

Different Levels of Trust in Global Business Negotiation: A Comparative Study about Canadians and Korean Perspective on Doing Business Negotiation with Chinese*

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Abstract

This study examines the close relationship between trust and global business negotiations. Kristen Blankley(2010) pointed out three level of trust impacting each negotiation stage: calculus-, knowledge-, identification-based trust. In this regard, the present study examines the relationship between each level of trust and the process of business negotiations by focusing on Canadians and Koreans who had business negotiation experience with Chinese counterparts. For Canadian respondents, calculus-based trust and identification-based trust didn't have significant effects on the negotiation atmosphere, whereas they did for Korean respondents. For Canadian respondents, knowledge-based trust had the greatest effect on each step of the business negotiation process.

Key Words : Calculus-based Trust, Knowledge-based Trust, Identification-based Trust, Negotiation Process, Cultural Differences, Global Business Negotiation

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I. Introduction

In the context of international negotiations, trust building has been described as an important part of interpersonal and collective relationships. Kristen Blankley(2010) stated that the establishment of trust is one of the most important methods for overcoming culture gaps in global business negotiations. According to Dirks and Ferrin's(2001) model, trust operates in a clear-cut manner. That is, a high level of trust results in more favorable attitudes and longer-term and stronger cooperation, whereas a low level of trust induces basic information and short-term cooperation. Blankley(2006) used the level of trust to describe various types of trust in negotiations. The strength of trust can be classified into three types: calculus-, knowledge-, and identification-based trust.

In addition, the study provides a review of empirical research on cultural characteristics of China, Korea, and Canada. Avruch(1998) stated that "Culture is to negotiate what birds flying into engines are to flying airplanes ... practical impediments." Because countries' geography, history, religion, culture and political development are different, negotiation style also different(Sebenius, 2002). Lewicki and Wiethoff(2005) said for cross-cultural negotiations, trust is positive expectations to each other. It means trust is useful and valuable in international negotiations. This study considers China and Korea, which are in East Asia and thus share some common cultural characteristics, but Canada, which is in North America, there is a large gap between Canada and the two East Asian. Because of the culture different, these three countries are selected.

II. Literature Review

This study focuses on the negotiation process, different levels of trust, and Hofstede's five cultural dimensions.

1. Negotiation Process

The process of the negotiation includes three types(Ghauri & Usunier, 1996): pre-negotiations,

face-to-face negotiations and post-negotiations. Each type has distinct objectives and strategies.

In pre-negotiations, which take place in the first stage, partners obtain more background information and understand each other's needs and demands. In addition, efforts are made to build trust. Because of this step's problem-solving nature, negotiators attempt to address uncertainties and clarify strategies. This step lays the foundation for true and open discussions on objectives between partners. Therefore, pre-negotiations are actually more important for building good business relationships, and the channel for building good relationships is trust. Partners should understand each other to develop their trust.

The second stage involves face-to-face negotiations, the main part of the negotiation process. This stage allows for the implementation of strategies prepared in pre-negotiations. Negotiation dynamics reflect a process through which two parts realize expected benefits and reach organizational goals by employing various tactics (Kipnis *et al.*, 1980; Schriesheim & Hinkin, 1990; Yukl & Falbe, 1990). Partners depend on their own demands and benefits during discussions. During this process, negotiators should respect their partners' culture, which can foster a more harmonious negotiation atmosphere.

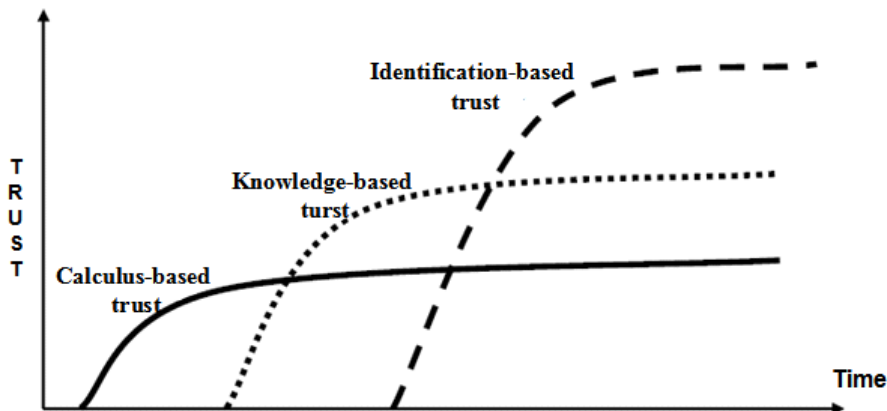
Face-to-face negotiations represent an important stage for exchanging information, building relationships, and generating a win-win agreement. However, because of differences in cultural backgrounds, negotiating parties' communication style can be different. For example, Korea and China are high-context countries, and therefore they rely more on indirect verbal interactions and are more proficient in reading non-verbal cues. Therefore, negotiators from high-context countries need to choose words more carefully, whereas those from low-context countries should focus more on making explicit expressions.

