



The Impact of Trust on Commercial Negotiation Success: A Comprehensive Analysis

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Abstract

This paper investigates the moderating effect of trust on negotiations by analyzing the relationship between institutional trust and the attainment of integrative solutions. The study used a quantitative design whereby 314 participants were administered sets of questionnaires to complete. Data was then analyzed using descriptive statistics like Pearson correlation and ANOVA. These findings highlight that trust positively affects the quality of the negotiation communication and the prospective favorable bargaining outcomes. Trust was confirmed as being stronger than demographic factors such as age, gender, ethnicity, and education, clearly indicating the universality of the factor in negotiations. Indeed, demographic factors revealed a weak correlation to negotiation success, while trust emerged as the most influential factor. This indicates that trust is crucial in improving negotiation processes and efficiency, which is valuable knowledge for future negotiations and negotiation studies.

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Introduction

Trust becomes a crucial element in the social contract that underlines commercial transactions and a vital resource that may be used to turn business relationships into valuable and long-term transactions [1]. Trust in this context can be described as the partners' confidence in each other's honesty, competence, and dependability while in the bargaining process. This complex idea pervades all stages of the negotiation process, from the first meeting to the closing

shake, and shapes the social relations and the economic transactions at business interactions [2]. Trust's role in negotiations must be considered, for it is multi-dimensional. It can decrease perceived risks, improve the flow of information, decrease the frequency of the necessity of investing in expensive safeguards, and produce a climate that allows cooperation toward arriving at superior agreements [3]. Most notably, where the stakes in negotiation are high and it is essential to maintain business relationships, trust can be viewed

as an enabler of easy financial transactions and building sustainable business ties [4].

This research paper aims to understand the dynamic role of trust and its impact on negotiations effectively and to lay down the specifics for negotiators working in various business environments. In this investigation, the researcher explores theoretical frameworks of trust with supporting evidential data from several qualitative and quantitative studies as well as scholarly and business studies. This paper aims to explain how trust unfolds across different forms of negotiation – from face-to-face to digital negotiations and discuss what strategies for applying trust are more helpful in each type of process. With this understanding, this paper aims to offer negotiators a range of strategic and tactical approaches that help build and use trust to reach the specified negotiation goals and create the foundation for a sustainable business partnership [5]. Through the literature review, the work of the study ensures that it provides practical applications of theories with recommendations on improving negotiation by using trust.

Objectives

- To explore the theoretical underpinnings of trust and its impact on negotiation outcomes.
- To analyze the role of trust in enhancing communication and cooperation in commercial negotiations.
- To identify differences in how trust influences negotiation processes across various industries and cultural contexts.
- To examine case studies demonstrating trust's practical implications in real-world negotiation settings.
- To synthesize empirical data and theoretical insights to offer actionable strategies for negotiators.
- To assess the challenges and opportunities presented by digital platforms in building trust during negotiations.

Literature Review

The role of trust in business transactions has been a research interest area and business practice over the past few years. This is particularly true about trust, as the latter is mainly viewed as a breakthrough factor in making negotiations more efficient and

guaranteeing business relations' long-term stability. Current academic literature broadly categorizes trust into three types: Cognitive-based, affective-based, and institutional-based. All have a different function in the negotiation process [6]. These three types of trust include cognitive-based trust, which refers to the trust that comes from belief in the other party regarding their reliability and competence; affective-based trust, which emanates from the feelings that are fostered between the two parties; and institutional-based trust is that trust that flows from the standards set out by institutions that govern such parties' interactions as noted by Lewicki and Bunker in their research [7,8].

Research has pointed more evidence at the fact that there is an improvement in both cooperative communication and behaviors in organizations when there is a high degree of trust between or among negotiators [9,10]. These papers express the function of trust in eliminating perceived risks of the exchange and, therefore, reducing the requirement for extensive contracts and measured control structures [11]. Other supporting arguments from the industry view negotiated trust as a source of competitive advantage in negotiations, claiming that due to the trust, the negotiators can lower the transaction costs and increase the efficiency of the process [12]. In line with the definition of contemporary trust by Axelrod (1984), the dissertation focuses on parties' ability, benevolence, and integrity [13]. Building on this work, the current research shows that in commercial relationships, trust also appears to strongly affect the desirability of communications candor and, thus, the possibilities for more incredible innovation and creativity [14,15].

