=1.99$, $\beta=0.27$, $f^2=0.08$) and status ($t=3.13$, $\beta=0.36$, $f^2=0.14$) influence preferred customer status.

Additionally, when assessing the results with multi-group comparison in SmartPLS (parametric test), one p-value is <0.05 (i.e. organisational cultural fit \rightarrow preferred customer status, p-value = 0.04) which indicates that there is a significant difference between the two country groups. These values can be found in appendix L.

¹⁷⁶ See VSM (2013), link 2, p. 2



*<0.05 (one-tailed), **<0.01 (one-tailed)

Figure 8: Results of the conceptual model with a distinction between Germany (G) and the rest of the sample (R) via PLS-SEM (N=28 and 75 respectively).

6.6 National and organisational cultural dimensions do not show a moderating effect

Even though the results in paragraph 6.3 show that organisational cultural fit does not influence the relationship between supplier satisfaction and its first-tier antecedents, the results in paragraph 6.5 show that different countries do have different priorities regarding important factors influencing their satisfaction and that there is a significant difference between the two groups. Due to this, a second analysis is done to see whether the cultural dimensions can be a reason for these differences. Since no comparison is possible due to a needed sample size of 35 and that of Germany is only 28, the model of Vos et al. (2016) is duplicated to see whether the national culture dimensions (e.g. individualism etc.) have a moderating effect on the relationship between supplier satisfaction and its first-tier

antecedents. All moderating effects appeared to be insignificant and thus have no moderating effect on the relationships in the model of Vos et al. (2016). Additionally, the same is done for the organisational culture dimensions of the GLOBE study (e.g. in-group collectivism). Also here, the moderating effects appeared to be insignificant. The results from these two analyses can be found in appendix M, together with the tested models. Both models meet all thresholds for convergent and discriminant validity and show sufficient SRMR's.

6.7 Results extra variables: National culture does not influence organisational culture

The influence of national culture on organisational culture is tested to see whether they indeed influence each other. Results show that national culture positively influences organisational culture, but no significance is found (see table 3). However, with moderate effect size and thus moderate statistical power, the standard error is relatively high. This indicates that the means of the data are spread out and that there is a possibility that the means are an inaccurate representation of the true population mean. Even though no relation is found, no invalidity of the answers on the GLOBE study is considered, since two different studies are used to measure the concepts. National culture is measured via Hofstede's six national cultural dimensions and organisational culture is measured via the nine organisational cultural dimensions from the GLOBE study.

Secondly, as a control, a distinction is made between direct and indirect procurement as also done in the model of Vos et al. (2016) which is replicated in this thesis. It is found that the predictive power of the model (R^2) increases when making this distinction as shown in appendix O, figure 10. Below in table 4 the findings of Vos et al. (2016) are presented and compared to the findings of the thesis. A more detailed interpretations of the results can be found in appendix O.

The first difference is found related to the effect of the first-tier antecedents of supplier satisfaction. In this thesis, no effect is found for growth opportunity ($t_{(D)}=1.53$, $\beta_{(D)}=0.35$, $f^2_{(D)}=0.17$; $t_{(I)}=0.35$, $\beta_{(I)}=0.07$, $f^2_{(I)}=0.00$) and profitability ($t_{(D)}=0.72$, $\beta_{(D)}=-0.18$, $f^2_{(D)}=0.04$; $t_{(I)}=0.63$, $\beta_{(I)}=0.18$, $f^2_{(I)}=0.01$) on supplier satisfaction and for operative excellence only effect is found for direct procurement ($t_{(D)}=1.72$, $\beta_{(D)}=0.35$, $f^2_{(D)}=0.18$). Second, a difference is found for the effect of supplier satisfaction on preferred customer status. Only for indirect procurement effect is found for supplier satisfaction on preferred customer status ($t_{(I)}=2.40$, $\beta_{(I)}=0.32$, $f^2_{(I)}=0.14$). The effect for direct procurement is missing.

Table 3: Results of the control variable national culture (N=103).

Control relationship	Std Beta	Std Error	t-value	f²
National culture → Organisational culture	0.38	0.31	1.19	0.16

Table 4: Comparison between the model of Vos et al. (2016) and this thesis (orange field indicates a different outcome).

Hypothesis	Relationship	Findings			
		Vos et al. (2016)¹⁷⁷		This thesis	
		Direct	Indirect	Direct	Indirect
H1a	Growth opportunity → Supplier satisfaction	0.13*	0.20**	0.35	0.08
H1b	Profitability → Supplier satisfaction	0.33**	0.28**	-0.18	0.18
H1c	Relational behaviour → Supplier satisfaction	0.25**	0.05	0.41*	0.33*
H1d	Operative excellence → Supplier satisfaction	0.07	0.20**	0.35*	0.05
H1e	Supplier satisfaction → Preferred customer status	0.41**	0.41**	0.03	0.32**
H1f	Preferred customer status → Preferential treatment	0.55**	0.51**	0.75**	0.73**

*<0.05 (one-tailed), **<0.01 (one-tailed)

¹⁷⁷ See Vos et al. (2016), p. 4620

7 Polynomial regression with response surface analysis: Expectations do not play a major role

Before starting with the polynomial regression, two things are assessed. First, a check is done for discrepancy. This is done with the independent variables, expectations profitability and outcome profitability, expectations innovation potential and outcome innovation potential, and expectations improvement and outcome improvement. These comparisons are shown in appendix F. The comparison between expectations total outcome and outcome is not made since outcome is the same as the overall supplier satisfaction. When making a polynomial this would mean that two axes would be the same. When the percentage is above 10%, there is discrepancy¹⁷⁸. The differences ($X - Y$) are calculated by extracting the actual outcome (Y) from the expectation (X). Afterwards the differences are grouped where a 0.00 indicates a difference below -0.5, 1.00 indicates a difference between -0.49 and 0.49 and 2.00 indicates a difference larger than 0.5. This means that when the difference is below -0.5, the actual outcome is higher than what is expected and vice versa. All responses placed in group 1.00 represents more or less similarity between the expectations and the outcome. When assessing the tables in appendix P, the conclusion can be drawn that all differences show discrepancy which indicates that it makes sense to analyse the data.

Secondly, linearity, normality and multi-collinearity are assessed. Linearity is assessed via scatterplots, normality is assessed via frequency histograms, Kolmogorav-Smirnov and Shapiro-Wilk tests, and multi-collinearity via the VIF scores. Linearity is found. Normality is not met when looking at the significance of the Kolmogorav-Smirnov and Shapiro-Wilk tests. All scores are found to be significant, which implies non-normality. However, when there is a larger sample it is recommended to look at the shape of the histogram instead on the formal inference tests, since the standard error decreases when increasing the sample size¹⁷⁹. In this case all variables show between -0.04 and 0.87 for kurtosis. Positive kurtosis means that underestimates will be done for the variance explained. However, with sample sizes above 100, this underestimation disappears¹⁸⁰, which is the case for this analysis. Next, when looking at the skewedness, scores range between -0.80 and 0.07. A square root transformation is done for the negatively skewed variables to see how the skewedness and kurtosis would change. This results in significantly more negative skewedness and more

¹⁷⁸ See Shanock et al. (2010), p. 551

¹⁷⁹ See Tabacknick & Fidell (2012), p. 80

¹⁸⁰ See Tabacknick & Fidell (2012), p. 80

positive kurtosis. Due to this, no transformation is used for further analysis. Since the frequency histograms do show a normality curve, and the normal P-P plot shows linearity, normality is assumed despite the significant Kolmogorav-Smirnov and Sharpiro-Wilk tests. Lastly, all VIF scores are between 1-10, so no multi-collinearity is detected. Also, a closer look is taken at the R^2 's. These range between 0.160 and 0.239. This is significantly different from zero, which is why polynomial regression will be done with regard to four surface tests: slope along $x - y$, curvature on $x - y$, slope along $x = -y$ and curvature on $x = -y$ ¹⁸¹.

The observation of three interaction effects on supplier satisfaction leads to three different polynomial regression models. In every tested model, supplier satisfaction is the dependent variable (Z) and the independent variables are the expectations (X) and the actual outcome (Y). To give an interpretation of the figures and tables below, an example is given for profitability (figure 9 (upper left), table 5). When assessing the slope along $x = y$, it is shown in the table that there is a positive and significant relationship ($\beta=0.37$, $p\text{-value}=0.00$). This means that agreement between the expectations of profitability and the actual outcome of profitability matter¹⁸². The lowest level of supplier satisfaction is at the front corner of the graph where the expectations and outcome are also both low, and increasingly higher towards the top of the graph where the expectations and actual outcome are both in agreement and high. This implies that the higher the positive agreement of expectations of profitability and the actual outcome of profitability, the higher the suppliers' satisfaction. The significance of the slope along $x = y$ indicates a linear relationship. Since this is true, the curvature on $x = y$ should be insignificant, since a significant curvature on $x = y$ would indicate non-linearity¹⁸³, which is also true as shown in table 5. The curvature on $x = y$ is negative ($\beta=-0.05$, $p\text{-value}=0.51$). This can be seen in the figure by the concave surface, where the surface is downward curving. Additionally, no significant effect is found for the relationship between the degree of discrepancy and supplier satisfaction (curvature on $x = -y$; $\beta=0.00$, $p\text{-value}=0.99$). Lastly, the direction of the discrepancy related to the outcome can be assessed by looking at the slope along $x = -y$. Here a negative relationship is found ($\beta=-0.30$, $p\text{-value}=0.09$) which indicates that supplier satisfaction is higher when the discrepancy is such that the actual outcome is higher than the expectations and vice versa (i.e. asymmetry). However, also this relationship is insignificant so the direction of discrepancy between the expectations for profitability and the actual outcome does not matter. By only

¹⁸¹ See Shanock et al. (2010), p. 548

¹⁸² See Shanock et al. (2010), p. 546

¹⁸³ See Shanock et al. (2010), p. 549

assessing the surface shape, the highest degree of satisfaction is obtained when there are low expectations and high outcomes. When looking at the other information in table 5, no further significant relationships are found. This means that only for profitability, agreement between the expectations and the actual outcome matters. Generally, expectations do not play a major role.

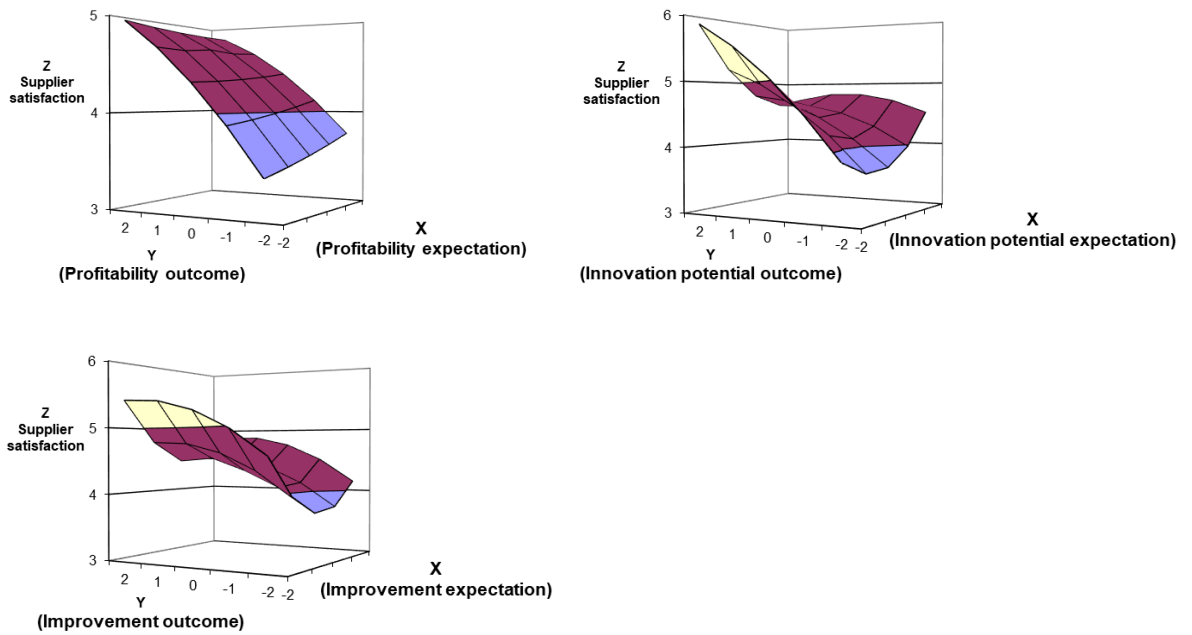


Figure 9: Surface analysis of expectations and the actual outcome on supplier satisfaction.

Table 5: Testing slopes and curves.

Effect of profitability	Coefficient	Std Error	t-value	p-value
a ₁ : Slope along x = y (as related to Z)	0.37	0.10	3.55	0.00
a ₂ : Curvature on x = y (as related to Z)	-0.05	0.08	-0.66	0.51
a ₃ : Slope along x = -y (as related to Z)	-0.30	0.17	-1.70	0.09
a ₄ : Curvature on x = -y (as related to Z)	0.00	0.14	-0.01	0.99
Effect of innovation potential	Coefficient	Std Error	t-value	p-value
a ₁ : Slope along x = y (as related to Z)	0.21	0.13	1.69	0.10
a ₂ : Curvature on x = y (as related to Z)	-0.04	0.08	-0.43	0.67
a ₃ : Slope along x = -y (as related to Z)	-0.33	0.25	-1.32	0.19
a ₄ : Curvature on x = -y (as related to Z)	0.19	0.15	1.23	0.22
Effect of improvement	Coefficient	Std Error	t-value	p-value
a ₁ : Slope along x = y (as related to Z)	0.07	0.14	0.49	0.63
a ₂ : Curvature on x = y (as related to Z)	0.10	0.88	0.11	0.91
a ₃ : Slope along x = -y (as related to Z)	-0.31	0.26	-1.20	0.23
a ₄ : Curvature on x = -y (as related to Z)	0.11	0.89	0.12	0.90

*<0.05 (one-tailed), **<0.01 (one-tailed)

8 Discussion of the results

8.1 Discussion of the results of the replicated model of Vos et al. (2016) and the standard control of van der Lelij (2016): Low turnover share explains the differences

First, the model of Vos et al. (2016) is replicated. Results show that relational behaviour has a positive influence on supplier satisfaction, supplier satisfaction has a positive influence on preferred customer status and that preferred customer status has a positive influence on preferential treatment. Even though, these findings are in line with the findings of Vos et al. (2016), all other results show no support (appendix J). Not finding support for growth opportunity, profitability and operative excellence merits one question for future investigation. While Vos et al. (2016) supports the positive effect of growth opportunity, profitability and operative excellence on supplier satisfaction¹⁸⁴, multiple researchers found no support as well¹⁸⁵. One reason for not finding an effect for profitability can be due to the low profit CompanyX provides its supplier with as shown in table 1. When taking a closer look into the data, it is found that for 59% of the suppliers, CompanyX provides less than 5% of their profit. Due to this it is logically to say that profitability is not the foundation of the relationship. Therefore, also growth opportunity can be considered as less important. When low profits are obtained, CompanyX is one of many smaller buyers, or there are larger buyers. Growth opportunity focusses on growth rates, dominant market positions, attractiveness and new market opportunities. When only being a smaller buyer, it makes sense that no big role in market positions and opportunities is played. Lastly, operative excellence can be found insignificant because the variable is examined based on four statements, where two focus on the excellence of forecasts and two focus on the processes. It is possible, that a supplier is satisfied with the process but not satisfied with the forecasts done by CompanyX. Since this is not the first master thesis which found no effect, there could be a general problem with the variable, and that it is probably mediated by another factor. The results in this thesis may also differ since a different industry and sample size is used.

Second, the variable status was added to the model of Vos et al. (2016). Results show that status positively influences supplier satisfaction and preferred customer status, which is in line with the finding of van der Lelij (2016). This indicates that when the customer has a

¹⁸⁴ See for Vos et al. (2016), p. 4620

¹⁸⁵ See Kok (2020), p. 99 for growth opportunity, Henn (2018), LL for profitability and operative excellence and Sende (2018), A-7 and Hüttinger et al. (2014), p. 711 for operative excellence

higher status in the eyes of the suppliers, it is easier to receive preferred customer status. An important reason for this is that a high-status actor can get greater effort from lower-status actors¹⁸⁶.

8.2 Discussion of the results of the model extension: The effect of transaction costs is overestimated and the effect of diversity is underestimated

Third, the impact of organisational cultural fit in the buyer-supplier relationship was assessed. No direct or moderating effect is found for organisational cultural fit on supplier satisfaction and between supplier satisfaction and its first-tier antecedents. This contradicts previous research which found that culture plays a major role in business-to-business relationships¹⁸⁷, but is in line with more recent research where the moderating effect of culture is not found¹⁸⁸. It can be that the sample size is too small to gain an effect or that the sample characteristics play a role. The average length of the relationship between CompanyX and its' supplier is 25.5 years. When working together for a longer time, the entire process of working together (e.g. communication, planning) proceeds more smoothly than when just starting to work together because the relationship becomes more familiar¹⁸⁹. When becoming more familiar it becomes easier to understand each other which could be a reason for not finding an effect; the barriers of culture have already been overcome (i.e. cultural awareness has been developed). Lastly, it can also be that there simply is no effect.