Post-negotiations represent the last stage of negotiations. In this stage, negotiators make use of feedback from face-to-face negotiations and past experiences to negotiate and make decisions. Negotiators discuss with intergroup members and decide on whether to agree. Here the outcome can influence negotiators' future cooperation and relationships. In particular, for long-term-oriented negotiators, their successful negotiating experience can help build long-term relationships.

2. Different Levels of Trust

Gambetta(1988) held that “trust uncovers dormant preferences for cooperation tucked under the seemingly safer blankets of defensive-aggressive revealed preferences.” Therefore, trust is really a crucial factor for cross-cultural negotiation.

Previous studies have highlighted that trust is an important variable for developing social relationships and making international negotiations. Lewicki and Wiethoff(2000) defined trust as a positive expectations about others intention in international cross-cultural negotiations. In other words, international negotiations entail various cross-cultural, language, and legal problems and thus involve some potential risk, and in this regard, trust can be a good way to solve such problems. Figure 1 depicts different levels of trust development.



Source: BAR, *Curitiba*, v. 7, n. 2, art. 4, pp. 172-197, Apr./June 2010.

Figure 1. Graphic Representation of the Development-based Model

(1) Calculus-based Trust

In 1993, Williamson defined calculus-based trust as the calculated cost of keeping or severing a relationship and includes a certain level of vulnerability. The characteristics of trust are the short-term expectations, which is lowest of the three levels of trust but is easy to build. Calculus-based trust is essentially a subjective analysis of surrounding social phenomena.

(2) Knowledge-based Trust

Compared with calculus-based trust, knowledge-based trust is deeper, which is based on the individual's previous experience and relationships to be built. During the period of the knowledge-based trust, negotiation partner have enough information about their counterpart to understand them and predict their behavior. According to Lewicki and Bunker(1995), "The better I know the other, the better I can trust what the other will do because I can accurately predict how they will respond in most situations." For example, buyers' past experience can supports themselves to be loyal customers, also seller's past experience can decide customers whether continue shopping or not. So past experience, knowledge-based trust, can built a good relationship for seller and customers. However, when loyal buyers pay a price higher than the expected price, they may judge the seller as having betrayed their good relationship(Sirdeshmukh, 2002).

(3) Identification-based Trust

Lewicki and Bunker(1995) highlighted identification-based trust as a product of mutual understanding. A good identification by parties can help keeping their trust-based relationship. In knowledge-based trust, when there are repeated transactions between them, buyers acquire more information than before on sellers' trustworthiness.

3. Cultural Differences

According to previous studies, differences in international negotiations are particularly more likely when negotiators have different cultural backgrounds(Ghauri & Fang, 2001; Barry *et al.*, 1998). Although communication problems are important, cross-cultural gaps may be a more serious problem(Kumar, 1997).

Previous studies have examined whether negotiations are more harmonious between culturally similar countries and found that cultural gaps increase tension in negotiations between two partners(Kumar, 1997; George *et al.*, 1998). Hofstede's five culture dimensions, which are based on research between 1967 and 1973 based on IMB about 100,000 employees from more than 70 countries, are well known for measuring cultural differences. Following is the figure of China, South Korea and Canada Hofstede's five culture dimension index.

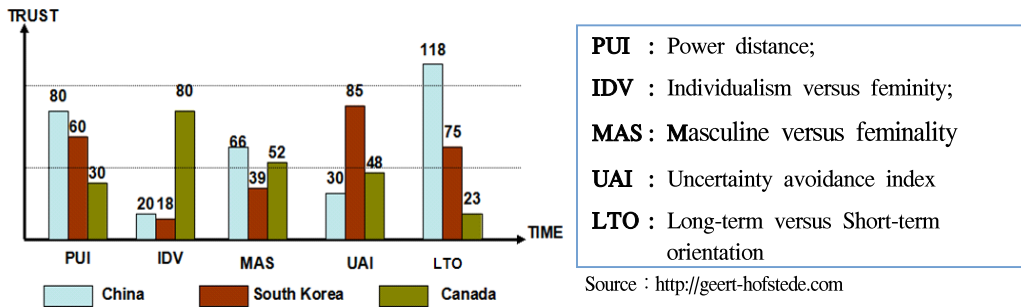


Figure 2. Comparison with China, South Korea and Canada Culture by Hofstede's Five Culture Dimension

As shown in Figure 2, Chinese culture index are more similar with Korean than Canadian. Ghauri(2003) presented four variables in the negotiation process that can provide a better understanding of cultural differences: time, communication patterns, and individual or collective and emphasis on personal relations.

