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PERCEIVED TRUST AND BUSINESS NEGOTIATION PRACTICES: THE SUBORDINATES' PERSPECTIVE

Katija Vojvodić

PhD, Full Professor, University of Dubrovnik, Department of Economics and Business, Lapadska obala 7,
20000 Dubrovnik, Croatia; email: katija.vojvodic@unidu.hr

Marija Martinović

PhD, Associate Professor, University of Dubrovnik, Department of Economics and Business, Lapadska obala
7, 20000 Dubrovnik, Croatia; email: marija.martinovic@unidu.hr

Marko Brajević

email: brajevicmarko@gmail.com

ABSTRACT

The successful functioning of an organisation depends on the importance of trust, which promotes unity between supervisors and subordinates and creates a positive organisational climate that in turn improves subordinates' work performance. The purpose of this study is to identify the predictors that influence negotiators' perceptions of their supervisors' trust. The study considers several predictors including teamwork, outcomes, deadlines, satisfaction, culture, and legislation. A survey was conducted among 157 companies in Croatia and a regression analysis was performed using the SPSS statistical package. About half of the respondents rated the perceived trust of their supervisors as moderate. The majority of negotiators prioritise the achievement of all set goals, while the satisfaction of all parties involved in the negotiation process ranks second. Slightly more than half of the respondents perceive teamwork to be important or very important. On average, respondents believe that legal issues present greater obstacles than cultural differences. The survey results confirm a statistically significant relationship between perceived trust and factors such as teamwork, meeting deadlines, satisfaction, and legal barriers. The paper deepens the understanding of the importance of trust between a supervisor and a subordinate in a negotiation context by examining perceived trust from the subordinate's perspective.

Key words: business negotiation, perceived trust, supervisors, subordinates

1. INTRODUCTION

Negotiation is an ever-present part of working life, and in an increasingly globalised marketplace, negotiation skills are in demand. Given the dynamic nature of today's business world, the negotiation process is an ongoing process that takes place both inside and outside the organisation. A negotiation is a multi-layered process involving a number of different activities of the parties involved, characterised by distinctions, competition and cooperation. Negotiation is also a struggle with impulses such as assertiveness, compliance, or calm and control, and these conflicting impulses are often experienced simultaneously (Mastenbroek, 2012). As Fells (2016) notes, it is not a straightforward process that is either mechanical or deterministic.

In the field of organisational behaviour and management science, negotiation has attracted considerable attention over the past five decades (Brett and Thompson, 2016). Negotiation is often perceived as a dynamic process, recognised as a context-dependent activity (Korobkin, 2014) and dependent on effective communication and interpersonal relationships within the negotiation setting (Lewthwaite, 2006). The potential for negotiation is realised depending on whether one can adjust the situation to limit or eliminate the conflict (Rockmann *et al.*, 2021). Given this perspective, the process of negotiation necessitates the negotiator's ability to adapt and demonstrate commitment (Oliver, 2011), as well as assume responsibility (Lempereur, 2012). Leadership demonstrates high performance associated with job satisfaction, organisational commitment, and trust, and it influences processes that affect follower actions and the choice of group or organisational goals (Politis, 2001).

Trust is commonly described as a psychological condition characterised by a positive anticipation of another person's behaviour. It is common knowledge that trust plays a key role in building relationships and especially business relationships. Furthermore, the significance of trust for positive cooperative relationships is emphasised (Knoll and Gill, 2011). Trust and the feeling of being trusted are interrelated components of a trusting relationship. Trust is an important dimension of the functioning of an organisation and determines how much credibility one person has towards another. It has been shown that the degree of trust is an important indicator of the effectiveness of communication and that lack of trust is the cause of some communication difficulties (Downs and Adrian, 2004). Establishing mutual trust can be a challenging endeavour, yet it stands as one of the crucial phases within the negotiation process. Moreover, developing mutual trust increases the likelihood of achieving a satisfactory outcome. Trust between negotiators brings many benefits: it promotes openness and transparency and makes negotiators more flexible (Benolien and Hua, 2015).

Empirical research has generally paid limited attention to examining the role of manager's trust in subordinates, specifically regarding its impact on subordinate outcomes. However, it is widely recognised that a manager's trust in subordinates can foster high-quality interactions, empowering subordinates and instilling confidence (Brower *et al.*, 2008). Additionally, while there is a solid understanding of factors that contribute to subordinates trusting their

supervisors, less is known about the factors that engender subordinates' feelings of being trustworthy (Hanna *et al.*, 2019).