Additionally, it is found that with a lower organisational cultural fit and thus higher cultural diversity, higher growth opportunity and relational behaviour is obtained, which indicates that the impact of the diversity theory is underestimated and the impact of the TCE theory is overestimated. Even though, the TCE theory helped in reasoning on why moderating effects would be positive, it merits the questions on whether the TCE theory is a fitting theory for effects in cultural research when long-term relationships are involved. The negative effect can be explained by looking at problem solving, flexibility, and improvements. This is the focus of the indicators of relational behaviour and increases with diversity. Additionally, growth opportunity focusses on dominant market positions, attractiveness and new opportunities. This can increase when working with a different culture because they are highly likely to have different skill sets and resources, and diversity enhances creativity. These findings are supported by Hong and Page (1998), who stated that when working in a

¹⁸⁶ See Castellucci and Ertug (2010), p. 162

¹⁸⁷ See Deshpandé et al. (1993), p. 26 and Conrad et al. (1997), p. 672

¹⁸⁸ See Henn (2018), p. 49 and Kok (2020), p. 53

¹⁸⁹ See Biggemann and Buttle (2001), p. 1

diverse group it can help in finding the optimal solution to difficult problems (i.e. cognitive diverse) and, secondly, it is also supported by Klagge (2013) who found that when working in diverse groups, flexibility and creativity enhances¹⁹⁰. However, looking at the R²'s in figure 7, for both growth opportunity and relational behaviour, the R²'s are very small (i.e. 0.08 and 0.04 respectively), meaning that even though a significant relationship is found organisational cultural fit does not explain much of the variance of the first-tier antecedents. Secondly, a negative relationship is found between organisational cultural fit and preferential treatment, implying that when operating with the same culture, less often preferential treatment is obtained and vice versa. One reason can be that the complexity of the relationship increases when operating with a different culture¹⁹¹. In order to improve this relationship and make it less complex, suppliers can choose to send better employees and share more capabilities to make sure that the relationship will succeed. However, also here is shown that linking organisational culture fit to preferential treatment increases the R² of preferential treatment only with 0.02, which also indicates almost no predictive power¹⁹² and thus that organisational cultural fit does not explain much of the variance of preferential treatment. Lastly, organisational cultural fit has a negative influence on the degree of fulfilment of expectations which means that when there is greater cultural diversity in the relationship, more expectations are met. Also, here the allocation of better employees due to an increased complexity, to make the relationship more successful could be a reason. When providing the customer with better employees (which maybe even speak the same language) and more time, makes it able to enhance communication and equalise expectations. Looking at the R² change when linking organisational cultural fit to the degree of fulfilment of expectations, unlike the variables above, it increases by 0.03 indicating low predictive power¹⁹³, meaning that organisational cultural fit explains more of the variance of the degree of fulfilment of expectations, than it does for growth opportunity, relational behaviour and preferential treatment. By finding almost no predictive power for organisational cultural fit on the model of Vos et al. (2016), evidence is provided that organisational cultural fit does not play a major role, contradicting the findings of Deshpandé et al. (1993) and Conrad et al. (1997)¹⁹⁴.

¹⁹⁰ See Klagge (2013), p. 2-3

¹⁹¹ See Klagge (2013), p. 3

¹⁹² See Hair et al. (2011), p. 145

¹⁹³ See Hair et al. (2011), p. 145

¹⁹⁴ See Deshpandé et al. (1993), p. 26 and Conrad et al. (1997), p. 672

Fourth, for the effect of the ‘degree of fulfilment of expectations’ on supplier satisfaction, no support is found. However, a second analysis via polynomial regression showed that for profitability only, the agreement between the expectations of profitability and the actual outcome matters. They are mutually enforcing. In this case this means that when both the expectations and the actual outcome are high, satisfaction is obtained. This indicates that expectations do play a role to a certain extent. However, no effect is found for improvement and innovation potential, so the conclusion can be drawn that expectations do not play a major role. This merits a big question for further investigation. Even though, among others the social exchange theory, the confirmation/disconfirmation paradigm and the statement of Schiele et al. (2012, p. 1181) imply that when expectations are met, satisfaction is obtained, no support is found in this thesis. One reason can be that the measurement of this variable is questionable, which is further discussed in the limitations section. It can also be that the impact of meeting expectations is overestimated and does not play a major role as shown in this thesis. It is thinkable that suppliers can still be satisfied when the results delivered by their customer are good, regardless of the degree of fulfilment of expectations and that the expectations only play a role when initiating a relationship and thus considering the attractiveness of the customer. This leaves a nice gap for further research.

Fifth, ‘ethnocentrism’ was added to the model of Vos et al. (2016). Results show a positive effect for ethnocentrism on the degree of fulfilment of expectations, but no effect on supplier satisfaction. Even though ethnocentrism is identified as a factor leading to many cultural specific disadvantages¹⁹⁵, this thesis found that when the supplier thinks that his own culture is the best, the number of expectations met by the customer increases. Homburg et al. (2002, p. 10) said that if ‘firms acquainted with the consequences of cultural differences, communication problems, and technological and geographical distance are likely to have lower expectations in transnational as opposed to domestic business-to-business relationships’. Ethnocentrism can lead to cultural differences which would indicate that lower expectations are set when a group of people perceives itself as the best and other cultures as do not matter (high ethnocentrism), and thus the expectations are also easier met. However, this result is not completely reliable. When taking a closer look into the ethnocentric numbers obtained during data collection, the level of ethnocentrism ranges from 1 – 5. An average score represents the following: 1 - no ethnocentrism, 2 - low degree of

¹⁹⁵ See Adler and Gundersen (2008), p. 130

ethnocentrism, 3 - neutral, 4 - high degree ethnocentrism and 5 - extremely high ethnocentrism. Only 4 respondents score above the 'neutral' score on ethnocentrism, which corresponds to 3.88% of the total number of valid responses (see Appendix Q). This means that almost no extreme measures are included in this data sample and thus represents a low degree of ethnocentrism.

8.3 Discussion of the results per country group: Differences can be due to different norms and values, there is a need for further investigation

The model of Vos et al (2016) is tested on Germany and the rest of the sample to see whether countries identify different factors as leading to supplier satisfaction, and significant differences have been found, which is not in line with previous research¹⁹⁶. However, this could be due to the differences in research method (e.g. qualitative vs. quantitative) and different industries involved. A theoretical explanation for finding the differences mentioned in section 6.5, can be that Germany has different norms and values than the rest of the sample, which can form other requirements to achieve satisfaction and receive preferred customer status. This could be tested via the moderating effect of the cultural dimensions. However, in this thesis no distinction is made between the two country groups due to a too small sample size, which merits a question for further investigation. Therefore, the cultural dimensions of Hofstede (national culture) and the GLOBE study (organisational culture) have been tested as moderator in the model of Vos et al. (2016), but no effect is found which is in line with the findings of Henn (2018)¹⁹⁷. That no moderating effect is found for the cultural dimensions, also means that no effect is found for uncertainty avoidance which is not in line with the TCE theory. The importance of this, and a more detailed discussion about the differences are further explained in appendix O.

A summary of why different findings are found for the distinction between direct and indirect procurement compared to the model of Vos et al. (2016) is shown below. A more detailed explanation can be found in appendix O. First, no effect is found for growth opportunity and profitability on supplier satisfaction (see discussion in section 8.1) and for operative excellence only effect is found for direct procurement. This can be due to the fact that bad operative excellence does not have to be catastrophic for indirect procurement, but it is for direct procurement (i.e. chemicals). Second, only for indirect procurement effect is found for supplier satisfaction on preferred customer status. The effect for direct

¹⁹⁶ See Nyaga et al. (2010), p.101, Carter (2000), p. 206 and Hüttinger et al. (2014), p. 711

¹⁹⁷ See Henn (2018), p. 49

procurement is missing. This can be due to different measurements (i.e. absolute and ranking) but also other factors can have an influence on supplier satisfaction which are not included in this thesis (e.g. dependency).

9 Limitations and contributions: Despite several limitations, several contributions are offered

9.1 Limitations and future research suggestions

This research has several limitations. First, owing to the focus on the suppliers of CompanyX, this study's generalizability is limited to companies similar to that of CompanyX (i.e. paper packaging industry). Research on other companies has shown different outcomes which implicates that future research could test the hypotheses by using other companies as well¹⁹⁸. Additionally, quite a small sample size is used (N=103). In order to increase the validity of the cross-cultural difference findings, this study needs to be replicated with a bigger sample size, more countries involved and more respondents per country. This will also help to increase the effect sizes on the model extension, which would lead to higher statistical power¹⁹⁹.

Second, different questions have been used to measure the degree of fulfilment of expectations (i.e. expectations and outcome). This is done to keep the number of questions in the survey as low as possible. Future research could test the variable; degree of fulfilment of expectations by asking the same questions about expectations and what is perceived (e.g. we expected great improvements, CompanyX provides us with great improvements). Additionally, a control question has been added to the survey; 'CompanyX meets our expectations'. The answer to this question is compared to the actual score for the variable 'degree of fulfilment of expectations' (i.e. 'CompanyX meets our expectations' is answered with 4 or 5, indicating agreement, is compared to the score between 0-1, where a 'VALID' outcome would mean that at least three out of four expectations have been met). A robustness check could have been done, only cases labelled as valid should then be used. However, the sample size is only 42 which is below the 'ten times arrowhead' rule. Due to this, no robustness check could be done on this validation question and should be kept for future research. Third, only a measurement is done for whether expectations are met but exceeding expectations in not included in these calculations. According to the

¹⁹⁸ See for example Hüttinger et al. (2014), Vos et al. (2016), and Kok (2020)

¹⁹⁹ See Hair Jr. et al. (2014), p. 691

confirmation/disconfirmation paradigm, exceeding expectations leads to higher satisfaction²⁰⁰. Including this in the calculation could lead to a change in the results and maybe even a significant relationship. Therefore, it is recommended for future research to take this aspect of expectations also into account. Lastly, the expectations are measured in the present and not in the past. Expectations at the beginning of the relationship can be different than they currently are. Since this thesis has been conducted in half a year, future research can apply the same study but over a longer period to really measure the expectations, and additionally, how they change over time.

Third, organisational cultural fit is tested as a calculated measure and not as a perceptual measure. Perceiving an organisational cultural fit can also have an influence on supplier satisfaction, as shown by Sende (2018)²⁰¹. Future research could focus on assessing both methods. Additionally, this thesis measures organisational culture via practise constructs only because values have been found to have very little influence on organisational culture. However, very little influence is not the same as no influence. Future research could include both practise and value measurement questions. Next, organisational culture is measured via the employees in a company. The number of employees in a company filling in the organisational culture survey from the GLOBE study varies between the 1 and 8. Culture measured on only one person measures individual culture which is not always representable for the entire organisation. Even though there has been a request for sending the cultural survey to at least 2 other colleagues, not all suppliers followed this request. The calculations of organisational cultural fit are thus sometimes based on only one individual, which could alter the coefficients and significance levels, making them more biased. A robustness check was not possible on this, due to a too low sample size when excluding the cases where only the organisational culture was based on only one response. Future research could test the effect of organisational cultural fit on supplier satisfaction based on more responses to see whether the same results are obtained. As last, a disadvantage of quantitative organisational culture research is that it is easy for items to not be contained within survey instruments causing them to remain unnoticed²⁰². Since this thesis made use of predetermined cultural dimensions, it can be that other dimensions of culture are playing a role but are not included

²⁰⁰ See Oliver (1980), p. 460-461

²⁰¹ See Sende (2018), p. 42

²⁰² See Jung et al. (2009), p. 1093

in the GLOBE cultural scales. In order to prevent this from happening in the future, qualitative research could be a good addition.

Fourth, the direct effect of cultural values is tested on the antecedents of supplier satisfaction. However, there are also economic factors (i.e. openness of markets, level of inflation) which influence growth. Unless these other factors are included, any model linking culture to (economic) growth will be underspecified²⁰³. Future research could test the effect of culture on growth opportunity by including other economic factors which have also shown to play a role. Additionally, there is room for including control variables in the model, like dependency, the length of the relationship or the number of days the supplier took to respond.

Fifth, the survey has been conducted in English which is for 78% of the respondents not their native language. Research has proven that non-native speakers provide lower data quality²⁰⁴ and thus it is recommended to do future research with translated surveys. Additionally, this limitation is shown by the comment's respondents could left at the last question of the survey. One respondent mentioned that 'some questions are difficult to understand, if you are not a native English speaker' and another one said, 'it would be nice if these types of survey could be published in multiple languages'.

Sixth, any longitudinal effects of culture in buyer-supplier relationship have not been considered. Organisational culture has a relatively short history in research concerning supplier satisfaction, meaning that all extant research by necessity focusses on a short-term effect of cultural performance. As the development of culture advances, more comprehensive datasets may be possible to conduct longitudinal research. Future research can study how the effect of culture on the antecedents of supplier satisfaction changes over time.

Next, it is good to consider the social desirability bias. The data collection is not done by the case company, to reduce the probability of this bias. Additionally, it is communicated that CompanyX will not receive any company names or additional information that would lead back to a certain supplier. However, some suppliers mentioned in the comments that they still think that their information will lead back to them (mainly because of the percentage of turnover provided by CompanyX (some suppliers filled this in with 0.00%) and the length of their relationship questions). As they did not know, this data would not be presented to

²⁰³ See Johnson & Lenartowicz (1998), p. 337

²⁰⁴ See Wenz et al. (2019), p. 18

CompanyX. Due to this, it is reasonable to believe that the social desirability bias still played a (small) role but is not considered as majorly influencing the results, since these questions were asked at the end of the survey. The bias could have been minimised even more by including the Crowne-Marlowe Social Desirability Scale²⁰⁵, but this would increase the length of the survey and therefore has not been included. In future research it is recommended to either include the Crowne-Marlowe Social Desirability Scale, or to include the necessary questions with a side note since they appear to evoke doubts concerning anonymity.

As last, there is one more future research suggestion. In this thesis two studies are combined, namely that of Hofstede and House et al. (2004). Hofstede's dimensions are used to calculate the scores for national culture and the GLOBE study dimensions from House et al. (2004) are used to calculate the scores for organisational culture which can cause differences in results. Since Hofstede's organisational culture dimensions lack representativeness of all possible organisations²⁰⁶, it is recommended to use the dimensions and survey from the GLOBE study.

9.2 Contribution and implications

Despite its limitations, by addressing the gap between culture, expectations and supplier satisfaction this thesis also offers several contributions to research on supplier satisfaction and the buyer-supplier relationship.

First, theoretical contribution is made to supplier satisfaction and buyer-supplier relationship research by investigating the effect of culture on supplier satisfaction and its first-tier antecedents. This thesis shows that culture in the form of organisational cultural fit does not play a major role in the replicated model but that cross-cultural differences do influence supplier satisfaction. The findings contribute to the literature on antecedents of supplier satisfaction since organisational cultural fit, organisational cultural dimensions and ethnocentrism have not been studied before in relation to supplier satisfaction. By investigating the impact of culture, calls are answered for more research on the impact of national cultural dimensions on supplier satisfaction and its first-tier antecedents by calculating values based on country basis (i.e. Kok (2020, p. 60)) and more research on the moderating effect of culture²⁰⁷. Additionally, as is his call for including other cultural

²⁰⁵ See Carter (2000), p. 199

²⁰⁶ See Hofstede (2020), p. 1

²⁰⁷ See Henn (2018), p. 51

dimensions from other researchers by investigating the impact of House's organisational cultural dimensions. This deepens our understanding of the importance of (understanding) the role of culture in this global sourcing world. However, future research can contribute even more by investigating the same but mitigating the limitations in this thesis. Additionally, by identifying the relationship between organisational cultural fit and the first-tier antecedents of supplier satisfaction, a new second-tier antecedent of supplier satisfaction has been identified, however only with minor influence, implying that organisations should not worry about organisational cultural fit.

Second, contribution is made to supplier satisfaction research by investigating the effect of meeting expectations on supplier satisfaction. This is the first research comparing statements (i.e. the comparison level – SET) in already existing surveys used by Hüttinger et al. (2014) and Vos et al. (2016), among others. By finding that the degree of fulfilment of expectations is not related to supplier satisfaction, it puts several statements made regarding the impact of meeting expectations on satisfaction (i.e. Schiele et al. (2012, p. 1181), the social exchange theory and the confirmation/disconfirmation paradigm) into question. Quantitative proof on these statements/theories was missing and still is, theoretically implying the probability that the role of meeting expectations is overestimated in relation to supplier satisfaction. However, the measurement has lots of room for improvement and is only the first one done in literature, therefore more research needs to be done before conclusions are drawn.

Another contribution to satisfaction and thus the buyer-supplier relationship research is the overall investigation in the factors influencing these two concepts. These are factors that can explain how and why buyers achieve preferred outcomes that require a substantial effort and can benefit to the buyers of firms in different countries/cultures. Not only do the results strengthen the existing model of Vos et al. (2016) by showing that relational factors explain greater variance in supplier satisfaction than economic factors, it also deepens the understanding of how these factors differ per country. In order to identify more cross-cultural differences, more research is necessary by replicating this thesis with more countries involved. This will give clear guidelines on which antecedents to put the main focus on per country. Additionally, by replicating the study of Vos et al. (2016, p. 4621) for the paper packaging industry, their call is answered for replicating the study assessing the differences for direct and indirect materials using a different industry.