Time has a different meaning in Canada. People in Canada tend to perceive time as more precious and limited than those in Asia. In terms of the long-term orientation, the lower the index, the more precisely the country keeps time. As shown in figure 2, Canadian index is higher than Korea and China.

Communication patterns indicate whether the communication activity is indirect or direct and explicit or implicit. Arabic and Asian languages traditionally contain metaphors, and based on previous research, communication among people in Canada tends to be direct and explicit because they rely more on verbal communication and less on circumstances and non-verbal cues to convey meanings. By contrast, people in Korea and China tend to engage in indirect and implicit communication because they rely less on verbal communication and more on the context of nonverbal cues, environmental settings, and implicit information to convey meanings, which make their communication more indirect(Campbell, 1998).

Individualism or collectivism can influence organizational relationships in international negotiations. Based on Hofstede's cultural dimensions, Korea and China are collective, whereas Canada is individualistic.

The emphasis on personal relationships varies across different cultures in international negotiations. Western countries such as Canada tend to focus more on issues at hand than on future relationships, whereas Asian countries such as Korea and China tend to emphasize long-term personal relationships(Mie-Jung Kim, 2010).

Although trust is often seen as the single most important element in building relationships, particularly in cross-cultural negotiations, there is a need for a better understanding of which level of trust(Koeszegi, 2004).

Table 1. Literature Review of Previous Research

Author	Content	Factors
Kristen Blankley (2010)	<ul style="list-style-type: none"> Trust brings the parties to the negotiation table in the first place; Different trust level; Using longevity and intimacy model to provides cross culture negotiator, and allows the negotiator to establish trust.(trust affect the negotiation) 	<ul style="list-style-type: none"> calculus-based trust knowledge-based trust identification-based trust longevity and intimacy model
Kam-hon Lee, Guang Yang, John L. Graham (2006)	<ul style="list-style-type: none"> Tension and trust in international business negotiations; American executives negotiating with Chinese executives. For the research, Chinese and American both trust can affect their future cooperativeness of other term. 	<ul style="list-style-type: none"> Atmosphere of cooperation Tension felt Agreement reached Attractiveness of other team Trustworthiness of other team Cooperativeness of other team
Ghuri & Usunier (1996)	<ul style="list-style-type: none"> There are three stages of international negotiation : Pre-negotiation; Face to face negotiation; Past negotiation In pre-negotiation trust and confidence gained from these relationships increase the chances of agreement. 	<ul style="list-style-type: none"> Pre-negotiation Face-to-face negotiation Post-negotiation
Ghuri & Usunier (2003)	<ul style="list-style-type: none"> The culture factors affect to the international negotiation : Time; individual and collective behavior; Pattern of communication; emphasis on personal relations. 	<ul style="list-style-type: none"> Culture factors International negotiation
Ghuri (2003)	<ul style="list-style-type: none"> The process is in three stages and is mainly influenced be background factors, culture and atmosphere. 	<ul style="list-style-type: none"> International business negotiation
Ghuri & Gronhaug (2002)	<ul style="list-style-type: none"> A framework for international business negotiation; It is valuable model for study of cross-cultural negotiations. Background factors (objectives, environment, third parties, negotiator, market position); atmosphere (conflict/cooperation, power/dependence; expectations); strategic factors (presentations, strategy; decision making, need for an agency); cultural factors (time, individual/collectivism; pattern of communication; emphasis on personal relation), above factors affect international negotiation. 	<ul style="list-style-type: none"> International negotiation Background factors Atmosphere Strategic factors Cultural factors
José Mauro da Costa Hernandez; Claudia Cincotto dos Santos (2010)	<ul style="list-style-type: none"> Development-based trust affect to the long-term relationship. The development-based trust has three dimensions, calculus-based trust; knowledge-based trust; identification-based trust. Buyer-seller relationship includes long-term relationship, information sharing, behavioral loyalty and future intention.(trust----long-term relationship) 	<ul style="list-style-type: none"> Long-term relationship Information sharing Behavior loyalty Development-based trust Calculus-based trust Knowledge-based trust Identification-based trust

III. Research Model and Methodology

1. Model and Hypothesis

Trust has a positive effect on the development of good business relationships and is an important precondition for successful business negotiations(Dwyer, Schurr & Oh, 1987). Building trust is a process in which distrust turns into a low level of trust and then to a high level of trust and deep trust. Therefore, trust has various levels: calculus-, knowledge-, and identification-based trust(Lewicki & Bunker, 1995). The level of trust varies across countries.

