

# Is Culture an Important Factor for the International Trade Negotiators?

Ehsan Ferdous<sup>1</sup>, He Xiaoyin<sup>2</sup>

Professor<sup>2</sup>, School of Business, Zhengzhou University, Zhengzhou, Henan, China

**Abstract:- Economies are becoming diversified due to the large-scale adaptation of globalization and the processes involved are becoming easier day by day with the advancement to technology. The contemporary world is no longer confined to any single market which has also instigated the expansion of trade beyond national territory. Multinational Managers are faced with challenges when it comes to dealing with different cultures as they fail cope up with the demand of their counterparts' culture. This study seeks to discuss and address important areas to the problems associated with cultural differences when it comes to International Trade Negotiation. However, little research has been conducted to identify the influence of culture on international trade negotiation. The study attempted to refute the relationship between culture and international trade negotiation. The data is used to conduct this study is collected from different nationalities to understand the perception and negotiation style of different cultures.**

**Keywords:-** Cultural Differences, International Trade Negotiations, Cross-Cultural Communications.

## I. INTRODUCTION

Culture is a social factor and an institution where every social being is a member. It is elusive to understand culture by a simple definition because of its ever-changing nature and diversity (Avruch, 2000). People who belong to the same culture have some similarities in their behavior and thinking, which we call shared behavior and values. However, the proportion of similarities varies from person to person. In international trade, culture is a tool for the negotiators to understand their counterparts by considering some of the subtle elements of the cultures they are from. Simultaneously, it could lead the negotiators to the wrong end of their decision if they are misguided by stereotypes (Scollon & Scollon, 2001). In this article, the negotiation aspects of different cultures will be studied to identify why international trade negotiators must take culture seriously?

Negotiation styles vary from culture to culture at the same time individuals from different cultural backgrounds think and behave inversely. Rapid globalization is allowing managers to interact with people beyond their culture to explore business outside the national boundary (Manrai & Manrai, 2010). The change of the global economic environment and the increase of wealth and prosperity instigate the top executive and researchers to realize the

need of understanding cultural influence on international trade negotiation. Successful negotiation in business is one of the most important things for top executives because it will bring money to the business (Bilsky, Janik, & Schwartz, 2011). The negotiation process with the foreign counterpart is complex and dynamic, it requires plenty of time and energy for the top executives. A lack of understanding of culture and context can be derogatory for the people we are dealing with. Subsequently, it will lead to failure and loss of money and effort. Culture is a broad area to discuss and identify the negotiation flows based on cultural differences is a difficult task to do. However, determining some common strategies by considering the commonalities of culture around the world is inevitable for the negotiators to apply their negotiation techniques.

## II. BACKGROUND

A negotiation mainly starts from knowing a person or a group of people instead of knowing about the reason behind the negotiation, especially when they are from a different cultural background. Hypothetically, people take their decisions whether they like you or not very fast, therefore, to gain trust and build a strong business relationship the initial introduction between two parties is important to handle efficiently. Negotiators are often perplexed by the differences in cultures all around the world, which may create inefficiency in the negotiation process. The study focuses on two major problems of international trade negotiation, which are, One, the differences in non-verbal cues that affect the negotiation process. Two, the influence of individualism Vs. Collectivism in international trade negotiations.

The non-verbal cues are the product of culture. Handshake, nodding, eye contact, touch, the smile is some ways people use to express their feelings and convey their message to one another (Fang & Faure, 2011). However, every culture translates the meaning of those actions distinctively what causes misunderstanding and to some extent, it becomes offensive. In international trade negotiation, it is one of the main reasons for ambiguity and stimulates egocentrism what hinders negotiators to secure a deal. Therefore, a skilled negotiator should have to have the skill to decode the body language of her/his counterpart to identify the real need and to address it properly.

Collectivism and Individualism is another social factor that affects our behavior directly. In a negotiation table, someone is trying to achieve a collective goal or to indulge

in self-interest is determined by this factor. The way people initiate their conversation, the duration of negotiation, long-term and short-term goals, written and verbal agreement are some of the elements are being affected by individualistic and collectivist attitudes (GUDYKUNST, 1997). It may be a hectic task for an American negotiator who came from an individualistic culture to deal with a Chinese negotiator whose culture promotes collectivism (Ianole-Călin, Francioni, Masili, Druică, & Goschin, 2020). A pivotal area needs to be identified to address this problem so that negotiators can build trust and find their comfort zone to operate their business smoothly.

### III. LITERATURE REVIEW

In the contemporary world, trade is equivalent to the circulation of blood into the vein for the economy. Businessmen are incessantly looking forward to improving the volume of their trade to maximize their profit by learning various business techniques and promoting innovations to manufacture new products. Science and technology have contributed to the manufacturing industry massively, therefore, modern machinery can produce greater numbers than ever before. Hence, the businessmen need to find a market to sell their products beyond the national border after satisfying the local market (Dorsch & Maarek, 2020). Companies are employing equipped engineers and managers with profound business knowledge. However, most of the time they are missing one of the most important things which are subtle but plays a crucial role when negotiating with our foreign clients. The literature deals with the problems international trade negotiators face due to cultural differences (Browaey & Price, 2008).