As last, all this leads to very important practical implications for the purchasers. First, the findings in this thesis show the positive effect of supplier satisfaction on becoming a preferred customer. This highlights the importance of satisfying the supplier, since it is an important factor for gaining a competitive advantage through purchasing. Companies need to focus on this with their key strategic suppliers since this could lead to receiving preferential treatment. Second, the finding that relational factors explain greater variance in supplier satisfaction than economic factors implies that even though the buying firm is not able to provide the supplier with high profitability, satisfaction can still be obtained when focussing on relational behaviour. Relational behaviour can positively influence supplier satisfaction when focussing on improvements, problem solving and flexibility. Additionally, it is found that companies can benefit by building long term relationships, since this increases status. This thesis found that expectations do not play a major role. Even though, expectations are determining the customers' attractiveness, they do not influence the suppliers' satisfaction. Supplier satisfaction can be obtained when delivering good results. An implication for purchasers is still to focus on achieving expectations and good communication to equalise them until more research is done.

Next, this research found no influence of organisational cultural fit and ethnocentrism on supplier satisfaction, implying that buying companies should not put their focus on these cultural factors. Focus should be put on understanding different cultures, since this thesis found that factors influencing supplier satisfaction can differ per country. Differing per situation, is better to focus more on one concept than on another. It is recommended to train purchasers to spot similar and different cultures (e.g. through reading, knowledge sharing, asking, observing etc.) and apply their knowledge in the supplier selection process for their preferred outcome. When it is identified on which antecedents the buyer excels (i.e. via supplier satisfaction surveys), the comparison can be made between where buyers excel in and what is important for supplying companies. Obtaining preferred customer status will become easier when a buyer excels in the antecedent that is important for the supplier. Finding this fit can become an important aspect in supplier selection processes.

10 Conclusion: Organisational cultural fit and expectations do not play a major role and ethnocentrism plays no role at all

We live in an age where purchasing has a pervasive presence in our lives. The spread of global sourcing has challenged the practices of the role of procurement within the buyer-supplier relationship. The collection of findings obtained in this thesis showed that important insight is gained into the role of culture and expectations in the buyer-supplier relationship to achieve supplier satisfaction, preferred customer status and preferential treatment, leading to a competitive advantage. After adopting qualitative and quantitative research, the two research questions of this thesis: 1) 'What is the impact of culture on supplier satisfaction in the buyer-supplier relationship, in the paper packaging industry, for CompanyX?' and 2) 'How does the degree of fulfilment of expectations influence supplier satisfaction, in the buyer-supplier relationship, in the paper packaging industry, for CompanyX?' are answered.

Shortly, 1a) organisational cultural fit does not influence supplier satisfaction and only has very little negative influence on its first-tier antecedents; growth opportunity and relational behaviour, and the degree of fulfilment of expectations and preferential treatment. 1b) Different countries have different outcomes related to factors influencing supplier satisfaction, where Germany emphasizes less on the first-tier antecedents of supplier satisfaction than the rest of the sample does. Lastly, 1c) ethnocentrism does not influence supplier satisfaction. 2a) The degree of fulfilment of expectations does not influence supplier satisfaction and 2b) only with regards to profitability, expectations play a role in supplier satisfaction where the agreement between the expectations and the outcome matters. With this, the conclusion can be drawn that with current measurements, organisational cultural fit and the degree of fulfilment of expectations, in the buyer-supplier relationship have no influence on supplier satisfaction in the paper packaging industry. When learning to understand different cultures and their satisfying constructs, preferred customer status will be obtained, preferential treatment will be received, and a competitive advantage will be achieved.

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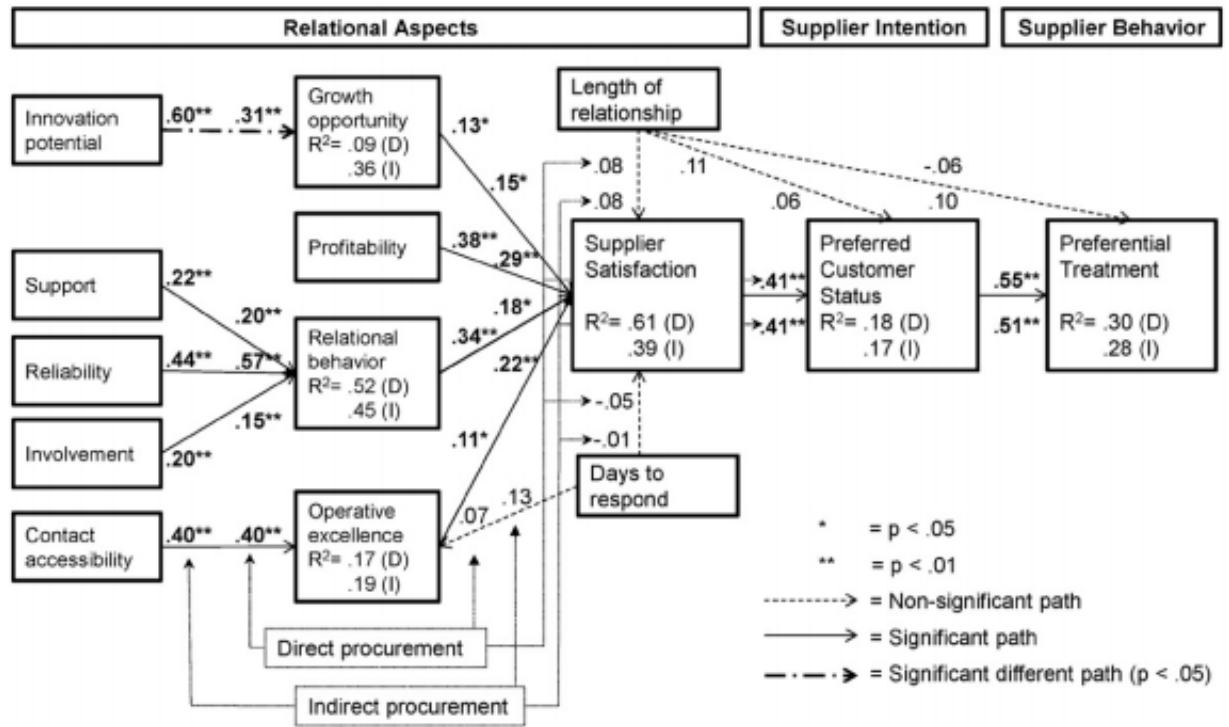
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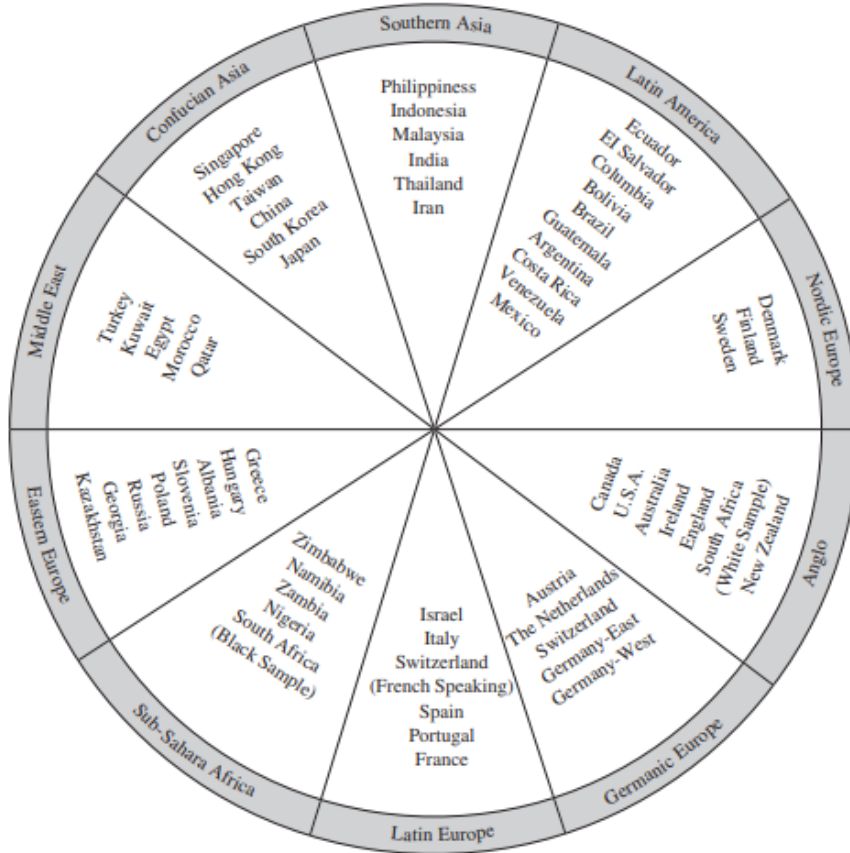
12 Appendix

A: Model of Vos et al. (2016)



Source: Vos et al. (2016), p. 4620

B : Globe study cluster pie



Source: House et al. (2004), p. 190.

C: Interpretation of the six Hofstede dimensions in all kind of situations.

Small Power Distance	Large Power Distance
Use of power should be legitimate and is subject to criteria of good and evil	Power is a basic fact of society antedating good or evil: its legitimacy is irrelevant
Parents treat children as equals	Parents teach children obedience
Older people are neither respected nor feared	Older people are both respected and feared
Student-centered education	Teacher-centered education
Hierarchy means inequality of roles, established for convenience	Hierarchy means existential inequality
Subordinates expect to be consulted	Subordinates expect to be told what to do
Pluralist governments based on majority vote and changed peacefully	Autocratic governments based on co-optation and changed by revolution
Corruption rare; scandals end political careers	Corruption frequent; scandals are covered up
Income distribution in society rather even	Income distribution in society very uneven
Religions stressing equality of believers	Religions with a hierarchy of priests

Indulgence	Restrained
Higher percentage of people declaring themselves very happy	Fewer very happy people
A perception of personal life control	A perception of helplessness: what happens to me is not my own doing
Freedom of speech seen as important	Freedom of speech is not a primary concern
Higher importance of leisure	Lower importance of leisure
More likely to remember positive emotions	Less likely to remember positive emotions
In countries with educated populations, higher birthrates	In countries with educated populations, lower birthrates
More people actively involved in sports	Fewer people actively involved in sports
In countries with enough food, higher percentages of obese people	In countries with enough food, fewer obese people
In wealthy countries, lenient sexual norms	In wealthy countries, stricter sexual norms
Maintaining order in the nation is not given a high priority	Higher number of police officers per 100,000 population

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
The uncertainty inherent in life is accepted and each day is taken as it comes	The uncertainty inherent in life is felt as a continuous threat that must be fought
Ease, lower stress, self-control, low anxiety	Higher stress, emotionality, anxiety, neuroticism
Higher scores on subjective health and well-being	Lower scores on subjective health and well-being
Tolerance of deviant persons and ideas: what is different is curious	Intolerance of deviant persons and ideas: what is different is dangerous
Comfortable with ambiguity and chaos	Need for clarity and structure
Teachers may say 'I don't know'	Teachers supposed to have all the answers
Changing jobs no problem	Staying in jobs even if disliked
Dislike of rules - written or unwritten	Emotional need for rules – even if not obeyed
In politics, citizens feel and are seen as competent towards authorities	In politics, citizens feel and are seen as incompetent towards authorities
In religion, philosophy and science: relativism and empiricism	In religion, philosophy and science: belief in ultimate truths and grand theories

Individualism	Collectivism
Everyone is supposed to take care of him- or herself and his or her immediate family only	People are born into extended families or clans which protect them in exchange for loyalty
"I" – consciousness	"We" –consciousness
Right of privacy	Stress on belonging
Speaking one's mind is healthy	Harmony should always be maintained
Others classified as individuals	Others classified as in-group or out-group
Personal opinion expected: one person one vote	Opinions and votes predetermined by in-group
Transgression of norms leads to guilt feelings	Transgression of norms leads to shame feelings
Languages in which the word "I" is indispensable	Languages in which the word "I" is avoided
Purpose of education is learning how to learn	Purpose of education is learning how to do
Task prevails over relationship	Relationship prevails over task

Femininity	Masculinity
Minimum emotional and social role differentiation between the genders	Maximum emotional and social role differentiation between the genders
Men and women should be modest and caring	Men should be and women may be assertive and ambitious
Balance between family and work	Work prevails over family
Sympathy for the weak	Admiration for the strong
Both fathers and mothers deal with facts and feelings	Fathers deal with facts, mothers with feelings
Both boys and girls may cry but neither should fight	Girls cry, boys don't; boys should fight back, girls shouldn't fight
Mothers decide on number of children	Fathers decide on family size
Many women in elected political positions	Few women in elected political positions
Religion focuses on fellow human beings	Religion focuses on God or gods
Matter-of-fact attitudes about sexuality; sex is a way of relating	Moralistic attitudes about sexuality; sex is a way of performing

Short-Term Orientation	Long-Term Orientation
Most important events in life occurred in the past or take place now	Most important events in life will occur in the future
Personal steadiness and stability: a good person is always the same	A good person adapts to the circumstances
There are universal guidelines about what is good and evil	What is good and evil depends upon the circumstances
Traditions are sacrosanct	Traditions are adaptable to changed circumstances
Family life guided by imperatives	Family life guided by shared tasks
Supposed to be proud of one's country	Trying to learn from other countries
Service to others is an important goal	Thrift and perseverance are important goals
Social spending and consumption	Large savings quote, funds available for investment
Students attribute success and failure to luck	Students attribute success to effort and failure to lack of effort
Slow or no economic growth of poor countries	Fast economic growth of countries up till a level of prosperity

Source: Hofstede (2010)

D: Syntax for creating the National Cultural scores (mx=mean score of question S_hofstede_400_x).

Power Distance Index (PDI) = $35(m07-m02)+25(m20-m23)$

Individualism Index (IDV) = $35(m04-01)+35(m09-m06)$

Masculinity Index (MAS) = $35(m05-m03)+35(m08-m10)$

Uncertainty Avoidance Index (UAI) = $40(m18-m15)+25(m21-m24)$

Long Term Orientation Index (LTO) = $40(m13-m14)+25(m19-m22)$

Indulgence versus Restraint Index (IVR) = $35(m12-m11)+40(m17-m16)$

E: Syntax for creating the Organizational Cultural Practices (AS IS) scales for the GLOBE study dimensions.

Uncertainty Avoidance Organizational Practices = $\text{mean}(\text{ADD_GLOBE_1,16,19})$.

Future Oriented Organizational Practices = $\text{mean}(\text{ADD_GLOBE_3,4,8})$.

Power Distance Organizational Practices = $\text{mean}(\text{ADD_GLOVBE_5,13,25})$.

Institutional Orientation Organizational Practices = $\text{mean}(\text{ADD_GLOBE_7,12,30})$

Humane Orientation Organizational Practices = $\text{mean}(\text{ADD_GLOBE_9,21,24,29})$.

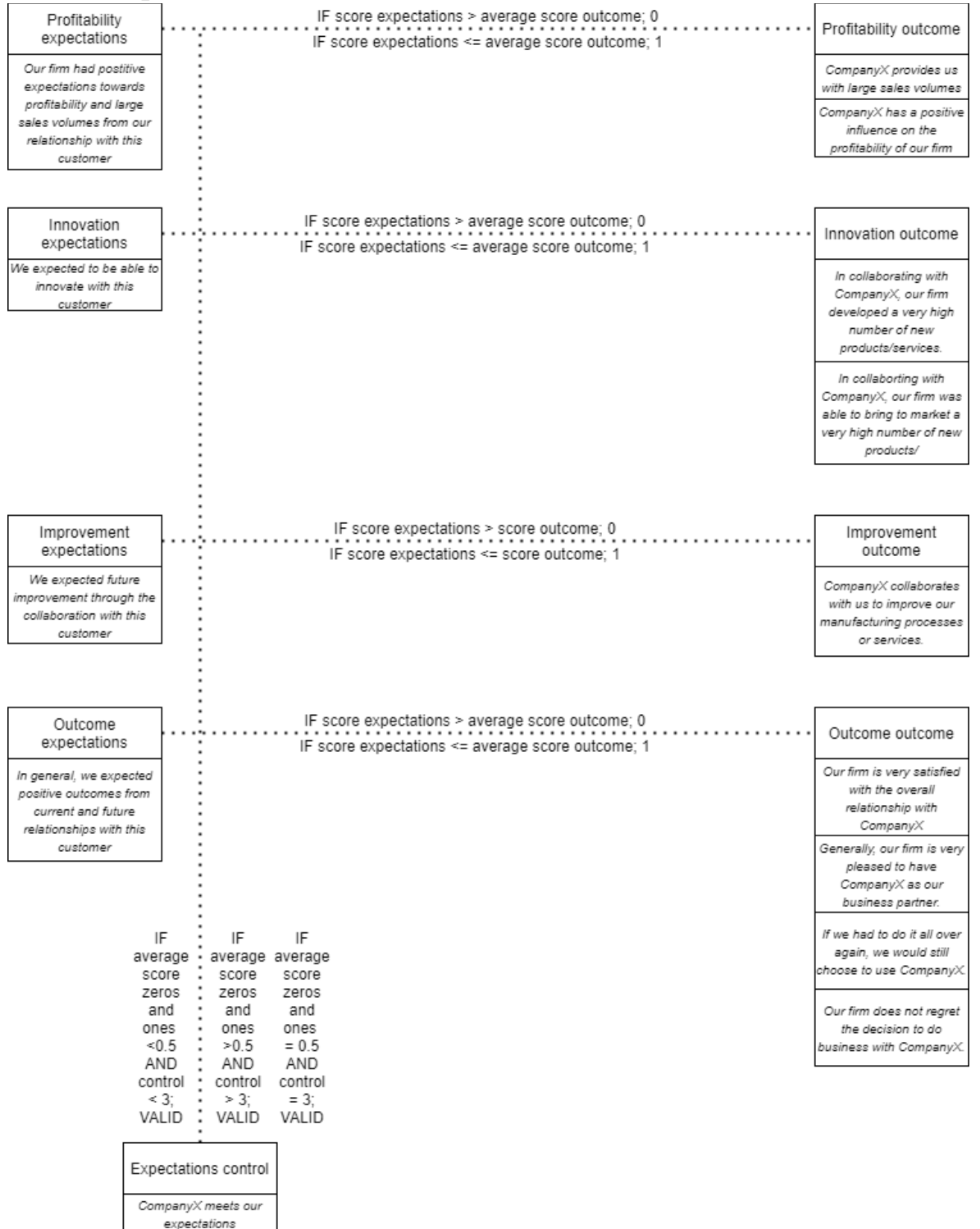
Performance Orientation Organizational Practices = $\text{mean}(\text{ADD_GLOBE_15,18,20,27})$.