Figure 3 shows the research model of the relationship between trust and the negotiation process. There are six variables: calculus-based trust(CBT), knowledge-based trust(KBT), identification-based trust(IBT), negotiation atmosphere(AP), decision making(DM), and the long-term relationship orientation(LTR).

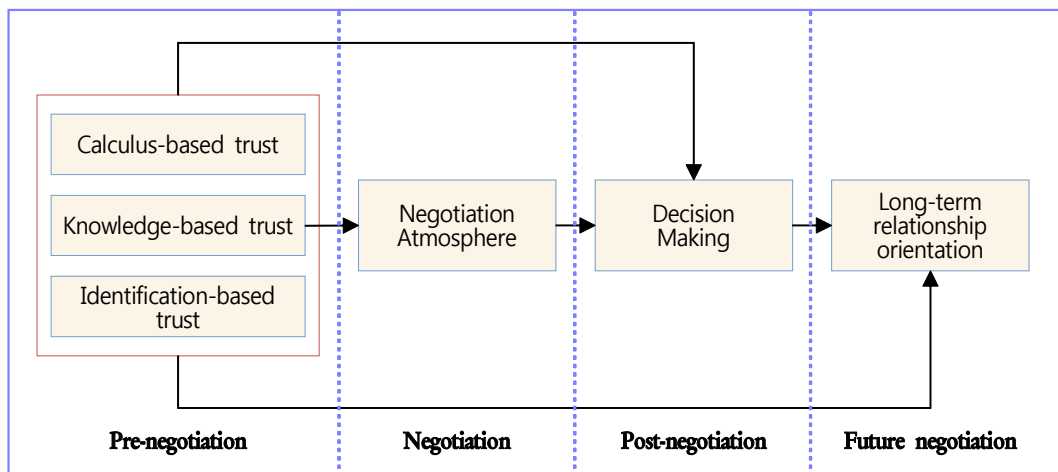


Figure 3. Research Model

Lewicki and Bunker(1995) stated that people based on some calculation choose to keep a negotiating relationship or not. The calculation-based trust can be determined by the outcomes resulting from creating and sustaining the relationship relative to the costs of maintaining or severing it. From the research, U.S. negotiators tend to depend on calculus-based trust based on

benefits because many cross-cultural negotiations entail such tasks and transactions that need to be completed quickly. For example, U.S. negotiators are likely to take advantage of calculus-based trust because they care most about tasks and transactions(Thompson, 2001).

H1a: Calculus-based trust has a positive effect on negotiation atmosphere.

H2a: Calculus-based trust has a positive effect on decision making.

H3a: Calculus-based trust has a positive effect on long-term relationship orientation.

Knowledge-based trust can weaken subjective judgments between parties, allowing some business risk to be avoided and enabling the relationship to extend beyond the negotiation table to a personal bond for improved conditions and future relationships(Kristen Blankley, 2010). For Asian countries, buyers of products are not likely to trust products quality at the first time, but as the time goes on sale tend to buy from a single trusted seller, reflecting knowledge-based trust. From figure 2 shown, Chinese LTR index is 118, highest in the world, which means Chinese buyers and sellers are long-term relationships orientation.

H1b: Knowledge-based trust has a positive effect on negotiation atmosphere.

H2b: Knowledge-based trust has a positive effect on decision making.

H3b: Knowledge-based trust has a positive effect on long-term relationship orientation.

As the highest level of trust, both buyers and sellers need spend much time building their good relationship, which can be helpful for their future business activities. Wittek *et al.*(2001) stated that identification-based trust can reduce uncertainty for positional, culture, and advisory trust. For long-term relationship built, Chinese negotiators tend to talk about things not related to the given transaction, such as their family members and hobbies, to develop close friendships. So negotiation with Chinese should build identification-based trust.

H1c: Identification-based trust has a positive effect on negotiation atmosphere.

H2c: Identification-based trust has a positive effect on decision making.

H3c: Identification-based trust has a positive effect on long-term relationship orientation.

The negotiation process can be included three types(Ghauri & Usunier, 1996): pre-negotiations, face-to-face negotiations and post-negotiations. During the negotiation, the front steps can affect behind steps. Therefore, following negotiation step we chose negotiation atmosphere, decision-making and long-term relationship do the research.

H4: Negotiation atmosphere is positive to affect agreement.

H5: Negotiation agreement is positive to affect long-term relationship orientation.