The goal of negotiation is to address the problem between the parties interested to do business. The failure of addressing those problems takes place due to improper communication (Sebenius, March 2002). Different types of negotiation styles exist in the business world, such as collaboration, problem-solving, compromise, competition and even ending negotiations and dissolving business (Chang, 2012). To imply a negotiation style negotiator, have to deal with a different perception, belief, attitude, culture, and language, therefore, negotiators have to switch their negotiation styles to accommodate them to a new culture or circumstance (Kramer & Herbig, 1997). Negotiators balance their negotiation technique as per the behavior of their counterpart which is helpful for the negotiators to identify the problem area mutually (Sebenius, March 2002).

Culture is an extremely broad area to discuss. To know about the culture, we have to look back and understand the formation of a culture. Apart from it, culture adds its value by itself with time. The people's habits, morals, values, customs, and art are completely different within a specific community today than what it was yesterday. Zhangwen and Haque have claimed that culture is a learned behavior that people apply in every aspect of their life and it is a set of factors that combines a national culture (Peng Zhangwen, December 11, 2017) (Zhangwen & Hoque, 2017). Although the value of a person varies from person to person, it is

taught through culture being shared by its member. At least in the field of anthropology and psychology – that it is a phenomenon of a collective and it is shared among its members (MACKENZIE, JUN. 2009). Cross-cultural research on values is carried out on two different levels of analysis: the individual- and the collective both the level is important to analyze to understand the negotiation approaches of international negotiators. At the individual level values are conceptualized as a motivation factor to guide the principles of individuals (Schwartz, May 1990) (G. Hofstede, 1983). At the collective level, people act as per their cultural expectations what we call norms, folkways, customs, and so on (Mintu, 1992).

The literature review by Peleckis (2013) has shown various cultural dimensions which influence the negotiation process. However, all its dimensions are not profoundly examined. The study of Greet Hofstede's cultural dimensions and Schwartz's cultural value orientation is also helpful to understand the influence of culture on international trade negotiation.

### IV. METHODOLOGY

This is qualitative research that examines narrative-based data. Aims to discover the innate causes of negotiation problems and misunderstandings lie in the cultures around the world. The data used in this research is to identify the people's perception of culture to one another and the leverage of successful trade deals. To prove the subtle factors associated with intercultural negotiation the research has used various types of data which includes time-series data, and qualitative data gathered through structured interviews. Doing in-depth interviews suitable for the research and extract the possible solutions to the problems of this research. The data that has been gathered through the interviews reveal the cultural expectations, culture-based offensive behaviors, way of showing respect to each other, areas where misunderstandings can take place, and ways to resolute problems. By dividing the data based on the region is an attempt to show the differences of mentioned factors among different cultures.

The chosen method for the primary data collection in this study was a profound interview based on structured questioners which allow us to find a comprehensive insight into the topic of this research. The questioners are designed to understand the mental stages of the participants, their perception towards other cultures and, the things which are important to consider to negotiate with an international trade counterpart. The questions are divided into three groups, in the *first* group participants were asked to rate the questioners from one to five scale where one is "strongly agree" and five is "strongly disagree". *Second*, the participants have to say "yes" if they are very sure or confident, "No" if they are not sure and, "Maybe" if they feel they will make the decision based on circumstances. *Third*, five options were given to them against each question, the options are related to the common phenomena what is taken from some intercultural negotiation-based case studies and the assumptions I have got from the study, the

participants have to choose the best suitable option among the five. The result of the data analysis is placed within the situations explained in this research. To make the statistics understandable to the reader's bar charts, pie charts and tables are used in this research. The figures mostly are shown in percentages to illustrate the agreement and disagreement-based questions. Although the analysis provides cross-sectional data, however, to some extent it produces sentiment analysis text data where we have tried to explain the reason behind the agreement or disagreement and assumed the future perspective. We have found 500 respondents from 38 different countries. The study participants were 68% male and 32% females. The average age of the respondents was 28 years. The respondents are highly educated as all of them have admitted themselves as bachelor students. Besides, 14% of them have a Ph.D. degree or continuing. The collected data were analyzed using Microsoft Excel.

**V. STUDY ONE**

The Negotiation process starts from a point where both parties are unaware of their future business relationship, hence, it is necessary to avoid over-expectation as it leads negotiators toward anxiety. No matter how good you are in your product knowledge and the excellent service you are offering, the way of expression is the crucial factor to gain the trust of your counterpart (Samovar & Porter, 2004). Simultaneously, it is also important to oversee the behavioral nuances of your counterpart to give her/him a proper response. A veteran body language researcher “Albert Mehrabian” found that only 7 percent of information is conveyed using words and the rest transmitted through voice features and non-verbal cues (Peleckis, Peleckienė, & Peleckis, 2015). Mainly non-verbal communication through body language consists of different signs, such as eye contact, facial expressions, smile, smirk, eye contact, voice intonation, personal space, and physiological responses.