In-group Collectivism Organizational Practices = $\text{mean}(\text{ADD_GLOBE_11,23,26,28,33})$.

Gender Egalitarianism Organizational Practices = $\text{mean}(\text{ADD_GLOBE_17,22,34})$.

Assertiveness Organizational Practices = $\text{mean}(\text{ADD_GLOBE_2,6,10,14})$.

F: Comparison between the expectations and actual outcome of the variable expectations



G: Survey

Reference	SPSS number	Questions	Answers
		General information	Standard: 1=fully disagree, 2=disagree, 3= neither disagree nor agree, 4= agree, 5- fully agree
	ORG_CountryOfOrigin_255	Country (location) of company:	open question
	S_Gender_237	Gender:	male-female (2-point likert)
	S_hofstede_400_26	Age:	number
	S_hofstede_400_29	Nationality:	open question
	S_hofstede_400_30	Nationality of birth (if different):	open question
Vos et al. 2016 + earlier (Liu et al, 2009)		Growth opportunity	
		The relationship with CompanyX....	
	S_Growth_20_1	... provides us with a dominant market position in our sales area.	see above (standard)
	S_Growth_20_2	... is very important for us with respect to growth rates	see above (standard)
	S_Growth_20_3	... enables us to attract other customers	see above (standard)
	S_Growth_20_4	... enables us to exploit new market opportunities	see above (standard)
Vos et al. 2016 + earlier (Goodale et al 2011)		Innovation potential	

	S_InnovationPot_30_1	In collaborating with CompanyX, our firm developed a very high number of new products/services.	see above (standard)
	S_InnovationPot_30_2	In collaborating with CompanyX, our firm was able to bring to market a very high number of new products/services.	see above (standard)
	S_InnovationPot_30_3	The speeds with which new products/services are developed and brought to market with CompanyX is very high.	see above (standard)
Vos et al. 2016 + earlier (Hüttinger 2014 Diss)		Customer's operative excellence	
		<i>CompanyX...</i>	
	S_OperativeExc_40_1	... has always exact and in time forecasts about future demand.	see above (standard)
	S_OperativeExc_40_2	... provides us with forecasts our firm can rely and plan on.	see above (standard)
	S_OperativeExc_40_3	... has for our firm simple and transparent internal processes.	see above (standard)
	S_OperativeExc_40_4	... supports short decision-making processes.	see above (standard)
Vos et al. 2016 + earlier (Gundlach et al, 1995)		Reliability	
		In working with our company, CompanyX...	
	S_Collaboration_50_1	... provided a completely truthful picture when negotiating.	see above (standard)
	S_Collaboration_50_2	... always negotiated from a good faith bargaining perspective.	see above (standard)
	S_Collaboration_50_3	... never breached formal or informal agreements to benefit themselves.	see above (standard)

	S_Collaboration_50_4	... never altered facts in order to meet its own goals and objectives.	see above (standard)
Vos et al. 2016 + earlier (Ghijsen et al 2010)		Support	
		CompanyX ...	see above (standard)
	S_Support_60_1	... collaborates with us to improve our manufacturing processes or services.	see above (standard)
	S_Support_60_2	... gives us (technological) advice (e.g. on materials, software, way of working).	see above (standard)
	S_Support_60_3	... gives us quality related advice (e.g. on the use of inspection equipment, quality assurance procedures, service evaluation).	
Vos et al. 2016 + earlier (Primo & Amundson, 2002)		Involvement	
	S_Involvement_70_2	We are early involved in the new product/service development process of CompanyX.	see above (standard)
	S_Involvement_70_3	We are very active in the new product development process of CompanyX.	see above (standard)
	S_Involvement_70_4	Communication with our firm about quality considerations and design changes is very close.	see above (standard)
Vos et al. 2016 + earlier (Walter, 2003)		Contact accessibility	
		<i>There is a contact person within CompanyX who...</i>	see above (standard)
	S_Available_10_1	...coordinates the relevant relationship activities within and outside of CompanyX.	see above (standard)

	S_Available_10_2	...is, for the employees of our company, the one to contact in regard to partner-specific questions.	see above (standard)
	S_Available_10_3	...informs employees within CompanyX about the needs of our company.	see above (standard)
Vos et al. 2016 + earlier		Customer's relational behaviour	
	S_RelBehavior_80_1	Problems that arise in the course of the relationship are treated by CompanyX as joint rather than individual responsibilities.	see above (standard)
	S_RelBehavior_80_2	CompanyX is committed to improvements that may benefit our relationship as a whole and not only themselves.	see above (standard)
	S_RelBehavior_80_3	We each benefit and earn in proportion to the efforts we put in.	see above (standard)
	S_RelBehavior_80_4	Our firm usually gets at least a fair share of the rewards and cost savings from our relationship with CompanyX.	see above (standard)
	S_RelBehavior_80_5	CompanyX would willingly make adjustments to help us out if special problems/needs arise.	see above (standard)
	S_RelBehavior_80_6	CompanyX is flexible when dealing with our firm.	see above (standard)
New Pulles (2017)		Profitability	
		The relationship with CompanyX...	
	S_Profitability_90_2	... provides us with large sales volumes	see above (standard)
	S_Profitability_90_3	... helps us to achieve good profits	see above (standard)
	S_Profitability_90_4	... allows us to gain high margins	see above (standard)
	S_Profitability_90_5	...has a positive influence on the profitability of our firm	see above (standard)
	S_Profitability_90_6	... enables us to raise our profitability together	see above (standard)
Vos et al. 2016 + earlier (Cannon		Supplier satisfaction	

(1998) and Pulles et al. (2016)			
	S_Satisfaction_100_1	Our firm is very satisfied with the overall relationship with CompanyX.	see above (standard)
	S_Satisfaction_100_2	Generally, our firm is very pleased to have CompanyX as our business partner.	see above (standard)
	S_Satisfaction_100_3	If we had to do it all over again, we would still choose to use CompanyX.	see above (standard)
	S_Satisfaction_100_4	Our firm does not regret the decision to do business with CompanyX.	see above (standard)
Vos et al. 2016 + earlier (Schiele et al, 2011b)		Preferred customer status	
		Compared to other customers in our firm's customer base ...	
	PC_PC_110_1	... CompanyX is our preferred customer	see above (standard)
	PC_PC_110_2	... we care more for CompanyX	see above (standard)
	PC_PC_110_3	... CompanyX receives preferential treatment	see above (standard)
	PC_PC_110_4	... we go out on a limb for CompanyX	see above (standard)
	PC_PC_110_5	... our firm's employees prefer collaborating with CompanyX to collaborating with other customers	see above (standard)
Vos et al. 2016 + earlier (Newbert 2008; Schiele et al 2011b)		Preferential treatment	
		Our firm...	
	PC_PrefTreat_120_1	... allocates our best employees (e.g. most experiences, trained, intelligent) to the relationship with CompanyX.	see above (standard)

	PC_PrefTreat_120_3	... allocates more financial resources (e.g. capital, cash) to the relationship with this customer	see above (standard)
	PC_PrefTreat_120_4	... grants this customer the best utilization of our physical resources (e.g. equipment capacity, scarce materials)	see above (standard)
	PC_PrefTreat_120_5	... shares more of our capabilities (e.g. skills, know-how, expertise) with this customer	see above (standard)
Hüttinger et al. (2014), page 720		Customer attractiveness	
		<i>What were you expectations towards this customer when starting the business relationship?</i>	
	ADD_expectations_1	Our firm had positive expectations towards profitability and large sales volumes from our relationship with this customer	see above (standard)
	ADD_expectations_2	We expected to be able to innovate with this customer	see above (standard)
	ADD_expectations_3	We expected future improvement through the collaboration with this customer	see above (standard)
	ADD_expectations_4	In general, we expected positive outcomes from current and future relationships with this customer	see above (standard)
Self added to double check results	ADD_expectations_5	CompanyX meets our expectations.	see above (standard)
Torelli et al. (2014)		Prestige	
		According to us...	
	ADD_Pre_156_1	... CompanyX has a high-status	see above (standard)
	ADD_Pre_156_2	... CompanyX is admired by others	see above (standard)
	ADD_Pre_156_3	... CompanyX has a high prestige	see above (standard)
	ADD_Pre_156_4	... CompanyX is highly regarded by others	see above (standard)

		Ethnocentrism	
Grigg & Friedman (2016) - EAS, page 114	ADD_ethnocentrism_1	I only feel comfortable around people from my background	see above (standard)
	ADD_ethnocentrism_2	I only feel safe around people from my background	see above (standard)
	ADD_ethnocentrism_3	Only people from my background understand me	see above (standard)
	ADD_ethnocentrism_4	I only have friends from my background	see above (standard)
Hofstede VSM 2013 (Bita 2019)		National culture	
		<i>Please think of an ideal job, how important would it be to you to.....</i>	
	S_hofstede_400_1	have sufficient time for your personal or home life	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_2	have a boss (direct superiors) you can respect	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_3	get recognition for good performance	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_4	have security of employment	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_5	have pleasant people to work with	of utmost importance - of very little to no

			importance (5-point likert)
	S_hofstede_400_6	do work that is interesting	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_7	be consulted by your boss in decisions involving your work	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_8	live in a desirable area	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_9	have a job respected by your family and friends	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_10	have chances for promotion	of utmost importance - of very little to no importance (5-point likert)
		<i>In your private life, how important is each of the following to you:</i>	
	S_hofstede_400_11	keeping time free for fun	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_12	moderation (e.g. having few desires, not to much)	of utmost importance - of very little to no

			importance (5-point likert)
	S_hofstede_400_13	doing a service to a friend	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_14	thrift (not spending more than needed)	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_15	How often do you feel nervous or tense?	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_16	Are you a happy person?	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_17	Do other people or circumstances ever prevent you from doing what you really want to?	of utmost importance - of very little to no importance (5-point likert)
	S_hofstede_400_18	All in all, how would you describe your state of health these days?	very good-very poor (5-point likert)
	S_hofstede_400_19	How proud are you to be a citizen of your country?	very proud-not at all proud (5-point likert)
	S_hofstede_400_20	How often, in your experience, are subordinates afraid to contradict their boss (or students their teacher?)	never-always (5-point likert)
		<i>To what extent do you agree or disagree with each of the following statements?</i>	

	S_hofstede_400_21	One can be a good manager without having a precise answer to every question that a subordinate may raise about his or her work	strongly agree- strongly disagree (5-point likert)
	S_hofstede_400_22	Persistent efforts are the surest way to results	strongly agree- strongly disagree (5-point likert)
	S_hofstede_400_23	An organisation structure in which certain subordinates have two bosses should be avoided at all cost	strongly agree- strongly disagree (5-point likert)
	S_hofstede_400_24	A company's or organization's rules should not be broken not even when the employee thinks breaking the rule would be in the organization's best interest	strongly agree- strongly disagree (5-point likert)
House et al. (2004), syntax 2006		Organisational culture	
		<i>The way things are in your organisation</i>	
	ADD_globe_1	1. In this organisation, orderliness and consistency are stressed, even at the expense of experimentation and innovation.	strongly agree- strongly disagree (5-point likert)
	ADD_globe_2	2. In this organisation people are generally.	aggressive- nonaggressive (5-point likert)
	ADD_globe_3	3. The way to be successful in this organization is to:	plan ahead-take events as they occur (5-point likert)
	ADD_globe_4	4. In this organisation, the accepted norm is to:	plan for the future- accept the status quo (5-point likert)
	ADD_globe_5	5. In this organisation, a person's influence is based primarily on:	one ability and contribution to the organisation - the

			authority of ones position (5-point likert)
	ADD_globe_6	6.In this organisation, people are generally:	assertive-nonassertive (5-point likert)
	ADD_globe_7	7. In this organisation, managers encourage group loyalty even if individual goals suffer:	strongly agree-strongly disagree (5-point likert)
	ADD_globe_8	8. Meetings are usually:	planned in advance-spontaneous (5-point likert)
	ADD_globe_9	9. people are generally:	very concerned about other - not at all concerned about others (5-point likert)
	ADD_globe_10	10. people are generally:	dominant-nondominant (5-point likert)
	ADD_globe_11	11. groups members take pride in the individual accomplishments of their group manager:	strongly agree-strongly disagree (5-point likert)
	ADD_globe_12	12. The pay and bonus system in this organisation is designed to maximize:	individual interests - collective interests (5-point likert)
	ADD_globe_13	13. subordinates are expected to:	obey their boss without question - question their boss when in disagreement (5-point likert)
	ADD_globe_14	14. people are generally:	tough-tender (5-point likert)

	ADD_globe_15	15. employees are encouraged to strive for continuously improved performance:	strongly agree- strongly disagree (5-point likert)
	ADD_globe_16	16. most work is highly structures, leading to few unexpected events:	strongly agree- strongly disagree (5-point likert)
	ADD_globe_17	17. men are encouraged to participate in professional development activities more than women:	strongly agree- strongly disagree (5-point likert)
	ADD_globe_18	18. major rewards are based on:	only performance effectiveness-only factors other than performance (5-point likert)
	ADD_globe_19	19. job requirements and instructions are spelled out in detail, so employees know what they are expected to do:	strongly agree- strongly disagree (5-point likert)
	ADD_globe_20	20. being innovative to improve performance is generally:	substantially rewarded-not rewarded (5-point likert)
	ADD_globe_21	21. people are generally:	very sensitive toward other - not at all sensitve toward others (5-point likert)
	ADD_globe_22	22. physically demanding tasks are usually performed by:	men - women (5-point likert)
	ADD_globe_23	23. group managers take pride in the individual accomplishments of group members:	strongly agree- strongly disagree (5-point likert)

	ADD_globe_24	24. people are generally:	very friendly - very unfriendly (5-point likert)
	ADD_globe_25	25. people in positions of power try to:	increase their social distance from less powerful individuals- decrease their social distance from less powerful people (5-point likert)
	ADD_globe_26	26. employees feel loyalty to the organization:	strongly agree- strongly disagree (5-point likert)
	ADD_globe_27	27. most employees set challenging work foals for themselves:	strongly agree- strongly disagree (5-point likert)
	ADD_globe_28	28. member of this organisation;	take no pride in working for the organisation-take a great deal of pride (5-point likert)
	ADD_globe_29	29. people are generally:	very generous - not at all generous (5-point likert)
	ADD_globe_30	30. In this organisation:	group cohesion is more valued than individualism- individualism is more valued than group cohesion (5-point likert)

	ADD_globe_31	31. most people believe that work would be more effectively managed if there where:	many more women in positions of authority than there are now-many less women in positions of authority than there are now (5-point likert)
	ADD_globe_32	32. when people in this organisation have serious disagreements with each other, whom do they tell about the disagreements?	no one-anyone (5-point likert)
	ADD_globe_33	33. this organisation shows loyalty towards employees:	strongly agree-strongly disagree (5-point likert)
	ADD_globe_34	34. What percentage of management positions in this organisation are filled by women?	10%->90% (5-point likert)
Vos et al. 2016 etc (Standard control)		Length of the relationship (in years)	
	LNGTH_Relationship_236_1	How long has your company been a supplier of CompanyX ? (in years)	in years
	LNGTH_SupplierOfB_236_2	How long have you already been working as an employee of your firm? (in years)	in years
		Additional information	
	ORG_Turnover_240_1	Annual turnover (in euros)	in millions of euros
	ORG_DepTurnover_240_2	Please indicate the annual turnover with CompanyX as % of your total annual turnover	0-100 %
	ORG_Size_240_3	Number of employees	number - open question

Self added	ADD_dissatisfaction_1	What factor would lead to the biggest dissatisfaction for your company towards CompanyX and would be a reason to stop working together? (hypothetically)	open question
Self added for customer matrix	ADD_competitiveness_1	Which number would you give your company for competitiveness? (score between 1-10, 1=not competitive, 10=extremely competitive)	not competitive-extremely competitive (10-point likert)
Vos et al. 2016 etc (Standard control)		Sector classification (fixed categories)	
	ORG_Sector_255	In which of the following sectors would you place your company?	Sector - open question
Self added	ADD_category_1	Please chose to which category/commodity group you belong for CompanyX.	1-10 dropdown menu
Self added because of CompanyX	ADD_innovation_1	Does your company come up with new technologies in the next year? And if yes, which?	open question
Vos et al. 2016 etc (Standard controls)		Background information	
	ADD_company_1	In which country is your company located? (please mention only one)	open question
	ORG_KnowledgeB_256_1	I know CompanyX good enough to answer all the questions in this questionnaire	5point likert
	ORG_COMMENTS_280	Do you have any comments or remarks?	open question
	ORG_EMAIL_270	Would you like to receive the results of this study?	yes or no
		E-mail adress:	open question

