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THE RELATIONSHIP BETWEEN HOFSTEDE CULTURAL VALUE AND NEGOTIATION STYLE: A STUDY IN MANIPUR

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ABSTRACT

This empirically examined the impact of cultural values on negotiation styles among businessmen in Imphal, Manipur, using the CVSCALE model to measure five cultural dimensions: power distance, uncertainty avoidance, individualism, masculinity, and Confucian Dynamism, and the dependent measure was adopted from ***Banwari (2019)*** *based on the dual concern model of negotiation style. Results show that power distance is linked to more competitive negotiation styles, while uncertainty avoidance favors collaborating and compromising styles. Collectivist cultures emphasize collaboration, while masculine cultures prefer competitiveness. Long-term orientation cultures focus on collaboration and compromise. The study highlights the importance of cultural values in negotiation styles and contributes to the research and practice of negotiations.*

KEYWORDS: *Cultural, Negotiation style, Hofstede, CVSCALE.*

INTRODUCTION

The study of cultural values and their impact has attracted many scholars over the century **(Feather, 1995; Hofstede, 1980; Kim, Atkinson, & Yang, 1999; Kluckhohn & Strodtbeck, 1961; Rokeach, 1973; cited in Moe & Ohbuchi, 2008).** In states like Manipur, where people have unique cultural diversities and also three major religions, the need for more cultural understanding arises for conducting business transactions. As a vital part of doing business, negotiation is the starting point and decides the result of it (**Chang, 2012**). Despite the fact that most people are not professionally trained to negotiate, still they engage themselves frequently in this activity. In every business deal, negotiation is done to strike a deal. The result of negotiation can vary from monetary gain/loss or satisfaction/dissatisfaction or a combination of both. Negotiation is considered a challenging communication process that results in an agreement between parties that are involved in the activity of buying and selling of goods and services (**Shakeel, Banwari, and Deepak, 2017).**

In the context of negotiation, researchers have suggested that an individual's cultural orientation plays an important role in deciding how the information will be processed and interpreted and influences the strategies and their approach **(Sheth, 1983; Tung, 1988)**. **Barbash and Taylor (1997)** expressed that culture also incorporates religion apart from other components.

Manipur is a multicultural society where different religions are followed and practiced here. The state of Manipur has been a melting pot of cultural traits of Hinduism and traditional religion. This syncretism of Hinduism and traditional religion gave rise to a new, unique form of culture among these people (Naokhomba, 2015). The religion census (2011) indicates that Hindus mostly come from the Meitei, and Christians from the Naga and the other communities had the highest religion composition in the state, with the same percentage of around 41% each, which was followed by Muslims and other religions & persuasions with around 8% each, and the remaining religions, viz., Sikh, Buddhist, Jain, and Religion note, had less than 1% each in population composition in the state.

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Business Negotiations

It is a cross-cultural contact understood as a meeting between individuals from different cultures, having different traditions and hierarchies of value, who act as sale man and consumers, negotiators, superior and subordinates, co-workers, project or task group participants **(Adamczyk, 2017).**

Hofstede's Six Dimension of Cultural Model

There are a number of cultural value-based Model on International business negotiation by different researchers and experts. There are numbers of framework/theory for Cross-cultural communication. Psychologist Dr. Geert Hofstede, published his cultural dimensions model at the end of the 1970s, based on a decade of research. Since then, it's become an internationally recognized standard for understanding cultural differences. He studied people who worked for IBM in more than 50 countries. Initially, he identified four dimensions that could distinguish one culture from another. Later, he added fifth and sixth dimensions, in cooperation with Dr. Michael H. Bond and Michael Minkov. These are:

a. *Power Distance Index (high versus low).*
This refers to the degree of inequality that exits – and is accepted – between people with and without power. A high PDI score indicates that a society accepts an equal, hierarchical distribution of power, and that people understand "their place" in the system. a low PDI score means that power is shared and is widely dispersed, and that society members do not accept situations where power is distributed unequally.

b. *Individualism versus Collectivism.*
This refers to the strength of ties that people have to others within their community. A high IDV score indicates weak interpersonal connection among those who are not part of a core "family." Here, people take less responsibility for others' actions and outcomes. In a collectivist society, however, people are supposed to be loyal to the group to which they belong, and in exchange, the group will defend their interests. The group itself is normally larger, and people take responsibility for one another' well-being.