Furthermore, the research adds to the existing body of knowledge because it outlines concrete processes that negotiators can use to build trust during the process [14]. Such entitlements comprise and consist of regular communications, setting of objectives and goals, as well as the development of workplace friendships and other interpersonal relationships, which research has been found to raise the level of trust [13,16]. This corresponds with the trends observed in most industries, where there is a shift towards relational contracting and more flexibility-oriented negotiations that reflect actual business conditions.

Different opinions on the nature and significance of

trust for success in negotiations. As highlighted by Abele & Güttler, trust is primary to negotiation and cooperative outcomes and an efficient way of minimizing transaction costs [3]. In contrast, other authors present other views. For instance, pointed out that, in fact, they hardly rely on interpersonal trust but rather on other systematic structures such as contracts and regulations. According to this viewpoint, it may be that while in heavily regulated industries, the parties receive much security from the structure, the trust might be inconsequential [8]. However, some studies also reveal that economic incentives dominate negotiation more than interpersonal trust. According to Kolar et al., the pressure of competition or other aspects could force individuals into ignoring the aspect of building trust in favor of obtaining other reported gains like financial or strategic ones [17]. This rules out opinion that trust leads to increased innovativeness and cooperation, especially in the creative or knowledge-based industries [14]. These different results exhibit one clear general rule: that the part played by the trust can be influenced or dictated by the type of negotiations, business, or even culture.

Furthermore, Borgatti et al. opine that there are occasions when trust is eroded by factors external to the chain, for example, through instability of institutions or changes in market circumstances [15]. In such situations, even high interpersonal trust seldom guarantees to optimize the situation in question. This leads to the question of whether trust is helpful in negotiations and if this is always helpful by referring to other positive components of negotiation, like the nature of the deal or the outside pressures. Trust has recently been investigated in new negotiation contexts with a specific focus on virtual and cross-country contexts. Helmold et al. explored trust in a virtual negotiation context. They concluded that while digital environments coupled with communication technologies can hurt trust, they can also be a source of enhancing trust. Their research shows that a drawback in a virtual environment is that trust may not develop as early because of no nonverbal communication [18]. However, the digital environment is formal, and structure can lead to trust over time because of transparency.

In addition, cross-cultural negotiations were examined by Jin et al. with an observation that trust in

cross-cultural negotiations has variations in culture [19]. While the former may establish trust based on contractual relationships and accurate performances of what is expected out of the relationship, the latter may view trust as a highly interpersonal process related to developing long-term relationships with business associates. From these studies, the author exposes that trust is not a simple construct that may similarly manifest itself regardless of the culture or the media used in a negotiation. The advancement in technology, specifically the new age's communication technology, has escalated why traditional views of trust in a negotiation must be appreciated afresh, especially in the increasingly globalized business environment. In particular, using findings from the newest studies of these emerging contexts can help to develop a more multifaceted understanding of the role of trust in the modern negotiation processes.

Theoretical Framework

Through the use of Social Exchange Theory and Game Theory, the theoretical analysis of trust in business bargaining can be enriched. These frameworks provide sound theoretical approaches to trust and its effect on negotiation processes [20].

According to the Social Exchange Theory, which asserts that social behavior depends on an exchange expected to be most profitable with the least cost, this theory postulates that trust develops from a background that potential partners have concerning each other [21]. Positive experience leads to expectations of the same in the future during negotiations. Trust is thus viewed as a product built in a relationship over time and thus carries substantial relational and economic risks [22]. This perspective helps explain why parties in a negotiation might decide to share sensitive information or make concessions: they expect similar behavior in return for the confidence built through previous transacting.

Game Theory is concerned with prophesying actions in strategic situations whereby an individual's decision-making ability depends on others. Game Theory can be applied to trust in negotiations, mainly concerning events like the 'Prisoner's Dilemma' – the approach that benefits both parties are cooperation, which is possible only with trust [23]. This theory explains how trust is a factor that works to shift possibly

rivalrous relationships into more contractual-like ones. Trust also tackles the element of fear of being exploited by the other party and grants more chances for cooperation and more beneficial solutions [19].

Altogether, both theories supply a more complex comprehension of the theoretical construct of trust in particular contexts of negotiations. According to Social Exchange Theory, the focus is on the relationship and establishing trust through positivity [24]. It underlines history and personal relationships in business contracting and bargaining, following that if and when the two players had established mutual transactions wherein, they benefited from each other, the relationship established leads to a virtuous circle of trust [17].

At the same time, there is less emphasis on creating trust in the context of Game Theory based on strategic factors. Thus, the paper argues that trust is not only the accumulated experience of the earlier interactions with specific partners but also the expectations of the future experience. This theory assists the negotiators in determining when it can be reasonable to build trust and when this cannot be possible, depending on the result of various techniques. It is thus evident that reputation and predictability enhance trust. In commercial negotiations, where people must assess risks and probable benefits, Game Theory helps demonstrate the circumstances where trust will help foster better cooperative solutions [25].