2. Research Methodology and Questionnaire Design

(1) Research Process and Methods

The proposed research method consisted of three major steps: a review of previous studies and developments in the field, the identification of variables of interest for the research model, and the choice of appropriate respondents. Here the respondents were Canadian and Korean negotiators who have some negotiation experience with Chinese counterparts. In addition, the research hypotheses were based on previous research and tested using empirical analysis methods.

(2) Questionnaire Design

The questionnaire included two parts. The first part addressed the demographic characteristics of the respondents, and the second part was measured using a five-point Likert-type scale ranging from “strongly disagree” 1 to “strongly agree” 5.

IV. Data Analysis

1. Research Design and Sampling

Questionnaire including six parts: calculus-based trust(CBT), knowledge-based trust(KBT), identification-based trust(IBT), negotiation atmosphere(AP), decision making(DM), and the

long-term relationship orientation(LTR). After distributing questionnaires to respondents, researcher using statistics software package SPSS 20.0 to do data analysis, which including descriptive analysis, reliability and validity analysis and factor analysis, correlation analysis and regression analysis.

2. Demographic Characteristics

Table 2 will present a glimpse of demographical characteristics of the sample. Other basic information was listed in the following table by use of percentage distribution.

Table 2. Demographic Characteristic

Measure		Respondents Canadian		Respondents Korean	
		Frequency	Percentage(%)	Frequency	Percentage(%)
Gender	Male	138	69.6	113	763.1
	Female	58	30.4	67	36.9
Age	20-29	19	9.9	21	11.7
	30-39	49	25.7	43	24.0
	40-49	79	41.4	66	36.9
	50-59	30	15.7	34	19.0
	60 or >60	14	7.3	97	8.4
Times	1-5	105	55.0	104	53.3
	5-10	82	42.9	36	43.0
	>10	4	2.1	11	5.7
Total		191	100.0	179	100.0

From results shown, there are 376 valid respondents in this research, Canadian are 196; Korean are 180. Also table 2 shown us, among respondents male is much more than female in international negotiation, and most of them are during middle age. Only 5.7% respondents have more than 10 times negotiation experience with Chinese, while most of respondents are 1-5 times had negotiation experience with Chinese..

3. Validity and Reliability Analysis of Research Model

Validity is the best available approximation to the truth of a given proposition, inference, or conclusion. Validity refers to the scale that can accurately measure the needed and ideal degree of the variables. The Cronbach's alpha(CR) of the measured dimensions were higher than the lowest acceptance level of 0.70 indicating that the measurement of these dimensions of service quality had a good reliability(Bagozzi & Yi, 1988; Hair *et al.*, 1998; Ding *et al.*, 2007).

Table 3. Factor Analysis of Research Model for Canadian

	Component						Cronbach's Alpha
	1	2	3	4	5	6	
CBT1	0.136	0.075	-0.041	0.781	0.076	-0.013	0.776
CBT2	0.109	0.081	0.161	0.808	0.023	0.114	
CBT3	0.063	0	0.125	0.744	0.055	-0.07	
CBT4	-0.152	0.034	0.106	0.709	0.054	0.128	
KBT1	0.114	0.792	0.017	0.044	0.131	0.187	0.805
KBT2	0.073	0.744	0.191	0.187	0.079	-0.001	
KBT3	0.167	0.787	0.156	0.074	0.025	0.156	
KBT4	0.127	0.712	0.214	-0.09	0.062	0.125	
IBT1	-0.052	-0.062	0.061	0.005	0.839	0.061	0.775
IBT2	-0.059	0.164	0.174	0.042	0.705	0.192	
IBT3	0.116	0.106	0.013	0.03	0.837	0.013	
IBT4	0.187	0.102	0.181	0.171	0.627	0.062	
NA1	0.855	0.078	0.146	0.048	0.063	-0.045	0.837
NA2	0.753	0.159	0.318	0.064	0.019	-0.004	
NA3	0.797	0.18	0.12	0.062	0.023	0.115	
NA4	0.724	0.083	0.059	0.002	0.077	0.293	
DM1	0.049	0.099	0.721	0.078	0.184	0.129	0.781
DM2	0.194	0.133	0.718	0.042	0.009	0.221	
DM3	0.164	0.165	0.746	0.184	0.162	-0.082	
DM4	0.217	0.192	0.682	0.11	0.081	0.128	
LTR2	0.042	0.067	0.086	0.077	0.095	0.848	0.794
LTR3	0.112	0.199	0.032	0.035	0.1	0.839	
LTR4	0.149	0.185	0.3	0.027	0.113	0.680	

A total of 23 items were classified into six types of factors, and Cronbach's alpha for all factors exceeded 0.7, indicating sufficient reliability. The exploratory factor analysis also shows a good result with 6 variables converging to 6 factors. Based on professional knowledge, these factors were named as follows:

Factor 1: CBT1-CBT4 belongs to "calculus-based trust,"

Factor 2: KBT1-KBT4 belongs to "knowledge-based trust,"

Factor 3: IBT1-IBT4 belongs to "identification-based trust,"

Factor 4: NA1-NA4 belongs to "the negotiation atmosphere,"

Factor 5: DM1-DM4 belongs to "decision making,"

Factor 6: LTR1-LTR4 belongs to "the long-term relationship orientation."