However, these physical cues vary from culture to culture. Therefore, considering the cultural background of

your counterpart is as important as is knowing the business. To deal with a negotiator who is from a different culture may decode the meaning of body language differently. Culturally constructed body language should be avoided at the time you are meeting someone for the first time. For instance- showing thumbs and index finger together means “eight” in China whereas, in Bangladesh, it shows the sign of a “gun.” Crossing legs while sitting which displays the sole of your shoe is viewed as an insult in Arab, by contrast, for westerners it is a regular gesture (Scollon & Scollon, 2001). Hence, the culturally educated negotiators try to avoid the distinctive attitudes during the negotiation and only display the universal emotions which are common for everyone. Darwin (1872) said that universal facial expressions like- anger, happiness, surprise, disgust, sadness, and fear are inherited. People are carrying these innate behavior from generation to generation(Ekman, 1971). By contrast, Birdwhistell argued that the search for universal body language is culture-bound. The elusiveness of the way we express things and the way it varies from culture to culture instigate international trade negotiators to take a close look at the expressions of their counterparts.

Ignorance of those subtle physical cues can affect international trade in two different ways-

*A. Egocentrism:*

Dale Carnegie once stated it is difficult to deal with someone’s “No,” no informative explanation may be enough to make it “Yes” as her/his ego will not let him do so (Carnegie, 2009). Hence, in international trade negotiations provoking a counterpart by overlooking the significance of his culture could lead him toward egocentrism, which subsequently leads to non-cooperation, hard bargaining, improper problem statement, and lack of trust (Chiao, Cheon, Pornpattananangkul, Mrazek, & Blizinsky, 2013). To understand the connection between people and culture people are asked that “do they honor the heroes who sacrificed for their national heritage?” where around 80 percent of people agreed that they have respect for them. The data below shows that people cherish their culture and heritage and they place it above anything.

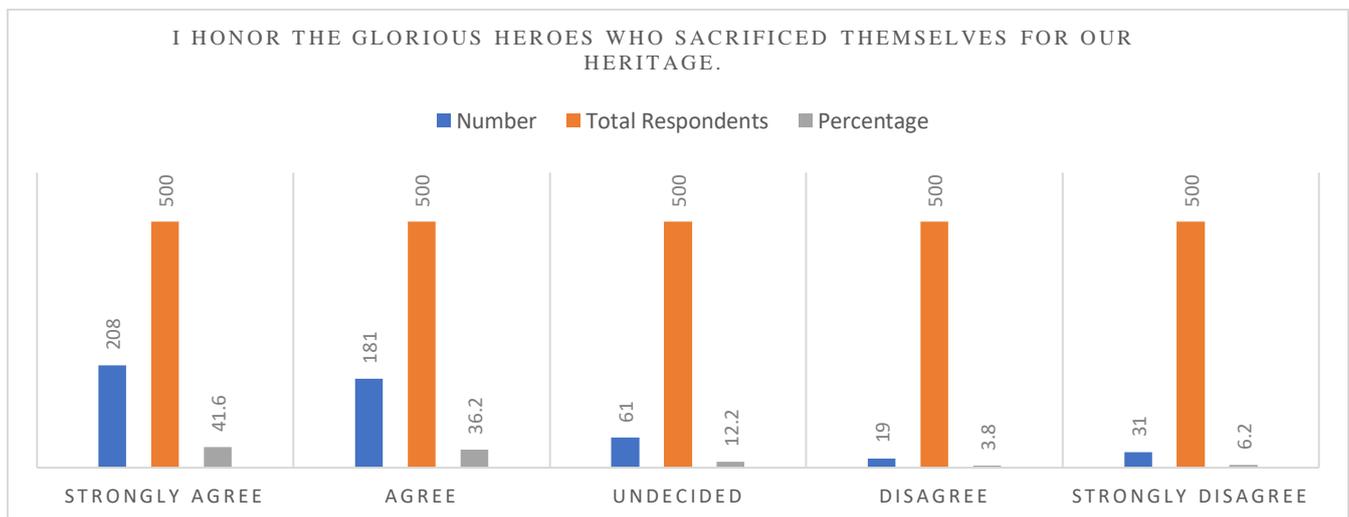


Figure1: Sensitivity to culture and heritage

The figure above shows that very few people around the world are not emotionally associated with their culture and heritage. Therefore, the study not only indicates that the non-verbal cues which people learned through culture or the folkways which people are expected to follow within the culture are integrated to their emotion. Showing disrespect or denial of one’s cultural gesture can provoke someone’s negative emotion which may lead to hard bargaining, take it or leave attitude, less cooperation, and many others (Susan Heitler, Nov 09, 2011).

**B. Hard Bargaining:**

People are involved in hard bargaining for many reasons. Most of the time the negotiators do it when they feel that their counterpart has nothing but to accept her/his proposal. However, being involved in hard bargaining by considering your counterpart feeble is not a good idea as it impedes the chance to establish a long-term relationship. Sometimes negotiators use hard bargaining as a tool to insert power over others. For instance- Russian businesspeople more often practice hard-bargaining strategies by taking a long time to negotiate(Cohen, 1982). However, two of the crucial reasons for being involved in hard bargaining are “Fear of Losing Face” and “Implicit Problem Statement”.