Understanding that these theories give a systematic approach to describing trust in commercial negotiations is essential. Social exchange theory provides a view of the affective and dynamic part of trust, whereas game theory provides insight into trust through the lens of classic self-interest [26]. Such a two-fold approach creates a solid base for an enhanced understanding of the role that strategic and systematic approaches to trust building could play in the negotiation processes in a highly commercialized environment.

Methodology

This research paper presents methods for data collection, sampling, sample size, and data analysis that have been utilized to understand trust's role in commercial negotiations.

Sampling Strategy: Purposive sampling was used to ensure the respondents had previous experience and knowledge about commercial negotiations. It made it possible to gather rich and substantive data sources from people likely to understand the operational context of the concept of trust in negotiations.

Sample Size: The final sample entailed the collection of data through a World Commerce & Contracting Email campaign (52 responses), our database (31 responses), two classes of eMBA (11 responses), and Prolific (220 paid responses), totaling 314 responses.

Data Analysis Tools and Tests: Data collected from the surveys were analyzed qualitatively and quantitatively with the help of the statistical tool SPSS (Statistical Package for the Social Sciences). The data was first analyzed using basic descriptive statistics to understand the data collected, and then, to examine the relationships between trust levels and negotiation outcomes, other statistical tests such as chi-square tests, t-tests, and ANOVA were conducted.

Tests and Reliability Measures: The validity of the survey instrument was ascertained through face validity, while the instrument's reliability was ascertained through Cronbach alpha, where the reliability test was used to check the internal consistency of the scales used to measure trust. A multiple regression method was used to analyze the effects of trust on negotiations while considering factors like type of industry, experience in negotiations, and cultural factors.

Data Analysis and Results

Demographic Factors

The demographic variables were analyzed to understand the variability and central tendency among the respondents. This analysis helped in identifying patterns and trends within the sample group, providing a foundational context for interpreting the results of the trust evaluations and their impact on negotiation outcomes.

Summary of Descriptive Statistics

Variable	Mean	Standard Deviation
Age	3.2983	1.15727
Gender	2.0136	0.14221
Education Level	2.1729	1.45474
Professional Experience	1.8780	1.57964

Table 1: Summary of Descriptive Statistics

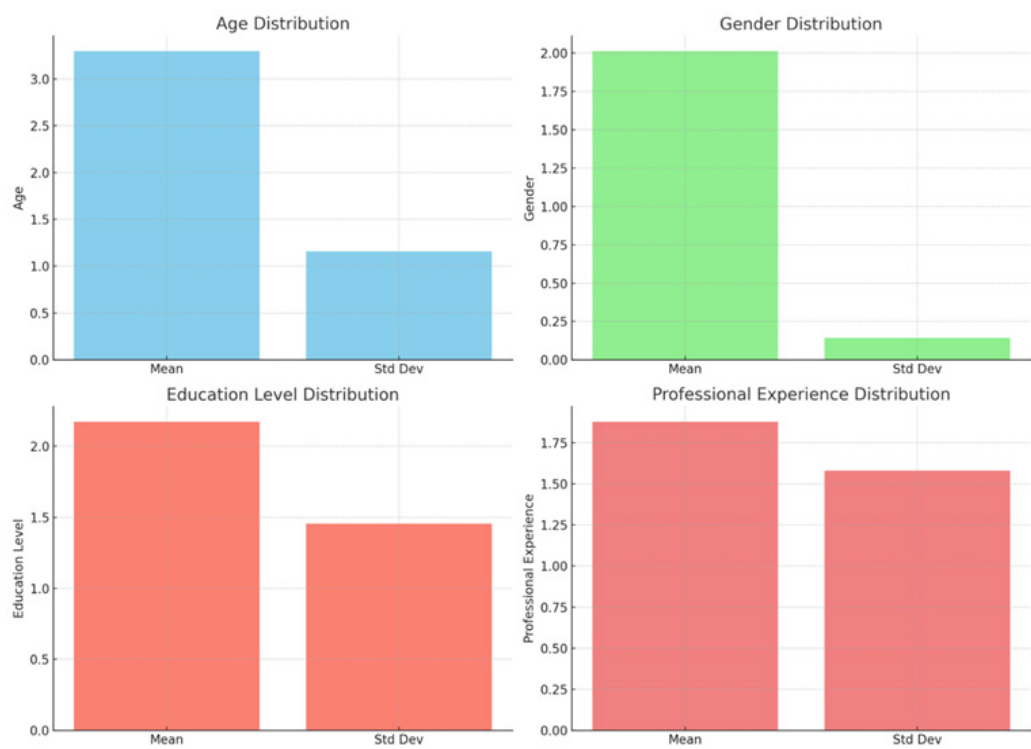


Figure 1: Demographic Statistics

The demographic analysis revealed a diverse sample group with varying levels of age, gender, education, and professional experience. This diversity is crucial for understanding how these factors influence trust levels and negotiation outcomes in different contexts.