H: Rotated component matrix

	Rotated Component Matrix												
	1	2	3	4	5	6	7	8	9	10	11	12	13
PC_PC_110_3	0.815	0.090	0.080	-0.076	0.146	0.045	0.111	0.060	0.066	-0.032	-0.103	-0.006	-0.065
PC_PrefTreat_120_3	0.765	-0.141	0.030	-0.117	0.007	-0.034	0.073	0.070	0.077	-0.038	-0.005	-0.063	0.204
PC_PrefTreat_120_4	0.757	0.035	-0.008	0.016	0.104	0.104	0.047	0.076	0.216	0.053	0.109	0.097	0.279
PC_PrefTreat_120_1	0.750	-0.064	-0.094	0.069	0.149	0.115	-0.096	0.005	0.130	-0.011	-0.018	0.037	0.114
PC_PrefTreat_120_5	0.735	-0.037	0.057	0.012	-0.025	0.091	0.046	0.217	0.156	0.022	0.081	0.112	0.162
PC_PC_110_2	0.720	0.064	0.082	0.020	0.112	0.090	0.077	0.047	0.097	0.081	-0.161	0.074	-0.111
PC_PC_110_4	0.690	0.122	0.202	-0.153	0.095	-0.030	0.069	-0.025	-0.163	-0.111	0.059	-0.059	-0.095
PC_PC_110_5	0.651	0.279	0.036	0.110	0.263	0.103	0.089	-0.087	-0.190	0.047	0.096	0.099	-0.089
PC_PC_110_1	0.612	0.044	0.251	0.071	0.210	0.245	0.057	0.130	0.154	-0.029	-0.014	0.149	-0.311
PC_PrefTreat_120_2	0.534	-0.118	0.036	0.174	0.125	0.195	-0.109	0.302	0.307	-0.109	0.201	0.350	0.026
S_RelBehavior_80_5	0.111	0.737	0.209	0.222	-0.059	0.064	0.019	0.089	0.097	0.260	0.121	0.001	0.027
S_RelBehavior_80_1	0.108	0.686	-0.052	0.088	-0.022	0.229	-0.151	0.151	0.115	0.225	0.153	0.136	0.245
S_RelBehavior_80_6	-0.067	0.653	0.119	0.067	0.075	0.225	-0.065	0.172	0.085	0.166	0.286	0.130	0.135
S_RelBehavior_80_2	0.073	0.651	0.012	0.124	0.155	0.099	-0.111	0.474	0.132	0.045	0.095	0.178	0.057
S_Collaboration_50_1	0.182	0.581	0.218	0.183	-0.024	0.042	0.035	-0.030	0.168	0.049	0.086	0.476	-0.143
S_RelBehavior_80_3	-0.076	0.572	0.096	0.166	0.138	0.294	-0.063	0.082	0.265	0.021	0.140	0.227	-0.072
S_RelBehavior_80_4	-0.136	0.470	0.177	0.252	0.186	0.328	-0.089	-0.055	0.024	0.282	0.037	0.034	-0.143
S_InnovationPot_30_2	0.058	0.073	0.767	0.047	0.040	0.172	0.000	0.244	-0.027	0.220	0.222	0.041	0.165
S_InnovationPot_30_1	0.012	0.158	0.759	0.038	0.098	0.134	-0.001	0.230	0.030	0.117	0.246	0.056	0.245
S_InnovationPot_30_3	0.105	0.067	0.696	0.151	0.035	0.059	0.192	0.278	0.027	0.302	0.218	0.051	0.078

S_Growth_20_1	0.259	0.226	0.665	0.244	0.228	0.118	0.056	0.061	0.142	-0.174	0.058	-0.041	-0.075
S_Profitability_90_2	0.230	0.015	0.514	0.442	0.061	-0.077	0.055	0.045	0.345	0.074	-0.021	-0.049	-0.141
S_Profitability_90_3	-0.152	0.250	0.212	0.786	0.109	0.154	-0.040	0.008	-0.013	0.031	0.049	-0.046	0.080
S_Profitability_90_4	0.009	0.184	0.016	0.783	0.027	0.122	0.121	0.016	0.000	0.119	0.096	-0.112	-0.006
S_Profitability_90_5	-0.029	0.123	0.115	0.748	0.091	0.279	0.028	0.094	-0.026	-0.036	0.040	0.192	0.127
S_Profitability_90_6	0.008	0.027	0.032	0.739	0.095	0.047	-0.152	0.133	-0.043	0.171	0.066	0.237	0.022
S_Growth_20_2	-0.040	0.151	0.211	0.458	0.353	-0.038	0.062	0.241	0.269	0.093	-0.064	-0.223	0.285
ADD_Pre_156_3	0.169	0.100	0.111	0.104	0.862	0.196	-0.042	0.140	0.112	0.140	0.032	0.050	0.050
ADD_Pre_156_2	0.217	0.074	0.052	0.068	0.845	-0.031	0.011	0.056	0.112	0.044	0.201	0.134	-0.026
ADD_Pre_156_4	0.203	-0.002	0.075	0.154	0.803	0.080	-0.008	0.159	-0.028	0.064	0.195	0.109	0.010
ADD_Pre_156_1	0.255	0.036	0.081	0.041	0.776	0.223	-0.135	0.046	0.051	0.078	-0.092	0.127	0.100
S_Satisfaction_100_2	0.212	0.082	0.094	0.225	0.098	0.867	0.045	0.107	0.104	0.031	-0.028	0.085	0.012
S_Satisfaction_100_4	0.156	0.215	0.119	0.102	0.109	0.836	-0.031	0.101	0.086	0.193	0.073	0.052	0.081
S_Satisfaction_100_3	0.192	0.280	-0.003	0.113	0.164	0.767	-0.086	0.202	-0.001	0.095	-0.006	0.106	0.058
S_Satisfaction_100_1	0.096	0.293	0.357	0.209	0.110	0.566	0.128	-0.062	0.096	0.018	0.240	0.092	-0.091
ADD_ethnocentrism_2	0.049	-0.026	0.085	-0.024	0.015	-0.028	0.892	0.081	-0.039	0.052	0.094	-0.047	0.092
ADD_ethnocentrism_4	0.164	-0.061	-0.053	-0.031	-0.027	0.047	0.852	-0.007	0.099	-0.039	-0.037	-0.006	-0.105
ADD_ethnocentrism_3	0.078	0.063	0.030	0.033	-0.101	-0.015	0.845	0.140	0.124	0.043	-0.060	-0.093	-0.031
ADD_ethnocentrism_1	0.001	-0.154	0.088	0.023	-0.010	-0.019	0.789	-0.104	-0.108	-0.107	0.002	-0.030	0.007
S_Support_60_2	0.118	0.077	0.244	0.046	0.165	0.142	0.033	0.778	0.079	0.204	0.120	0.056	-0.029
S_Support_60_3	0.165	0.176	0.143	0.132	0.157	0.123	0.085	0.749	0.033	0.182	0.152	0.055	0.075
S_Support_60_1	0.205	0.208	0.351	0.074	0.092	0.110	0.052	0.691	0.104	0.086	0.160	0.138	0.059
S_Available_10_1	0.127	0.247	0.156	-0.030	0.123	-0.002	0.047	0.069	0.809	-0.031	0.105	0.099	-0.029
S_Available_10_2	0.253	0.085	-0.044	-0.010	-0.024	0.091	0.037	0.027	0.797	0.123	0.058	0.101	0.061
S_Available_10_3	0.171	0.199	0.091	-0.013	0.225	0.251	-0.021	0.174	0.654	0.227	0.255	0.056	0.019

S_OperativeExc_40_1	-0.026	0.220	0.083	0.105	0.144	0.028	-0.113	0.255	0.002	0.756	0.135	0.139	0.039
S_OperativeExc_40_2	0.015	0.386	0.180	0.103	0.081	0.218	0.093	0.192	-0.003	0.688	0.109	0.009	0.034
S_OperativeExc_40_3	-0.099	0.121	0.114	0.118	0.152	0.171	-0.052	0.050	0.281	0.670	0.127	0.178	0.032
S_OperativeExc_40_2	0.005	0.127	0.208	0.255	-0.024	-0.067	0.119	0.380	0.309	0.426	0.105	0.203	-0.252
S_Involvement_70_2	-0.059	0.204	0.278	0.147	0.143	0.001	0.008	0.159	0.105	0.110	0.833	0.027	0.049
S_Involvement_70_1	-0.074	0.240	0.275	0.012	0.136	0.053	0.059	0.101	0.168	0.103	0.788	0.130	0.019
S_Involvement_70_3	0.148	0.282	0.095	0.125	0.084	0.111	-0.093	0.299	0.131	0.246	0.614	0.049	-0.060
S_Collaboration_50_4	0.134	0.219	-0.055	0.059	0.221	0.042	-0.075	0.125	0.085	0.144	0.001	0.782	0.103
S_Collaboration_50_3	0.097	0.154	0.052	-0.045	0.095	0.133	-0.114	0.119	0.087	0.156	0.084	0.751	0.135
S_Collaboration_50_2	0.037	0.487	0.126	0.299	0.202	0.211	-0.041	-0.002	0.110	0.049	0.153	0.560	-0.124
S_Growth_20_3	0.198	0.049	0.363	0.166	0.159	0.082	-0.022	0.021	0.067	-0.092	0.026	0.254	0.597
S_Growth_20_4	0.228	0.173	0.332	0.326	0.052	0.052	-0.033	0.092	-0.037	0.233	0.022	0.092	0.528

Extraction Method:
Principal Component
Analysis.
Rotation Method: Varimax
with Kaiser Normalization.
Rotation converged in 11
iterations.

I: Heterotrait-monotrait Ratio

		1	2	3	4	5	6	7	8	9	10	11
1	Status											
2	Ethnocentrism	0.088										
3	Organisational cultural fit	0.137	0.093									
4	Degree of fulfilment of expectations	0.039	0.170	0.173								
5	Preferred customer status	0.468	0.186	0.136	0.073							
6	Preferential treatment	0.420	0.142	0.224	0.142	0.821						
7	Growth opportunity	0.545	0.133	0.335	0.291	0.435	0.445					
8	Operative excellence	0.364	0.146	0.070	0.147	0.149	0.145	0.427				
9	Profitability	0.319	0.149	0.216	0.357	0.224	0.225	0.733	0.430			
10	Relational behaviour	0.319	0.171	0.206	0.152	0.254	0.238	0.537	0.684	0.490		
11	Supplier Satisfaction	0.417	0.108	0.124	0.210	0.413	0.358	0.512	0.47	0.48	0.618	

J: Results for the complete model

Green = significant

Hypothesis	Relationship	Std Beta	Std Error	t-value	f ²
H1a	Growth opportunity → Supplier satisfaction	0.13	0.12	1.04	0.01
H1b	Profitability → Supplier satisfaction	0.13	0.11	1.06	0.01
H1c	Relational behaviour → Supplier satisfaction	0.33	0.12	2.97*	0.12
H1d	Operative excellence → Supplier satisfaction	0.09	0.11	0.76	0.01
H1e	Supplier satisfaction → Preferred customer status	0.23	0.11	1.97*	0.06
H1f	Preferred customer status → Preferential treatment	0.70	0.05	15.28**	0.99
H2a	Status → Supplier satisfaction	0.19	0.10	2.04*	0.05
H2b	Status → Preferred customer status	0.36	0.10	3.63**	0.13
H3	OCF → Supplier satisfaction	0.07	0.09	0.64	0.01
H4	Degree of fulfilment of expectations → Supplier satisfaction	0.05	0.11	0.49	0.00
H5a	Ethnocentrism → Supplier satisfaction	0.00	0.11	0.02	0.00
H5b	Ethnocentrism → Degree of fulfilment of expectations	0.25	0.14	1.84*	0.08
H6a	Moderator OCF → Supplier satisfaction and Preferred customer status	0.12	0.08	1.51	0.02
H6b	Moderator OCF → Degree of fulfilment of expectations and Supplier satisfaction	0.11	0.09	1.02	0.01

H6c	Moderator OCF → Growth opportunity and Supplier satisfaction	-0.13	0.12	1.04	0.01
H6d	Moderator OCF → Profitability and Supplier satisfaction	0.07	0.11	0.66	0.01
H6e	Moderator OCF → Relation behaviour and Supplier satisfaction	0.09	0.16	0.67	0.01
H6f	Moderator Cultural fit → Operative excellence and Supplier satisfaction	0.01	0.14	0.07	0.00
H6g	Moderator OCF → Status and Supplier satisfaction	-0.13	0.09	1.38	0.02
Additionally identified for cultural fit					
	OCF → Growth opportunity	-0.30	0.10	2.91**	0.09
	OCF → Relational behaviour	-0.20	0.12	1.67*	0.04
	OCF → Preferential treatment	-0.12	0.06	1.98*	0.03
	OCF → Degree of fulfilment of expectations	-0.18	0.09	2.14*	0.04

*<0.05 (one-tailed), **<0.01 (one-tailed)

K: Results for direct and indirect procurement

Green=significant

Vos et al. (2016) and van der Lelij (2016)	Relationship	Direct procurement (N=41)				Indirect procurement (N=62)				D vs I
		Std Beta	Std Error	t-value	f ²	Std Beta	Std Error	t-value	f ²	
H1a	Growth opportunity → Supplier satisfaction	0.35	0.23	1.53	0.17	0.07	0.19	0.35	0.00	0.18
H1b	Profitability → Supplier satisfaction	-0.18	0.27	0.72		0.18	0.18	0.63		

					0.04				0.01	0.19
H1c	Relational behaviour → Supplier satisfaction	0.41	0.22	1.67*	0.19	0.33	0.17	2.19*	0.11	0.43
H1d	Operative excellence → Supplier satisfaction	0.35	0.20	1.72*	0.18	0.05	0.15	0.18	0.00	0.09
H1e	Supplier satisfaction → Preferred customer status	0.03	0.21	0.01	0.00	0.32	0.13	2.40**	0.14	0.09
H1f	Preferred customer status → Preferential treatment	0.75	0.06	12.46**	1.18	0.73	0.05	13.66**	1.11	0.47
H2a	Status → Supplier satisfaction	0.23	0.41	0.67	0.05	0.16	0.46	0.11	0.00	0.36
H2b	Status → Preferred customer status	0.25	0.21	1.26	0.07	0.44	0.11	3.93**	0.23	0.25

*<0.05 (one-tailed), **<0.01 (one-tailed)

Model extension	Relationship	Direct procurement (N=41)				Indirect procurement (N=62)				D vs I
		Std Beta	Std Error	t-value	f ²	Std Beta	Std Error	t-value	f ²	p-value
H3	OCF → Supplier satisfaction	0.10	0.24	0.33	0.01	0.16	0.14	0.72	0.01	0.43
H4	Degree of fulfilment of expectations → Supplier satisfaction	0.32	0.26	1.31	0.12	0.04	0.17	0.19	0.00	0.11
H5a	Ethnocentrism → Supplier satisfaction	0.03	0.40	0.11	0.00	0.06	0.44	0.38	0.01	0.20
H5b	Ethnocentrism → Degree of fulfilment of expectations	0.10	0.34	0.70	0.06	0.07	0.20	0.25	0.00	0.19
H6a	Moderator OCF → Supplier satisfaction and Preferred customer status	0.31	0.15	2.13*	0.11	0.11	0.12	1.05	0.02	0.22
H6b	Moderator OCF → Degree of fulfilment of expectations and Supplier satisfaction	-0.11	0.35	0.50	0.03	0.15	0.14	0.85	0.02	0.20

H6c	Moderator OCF → Growth opportunity and Supplier satisfaction	-0.12	0.33	0.34	0.01	-0.23	0.21	1.18	0.04	0.36
H6d	Moderator OCF → Profitability and Supplier satisfaction	0.35	0.40	1.18	0.12	0.10	0.21	0.51	0.01	0.22
H6e	Moderator OCF → Relation behaviour and Supplier satisfaction	0.16	0.33	0.37	0.01	0.04	0.21	0.11	0.00	0.42
H6f	Moderator OCF → Operative excellence and Supplier satisfaction	0.04	0.30	0.11	0.00	0.02	0.21	0.08	0.00	0.42
H6g	Moderator OCF → Status and Supplier satisfaction	-0.43	0.28	1.62	0.18	-0.04	0.15	0.26	0.01	0.06
Additionally identified for cultural fit										
	OCF → Growth opportunity	-0.43	0.15	2.88**	0.21	-	-	-	-	0.11
	OCF → Relational behaviour	-0.27	0.16	1.68*	0.04	-	-	-	-	0.37
	OCF → Preferential treatment	-0.26	0.10	2.70**	0.17	-	-	-	-	0.08

*<0.05 (one-tailed), **<0.01 (one-tailed)

L: Results for Germany and the rest of the sample

Green=significant

Replica	Relationship	Germany (N=28)				Rest of the sample (N=75)				G vs Rest
		Std Beta	Std Error	t-value	f ²	Std Beta	Std Error	t-value	f ²	p-value
H1a	Growth opportunity → Supplier satisfaction	-0.12	2.91	0.07	0.03	0.24	0.12	2.00*	0.07	0.44
H1b	Profitability → Supplier satisfaction	0.10	2.87	0.04	0.02	0.24	0.12	1.88*	0.06	0.50
H1c	Relational behaviour → Supplier satisfaction	0.47	2.22	0.21	0.24	0.33	0.13	2.63**	0.11	0.49