During international negotiations, people are concerned about their stand, and an offense towards the elements which are associated with their culture, heritage,

*Respect for Authority Is Something All Children Need to Learn*

Respect For Authority Is Something All Children Need To Learn			
Category	Number of Respondents	Total Number of Respondents	Percentage
Strongly Agree	188	500	37.6
Agree	154	500	30.8
Undecided	72	500	14.4
Disagree	52	500	10.4
Strongly Disagree	34	500	6.8

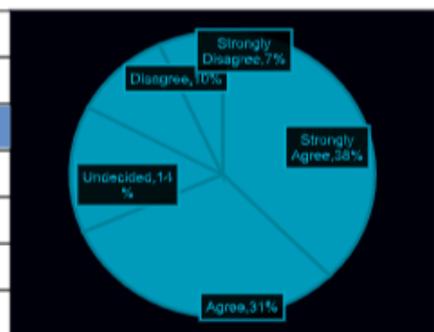


Figure 2: Importance of Respect to Authority

The table above shows that people think that respect for authority is top of all. The number of people who agreed and strongly agreed is around 69 percent. Psychologically people expect their close allies to believe the same thing what they believe. For instance- a patient with some issues in his abdomen who has been told by the doctor not to eat too much expect their physically healthy friends to eat a lot. This is a reflection of people's suppressed desire for what they want to see others fulfill(Susan Heitler, Nov 09, 2011).

If we consider the counterparts as our close business allies then we are certainly being expected to act as per their expectation. However, in international trade negotiation, we should not nod our head in every statement made by our counterpart as it causes loss in business and shows inefficiency in negotiation skill. Therefore, to avoid hard bargaining negotiators have to make their counterparts feel

race, social institutions, and the common belief is taken as a personal attack. Losing face in front of the global community makes someone feel insulted and small, hence, a negotiator would apply his/her highest possible tool to save his/her face and can get involved in hard bargaining by underestimating the real need(Peleckis et al., 2015).

The research found that most of our psychological issues start from failing of knowing the actual meaning of certain things, statements, and situations. People are being stuck to some unimportant factors when they are afraid of losing their face (Ph.D., May 13, 2019). The fear leads them to be desperate to save their face and became reluctant to hear from their counterpart. Due to the reluctance, they give less chance to their counterpart to explain their problem as they consider every statement as a potential threat to their pride. Hence, it creates ambiguity in negotiation and the real negotiation problems remain unidentified.

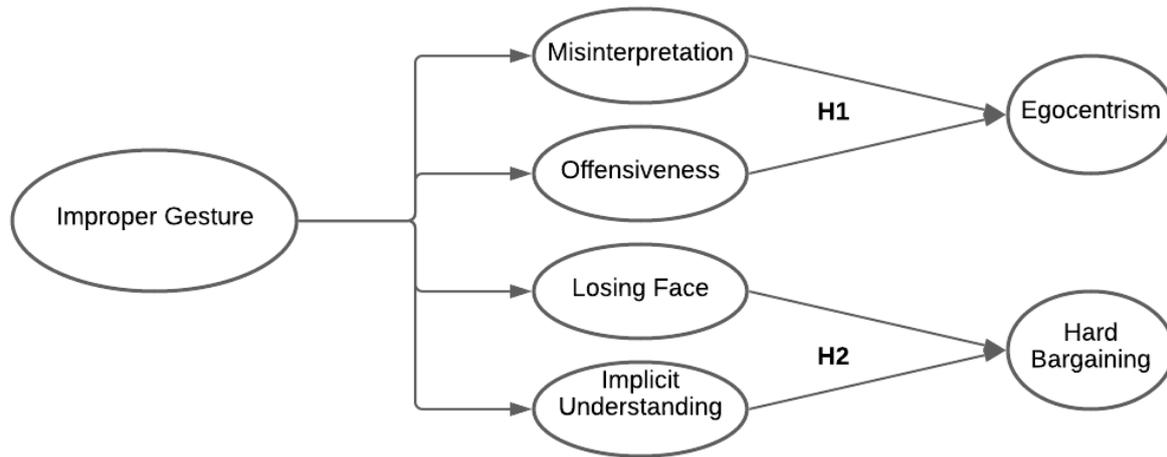
People are asked about their thinking of “respect for authority” and “the way they make foreign friends.” Most of the answers we have found that people believe that respect to authority is something that people should learn from childhood. At the same time, they have said that mostly they don’t consider the political relationship between their countries to make foreign friends. They only consider the behavior of an individual.

that they are looking forward to achieving a common goal and they are discussing to help them reach the goal. Theoretically, we call it a problem-solving approach (Goodpaster, 1993).

After studying the importance of non-verbal communication, we ended up with two hypotheses that are directly connected to international trade negotiation.

**H1:** Improper gesture provoke egocentrism where people feel their culture and heritage is challenged by their counterparts.

**H2:** Being ignorant of someone’s culture makes him feel insecure what causes a “fear of losing face” and “Implicit problem statement”. These two factors subsequently lead to hard bargaining.



Model 1: Negotiation Inconvenience Through Improper Gesture

**Discussion**

In this study one we have identified two major factors that are “Egocentrism” and “Hard Bargaining” as an impediment to international trade negotiations. The unclear problem statement is the reason for misunderstanding and misinterpretation, which may lead people to feel offended and become egocentric. Simultaneously, the fear of losing face makes people resistive, which develops a propensity to grab everything out of the negotiation instead of looking for a suitable pie following the need. Implicit communication can prove to be the reason for getting involved in hard bargaining. Every culture certainly has its expression to convey messages. Therefore, implicitly express the meaning of your words can be interpreted with a different meaning.