Age: The average age suggested a balanced representation of different age groups.

Gender: The gender distribution indicated a slight skew, which should be considered when analyzing gender-specific trust dynamics.

Education Level: The variation in education levels provided a broad perspective on how educational background impacts trust.

Professional Experience: The range of professional experience among respondents helped in understanding the role of experience in trust-building during negotiations.

This comprehensive demographic profile provided a solid foundation for further analysis of the impact of these variables on trust and negotiation outcomes.

Location
The demographic of the participants selected for this survey were also presented in the table below to reveal the geographical distribution of the sample group. The largest number of students came from Portugal (16) Mexico (15) Canada (14) South Africa (11) Chile (11). Some other countries included United States,

United Kingdom, other European countries such as Poland, Denmark, New Zealand and Australia. This diversity covered several continents and including the European, the American, the African, the Asian, and the Australian continents. It also guaranteed an ample coverage of cultural areas that was vital when studying trust processes in business transactions.

Employment

The employment status that prevailed in sample group showed that majority (194) of the respondents were in full time employment, which suggested that respondents are very much involved in their professional activities. This sample comprised 30 with no employees, 20 were employed full time, 5 were self-employed part-time. Almost a quarter of the group are currently looking for work (18) with 7 of them not actively seeking for employment. Of the retired participants, 6 responded, 5 students, 3 people who do not want to state their status, and 1 person indicated inability to work. This distribution revealed different employment conditions, mainly characterised by full-time or self-employed occupations.

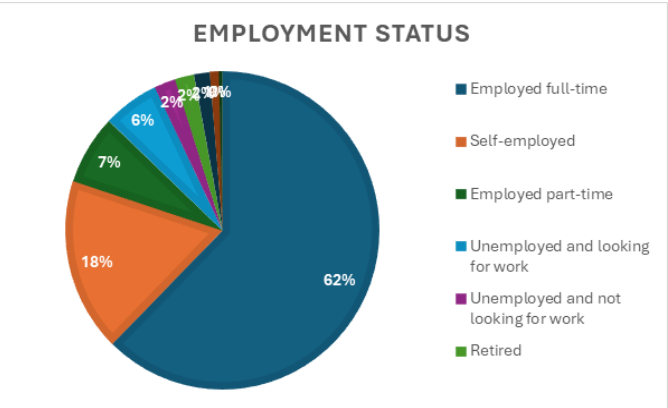


Figure 2: Employment Status

Marital Status

The marital statuses of the clients in the sample were as follows: 186 clients were married or in a domestic partnership, which highlighted that most respondents for this research had stable families. 107 individuals in the sample were single, meaning they had never been married. Of the respondents, 13 reported that they had been divorced, and 6 were widowed, indicating that a relatively small number of participants had experienced the breakdown of a marriage. Also, 6 respondents chose the ‘other’ category where they did not want to state their marital status. Such diverse distribution of marital statuses does allowed to

comprehend the personal history of the respondents, especially focusing on the ones who were married or in partnerships.

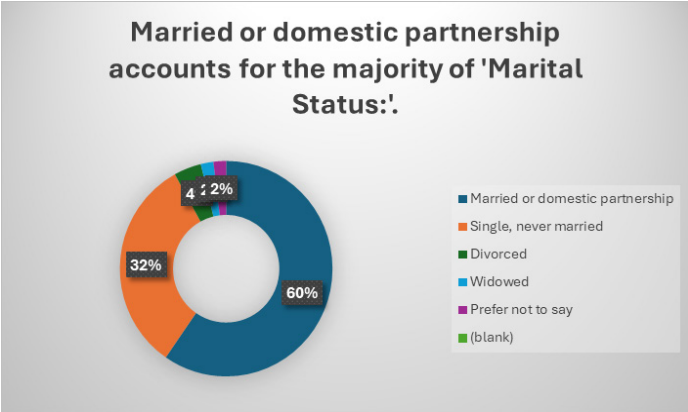


Figure 3: Marital Status

	N	%	
Cases	Valid	314	100.0
	Excluded	0	.0
	Total	314	100.0
a. Listwise deletion based on all variables in the procedure.			