In the Croatian context, research on negotiation practices has addressed various aspects such as the source of negotiating power, negotiation behaviour, or sales negotiations (Križman Pavlović and Ružić, 2013; Tomašević Lišanin *et al.*, 2015; Perkov *et al.*, 2016; Grubišić *et al.*, 2022), but previous work has not examined how negotiators perceive the trust of their supervisors. The objective of this study is to identify the predictors that influence negotiators' perceptions of their supervisors' trust. To the authors' knowledge, this is the first study to investigate perceived trust in a negotiation context specifically from the viewpoint of subordinates. Therefore, the paper extends the negotiation literature and deepens the understanding of the meaning of trust between a supervisor and a subordinate in a negotiation context by examining perceived trust from the subordinate's perspective.

To achieve the objective, the study addresses the following research questions (RQ):

RQ 1. Is there a perception among negotiators that their supervisors have trust in them?

RQ 2. Does the willingness to collaborate as a team correlate with the perception of supervisors' trust?

RQ 3. What are the key factors influencing perceived trust within the negotiation process?

RQ 4. Is there a connection between perceived trust and the perception of barriers to successful negotiation, such as legal and cultural differences?

To answer the research questions, the authors conducted a survey using a structured questionnaire. The results were analysed by means of non-parametric statistics using the statistical package SPSS.

The paper is structured into five sections. After the introduction, the second section provides a literature review focusing on trust within organisations, with a particular emphasis on trust between supervisors and subordinates, as well as exploring the contextual elements that impact the negotiation process. The third section details the research methodology, while the fourth section presents the research findings. Finally, the last section encompasses conclusion, discussion of research limitations, identification of future research directions, and implications for managers.

2. LITERATURE REVIEW

In the current business environment, companies increasingly rely on effective business negotiations as a crucial function for establishing and maintaining successful relationships, which are vital for their survival and growth (Reynolds *et al.*, 2003). Similarly, Age and Eklinder-Frick (2017) depict negotiation processes as dynamic events that involve managing multiple dimensions simultaneously. Negotiations do not occur in isolation, and negotiators find themselves engaging in negotiation repeatedly across various situations, with varying levels of success or failure (Gazdag, 2021). As Koeszegi (2004) stated, negotiation can be seen as a

process for handling interdependencies and conflicts of interest among parties. Negotiations hold immense significance as they have a profound impact on individuals' careers and financial outcomes (Rua *et al.*, 2021). Particularly, the complex human interactions and divergent interests of negotiating parties can pose challenges during the negotiation process (Yiu and Chung, 2014). Therefore, within negotiation literature, both researchers and practitioners frequently emphasise the complexity of negotiations (Zhang *et al.*, 2021).

Negotiation represents a distinctive form of interpersonal interaction, with distributive, integrative, and adaptive negotiation skills being best cultivated through diverse learning and developmental activities. During these processes, individual differences and situational variables can influence specific negotiation behaviours (Chapman *et al.*, 2017). The outcome of the negotiation process holds significance for the likelihood of future engagements with the same party, as it affects an individual's inclination to negotiate again with the same counterpart. Hence, reaching an agreement is closely linked to the desire for future negotiations (Fleck *et al.*, 2017). Actively listening to the other party and treating them with respect and dignity can profoundly impact their outcomes and their willingness to engage in future negotiations (Kass, 2008). Recent research has also revealed that negotiators' goal orientations can influence their chosen negotiation strategy and, subsequently, the outcomes of the negotiation (Asante-Asamani *et al.*, 2022).

Emotional intelligence plays a role in influencing the satisfaction of the other party with the negotiation outcome (Mueller and Curhan, 2006). Lee *et al.* (2022) argue that while personality traits have consistent effects on behaviour, their impact on negotiation outcomes depends on the power structure. The research findings indicate that competitive behaviour, particularly at the initial stages of the negotiation process, increases satisfaction with the outcome but has a negative impact on intergroup relations, regardless of the actual negotiation outcome (Saygi *et al.*, 2014). Furthermore, Posthuma (2011) substantiated meaningful correlations between conflict management and subjective consequences, encompassing subjective evaluations of negotiations, satisfaction with one's job, intentions to leave, and interactions with colleagues.

Trust is related to the risk and expectations of interacting parties and is one of the critical elements for developing effective working and negotiating relationships. Building relationships and trust is increasingly important for understanding and managing relationships within an organisation and among various stakeholders. Likewise, a favourable climate for innovation and support from supervisors assist subordinates in feeling psychologically empowered (Jha, 2017). The supervisor's cognition-based trust and the subordinate's affect-based trust are connected to the subordinate's organisational behaviour (Costigan *et al.*, 2006). Supervisors can assess the abilities, benevolence, and integrity of subordinates based on their words and actions in performing their duties (Bachmann and Zaheer, 2006). As far as teamwork is concerned, promoting cooperation helps build trust and manage conflict (Chiocchio *et al.*, 2011). Furthermore, research has indicated a positive correlation between feeling trusted by supervisors and cooperation within teamwork (Chiu and Chiang, 2019). Following RQ1 and RQ2, we propose that:

H1. Croatian negotiators believe that their supervisors trust them.