Based on our study, the negotiators are advised to be humble to make the counterpart feel that they have full respect for your counterpart and his/her cultural background. If they are using some of their cultural folkways to show them respect, they must explain the significance of your action and what it exactly means in their culture. For instance,- Arab people kiss the cheeks of their same-sex friends to express harmony and to show respect. However, the action can be misinterpreted if not refuted well. Therefore, clear verbal communication is crucial in international trade negotiations, especially when someone is starting or looking forward to starting a business with a foreign counterpart.

**VI. STUDY TWO**

The negotiation strategy is highly dependent on the perception of “individualism and collectivism” within the culture. Culture has some shared belief what its people transmit from generation to generation. The reason behind bringing this factor is its vast influence on our behavior, ideology, ethics, norms, and values. Geert Hofstede (1982), explained the significance of “individualism and collectivism” in his groundbreaking national cultural model. The fragmentation of this model contributed to cultural study immensely and helped us to understand the

importance of this factor. We have found the factor has direct influence on peoples “Implicit and Explicit Communication” and “Decision Making and Bureaucracy”. These two chosen factors also fall under Schwartz's “Theory of Basic Human Values” where he shows that “Self Direction” and “Stimulation” is the part of Independence, Excitement, novelty, and challenge (Tekeş, Üzümcüoğlu, Hoe, & Özkan, 2019).

Individualistic and collectivist culture has a significant influence on the “Implicit and explicit” way of communication. Individualism stands for self-achievement, glory, monetary gain, and development. An individual is solely responsible for his mistake, gain, and loss. Whereas, Collectivism stands for in-group achievement and glory. One’s mistake might affect the group or hinder them to achieve the collective goal. Study one has discussed that “fear of losing face” is the factor responsible for hard bargaining. The people who belong to the collectivist culture are more conscious to save their face compared to individualistic culture as in collectivism, an insult to a member of the group can lead to losing face for the rest of the members. Members of a collective culture prefer to communicate implicitly or indirectly to ease this pressure. On the bargaining table, they take time to understand their counterpart, which allows them to sense the potential threats of the circumstance. Therefore, to start a conversation, they do not come to the point directly. Saying “No” is another hard job for the member of this culture. Members of a collective culture always try to save their faces by giving face. Hence, a direct “No” is often considered rude in a collective culture. They try altering “No” by using a synonym. To some extent, those synonyms are too ambiguous for the members who came from individualistic cultures. For instance, in some countries, people say “I will try” instead of saying “No” or they will say “I am not sure my boss will be okay with it” (Fang & Faure, 2011).

By contrast, the people who belong to the individualistic culture have no pressure to think about the consequences of his action to the other members of the

group. Hence, they do not take much time to come to the point. To some extent, social scientists claim individualistic culture is a complex culture due to its openness. The members are free to join any other groups and practice a wide range of choices to express themselves (Carducci, 2012). They have to consider fewer factors to take decisions because of their sole involvement in an issue. The basic instinct of human beings to become independent is been validated by individualistic culture. hence the people are very direct. The proverb “the squeaky wheel gets the grease” best suits the individualistic cultural dimension.

*A. Implicit and Explicit Communication:*

To do international trade the negotiators must keep a keen eye on the way their counterparts are conveying messages as well as the way to decode those messages. The members of a collective culture enjoy lesser independence than their individualistic counterparts, therefore, their communication style is implicit or indirect, or ambiguous. By doing implicit communication, they try prolonging the

negotiation process to give them some time and understand the situation well. This also helps them to ease pressure over a single negotiator and split the responsibilities of negotiation among all the members of the team (Metcalf, Bird, Peterson, Shankarmahesh, & Lituchy, 2007). In contrast, a member from an individualist culture is well informed about their responsibility. Therefore, they can communicate directly to come to the point and decide per their capacity.

To validate the findings, we have conducted an online survey where we asked 46 Chinese nationals, 16 Bangladeshi Nationals, and 20 American Nationals about their perception of direct or indirect communication. Here the people from Bangladesh and China are highly collectivist and have low scores in individualism according to Hofstede’s national cultural model. Whereas, the United States has the highest score in this portion. The score of China, Bangladesh, and the United States are respectively 20, 20, and 91.