Table 2: Reliability Analysis

An indicator of scale level of internal consistency or reliability. The alpha value here is .820, reflecting a good degree of consistency among the 15 items on the scale. This indicated that the production items reliably measure the same basic concept, i.e., trust.

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.820	15

Table 3: Reliability Statistics

Institutional Trust

Institutional trust showed the level of participants’ confidence in different institutions such as police force, government, media, banks, and school/universities as shown in the Table 4 below. These scores gave general information on how people’s trust in various institutions translate into negotiation actions and results.

Variables	Loading
I trust the police and law enforcement to act fairly and justly.	.614
I trust the government to make decisions that are good for everyone.	.740
I believe that the media reports news in an unbiased and truthful manner.	.590
I trust that financial institutions like banks are reliable and secure.	.669
I trust that schools and educational institutions act in the best interest of their students.	.721
I trust that healthcare professionals provide care that is in the best interest of their patients.	.731
I trust that non-profit organizations are honest and use donations responsibly.	.649
I trust that companies generally act ethically towards consumers and the environment.	.581

Table 4: Institutional Trust

The above results indicated that educational institutions have received a relatively higher trust score which was 0.721 thus meaning that negotiators considered them as being fair hence promoting openness and cooperation in the negotiation processes. On the other hand, lower average scores for media = 0.590 and companies = 0.581 may suggested that people used caution or skepticism which may have adversely affect negotiation processes in these industries.

Interpersonal Trust

The interpersonal trust referent, described as the degree of trust people had in friends and family, people they knew, and residents in their community was presented in Table 5. These scores can actually assisted in providing an understanding as to how interpersonal trust impacted on the relationships and interactions as well as the performances in two negotiations where trust has been identified as a vital factor in determining the results.

Variables	Loading
I believe that most people can be trusted.	.741
I am willing to trust someone until they give me a reason not to.	.654
I find it easy to build trust in new acquaintances.	.778
I feel confident that my friends would go out of their way to help me if I needed it.	.500
I trust my family members completely.	.425
I trust people in my local community to act in the community's best interest.	.595
I believe that most people would try to take advantage of others if they had the chance. (Note: This has a negative loading, so it may be considered inversely related)	-.567

Table 5: Interpersonal Trust

The factor analysis carried out showed the distribution of the trust dimensions based on the communalities obtained from a number of variables associated with the levels of trust with different aspects of value including family, community, police, government, media, and/or financial institutions. The study applied the Principal Component Analysis (PCA) to decrease the data set dimensionality and found two-factors namely Institutional Trust and Interpersonal Trust. The sum total of these factors accounts for 46 percent of the variation in average daily sales, according to a Dow Jones analysis. It makes up for about 172 percent for the variability within the data. Let us note that while there were similarities, Institutional Trust referred to trust in formal organizations such as government and banks, whereas Interpersonal Trust related to personal trust in family and friends. These factors showed substantial loadings from the respective elements, which proved useful in revealing the structure of trust in different environments.

Investigation of Trust's influence

H1: There is a significant positive correlation between the level of trust and the likelihood of reaching a mutually beneficial agreement in commercial negotiations.

The findings indicated positive correlation values of 0.367 of the relationship between trust levels in institutions and the probability of achieving mutually beneficial agreements in the business negotiations, that was significant at the 0.01 level ($p \leq 0.001$). Thus, the test carried out on 314 observation sets up showed that, the higher the level of institutional trust, the higher the likelihood of outcome that is more advantageous to all the negotiating parties.

		Trust levels in institutions	Mutually beneficial agreements
Trust levels in institutions	Pearson Correlation	1	.367**
	Sig. (2-tailed)		<.001
	N	314	314
Mutually beneficial Agreements	Pearson Correlation	.367**	1
	Sig. (2-tailed)	<.001	
	N	314	314
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 6: Results of H1

H2: Higher levels of trust in a negotiation counterpart led to more open and effective communication during the negotiation process.

The results obtained show that there is a positive correlation of .360 between the perceived trust of companies to maintain ethical relations with the consumers and the environment and the perceived competence in the communication of the negotiators, significant at the 0.01 level ($p \leq 0.001$). The relationship found by the authors, which is based on 314 cases, indicated that increased trust in a company's ethical behavior was related to better communication and to more efficient, more open communication in negotiation contexts. This meant that ethical trust in a company will go a long way in improving the communicative features of negotiations.