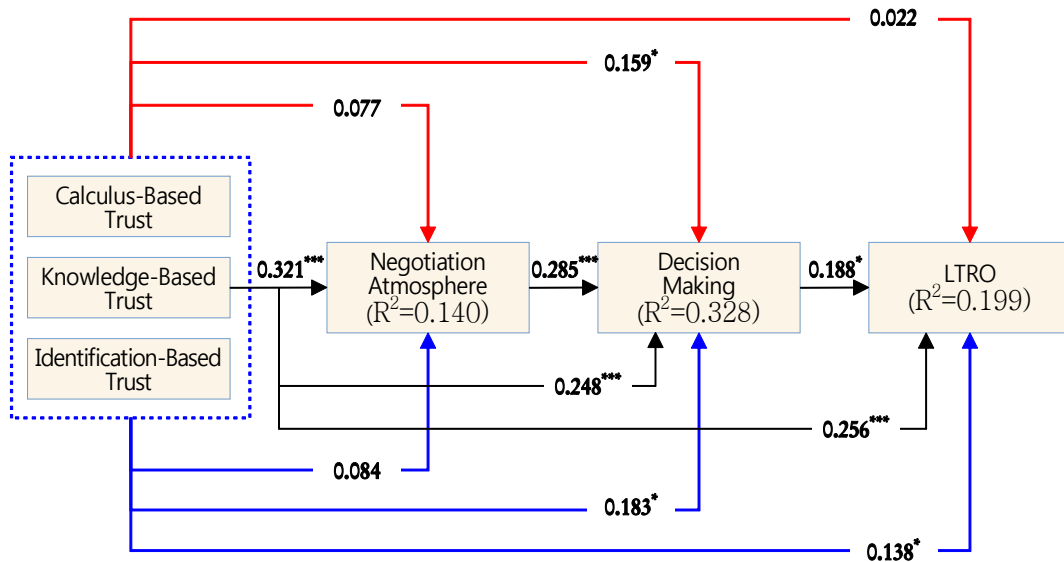
Table 4. Correlation Analysis for Canadian

	CBT	KBT	IBT	NA	DM	LTR
CBT	1					
KBT	0.164*	1				
IBT	0.178*	0.240**	1			
NA	0.145*	0.354**	0.175*	1		
DM	0.273**	0.419**	0.320**	0.427**	1	
LTR	0.14	0.371**	0.264**	0.285**	0.345**	1

** Correlation is significant at the 0.01 level (two-tailed).

* Correlation is significant at the 0.05 level (two-tailed).

From the correlation results, it can be seen that in the entire sample the Pearson Correlation of six factors' relationship. Except CBT and LTR no signification relationship, other factors can build some correlation between each other. We can see from table 4, for Canadian calculate-base trust and long-term relationship did not have signification relationship.



* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Figure 4. Relationships between Different Levels of Trust and the Business Negotiation Process for Canadian Respondents

In summary, in the regression analysis of the Canadian respondents, it can be seen that the relationship between calculus-based trust and identification-based trust no signification between negotiation atmosphere; also identification-based trust no obvious affect to long-term relationship orientation. As research results, from negotiation beginning to relationship building step, knowledge-base trust most obviously affect Canadian negotiators. Negotiation atmosphere can signification affect decision making, also decision making can signification affect to long-term relationship orientation..