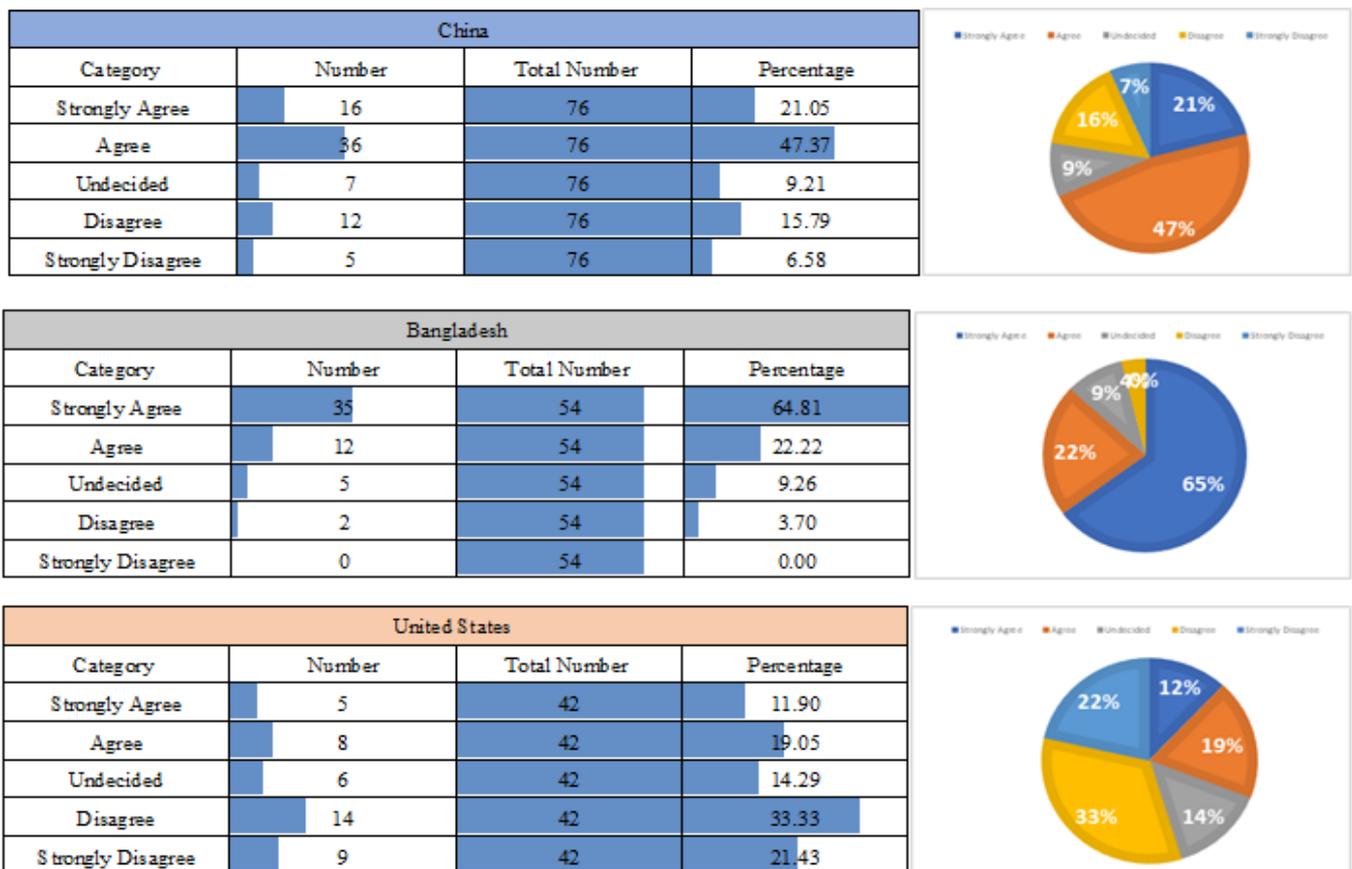


Figure 3: To start a conversation we should not go directly to the point. The conversation should be started with some social greetings”

The above data show the comparison between the three countries the people from these countries expressed their opinion on direct and indirect communication. The findings we have after analyzing the data are quite similar to the data of Hofstede. The individualist society members of the United States argued that there is no need to spend a long time for social greetings. Communication should be direct and the goal of the conversation should be addressed.

55% of Americans disagreed and strongly disagreed with the above-mentioned question. Whereas, the result of Chinese and Bangladeshi data is opposite to Americans. The people of these two collectivist countries believe that going directly to the point is inappropriate, social greetings should occur to start the conversation. Almost 70% of Chinese and 87% Bangladeshis strongly agreed and agreed with the statement above.

**B. Decision Making and Bureaucracy:**

Decision-making and bureaucracy vary between individualistic and collectivistic cultures. In a collectivist culture, the decision comes from the top due to the hierarchy of the culture. Besides, losing face is a serious issue in a collectivist culture, therefore, negotiators must be prepared and allocate some extra time to deal with their counterparts who have a collectivist cultural background (Michael, 1985). In an individualistic culture, people are task-oriented, to make a decision they prefer to evaluate the possible outcome from the decision instead of discussing it with their team members. Long-term orientation is another factor that influences the decision-making of individualistic and collectivist cultures. The members of the individualist culture are reluctant to make a long-term plan for them whereas, their collectivist counterparts must consider so many factors such as family, friends, and relatives.

Therefore, making a short-term plan could be costly for them. The data of Hofstede also show that countries who have low scores in individualism have high scores in long-term orientation (G. H. Hofstede, Hofstede, & Minkov, 2010). Here we have selected five countries to see the relationship between individualism vs. collectivism and long-term vs. short-term orientation scores. Bangladesh, China, and Japan are collectivist countries as they have low scores in individualism, which are 20, 20, and 46, respectively, have high scores in long-term orientation, which are 47, 87, and 88, respectively. By contrast, the United States and the United Kingdom are highly individualistic countries scored 91 and 89, respectively, whereas, their long-term orientation scores are low which are 26 and 51 respectively.