H1d	Operative excellence → Supplier satisfaction	-0.07	1.87	0.04	0.01	0.05	0.13	0.37	0.00	0.49
H1e	Supplier satisfaction → Preferred customer status	0.10	0.23	0.44	0.01	0.27	0.13	1.99*	0.08	0.27
H1f	Preferred customer status → Preferential treatment	0.64	0.18	3.49**	0.62	0.74	0.05	15.13**	1.31	0.25
H2a	Status → Supplier satisfaction	0.21	2.40	0.09	0.07	0.15	0.11	1.32	0.03	0.50
H2b	Status → Preferred customer status	0.24	0.24	1.02	0.06	0.36	0.12	3.13**	0.14	0.32

*<0.05 (one-tailed), **<0.01 (one-tailed)

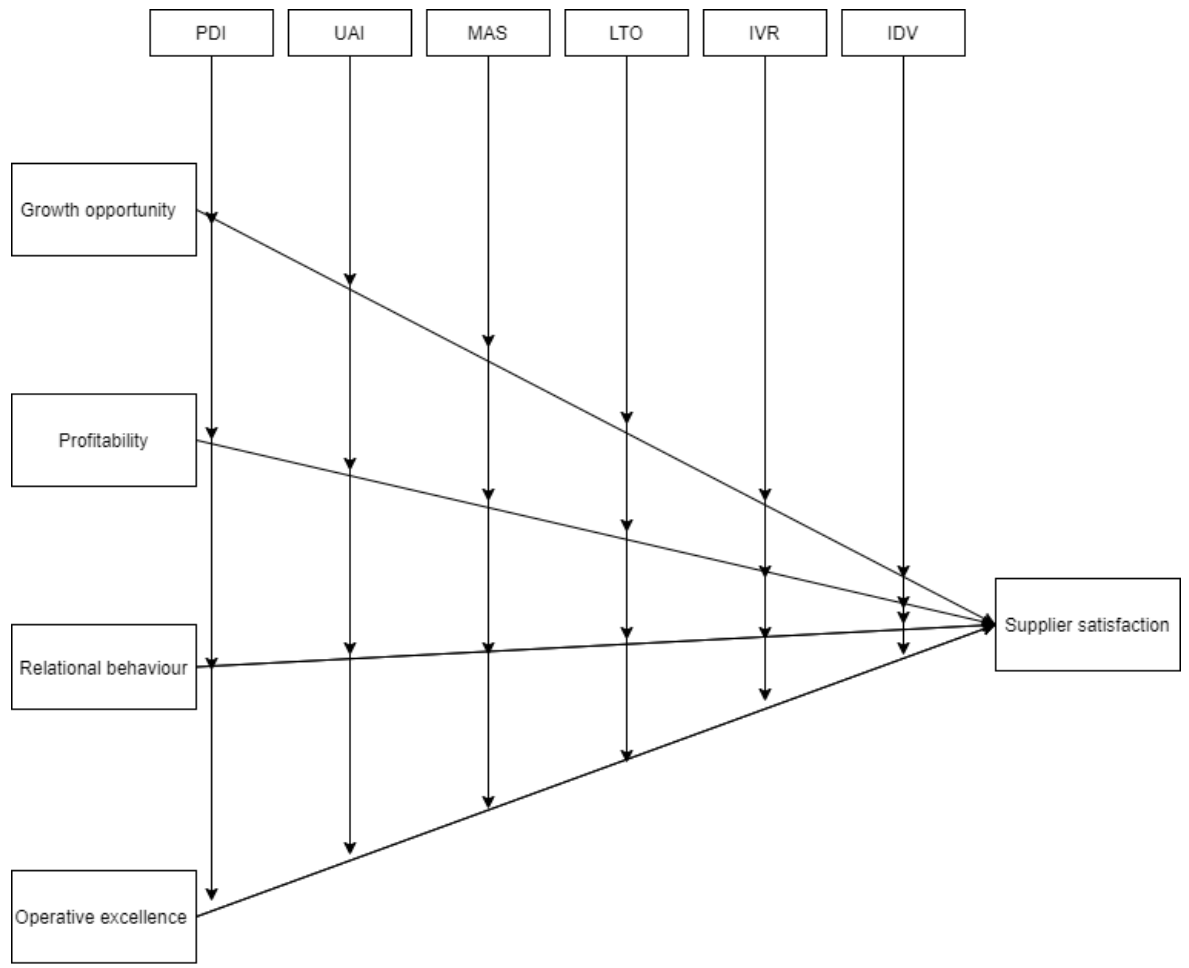
Extension	Relationship	Germany (N=28)				Rest of the sample (N=75)				G vs Rest
		Std Beta	Std Error	t-value	f ²	Std Beta	Std Error	t-value	f ²	p-value
H3	OCF → Supplier satisfaction	0.38	2.45	0.15	0.19	0.06	0.11	0.53	0.01	0.49
H4	Degree of fulfilment of expectations → Supplier satisfaction	0.66	1.51	0.44	0.54	-0.11	0.12	0.90	0.02	0.48
H5a	Ethnocentrism → Supplier satisfaction	-0.03	2.15	0.02	0.00	0.09	0.12	0.72	0.01	0.49
H5b	Ethnocentrism → Degree of fulfilment of expectations	0.33	0.23	1.47	0.13	0.29	0.24	1.19	0.09	0.46
H6a	Moderator OCF → Supplier satisfaction and Preferred customer status	0.08	0.20	0.38	0.01	0.09	0.10	0.83	0.01	0.49
H6b	Moderator OCF → Degree of fulfilment of expectations and Supplier satisfaction	-0.19	2.37	0.08	0.04	0.22	0.12	1.86*	0.05	0.45
H6c	Moderator OCF → Growth opportunity and Supplier satisfaction	0.06	4.57	0.01	0.00	-0.18	0.12	1.49	0.03	0.49

H6d	Moderator OCF → Profitability and Supplier satisfaction	0.31	3.73	0.08	0.08	0.04	0.13	0.33	0.00	0.48
H6e	Moderator OCF → Relation behaviour and Supplier satisfaction	-0.57	2.50	0.23	0.31	0.14	0.19	0.71	0.01	0.48
H6f	Moderator OCF → Operative excellence and Supplier satisfaction	0.37	3.03	0.12	0.15	0.03	0.17	0.16	0.00	0.49
H6g	Moderator OCF → Status and Supplier satisfaction	0.33	3.61	0.09	0.15	-0.11	0.12	0.92	0.01	0.49
Additionally identified for cultural fit										
	OCF → Growth opportunity	-0.37	0.36	1.05	0.16	-0.34	0.12	2.81**	0.13	0.46
	OCF → Relational behaviour	-0.11	0.33	0.33	0.01	-0.22	0.11	1.96*	0.05	0.34
	OCF → Preferential treatment	0.02	0.16	0.12	0.00	-0.17	0.08	2.25*	0.07	0.12
	OCF → Degree of fulfilment of expectations	-0.28	0.15	1.81*	0.10	-0.15	0.10	1.45	0.03	0.25
	OCF → Preferred customer status	-0.36	0.19	1.90*	0.15	0.02	0.10	0.20	0.00	0.04
	OCF → Profitability	-0.07	0.29	0.25	0.01	-0.27	0.13	2.17*	0.08	0.22

*<0.05 (one-tailed), **<0.01 (one-tailed)

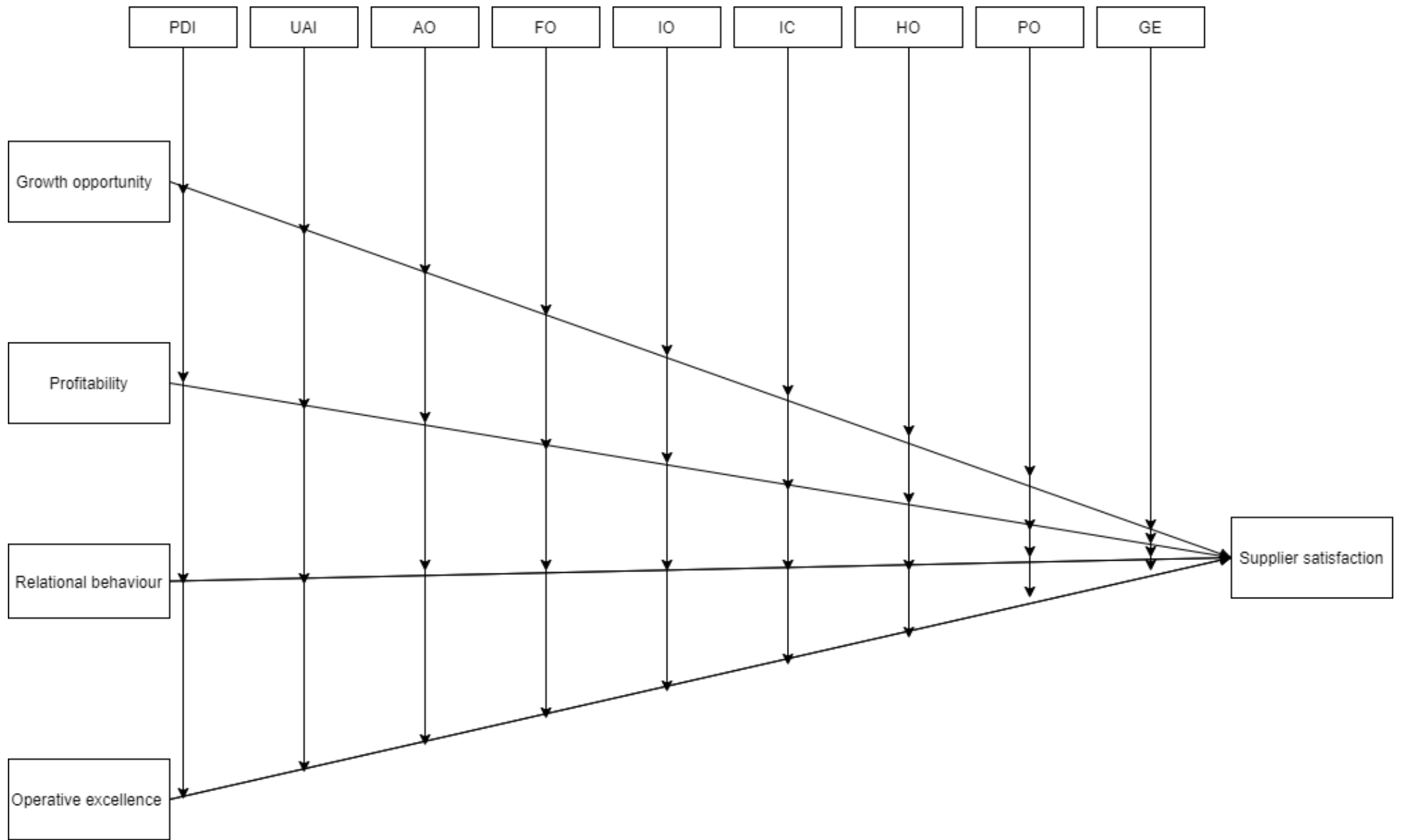
M: Results national and organisational culture dimensions as moderating effect on the model of Vos et al. (2016)

National culture dimensions - Hofstede	Std Beta	Std Error	t-value
Moderator PDI → Growth opportunity and Supplier satisfaction	-0.06	0.16	0.30
Moderator PDI → Profitability and Supplier satisfaction	0.05	0.16	0.38
Moderator PDI → Relational behaviour and Supplier satisfaction	0.01	0.21	0.02
Moderator PDI → Operational excellence and Supplier satisfaction	-0.02	0.20	0.09
Moderator UAI → Growth opportunity and Supplier satisfaction	0.00	0.19	0.02
Moderator UAI → Profitability and Supplier satisfaction	0.02	0.20	0.04
Moderator UAI → Relational behaviour and Supplier satisfaction	0.21	0.22	0.64
Moderator UAI → Operational excellence and Supplier satisfaction	-0.13	0.17	0.41
Moderator MAS → Growth opportunity and Supplier satisfaction	0.12	0.23	0.77
Moderator MAS → Profitability and Supplier satisfaction	-0.11	0.26	0.74
Moderator MAS → Relational behaviour and Supplier satisfaction	0.20	0.23	0.86
Moderator MAS → Operational excellence and Supplier satisfaction	-0.20	0.22	0.97
Moderator LTO → Growth opportunity and Supplier satisfaction	0.04	0.21	0.38
Moderator LTO → Profitability and Supplier satisfaction	-0.22	0.17	1.40
Moderator LTO → Relational behaviour and Supplier satisfaction	0.13	0.22	0.78
Moderator LTO → Operational excellence and Supplier satisfaction	-0.14	0.21	0.72
Moderator IVR → Growth opportunity and Supplier satisfaction	0.15	0.17	0.94
Moderator IVR → Profitability and Supplier satisfaction	0.01	0.18	0.21
Moderator IVR → Relational behaviour and Supplier satisfaction	-0.27	0.18	1.33
Moderator IVR → Operational excellence and Supplier satisfaction	0.22	0.19	0.92
Moderator IDV → Growth opportunity and Supplier satisfaction	0.05	0.20	0.21
Moderator IDV → Profitability and Supplier satisfaction	0.07	0.20	0.39
Moderator IDV → Relational behaviour and Supplier satisfaction	-0.23	0.24	0.76
Moderator IDV → Operational excellence and Supplier satisfaction	0.02	0.09	0.23

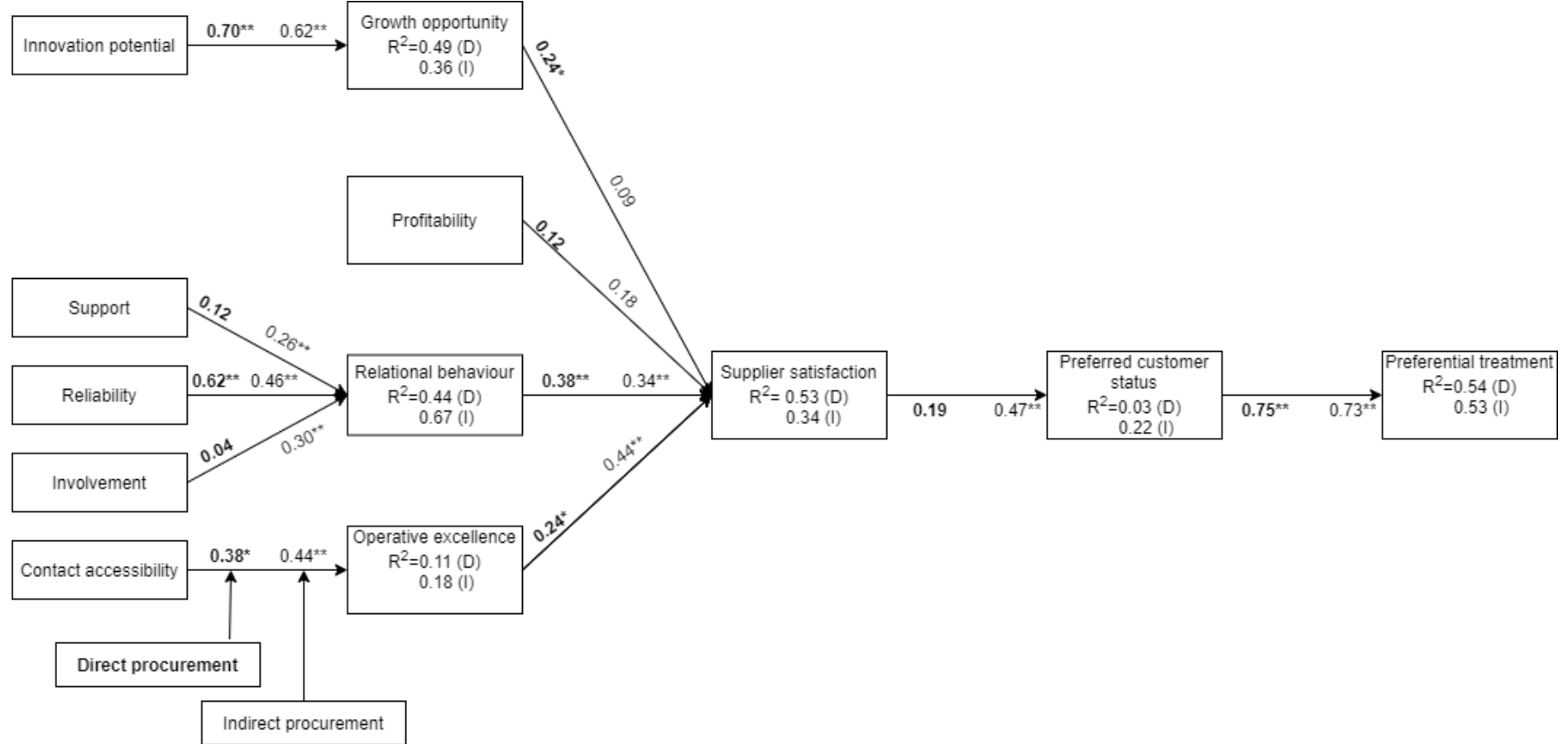


Organisational culture dimensions - GLOBE	Std Beta	Std Error	t-value
Moderator PDI → Growth opportunity and Supplier satisfaction	0.10	0.47	0.43
Moderator PDI → Profitability and Supplier satisfaction	-0.18	0.40	0.68
Moderator PDI → Relational behaviour and Supplier satisfaction	-0.00	0.36	0.13
Moderator PDI → Operational excellence and Supplier satisfaction	0.11	0.31	0.41
Moderator UAI → Growth opportunity and Supplier satisfaction	0.13	0.39	0.2
Moderator UAI → Profitability and Supplier satisfaction	0.02	0.49	0.02
Moderator UAI → Relational behaviour and Supplier satisfaction	0.12	0.36	0.16
Moderator UAI → Operational excellence and Supplier satisfaction	-0.09	0.36	0.23
Moderator AO → Growth opportunity and Supplier satisfaction	-0.20	0.41	0.37
Moderator AO → Profitability and Supplier satisfaction	0.19	0.41	0.46
Moderator AO → Relational behaviour and Supplier satisfaction	0.44	0.58	0.53
Moderator AO → Operational excellence and Supplier satisfaction	-0.30	0.39	0.86
Moderator FO → Growth opportunity and Supplier satisfaction	-0.04	0.56	0.22
Moderator FO → Profitability and Supplier satisfaction	-0.17	0.49	0.53
Moderator FO → Relational behaviour and Supplier satisfaction	-0.17	0.48	0.09
Moderator FO → Operational excellence and Supplier satisfaction	0.34	0.58	0.35
Moderator IO → Growth opportunity and Supplier satisfaction	-0.03	0.33	0.17
Moderator IO → Profitability and Supplier satisfaction	0.27	0.29	0.96
Moderator IO → Relational behaviour and Supplier satisfaction	0.23	0.35	0.52
Moderator IO → Operational excellence and Supplier satisfaction	-0.26	0.36	0.83
Moderator IC → Growth opportunity and Supplier satisfaction	0.21	0.46	0.33
Moderator IC → Profitability and Supplier satisfaction	-0.30	0.46	0.61
Moderator IC → Relational behaviour and Supplier satisfaction	0.10	0.49	0.35
Moderator IC → Operational excellence and Supplier satisfaction	-0.42	0.48	0.57
Moderator PO → Growth opportunity and Supplier satisfaction	0.10	0.66	0.11
Moderator PO → Profitability and Supplier satisfaction	-0.06	0.62	0.07
Moderator PO → Relational behaviour and Supplier satisfaction	-0.27	0.56	0.51