c. *Masculinity versus Femininity.*
This refers to the distribution of roles between men and women. In masculine societies, the roles of men and women overlap less, and men are expected to behave assertively. In feminine societies, however, there is a great deal of overlap between male and female roles, and modesty is perceived as a virtue. Greater importance is placed on good relationship with your direct supervisors, or working with people who cooperate well with one another.

d. *Uncertainty Avoidance Index (high versus low).*
This dimension describes how well people can cope with anxiety.
In societies that score highly for uncertainty Avoidance, people attempt to make life as predictable and controllable as possible. People in low UAI-scoring countries are more relaxed, open and inclusive.

f. *Long-versus Short-Term Orientation.*
Hofstede's sixth dimension, discovered and described together with Michael Minkov, is also relatively new, and is therefore accompanied by less data.
Countries with a high IVR score allow or encourage relatively free gratification of people's own drives and emotions, such as enjoying life and having fun. In a society with a low IVR score, there is more emphasis on suppressing gratification and more regulation of people's conduct and behavior, and there are stricter social norms.

Negotiation Style

Negotiation styles (competing, collaborating, compromising, avoiding and accommodating)
In this study, Negotiation style is the way people behave while in bargaining situation / during a conflict/ during any disagreement to get affirmation when they are involved in business dealings. When an individual frequently uses a particular style to negotiate it is an indication that it is his predominant style for negotiating. Negotiation styles have also been called conflict styles, conflict modes, strategies, orientations or intentions in **(Preuss & van, 1990).** Table 1 shows different models of conflict handling styles.
Negotiation style labels used with dimensions ―cooperativeness‖ and ―assertiveness‖ were ― Competing, Collaborating, Compromising, Accommodating and Avoiding **(Kilman & Thomas, 1974)**.

Rahim (1983) used labels―dominating, integrating, compromising, obliging and avoiding for styles.

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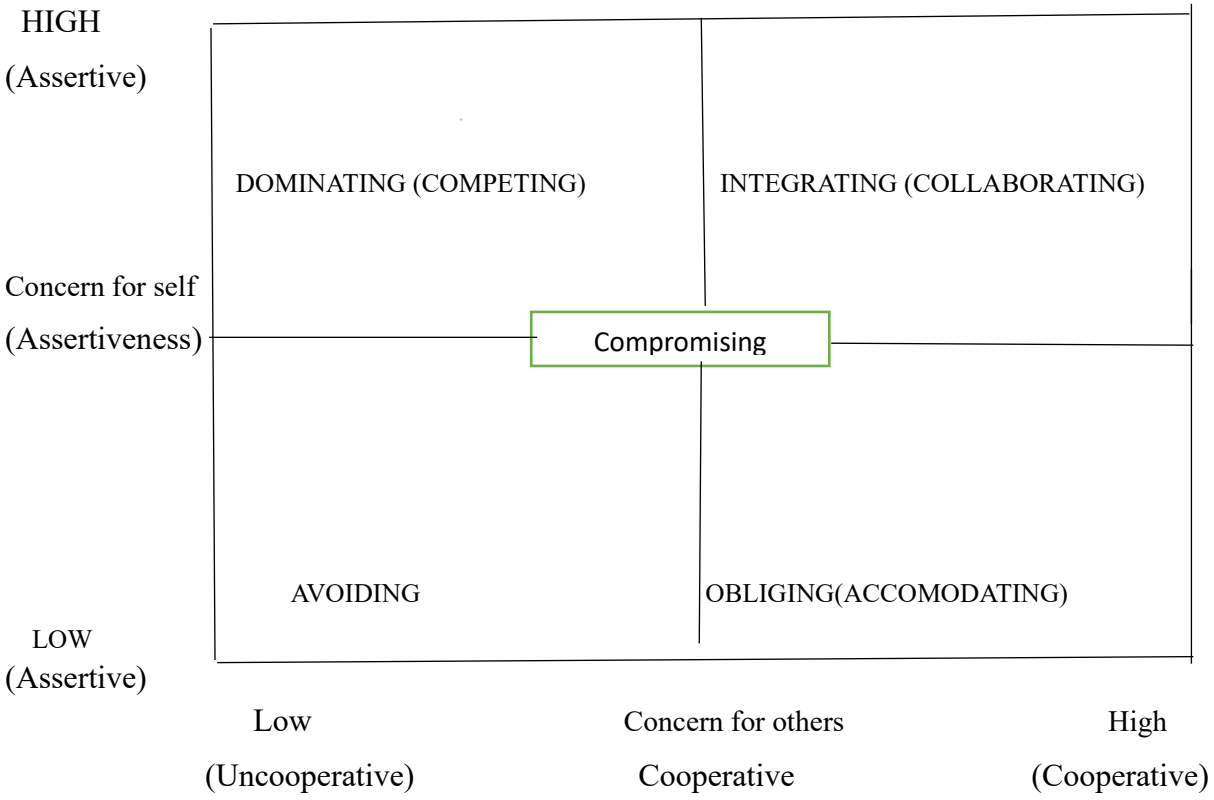