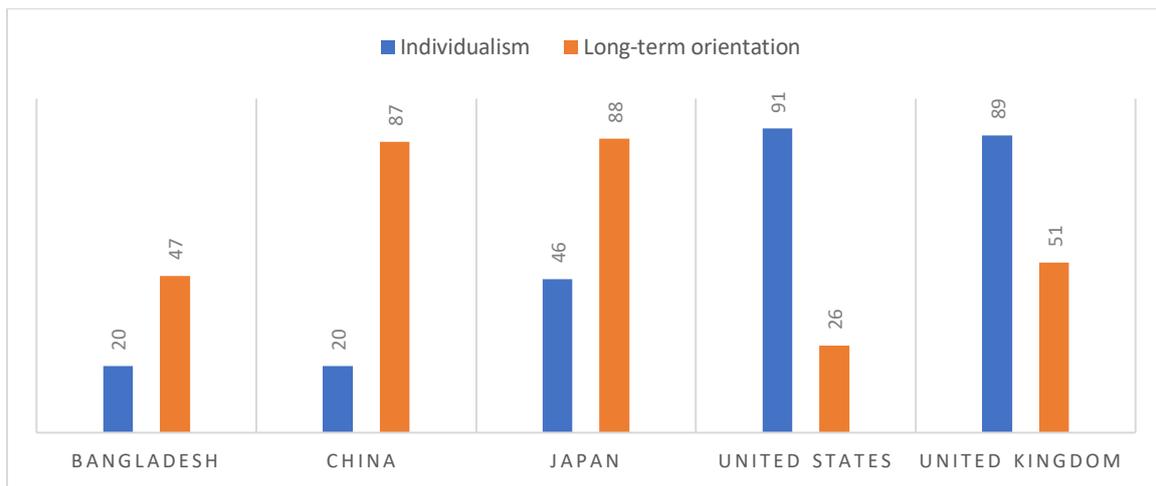


Figure 4: Individualism Vs. Long-term orientation

Here, the score of Bangladesh seems a little different due to their vulnerable situation of society at the time the data have been collected. However, the time we have conducted our survey and asked the people of Bangladesh about their long-term vision we have got the result as expected from an individualistic country.

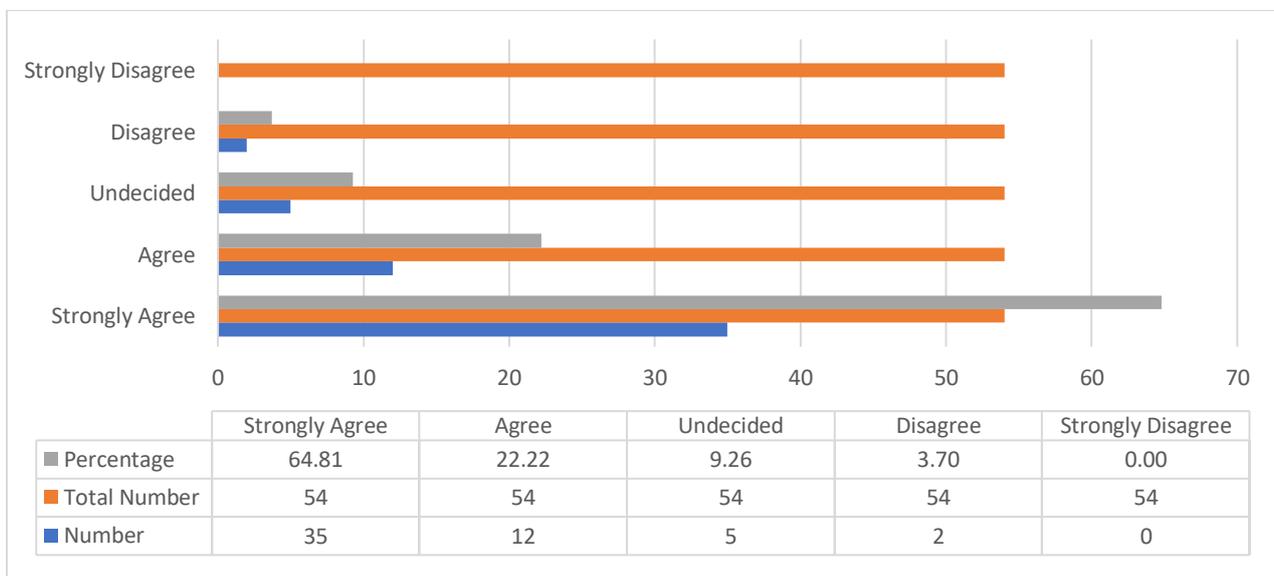


Figure 5: I prefer to work for a certain organization throughout my whole career so that I could achieve long-term prosperity and ensure goal-oriented career activities