Moderator PO → Operational excellence and Supplier satisfaction	0.17	0.47	0.56
Moderator HO → Growth opportunity and Supplier satisfaction	-0.30	0.53	0.50
Moderator HO → Profitability and Supplier satisfaction	0.31	0.61	0.42
Moderator HO → Relational behaviour and Supplier satisfaction	0.23	0.48	0.30
Moderator HO → Operational excellence and Supplier satisfaction	-0.01	0.57	0.22
Moderator GE → Growth opportunity and Supplier satisfaction	-0.04	0.44	0.13
Moderator GE → Profitability and Supplier satisfaction	0.23	0.41	0.48
Moderator GE → Relational behaviour and Supplier satisfaction	0.21	0.43	0.27
Moderator GE → Operational excellence and Supplier satisfaction	-0.27	0.42	0.57



N: Replication of Model Vos et al. (2016)



*<0.05 (one-tailed), **<0.01 (one-tailed)

O: Detailed results and discussion for the distinction between direct and indirect procurement and the distinction between countries.

The results are generated in SmartPLS using a one-tailed test with the significance level of 0.05 and the recommended bootstrapping sample of 5000²⁰⁸. A one-tailed test is used instead of a two-tailed since a one-tailed test is recommended if the coefficient is assumed to have a sign as shown in the developed hypotheses²⁰⁹. First, the R^2 is assessed to determine the predictive power of the model. When the R^2 is 0.75, 0.5 or 0.25, the predictive power is substantial, moderate or low, respectively²¹⁰. The highest R^2 is found for supplier satisfaction (Direct procurement = 0.67), followed by preferential treatment (D = 0.60, Indirect procurement = 0.53), supplier satisfaction (I = 0.42) and preferred customer status (I = 0.38). All other R^2 's are below 0.25. Supplier satisfaction (D) and preferential treatment (D and I) have moderate predictive power, and supplier satisfaction (I) and preferred customer status (I) need to be regarded as having weak predictive power. All other variables need to be regarded as having (almost) no predictive power.

Results for the distinction between direct and indirect procurement: The results differ from the findings of Vos et al. (2016)

Secondly, the path coefficients are examined and can be found in figure 10 for the replication of the study of Vos et al. (2016) and van der Lelij (2016), and for the model extension. Additionally, the standard errors, t-values and Cohen's effect size (f^2) are also examined and can be found in appendix K. The hypotheses can be accepted when significance is reached, which means that the lower the significance level, the higher the representative of the population is for the random sample (i.e. t-value above 1.65²¹¹). First, when looking at the variables from Vos et al. (2016) for direct procurement, support is found for H1c, H1d and H1f. Relational behaviour (H1c; $t_{(D)}=1.67$, $\beta_{(D)}=0.41$, $f^2_{(D)}=0.19$) and operative excellence (H1d; $t_{(D)}=1.72$, $\beta_{(D)}=0.35$, $f^2_{(D)}=0.18$) have a positive effect on supplier satisfaction and preferred customer status has a positive effect on preferential treatment (H1f; $t_{(D)}=12.46$, $\beta_{(D)}=0.75$, $f^2_{(D)}=1.18$). These findings are found to be significant and in line with the findings of Vos et al. (2016) and additionally also with the findings of other researchers²¹². In line with H1a and H1e, growth opportunity is positively related to supplier satisfaction (H1a; $t_{(D)}=1.53$, $\beta_{(D)}=0.35$, $f^2_{(D)}=0.17$) and supplier satisfaction is positively related to preferred

²⁰⁸ See Ringle et al. (2015)

²⁰⁹ See Kock (2014), p. 2

²¹⁰ See Hair et al. (2011), p. 145

²¹¹ See Hair et al. (2011), p. 145

²¹² See for example Sende (2018), p. 41 and Kok (2020), p. 99

customer status (H1e; $t_{(D)}=0.01$, $\beta_{(D)}=0.03$, $f^2_{(D)}=0.00$). However, there are no significant effects, so H1a and H1e cannot be accepted. Not in line with H1b, profitability is negatively related to supplier satisfaction (H1b; $t_{(D)}=0.72$, $\beta_{(D)}=-0.18$, $f^2_{(D)}=0.04$). However, there is no significant effect, so H1b cannot be rejected. All effect sizes can be considered as not existing to small, except for the relationship between growth opportunity and supplier satisfaction, and relational behaviour and supplier satisfaction which can be considered medium, and preferred customer status and preferential treatment, this effect size is found to be large. When doing the same for indirect procurement, support is found for H1c, H1e and H1f. Relational behaviour has a positive effect on supplier satisfaction (H1c; $t_{(I)}=2.19$, $\beta_{(I)}=0.33$, $f^2_{(I)}=0.11$), supplier satisfaction has a positive effect on preferred customer status (H1e; $t_{(I)}=2.40$, $\beta_{(I)}=0.32$, $f^2_{(I)}=0.14$) and preferred customer status has a positive effect on preferential treatment (H1f; $t_{(I)}=13.66$, $\beta_{(I)}=0.73$, $f^2_{(I)}=1.11$). These findings are found to be significant and in line with the findings of Vos et al. (2016) and additionally also with the findings of other researchers²¹³. In line with H1a, H1b and H1d, growth opportunity (H1a; $t_{(I)}=0.35$, $\beta_{(I)}=0.07$, $f^2_{(I)}=0.00$), profitability (H1b; $t_{(I)}=0.63$, $\beta_{(I)}=0.18$, $f^2_{(I)}=0.01$) and operative excellence (H1d; $t_{(I)}=0.18$, $\beta_{(I)}=0.05$, $f^2_{(I)}=0.00$) are positively related to supplier satisfaction. However, there are no significant effects, so H1a, H1b and H1d cannot be accepted. All effect sizes can be considered as not existing to small, except for the relationship between preferred customer status and preferential treatment, this effect size is found to be large. The overall explanatory power of the antecedents to explain the variance in supplier satisfaction is higher for direct ($R^2=0.67$) than for indirect ($R^2=0.42$) procurement. When comparing the relational with economic antecedents, relational antecedents explain more variance in supplier satisfaction for both direct ($f^2_{(\text{direct relational})} = 0.37$; $f^2_{(\text{direct economic})} = 0.21$) and indirect procurement and ($f^2_{(\text{indirect relational})} = 0.11$; $f^2_{(\text{indirect economic})} = 0.01$).

Results for the distinction between direct and indirect procurement: The results differ from the findings of van der Lelij (2016)

Second, when looking at the variable from van der Lelij (2016) for direct procurement, no support is found for both hypotheses (H2a; $t_{(D)}=0.67$, $\beta_{(D)}=0.23$, $f^2_{(D)}=0.05$ and H2b; $t_{(D)}=1.26$, $\beta_{(D)}=0.25$, $f^2_{(D)}=0.07$). In line with van der Lelij (2016), status positively influences supplier satisfaction and preferred customer status, however, these findings are insignificant. For indirect procurement, no support is found for H2a. Status positively influences supplier

²¹³ See for example Sende (2018), p. 41 and Kok (2020), p. 99

satisfaction (H2a; $t_{(I)}=0.11$, $\beta_{(I)}=0.16$, $f^2_{(I)}=0.00$), however, these findings are also insignificant. Support is found for H2b. Status is positively and significantly related to preferred customer status (H2b; $t_{(I)}=3.93$, $\beta_{(I)}=0.44$, $f^2_{(I)}=0.23$). This finding is in line with the finding of van der Lelij (2016). All effect sizes of the relationships are not existing to small.

Results for the model extension: Organisational cultural fit shows only effect for direct procurement

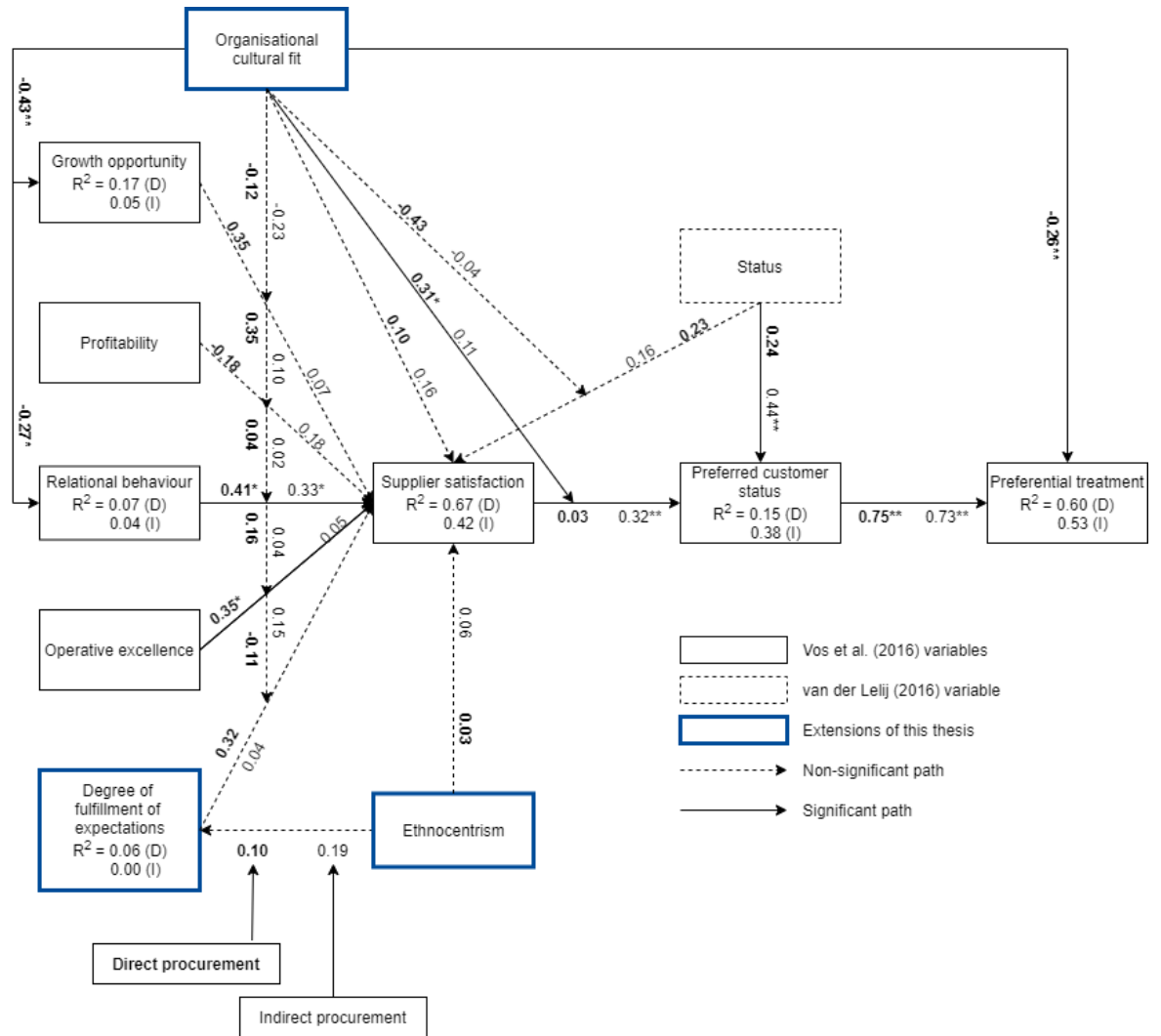
Next the model extension is analysed. In line with H3, H6d, H6e, and H6f, organisational cultural fit is positively related to supplier satisfaction (H3; $t_{(D)}=0.33$, $\beta_{(D)}=0.10$, $f^2_{(D)}=0.01$ and $t_{(I)}=0.72$, $\beta_{(I)}=0.16$, $f^2_{(I)}=0.01$) and has a positive moderating effect on the relationship between profitability (H6d; $t_{(D)}=1.18$, $\beta_{(D)}=0.35$, $f^2_{(D)}=0.12$ and $t_{(I)}=0.51$, $\beta_{(I)}=0.10$, $f^2_{(I)}=0.01$), operative excellence (H6f; $t_{(D)}=0.11$, $\beta_{(D)}=0.04$, $f^2_{(D)}=0.00$ and $t_{(I)}=0.08$, $\beta_{(I)}=0.02$, $f^2_{(I)}=0.00$), relational behaviour (H6e; $t_{(D)}=0.37$, $\beta_{(D)}=0.16$, $f^2_{(D)}=0.01$ and $t_{(I)}=0.11$, $\beta_{(I)}=0.04$, $f^2_{(I)}=0.00$) and supplier satisfaction. However, insignificance leads to not being able to accept H3, H6d, H6e, and H6f for both direct and indirect procurement. Not in line with H6b and H6c, the moderating effect of organisational cultural fit on the relationship between growth opportunity and supplier satisfaction (H6c; $t_{(D)}=0.34$, $\beta_{(D)}=-0.12$, $f^2_{(D)}=0.01$), and the degree of fulfilment of expectations (H6b; $t_{(D)}=0.50$, $\beta_{(D)}=-0.11$, $f^2_{(D)}=0.03$) and supplier satisfaction is found to be negative but insignificant. Due to this, H6b and H6c cannot be rejected for direct procurement. For indirect procurement only the findings are not in line with H6c. They are in line with H6b. However, both are insignificant, so neither can be rejected nor accepted. In line with H6g, organisational cultural fit negatively moderates the relationship between status and supplier satisfaction (H6g; $t_{(D)}=1.62$, $\beta_{(D)}=-0.43$, $f^2_{(D)}=0.18$ and $t_{(I)}=0.26$, $\beta_{(I)}=-0.04$, $f^2_{(I)}=0.01$). Also, here insignificance is found so H6g cannot be accepted for direct and indirect procurement. Support is found for H6a, organisational cultural fit positively moderates the relationship between supplier satisfaction and preferred customer status (H6a; $t_{(D)}=2.13$, $\beta_{(D)}=0.31$, $f^2_{(D)}=0.11$). This relationship is significant and can therefore be accepted for direct procurement. For indirect procurement, no significant relationship is found which means that H6a cannot be accepted.

Results for the model extension: The degree of fulfilment of expectations and ethnocentrism have no effect on supplier satisfaction

When looking at the relationship between the degree of fulfilment of expectations and supplier satisfaction (H4; $t_{(D)}=1.31$, $\beta_{(D)}=0.32$, $f^2_{(D)}=0.12$ and $t_{(I)}=0.19$, $\beta_{(I)}=0.04$, $f^2_{(I)}=0.00$),

a positive relation is found which is as expected. However, also this hypothesis cannot be accepted due to insignificance. As last, not in line with H5a and H5b, ethnocentrism is positively related to supplier satisfaction (H5a; $t_{(D)}=0.11$, $\beta_{(D)}=0.03$, $f^2_{(D)}=0.00$ and $t_{(I)}=0.38$, $\beta_{(I)}=0.06$, $f^2_{(I)}=0.01$) and the degree of fulfilment of expectations (H5b; $t_{(D)}=0.70$, $\beta_{(D)}=0.10$, $f^2_{(D)}=0.06$ and $t_{(I)}=0.25$, $\beta_{(I)}=0.70$, $f^2_{(I)}=0.00$). Also, these relationships are found to be insignificant, and cannot be rejected for both procurement groups. All effect sizes for the model extension are not existing to small, expect for H5e for direct procurement which is moderate. Additionally, the following three relationships are found to be negative and significant for direct procurement: the relationship between organisational cultural fit and growth opportunity, organisational cultural fit and relational behaviour and organisational cultural fit and preferential treatment (see Appendix K).

Even though there are differences in factors being identified as significant, when assessing the results with multi-group comparison in SmartPLS (parametric test), all p-values are >0.05 which indicates that there is no significant difference between the two procurement groups. These values can also be found in appendix K.



*<0.05 (one-tailed), **<0.01 (one-tailed)

Figure 10: Results of the conceptual model with a distinction between direct (D) and indirect (I) procurement via PLS-SEM (N=41 and 62 respectively).