Correlations			
		Quality of communication	I trust that companies generally act ethically towards consumers and the environment.
Quality of communication	Pearson Correlation	1	.360**
	Sig. (2-tailed)		<.001
	N	314	314
I trust that companies generally act ethically towards consumers and the environment.	Pearson Correlation	.360**	1
	Sig. (2-tailed)	<.001	
	N	314	314

** . Correlation is significant at the 0.01 level (2-tailed).

Table 7: Results of H2

ANOVA

In the context of the research question, the findings from the ANOVA analysis suggested that trust levels in institutions were correlated with the probability of attaining win-win outcomes in negotiations. The analysis revealed that the F-statistic of 48.524, along with a p-value of less than .001, demonstrated that institutional trust levels significantly contributed to the variance in negotiation outcomes, as estimated by the regression model. This implied that there was a positive relationship between levels of trust in institutions and the likelihood of attaining mutually beneficial agreements. These results, based on 313 observations, supported the proposition that the level of trust predicted the success of negotiations.

ANOVA						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	43.260	1	43.260	48.524	<.001b
	Residual	278.154	312	.892		
	Total	321.414	313			
a. Dependent Variable: Mutually beneficial agreements						
b. Predictors: (Constant), trust levels in institutions						

Table 8: ANOVA Results

Correlations

The correlation results indicated that the levels of cooperation related to mutually beneficial agreements had low and insignificant relations with the level of age, gender, ethnicity, and education. Age, gender, and ethnicity were not strongly related to success or failure of negotiations (-.095 higher and .216 for female gender), thereby suggesting that none of these factors influenced the ability of the negotiators to get the best out of the agreement. Education however had a considerably low negative relationship (-.168), this implied that education might slightly decrease the likelihood of such agreement. Employment status, marital status and income also exhibited small relationships, therefore indicating little bearing by personal and socio-economic variables on negotiation results in this particular sample.

Correlations						
		Mutually beneficial agreements	Age	Gender	Ethnicity	Education
Pearson Correlation	Mutually beneficial agreements	1.000	.034	.018	-.023	-.168
	Age	.034	1.000	-.087	-.095	-.126
	Gender	.018	-.087	1.000	.216	-.011
	Ethnicity	-.023	-.095	.216	1.000	.113
	Education	-.168	-.126	-.011	.113	1.000
	Employment	.020	.026	.204	.301	.147
	MartialStatus	-.003	-.180	.127	.092	.085
	Income	.084	.212	.010	.009	.002

Table 9: Correlation Analysis**Analysis of Trust in Negotiations**

Levene's test showed that there were unequal variances between the measures of satisfaction in negotiation. Based on the means and trimmed means, an analysis of variance was found to be statistically significant; $p = 0.012$ and $p = 0.024$ respectively mean that the negotiated satisfaction variances are not equal to our groups when tested on the basis of the means and trimmed means respectively. This meant that there exist some factors or differences in groups which may affect the level of satisfaction in a different way. However, the median based tests both the adjusted median based test and the unadjusted median based test satisfaction negotiation do not have significant differences in variances $\{p = .117\}$ which showed that the variance was more stable with the use of Median as a measure.

Tests of Homogeneity

Tests of Homogeneity of Variances					
		Levene Statistic	df1	df2	Sig.
Satisfaction Negotiation	Based on Mean	3.271	4	309	.012
	Based on Median	1.863	4	309	.117
	Based on Median and with adjusted df	1.863	4	298.311	.117
	Based on trimmed mean	2.861	4	309	.024

Table 10: Tests of Homogeneity of Variances**ANOVA**

The performed ANOVA analysis showed a statistically significant F for groups' comparison concerning the variable of interest, and hence, p was less than .001. The F-statistic of 11.665 ensured that the F ratio was significantly greater than one and this is supported by the analysis of the mean square values; between

groups mean square = 10.961, within groups mean square = .940. This large F value pointed out that the group factor had a sizable effect on the dependent variable based on the cumulative total of 313 observations. While the differences between group levels were expressed in the scale of numbers, they were statistically significant in the scope of this analysis.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	43.843	4	10.961	11.665	<.001
Within Groups	290.336	309	.940		
Total	334.178	313			

Table 11: Tests of Homogeneity of Variances

Negotiation Satisfaction

The Tukey HSD test for negotiation satisfaction categorized by trust in institutions resulted in significance difference of simplifications scores in five agreed upon trust levels. Those with lower trust level that is 1.00 had the least satisfaction mean of 2.8372. When the level of trust rose, so did the level of satisfaction; the people with the trust level of 2.00 and 3.00. It was also noteworthy that the highest satisfaction scores are achieved only when trust is at the levels of 4.00 and 5.00, realizing that high trust corresponded to high satisfaction in negotiation. However, not overall pairwise comparison is statistically significant at 5% level, as could be seen from the p-values (0.111, 0.279, .344), which showed that the difference between the mean of the satisfaction was not significantly different between the subsets.