Table 5. Factor Analysis of Research Model for Korean

	Component						Cronbach's Alpha
	1	2	3	4	5	6	
CBT1	0.193	0.139	0.758	-0.083	0.056	0.212	0.763
CBT2	0.314	0.214	0.604	0.328	-0.054	0.17	
CBT3	0.189	0.242	0.625	0.181	0.23	0.059	
CBT4	0.114	-0.01	0.709	0.182	0.23	0.025	
KBT1	0.768	0.134	0.148	0.122	-0.001	0.277	0.853
KBT2	0.732	0.065	0.24	0.291	0.102	0.003	
KBT3	0.762	0.172	0.154	0.232	0.033	0.16	
KBT4	0.793	0.151	0.152	0.06	0.105	0.121	
IBT1	-0.111	0.008	0.206	0.124	0.709	0.265	0.738
IBT2	0.223	0.159	0.05	0.095	0.642	0.302	
IBT3	0.24	0.268	0.035	0.109	0.709	0.089	
IBT4	-0.084	0.222	0.214	0.248	0.659	-0.09	
NA1	0.078	0.836	0.174	0.181	0.193	0.063	0.865
NA2	0.142	0.760	0.231	0.254	0.158	-0.035	
NA3	0.191	0.796	0.169	0.017	0.119	0.147	
NA4	0.108	0.778	-0.052	0.097	0.111	0.155	
DM1	0.268	0.071	0.166	0.613	0.312	0.206	0.790
DM2	0.239	0.241	-0.094	0.684	0.228	0.15	
DM3	0.144	0.169	0.376	0.667	0.134	0.179	
DM4	0.197	0.166	0.234	0.609	0.083	0.348	
LTR2	0.066	0.047	0.168	0.225	0.125	0.839	0.809
LTR3	0.292	0.127	0.122	0.12	0.138	0.748	
LTR4	0.224	0.199	0.074	0.329	0.294	0.659	

A total of 23 items were classified into six types of factors, and Cronbach's alpha for all factors exceeded 0.7, indicating sufficient reliability. The exploratory factor analysis also shows a good result with 6 variables converging to 6 factors. Based on professional knowledge, these factors were named as follows:

Factor 1: CBT1-CBT4 belongs to "calculus-based trust,"

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Factor 4: NA1-NA4 belongs to "the negotiation atmosphere,"

Factor 5: DM1-DM4 belongs to "decision making,"

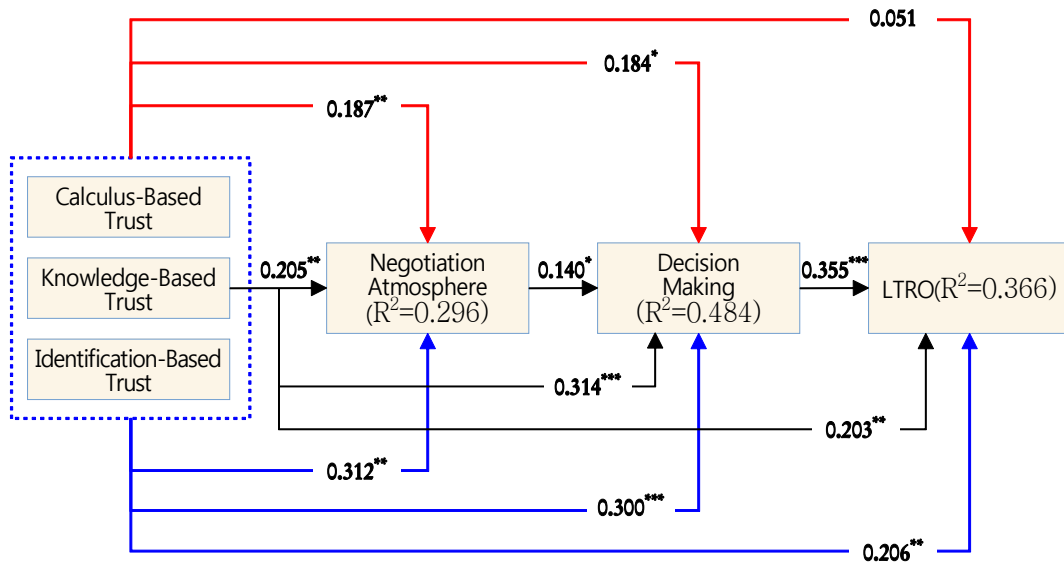
Factor 6: LTR1-LTR4 belongs to "the long-term relationship orientation."

Table 6. Correlation Analysis for Korean

	CBT	KBT	IBT	NA	DM	LTR
CBT	1					
KBT	0.511**	1				
IBT	0.414**	0.289**	1			
NA	0.418**	0.389**	0.448**	1		
DM	0.530**	0.551**	0.531**	0.475**	1	
LTR	0.428**	0.483**	0.474**	0.358**	0.603**	1

** Correlation is significant at the 0.01 level (two-tailed).
 * Correlation is significant at the 0.05 level (two-tailed).

From the correlation results, it can be seen that in the entire sample the Pearson Correlation of six factors' relationship. All of the variables have signification relationship each other.



* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Figure 5. Relationships between Different Levels of Trust and the Business Negotiation Process for Korean Respondents

In summary, compare with figure 4 and figure 5, in the regression analysis of the Canadian respondents, H1a, H1c and H3a are rejected; but for Korean each hypothesis can be accepted

except H3a. From research results, we can also see different with Canadian, Korean negotiator think identification-based is more important than others. And calculus-based trust cannot affect to long-term relationship orientation.