Table 1: A Two-Dimensional Model of Conflict Handling Styles

Compiled using: **Rahim (1983) and Thomas & Kilman (1974) in Vokic and Sontor (2009).**
These five styles have been referred with different terms in literature like conflict handling
Styles, conflict management styles, styles of handling interpersonal conflict, conflict handling modes **(Thomas K., 1976)**, and negotiation styles. **Ogilvie and Kidder (2008)** reviewed the research literatures on style of negotiation and distinguished them from conflict styles. They found that past researches had predominantly considered leadership styles in terms of the five conflict-handling styles (collaborating, competing, compromising, accommodating, and avoiding) from the Dual Concerns Model.

Culture and Negotiation Style

Cross-cultural interactions have gained significant attention in recent years due to the tremendous business advancements and high collaboration among the diverse workforce **(Burke & Ng, 2006).** Cultural variation has long been recognised as a key background factor in international negotiation **(Sawyer & Guetzkow, 1965). Juyuan (2017)** in his paper pointed that Cultural identity should be taken extremely seriously in business communication. The theory of Hofstede cultural dimensions explains how these dimensions predict and correlate with the business negotiation style **(Fatehi Rad, 2015**). The ability to negotiate internationally and across culture has become vital for businesses **(Caputo, Ayoko, Amoo, & Menke, 2019a; Ogliastri & Quintanilla, 2016). Adamczyk (2017)** studied the importance of cultural differences in international business. Applied research method was used to draw conclusions. The results show the Asian manner of negotiations is characterized by cultural and religious complexity, and adherence to tradition. **Banwari (2019)** revealed that religion have relatively higher influenced on the preference of communication and negotiation styles. **Malik & Mir (2020)** gives a general overview of the essence of negotiation itself, its style while narrowing down focus on negotiation style pursued by American and Pakistanis. In this research paper Pakistanis negotiators prefer collaborating and compromising styles while Americans focus on long term relationship.

RESEARCH GAP

An extensive review will be studied on culture based on Hofstede dimension and also negotiation style used in business. The past studies showed cross-cultural negotiation at international level and a few in regional levels, none of the studied has been done in North east in reference to Manipur. The research gap has been identified and the study under the title "The relationship between Hofstede cultural Value and negotiation style: a study in Manipur"

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STATEMENT OF THE RESEARCH PROBLEM

Business negotiations play a fundamental and critical role in just about every aspect of conducting business in today's market **(Manrai & Manrai, 2010).** The role of cultural understanding plays a vital role in executing business transaction, and there is now sufficient/much empirical support **(as cited in Usunier, 1996).** The business literature that deals exclusively with cross-cultural negotiation is sparse **(Graham, 1983)**, and mostly from USA, China, Japan and other popular cultures. In the countries like India, where people have unique cultural diversities, the needs for more cultural understanding arise for conducting international business is completely low and almost nil in Manipur. Despite the translation of Look East Asia to Act East Asia, made in India and also make in Manipur with the infrastructure of Smart city in the capital city of Manipur. The State economic integration stands very low for years.

Therefore, the present study is proposed to examine the influence of culture in business among businessmen presently working in the capital of Manipur, Imphal.