Negotiation Satisfaction				
Tukey HSDa,b				
trustlevels in institutions	N	Subset for alpha = 0.05		
		1	2	3
1.00	43	2.8372		
2.00	106	3.5094	3.5094	
3.00	106		3.6698	
4.00	52		4.0577	4.0577
5.00	7			4.5714
Sig.		.111	.279	.344
Means for groups in homogeneous subsets are displayed.				
a. Uses Harmonic Mean Sample Size = 24.484.				
b. The group sizes are unequal. The harmonic mean of the group sizes are used. Type I error levels are not guaranteed.				

Table 12: Negotiation Satisfaction Tukey HS

Table 12: Negotiation Satisfaction Tukey HS

Findings

The findings made in the study point to a great extent to the understanding of the multi-layered aspects of trust in negotiations. One implication of this study to practice is the discovering of a positive relationship between institutional trust and tendencies of reaching integrative contracts in business negotiations. This relationship holds a Pearson coefficient of 0.367, they come with findings showing that the more people trust institutions such as banks, government and police the better had they negotiated affirming the significance of trust in negotiations.

Other studies through ANOVA tests bring out the fact that trust levels influence negotiations in a significant way. This indicated that the level of trust was greatly responsible for the variations in the gains achieved by the parties to the agreement with F-statistic of 48.524 signifying that the levels of the trust possess a robust predictability on the success of negotiations. Thus, this study shows that increase of trust is crucial when negotiating within institutional settings.

Furthermore, the present studies also looked at how the level of trust affected the quality of the communication in negotiations. The study established that there was a positive correlation (.360) of the trust level in companies' ethical treatment to consumers and the environment on the quality of communication in negotiation. Thus, it has been implied that it is the perceptions of ethical entity that impacts the communicative relationship and communication outcome frequently found in negotiations.

The study also used Tukey HSD tests to analyze the negotiation satisfaction with the results obtaining a positive relationship between trust levels and satisfaction with the outcomes of the negotiation. Even with overall pairwise comparisons, it can be noted that trust improves on the subjectively perceived characteristics of negotiation processes.

Nevertheless, studying impacts of demographic variables such as age, gender, ethnic background and education on negotiation results showed the minimum effects. This implies that although trust can be a crucial variable the other individual demographic characteristics have little influence on the success

of the negotiation, thus supporting the idea that trust is cross culturally influential universally.

The Levene's test to compare the variances of negotiation satisfaction measures showed that there were differences; implying that perhaps different factors or group differences might have an impact to the satisfaction levels in different ways. However, when using median values, the differences here were not statistically significant indicating greater stability with the median based measures might be more appropriate when comparing negotiation satisfaction between the two groups.

Altogether, the findings underscore that trust is a core constituency constituting an important component of the negotiations by offering the possibility of achieving better negotiating outcomes and improving the tools of communication and satisfaction in the process of negotiation. The role of trust in building relationships inside institutions and between the people confirmed contingency of trust as an important variable that affects the outcomes of negotiations satisfactorily thus providing the subject with vast opportunities for further research in the field of negotiations theories and practices.

Discussion

The findings of this research are highly consistent with prior scholarship, particularly with regard to the critical importance of trust in improving the quality of negotiations. The obtained data on the positive relationship between degrees of institutional trust and the chance of reaching integrative solutions are in harmony with the data of the prior studies, for instance with the data obtained by, who posited that trust goes directly to the negotiation processes, as far as these processes are influenced by the perceptions of risk and openness [27].

The obtained correlation that characterized the relationship between trust and communication quality corresponds with the material by Helmold et al which confirms that trust does act as a smooth which reduces friction in transactions by improving the quality of communication [18]. This supports the concept that trust is not only about the consequences but also about the processes of negotiation insofar as cooperation is built up as different from competition [28].

In addition, the lack of impact of demographic antecedents such as age, gender, ethnicity and education on negotiation outcomes as revealed in this study is a contribution to knowledge highlighting that trust is not constrained by these parameters but has a broader, global impact on negotiation performance. It can be said that this finding poses some extent of threat to a number of prior research works, which have primarily focused on demographic factors as determinants of negotiating tactics and outcomes and has implied that the influence of trust may be just as consistent across negotiators [29].