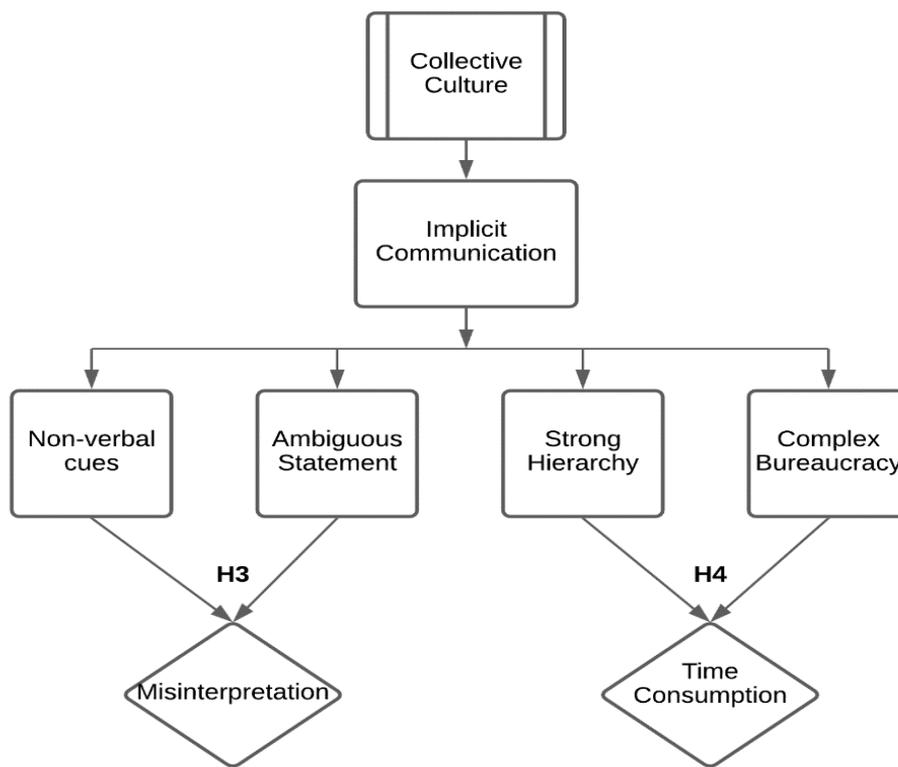
Figure 5 shows that almost 86% of the survey respondents said that they want to work somewhere for a long time to experience substantial growth. The reason behind the difference between the results of Hofstede's data and the data we have collected is, the time Hofstede surveyed that time Bangladesh was a new country with poverty and hunger, therefore, people only bother their survival instead of planning for the future.

Considering long-term orientation, it is certain that in collectivist culture people take time to decide. On the other hand, in an individualistic culture, people are more independent to take their own decision. Hence, they can make their decisions quickly once the issue is rationally valid. Therefore, in international trade negotiators have to design their offer to serve the long-term purpose for their

collectivist counterpart (G. H. Hofstede et al., 2010). The decision from the top is another factor that causes a strong bureaucratic process for collectivist culture. It may not be easy to sit with the top official of an organization for a small trade deal, however, the regular officials can only provide some essential information that can facilitate the negotiation but to reach an agreement negotiator have to wait until the approval from the top.

**H3:** Non-verbal cues are the crucial mode of communication for the members of collective culture and the spoken words may have different meanings.

**H4:** The implicit communication style and hierarchy of collective culture create a complex bureaucracy that prolongs the negotiation process.



Model 2: Implicit Communication in Collective Culture

**Discussion:**

Based on the findings we have in study two, it is certain that the people who belong to collective culture are indirect and prefer to communicate implicitly compared to their individualistic counterparts. Here, a comparison has been shown among China, Bangladesh, and America. Each of these countries has distinct nature of the economy and social culture. Therefore, the way they are practicing individualism and collectivism can be used as resilience to determine the cultures around the world.

Due to the elusive nature of collectivist culture, the negotiators must focus more on it as in collectivist culture the statement negotiators make may have a different meaning. Collective members cherish long-term value;

therefore, they want to take more time to understand their counterparts to identify the highest possible loopholes that help them avoid further dispute (Browaeys & Price, 2008). They have an extreme hierarchy that only allows the key person to make decisions as well as it creates complex bureaucracy. All these things take a long time to agree with the negotiators.

By contrast, the member of an individualistic culture is the direct communicator and the responsibility of every member is well defined. Hence, they can exercise the power within their responsible area. The hierarchy is not strong there and usually does not rely on the key person for everything. Therefore, the bureaucracy is not complex there and decision-making is fast.

Although study two has unleashed two major shortcomings of collective culture, which are Misinterpretation and Time Consumption, however, it has some positive aspects as well. Negotiators can enjoy long-term relationships with their counterparts from collective culture. If negotiators can gain confidence and ability to tap the proper person then the verbal words would be considered a written contract in a collective culture which eliminates the bureaucracy and makes the process easier for doing international trade (Volkema, Kapoutsis, Bon, & Almeida, 2016).

## VII. CONCLUSION

The research has addressed the areas negotiators must focus on while negotiating with their foreign counterparts. The two studies of this research have revealed four hypotheses that will help negotiators avoid hard bargaining and cultural disputes. One of the most important factors Individualism and Collectivism and the way it is shaping negotiators' perception is discussed in study two. The research has suggested that negotiators must keep a keen eye on the physical cues when they are negotiating with the members of a collective society. The distinctiveness of collective culture and the cohesive nature is the reason why we have emphasized collective culture than individualistic culture.

Effective negotiation can be ensured when both the party works together to achieve a common goal or to solve a common problem. To attach the goal and purpose of doing business both the party have to gain the trust of each other. Therefore, showing respect to each other is inevitable. It will help both the party to avoid being offended or losing face. This will also help them to use problem-solving negotiation to identify the problems hindering the accomplishment of a business deal. Once the problems are addressed mutually, parties can enjoy a long-term profitable trade relationship.

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