OBJECTIVES OF THE STUDY

1. To study the relationship between cultural value and negotiation style

HYPOTHESIS OF THE STUDY

H_A: Significant relationship exists between culture dimension (power distance, uncertainty avoidance, individualism, masculinity and Confucian Dynamism) and Negotiation Style (collaborating, competing, accommodating, compromising and avoiding.

H_A1 Significant negative relationship exists between power distance and competing style.
H_A2 Significant negative relationship exists between **p**ower distance and collaborating style
H_A3 Significant negative relationship exists between power distance and compromising style
H_A4 Significant negative relationship exists between power distance and avoiding style.
H_A5 Significant negative relationship exists between power distance and accommodating style
H_A6 Significant negative relationship exists between uncertainty avoidance and competing style.
H_A7 Significant negative relationship exists between uncertainty avoidance and collaborating style.
H_A8 Significant negative relationship exists between uncertainty avoidance and compromising style.
H_A9 Significant negative relationship exists between uncertainty avoidance and avoiding style.
H_A10 Significant negative relationship exists between uncertainty avoidance and accommodating style.
HA11 Significant negative relationship exists between collectivism and competing style
H_A12 Significant positive relationship exists between collectivism and collaborating
H_A13 Significant positive relationship exists between collectivism and compromising
H_A14 Significant negative relationship exists between collectivism and avoiding style
H_A15 Significant positive relationship exists between collectivism and accommodating style
H_A16 Significant negative relationship exists between masculinity and collaborating style.
H_A17 Significant negative relationship exists between masculinity and compromising style.
H_A18 Significant negative relationship exists between masculinity and avoiding style.
H_A19 Significant negative relationship exists between masculinity and accommodating style.
H_A20 Significant negative relationship exists between masculinity and competing style
H_A21 Significant negative relationship exists between Confucian Dynamism and competing style.
H_A22 Significant negative relationship exists between Confucian Dynamism and collaborating style.
H_A23 Significant negative relationship exists between Confucian Dynamism and compromising style
H_A24 Significant negative relationship exists between Confucian Dynamism and compromising style
H_A25 Significant negative relationship exists between Confucian Dynamism and avoiding style

RESEARCH METHODOLOGY

This study is survey research and intended to examined the relationship of culture represented by power distance, uncertainty avoidance, individualism, masculinity and Long-Term Orientation and negotiation style. A sample of 146 individuals involved in business dealings and business people were sample for this study. The questionnaire for the study with respect to independent was measured based on Hofstede dimension of culture adopted from CVSCALE developed by Yoo, Donthu, and Lenartowicz in 2011, and the dependent measure was adopted from **Banwari (2019)** based on dual concern model of negotiation style. The motive for adopting this scale in this study is due to its ability to elucidate individual negotiation style during business dealing. The research design is exploratory in nature, where primary data were collected through a Google Forms questionnaire. The questionnaire first collects demographic data, CVSCALE consists of 26-items and then includes 35 items on negotiation style. Each item in the questionnaire is scored on a five-point scale. The data collected was first codified and administered in SPSS for analysis. Demographic profile of the respondents was analyzed using

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frequency. Pearson correlation was conducted to tests their level of correlation of cultural dimension to negotiation styles**.**

RESULTS

Table 2: Demographic-wise Details of Respondents

Variables	Group	Frequency	Total
Gender	Male	91	148
	Female	57	
Education	Diploma	21	148
	Undergraduate	70	
	Postgraduate	46	
	Other Related Certification	11	
Kinds of Business	Tour and Travel	2	148
	Service	5	
	Trade	107	
	Investment and Finance	4	
	Others	29	

Source: *Primary Data*

Table 2 summarizes the demographic profile of the 148 respondents. Of these, 91 were male and 57 were female. Regarding educational qualifications, 21 had a diploma, 70 had completed undergraduate studies, 46 held postgraduate degrees, and 11 had other certifications. In terms of business sectors, 2 participants were in tour and travel, 5 were in the service sector, 107 were involved in trade, 4 worked in investment and finance, and 29 were categorized under other business types.