However, the nonsignificant pairwise comparisons of the perceived satisfaction between different levels of trust as revealed by the Tukey's HSD test indicates that how satisfaction is perceived or manipulated in negotiation settings is not simple and thus deserves more attention in future research to understand how trust would moderate satisfaction.

Altogether, theoretical and empirical implications drawn from this research add value to the theoretical tradition on the complexity of trust in negotiations by reaffirming its relevance while identifying the directions for the further empirical research, including investigation of the processes through which trust impacts the negotiation dynamics and results, with considering different types of negotiations and cultural backgrounds of negotiators. This discussion thus highlights the importance of continuously looking at trust both from psychological perspective as well as in operationalizing conflict management and negotiations processes.

Implications

The positive relationship between trust and negotiation outcomes as unveiled in the study, has presumptions for the formative of negotiation approaches in the various industries. In industries where partnership makes good sense it is necessary to develop and secure trust which can become one of the main goals in fields like finances or healthcare. This is especially so where the business involves periodic dealings and where often repeated interaction provides a face-to-face interaction thereby facilitating trust that in turn lowers the costs of transactions, promotes communication and the sharing of information.

With reference to on-one negotiation, where negotiations are of the one-time or high-risk nature, such as those encountered in legal disputes, mergers, acquisitions and others, the relationship between trust and outcomes may not be very direct. However, despite this, in these kinds of situations, negotiators may be more concerned with the management of risks or through the implementation of contractual structures or legal instruments that protect against agent opportunism. But, in such critical conditions it is possible to utilize trust as a competitive advantage that increases the speed of decision making and agreements. Overall, the research underlines the need to deploy trust building strategies in a manner appropriate to the negotiation dynamics, from daily, multiple dealings to a one-off contact relation.

Novel Insights

This research is also able to make some surprising conclusion, for instance, demographic characteristics including age, gender and educational background were not found to have a considerable impact on negotiation success. This result disapproves many of the modulations, stating that demographic considerations can have a major influence in the bargaining processes. For instance, found out that gender or cultural type may affect negotiation processes and outcomes in general [26].

The fact that these factors did not achieve statistical significance in the present study may therefore imply that trust actually levels the playing field and is therefore more fundamental enabler of success than personal attributes. This result also supports the speculation of the possibility that in business-like professional decision-making over negotiation, the aspects of competence, trust of one institution to another, and interpersonal relations may often surpass the demographic variables. More work can be done to determine if the result is only generalizable to the industry or kind of negotiation used in this research or if it applies to other environments as well.

Conclusion

The research therefore affirms trust as a critical determinant to the improvement of negotiation effectiveness. This paper has also indicated that within institutional relationships, trust increases the likelihood of positive/negative gains outcomes hence the need to

develop trust to enhance negotiation outlook and satisfaction. Furthermore, in a way, this also exists to verify that there is a trust factor that has a positive impact on the quality of communication, thus emphasizing the importance of its contribution towards increasing the effectiveness of the communication process. These findings about trust's effect on different facets of negotiation are useful for creating tactical approaches for realizing the most value from negotiation through the use of trust. Such a study should also seek to extend trust as an instrument of analysis in different negotiation scenarios in the future.

Limitations

It is important to note that there are a few limitations to this study despite it being quite all-encompassing. First, there is an obvious concern as to their self-selection into employment and self-employment, and into safe or risky jobs or industries. Furthermore, the use of an available sample of negotiators means that many variables underlying trust and negotiation results cannot be considered, and there is no ability to establish cause and effect relationships. Besides, the restricted demographic variability of the sample also limits the application of the results by the subjects of greater and diverse populations. The aforementioned issues could be resolved in future research by the use of longitudinal study designs and a different pool of participant samples to increase validity and generalizability of the outcomes.

Future Scope

Applications of future work in the context of trust in negotiations may continue by establishing how trust changes with time and influences continuing negotiation processes. Research on trust as a concept would also be important especially by considering differences between cultures because culture is a major determinant in the levels of trust and approaches towards bargaining. Furthermore, incorporating experimental designs may assist in better defining cause and effect relationship, and in examining how negotiation processes are affected by manipulated levels of trust. Lastly, integrating present technological innovations such as the conduct of virtual negotiations and the use of intelligent negotiations could provide insights on how enhanced digitalization changes trust and its role in negotiations.

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