Discussion of the results of the replicated model of Vos et al. (2016): Low turnover share and non-included factors can explain the differences

First, the model of Vos et al. (2016) is replicated, where the focus is on the relationship between supplier satisfaction and its first-tier antecedents, and additionally the relationship between supplier satisfaction, preferred customer status and preferential treatment. Results show that relational behaviour has a positive influence on supplier satisfaction, and that preferred customer status has a positive influence on preferential treatment for both direct and indirect procurement. Even though, these findings are in line with the findings of Vos et al. (2016), all other results differ (appendix K). This thesis shows a positive relationship between operative excellence and supplier satisfaction, only for direct procurement. One reason for not finding the same effect for indirect procurement can be that bad operative

excellence is not catastrophic in this case. For direct procurement, it would be catastrophic when no operative excellence is taking place, in the case of CompanyX, because direct procurement also includes chemicals. When not operating correctly it can become dangerous as well. Not finding support for growth opportunity and profitability merits one question for future investigation. While previous research supports the positive effect of growth opportunity and profitability on supplier satisfaction²¹⁴, in this thesis no significant effects are found. This is not the first time that no effect is found for these two variables. Henn (2018) found no effect for profitability and Kok (2020) found no effect for growth opportunity on supplier satisfaction. One reason for not finding an effect for profitability can be due to the low profit CompanyX provides its supplier with as shown in table 1. When taking a closer look into the data, it is found that for 59% of the suppliers, CompanyX provides less than 5% of their profit. Due to this it is logically to say that profitability is not the foundation of the relationship. Therefore, also growth opportunity can be considered as less important. When low profits are obtained, CompanyX is one of many smaller buyers, or there are larger buyers. Growth opportunity focusses on growth rates, dominant market positions, attractiveness and new market opportunities. When only being a smaller buyer, it makes sense that no big role in market positions and opportunities is played. The results in this thesis may also differ since a different industry and sample size is used.

Vos et al. (2016) found a positive and significant effect for direct procurement between supplier satisfaction and preferred customer status, which is not in line with the findings for direct procurement in this thesis, here no significance is shown. This is the first time that during the replication of the model of Vos et al. (2016), no effect is found. The sample size for direct procurement is small (N=41), which can be a reason for the insignificance. This is assessed by looking at the effect size between supplier satisfaction and preferred customer status. The effect size (0.00) can be considered not existing which means that this relation has no statistical power and that there is an increase in needed sample size²¹⁵. However, since the effect size is zero and other relationships are identified as being significant, the sample size is not considered as the cause of insignificance. One reason can be the origin of how supplier satisfaction and preferred customer status are determined. Supplier satisfaction is absolute where preferred customer status is a ranking based on all other customers of the supplier. It can be that the supplier is satisfied but that other companies receive preferred

²¹⁴ See for example Vos et al. (2016), p. 4620 and Sende (2018), A-7

²¹⁵ See Hair Jr. et al. (2014), p. 691

customer status due to a high number of competitors which could lead to not finding an effect (i.e. comparison of alternatives). A last reason can be that another factor influences preferred customer status. However, when assessing the data (figure 10), no other factor is found to have an influence on preferred customer status for direct procurement. Previous research has shown that resource complementarity has an influence on preferred customer status²¹⁶. Additionally, dependency of the supplier on the buyer can also play a role. Even though the supplier is not satisfied, due to highly dependence on the buyer, suppliers can still provide the buyer with preferred customer status and preferential treatment. In this case, the highly dependency would not come from a profit perspective but can come from others, like innovation potential. Hypothetically, these two factors can play a role. Research mainly focusses on factors having a role on supplier satisfaction, therefore it is recommended to do further research on (more) factors influencing preferred customer status as well. As last, the strengths (i.e. beta coefficients) of the relationships differ from the strengths of the relationships in the model of Vos et al. (2016). Since different data samples are used and Vos et al. (2016) makes use of the automotive and chemistry industry and this thesis makes use of the paper packaging industry, this causes no further concerns.

Discussion of the results of the standard control from van der Lelij (2016): Due to long relationships and processing of commodities, the importance of status can decrease

Second, the variable status was added to the model of Vos et al. (2016). Results show only an effect for indirect procurement where status positively influences preferred customer status, which makes it able to accept H2b for indirect procurement only. This finding is in line with the finding of van der Lelij (2016). One reason for not finding the same effect for direct procurement, can be that for the direct procurement groups (e.g. chemicals), commodities get processed into a final product. When having this product, no supplier names are visible. However, for indirect procurement (e.g. transport), no processing of the commodities takes place and thus the commodity is associated with the supplier and assuming that no supplier wants their brand name associated with a company receiving bad prestige, this could explain the difference. For the other relationships, no support is found, which merits a question for further investigation. One reason for not findings an effect between status and supplier satisfaction can be the length of the relationship. As shown in table 1, the suppliers have on average a relationship with CompanyX for 25.5 years, which

²¹⁶ See Sende (2018), p. 42

is a long time. Podolny (2005, p. 18) stated that ‘the greater market participants’ uncertainty about the underlying quality of a producer and the producer’s product, the more that market participants will rely on the producer’s status to make inferences about that quality’. Due to the length of the relationship, it can be assumed that uncertainty decreases and thus status becomes less important.

Discussion of the results of the model extension: The effect of transaction costs is overestimated and the effect of diversity is underestimated

Third, the impact of organisational cultural fit in the buyer-supplier relationship was assessed. Organisational cultural fit is positively related to supplier satisfaction and has a positive moderating effect on the relationship between profitability, operative excellence and relational behaviour, and supplier satisfaction. However, these are all insignificant. Additionally, organisational cultural fit negatively moderates the relationship between growth opportunity, status, and the degree of fulfilment of expectations and supplier satisfaction. Also, here insignificance is found so most hypotheses related to organisational cultural fit cannot be accepted nor rejected for both direct and indirect procurement. However, a difference is found for the moderating effect of organisational cultural fit between supplier satisfaction and preferred customer status. Indirect procurement shows no effect, but direct procurement shows a positive relationship. This merits one question for future investigation. Even though Lebron (2013) implied that countries that do not have the same culture increase in likelihood of failure of the relationship when not understanding the other culture²¹⁷ and thus leads to dissatisfaction, this is not found in this thesis. One reason for not finding this, can be again the length of the relationship. In this thesis, only existing and long relationships are included and no failed once. Further investigation can be done with the inclusion of failed relationships to validate the implication of Lebron (2013). Additionally, organisational cultural fit can also be seen as an underlying antecedent for the first-tier antecedents of supplier satisfaction. The relationship between organisational cultural fit and growth opportunity and relational behaviour are found to be negative and significant. This can be due to the fact that the impact of the diversity theory is underestimated and the impact of the TCE theory is overestimated. Even though, the TCE theory helped in reasoning on why moderating effects would be positive, it merits the questions on whether the TCE theory is a fitting theory for direct effects in cultural research. The negative effect can be explained by looking at problem solving, flexibility, and

²¹⁷ See Lebron (2013), p. 131

improvements. This is the main focus of the indicators of relational behaviour and increases with diversity. Additionally, growth opportunity focusses on dominant market positions, attractiveness and new opportunities. This can increase when working with a different culture because they are highly likely to have different skill sets and resources, and diversity enhances creativity. These findings are supported by Hong and Page (1998), who stated that when working in a diverse group it can help in finding the optimal solution to difficult problems (i.e. cognitive diverse) and, secondly, it is also supported by Klagge (2013) who found that when working in diverse groups, flexibility and creativity enhances²¹⁸. However, the R²'s involved in these relationships are very small which means that organisational cultural fit has almost no predictive power and thus explain almost no variance in relational behaviour and growth opportunity. Secondly, a negative relationship is found between organisational cultural fit and preferential treatment for direct procurement, implying that when operating with the same culture, less often preferential treatment is obtained and vice versa. One reason can be that the complexity of the relationship increases when operating with a different culture²¹⁹. In order to improve this relationship and make it less complex, suppliers can choose to send better employees and share more capabilities to make sure that the relationship will succeed. Noteworthy, the effect of organisational cultural fit is found for direct procurement only. One reason can be that the average organisational cultural fit for direct procurement (0.397) is a bit higher than the average organisational cultural fit for indirect procurement (0.438²²⁰). However, this difference is relatively small, which makes it not able to validate this reason. Future research should assess whether it can be validated or not. Another reason can be that the direct material suppliers are located further away than the indirect material suppliers. Since it is easier to understand behaviour when the distance is small²²¹, it is possible that with a larger distance, organisational cultural fit becomes more important since it is harder to understand behaviour. Lastly, according to Podolny (1993, p. 851), a higher status leads to lower transaction costs in forming relationships. When testing the relationship between the length of the relationship and status, a positive effect is found for direct procurement ($\beta=0.272$, $t\text{-value}=1.941^*$) only. So, the higher the length of the relationship, the more prestige CompanyX has in the eyes of its suppliers. Additionally, multi-group comparison shows a significant difference for this relationship between direct

²¹⁸ See Klagge (2013), p. 2-3

²¹⁹ See Klagge (2013), p. 3

²²⁰ Not rescaled, a lower score represents a higher organisational cultural fit.

²²¹ See Neeley (2015), p. 75

and indirect procurement (p-value=0.025*). This implies that due to long-term relationships (25.5 years on average), the status is higher and thus lower transaction costs are in place for direct procurement. Since the moderating effect of organisational cultural fit is mostly based on TCE theory (i.e. low organisational cultural fit increases transaction costs), the hypotheses are based on the wrong perspective and this could thus explain the difference between direct and indirect procurement.

A reason for not finding the effect for this control variable, can be due to the fact that the way in which organisational culture is measured, is questionable. This is further discussed in the limitations section. Additionally, the national culture scores are based on Hofstede's dimensions and the organisational culture scores on the GLOBE study dimensions. Both use different statements to measure the dimensions, which could possibly result in different outcomes. The hypothesis is also based on the findings of Lebron (2013) which are not applicable for this thesis. Even though no direct relationship has been found between organisational cultural fit and supplier satisfaction, organisational cultural fit does indirectly impact supplier satisfaction by having an effect on its first-tier antecedents. Therefore, this thesis provides evidence that organisational cultural fit does play a role in the model of Vos et al. (2016).

Fourth, the variable 'degree of fulfilment of expectations' was added to the model of Vos et al. (2016). No support is found for the effect of the degree of fulfilment of expectations on supplier satisfaction, therefore H4 cannot be accepted. However, a second analysis via polynomial regression showed that for profitability only, the agreement between the expectations of profitability and the actual outcome matters. They are mutually enforcing. In this case this means that when both the expectations and the actual outcome are high, satisfaction is obtained. No effect is found for innovation potential and improvements. This indicates that expectations do play a role to a certain extent. However, the conclusion can be drawn that expectations do not play a major role. This merits a big question for further investigation. Even though, among others the social exchange theory, the confirmation/disconfirmation paradigm and the statement of Schiele et al. (2012, p. 1181) imply that when expectations are met, satisfaction is obtained, no support is found in this thesis. One reason can be that the measurement of this variable is questionable, which is further discussed in the limitations section. It can also be that the impact of meeting expectations is overestimated and does not play a major role as shown in this thesis. This leaves a nice gap for further research.

Fifth, ‘ethnocentrism’ was added to the model of Vos et al. (2016). Results show no effect for ethnocentrism on the degree of fulfilment of expectations, nor on supplier satisfaction. Even though ethnocentrism is identified as a factor leading to many cultural disadvantages²²², this thesis found no support. One reason can be that ethnocentrism just does not play a role. However, in this thesis, a relatively new measurement is used, the EAS. EAS is part of the RACES survey which also includes an accepting attitude scale (AAS) and a racist attitude scale (RAS), but which are not used in this thesis which can make the measurement incomplete²²³. Next, when taking a closer look into the ethnocentric numbers obtained during data collection, the level of ethnocentrism ranges from 1 – 5. An average score represents the following: 1 - no ethnocentrism, 2 - low degree of ethnocentrism, 3 - neutral, 4 - high degree ethnocentrism and 5 - extremely high ethnocentrism. Only 4 respondents score above the ‘neutral’ score on ethnocentrism, which corresponds to 3.88% of the total number of valid responses (see Appendix Q). This means that almost no extreme measures are included in this data sample and thus represent a low degree of ethnocentrism. That said, finding no support does not necessarily mean that ethnocentrism does not play a role. No link has been made between the degree of ethnocentrism of CompanyX and the degree of expectations met by the supplier. As an implication for future research, it would be interesting to see whether the degree of fulfilment of expectations increases/decreases when the buying company scores high/low on ethnocentrism. In order to do so, multiple companies need to be compared.

Most of the effect sizes for the model extension are so small that they can be considered as not existing. This leads to the model extension having low statistical power and an increase in needed sample size²²⁴. The small sample size can be a reason for not being able to find support for certain hypotheses (e.g. moderating effects of organisational cultural fit). Significance can change when increasing the sample size. Therefore, it is recommended to test the model extension with bigger sample sizes in the future.

Detailed discussion about country difference
 Sixth, the model of Vos et al (2016) is tested on different countries to see whether countries identify different factors as leading to supplier satisfaction. Germany and the rest of the responding countries are compared, and significant

²²² See Adler and Gundersen (2008), p. 130

²²³ See Grigg & Manderson (2016), p. 118

²²⁴ See Hair Jr. et al. (2014), p. 691

differences have been found. These findings are not in line with the findings of Nyaga et al. (2010) and Carter (2000) who found no differences. However, these studies are qualitative which does not give an indication of the strength of the relationship between the antecedents and supplier satisfaction and which factor is perceived as more important. Additionally, the findings are not in line with Hüttinger et al. (2014) who found no significant differences in the antecedents determining supplier satisfaction between Germany and the rest of the countries. One reason for the differences can be that Hüttinger et al. (2014) collected data from the automotive industry which differs from the industry used in this thesis. A second reason can be that in their study, only direct material suppliers are used and, in this thesis, also indirect material suppliers are included. These findings are partially in line with Voldnes et al (2012). Even though they found no differences in factors influencing satisfaction, they did find differences in how satisfaction is achieved²²⁵. In this thesis, the factors influencing supplier satisfaction are examined based on 1-5 indicators. If these indicators do not involve the measurement which is used by other companies to measure the achievement of satisfaction, this can explain the difference. The same research can be restructured with qualitative analysis (i.e. interview), to test whether this makes a difference. Unfortunately, no reason could be identified for finding the difference between the two country groups. The cultural dimensions of Hofstede and the GLOBE study have been tested as moderator in the model of Vos et al. (2016), but no effect is found. These findings are in line with Henn (2018). She finds that culture has no moderating effect on supplier satisfaction. Additionally, Deshpandé et al. (1993) found that corporate culture plays a major role in business-to-business relationships. Unfortunately, this is not supported in this thesis since the sample size was too small to test the effect of the national and organisational culture dimensions as a reason for the significant difference between Germany and the rest of the sample. A theoretical explanation for finding a significant difference in the relationship between organisational cultural fit and preferred customer status can be that Germany has different norms and values than the rest of the sample, which can form other requirements to receive preferred customer status. However, in this thesis no distinction is made between the two country groups due to a too small sample size, which merits a question for further investigation.

That no moderating effect is found for the cultural dimensions, also means that no effect is found for uncertainty avoidance. According to the TCE theory, when uncertainty increases,

²²⁵ See Voldnes et al. (2012), p. 1

the risk of opportunistic behaviour and bounded rationality also increases. Opportunism can lead to incomplete and distorted disclosure of information and calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse²²⁶, which on its turn would lead to dissatisfaction, since communication has been proven to be positively related to supplier satisfaction²²⁷. In intercultural relationships, uncertainty increases which would mean that when a country scores high on uncertainty avoidance, less opportunistic behaviour would take place and thus uncertainty avoidance would moderate the relationship between supplier satisfaction and its first-tier antecedents, or have a direct effect on supplier satisfaction. In this thesis, this effect is not found and this is not the first thesis which shows this. Kok (2020) also found no (moderating) effect for uncertainty avoidance on supplier satisfaction. This again merits the question for future investigation on whether the TCE theory is a fitting theory for cross-cultural difference research with long term relationships.

P: Discrepancy assessment

Difference innovation potential groups					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	33	32.0	32.0	32.0
	1.00	35	34.0	34.0	66.0
	2.00	35	34.0	34.0	100.0
	Total	103	100.0	100.0	
Difference profitability groups					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	35	34.0	34.0	34.0
	1.00	36	35.0	35.0	68.9
	2.00	32	31.1	31.1	100.0
	Total	103	100.0	100.0	
Difference improvement groups					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	38	36.9	36.9	36.9
	1.00	40	38.8	38.8	75.7
	2.00	25	24.3	24.3	100.0
	Total	103	100.0	100.0	

²²⁶ See Williamson (1985), p. 47-48

²²⁷ See Essig and Amann (2009) and Whipple et al. (2002), p. 1

Q: Ethnocentrism average score statistics

Ethnocentrism					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	32	31.1	31.1	31.1
	1.25	5	4.9	4.9	35.9
	1.50	8	7.8	7.8	43.7
	1.75	7	6.8	6.8	50.5
	2.00	21	20.4	20.4	70.9
	2.25	7	6.8	6.8	77.7
	2.50	9	8.7	8.7	86.4
	2.75	4	3.9	3.9	90.3
	3.00	6	5.8	5.8	96.1
	3.25	2	1.9	1.9	98.1
	4.00	1	1.0	1.0	99.0
	4.25	1	1.0	1.0	100.0
	Total	103	100.0	100.0	