		Collaborating Style	Compromising Style	Avoiding Style	Accommodating Style	Competing Style
Power Distance	Pearson Correlations	.110	.081	-.163*	.153	.163*
	Sig.(2-tailed)	.183	.325	.048	.063	.048
	N	148	148	148	148	148
Uncertainty Avoidance	Pearson Correlations	.596**	.297**	-.273**	-.216**	.113
	Sig.(2-tailed)	.000	.000	.001	.008	.172
	N	148	148	148	148	148
Collectivism	Pearson Correlations	.449**	.468**	-.219**	.080	.366**
	Sig.(2-tailed)	.000	.000	.008	.333	.000
	N	148	148	148	148	148
Masculinity	Pearson Correlations	.211*	.285**	-.250**	-.091	.245**
	Sig.(2-tailed)	.010	.000	.002	.272	.003
	N	148	148	148	148	148
Confucian Dynamism	Pearson Correlations	.533**	.409**	-.304**	-.206*	.101
	Sig.(2-tailed)	.000	.000	.000	.012	.223
	N	148	148	148	148	148

Table 3: Correlation Analysis of Cultural dimension to Negotiation Style

The table above describes the correlation analysis of cultural dimensions with different negotiation styles. In power distance, the value of avoiding style (-.163, p = .048) revealed a significant negative correlation, while the competing style (.163, p = .048) indicated a significant positive correlation. However, collaborating (.110, p = .183), compromising (.081, p = .325), and accommodating (.153, p = .063) did not show significant correlations. Hence, HA1, HA2, HA3, and HA5 are rejected, while HA4 is accepted. In uncertainty avoidance, both the value of collaborating (.596**, p = .000) and compromising (.297**, p = .000) had a positive significant correlation, whereas accommodating (-.216**, p = .008) and avoiding (-.273, p = .001) showed significant negative correlations. However, competing (.113, p = .172) did not show significant correlations. Hence, HA6, HA7, and

HA8 are rejected, while HA9 and HA10 are accepted. In collectivism, all the values of collaborating (.449**, p = .000), compromising (.468**, p = .000), accommodating (.080, p = .333), and competing (.366**, p = .000) had significant correlations, except avoiding (-.219**, p = .008), which showed a negative correlation. Hence, HA11 is rejected, while HA12, HA13, HA14, and HA15 are accepted. In masculinity, the values of collaborating (.211*, p = .010), compromising (.285**, p = .000), and competing (.245**, p = .003) had positive correlations, whereas avoiding (-.250**, p = .002) showed a negative correlation. Additionally, accommodating (-.091, p = .272) showed no significant correlation. Hence, HA16, HA17, HA19, and HA20 are rejected, while HA18 is accepted. In Confucian Dynamism, the values of collaborating (.533**, p = .000) and compromising (.409*, p = .000) had a positive significant correlation, whereas both avoiding (-.304**, p = .000) and accommodating (-.206*, p = .012) showed negative correlations, leaving the value of competing (.101, p = .223) with no significant correlation. Hence, HA21, HA22, HA23, and HA24 are rejected, while HA25 is accepted.

DISCUSSION AND CONCLUSION

The current study aims to understand the relationship between Hofstede cultural Value and negotiation style within the commercial capital Imphal of Manipur. Based on the findings, the business negotiator of Manipur having high power distance cultures tend to favors competitive negotiation styles which is in line with (Hofstede, 1980), as individuals are more likely to assert authority, while avoiding styles are against the proposed hypothesis. In uncertainty avoidance, both the value of Collaborating (.596**, p = .000) and Compromising (.297**, p = .000) had a positive significant correlation, whereas, accommodating (-.216**, p = .008), and avoiding (-.273, p = .001) had a significant negative correlation, however competing (.113, p = .172) does not have any significant correlations. In cultures with high uncertainty avoidance, collaborating and compromising styles are preferred for their predictability, whereas avoiding and accommodating styles are less favoured. Collectivist cultures emphasize collaborating and compromising, valuing group harmony, while avoiding is less common. In masculine cultures, more competitive and assertive styles are used, with avoiding being less favoured. Finally, long-term orientation cultures prefer collaborating and compromising styles, reflecting a focus on future goals, with avoiding and accommodating styles being less effective. These findings highlight the importance of cultural awareness in negotiation, suggesting that adapting to cultural values can improve outcomes and foster stronger relationships.

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