Table 7. Results of Hypotheses Test of Research Model

Hypothesis	Path	Standard coefficients for Canadian respondents		Standard Coefficient For Korean respondents	
H1a	CBT → NA	0.077	Rejected	0.184***	Accepted
H1b	KBT → NA	0.321***	Accepted	0.205**	Accepted
H1c	IBT → NA	0.084	Rejected	0.312**	Accepted
H2a	CBT → DM	0.159*	Accepted	0.187**	Accepted
H2b	KBT → DM	0.248***	Accepted	0.314***	Accepted
H2c	IBT → DM	0.183**	Accepted	0.300*	Accepted
H3a	CBT → LTR	0.022	Rejected	0.051	Rejected
H3b	KBT → LTR	0.256***	Accepted	0.203**	Accepted
H3c	IBT → LTR	0.138*	Accepted	0.206***	Accepted
H4	NA → DM	0.285***	Accepted	0.140*	Accepted
H5	DM → LTR	0.188*	Accepted	0.355***	Accepted

Table 7 summarizes Korean and Canadian research results. From this table we can get a clear explanation between two countries. For Canadian, H1a, H1c and H3a are rejected; for Korean, only H3c is rejected.

V. Conclusions

This study examines the relationships between three levels of trust (calculus-, knowledge-, and identification-based trust). In the research, we consider Canada and Korea as target locations of interest because of their cultural differences. The results can be summarized as follows:

First, for Canadian respondents, calculus-based trust and identification-based trust had no significant effects on the negotiation atmosphere. For Korean respondents, all levels of trust had significant effects. Therefore, because Canada is a low-context culture and China is a high-context

culture, when Canadian negotiators want more information, they may ask many questions, which may hinder a harmonious atmosphere. In addition, Canada shows a low power distance score and is a highly individualistic society, and therefore Canadian negotiators are likely to show their value, caring less about the atmosphere.

Second, for both two countries, calculus-based trust had no significant effect on the long-term relationship orientation, which suggests that building a long-term relationship requires understand deeper.

Third, for both Canadian and Korean negotiators, knowledge-based trust had a significant effect on decision making, although the effect was slightly greater for Koreans than for Canadians. The negotiation atmosphere had a significant effect on decision making.

Finally, knowledge-based trust had a significant effect on the long-term relationship orientation for Canada, whereas identification-based trust had a significant effect for Korea. That is, from decision making to the long-term relationship orientation, the main effect changed from knowledge-based trust to identification-based trust for Korea, whereas for Canada, knowledge-based trust retained its main effect. Based on Hofstede's five dimensions, Korea has a long-term orientation, and therefore Korean firms tend to emphasize business relationships for future benefits. In this regard, business relationships with Korean counterparts tend to require a long time to build identification-based trust. By contrast, Canada has a short-term orientation, and therefore building experience-based trust tends to be more important for Canadian firms. In sum, a clear understanding of partner countries is necessary for successful international negotiations.

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국문초록

글로벌 비즈니스 협상의 신뢰수준별 차이: 한-캐나다인의 대중국 협상문화 비교연구

김미정 · 왕려원 · 박문서

본 논문은 글로벌 비즈니스 협상과 신뢰요인 사이에 어떠한 관계가 있는지를 확인하는 데 연구목적을 두었다. 크리스틴 블랭클리(2010)는 비즈니스 협상에 있어서 각 단계별로 영향을 미치는 신뢰 수준을 계산기반의 신뢰, 지식기반의 신뢰, 그리고 동일체기반의 신뢰 등 3가지 유형으로 나누어 지적한 바 있다. 이러한 관점에서 본 연구는 중국인 거래 파트너와의 비즈니스 협상경험을 가진 한국인과 캐나다인의 협상에 초점을 맞추어 각각의 신뢰수준과 비즈니스 협상 프로세스 사이의 상관 관계를 분석하였다. 연구 결과 한국 응답자들의 경우 계산기반의 신뢰와 동일체기반의 신뢰는 협상 분위기에 유의미한 영향을 미치는 것으로 나타난 반면, 캐나다 응답자들의 경우는 유의미한 영향을 미치지 않는 것으로 나타났다. 캐나다 응답자들은 비즈니스 협상과정에서 지식기반의 신뢰가 각 단계별로 가장 크게 영향을 미치는 것으로 나타났다.

주제어 : 계산기반의 신뢰, 지식기반의 신뢰, 동일체기반의 신뢰, 협상과정, 문화차이, 글로벌 비즈니스 협상