H2. Working in teams is positively related to the perception of supervisors' trust.

Establishing a climate of trust is instrumental in cultivating interpersonal trust between subordinates and their supervisors. This, in turn, can contribute to higher levels of organisational commitment and improved work performance by subordinates (Chong and Law, 2016). Trust influences interpersonal relationships and the negotiations that occur within them (Tomlinson *et al.*, 2009). Interpersonal trust promotes cohesion and mutual trust between members and managers within the organization (Hotho *et al.*, 2012). This includes trust between colleagues, supervisors and subordinates as well as between managers and employees. Within organisations, five levels of trust can be discerned, including organisational trust, trust in management, trust in supervisors, co-worker trust, and trust in subordinates (Rogelberg, 2007). The practical advantages of fostering trust in the workplace are highlighted (Bande *et al.*, 2020). Building trust within organisational relationships is beneficial as it fosters openness, communication, and mutual understanding between parties (Epstein *et al.*, 2010). Trust also significantly enhances organisational performance in interorganisational contexts (Su *et al.*, 2020). With regard to RQ3, we put forward the following hypotheses:

H3a. Achieving set goals as a negotiation priority is positively related to the perception of supervisors' trust.

H3b. Meeting deadlines as a negotiation priority is positively related to the perception of supervisors' trust.

H3c. Achieving the satisfaction of all parties involved as a negotiation priority is positively related to the perception of supervisors' trust.

The evolving landscape, which includes political, economic, institutional-legal and cultural factors, significantly influences the outcomes of international business negotiations (Fang, Worm and Tung, 2008). In particular, the legal environment makes these negotiations more complex and challenging, as international negotiators need to know and understand the legal frameworks of each country involved in their deals and their interpretations (Rudd and Lawson, 2007). Recognising cultural similarities and differences is a critical aspect when engaging in new business relationships and assessing the trustworthiness of potential business partners, as it directly impacts the process of building trust. Culture significantly influences people through processes, interactions, and behaviours. In order to negotiate effectively in a global setting, it is essential to comprehend how the cultures of the negotiating parties shape their interests, priorities and the strategies that bring them to the cross-cultural negotiating table (Brett, 2017). Moreover, having knowledge about diverse cultural norms enables negotiators to anticipate, interpret, and respect the behaviour of their counterparts, thus facilitating the establishment of trust (Brett and Mitchell, 2020). In relation to RQ4, we propose the following hypotheses:

H4a. Legal barriers are negatively related to the perception of supervisors' trust.

H4b. Cultural differences are negatively related to the perception of supervisors' trust.

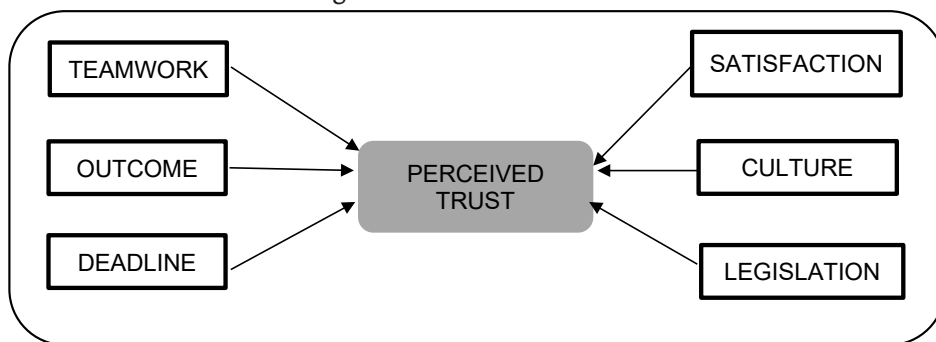
Trust between supervisors and subordinates plays a crucial role in leadership, as highlighted by Kovač and Jesenko (2010). Nienaber *et al.* (2015) emphasise that personal trust often acts as the “glue” that fosters a positive organisational climate and strengthens the relationship between supervisors and subordinates. The delegation of tasks by supervisors enhances the perceived trust in subordinates, particularly when the delegated tasks hold significant importance (Hanna *et al.*, 2019). Research indicates that trust levels can vary between supervisors and subordinates, leading to conflicting expectations regarding effective trust-building strategies (Werbel and Lopes, 2009). Supervisors who are perceived as transformative trust-building are more likely to evaluate their subordinates positively (Williams *et al.*, 2019). Lau *et al.* (2014) found that feeling trusted by supervisors in the workplace enhances self-esteem within the organisation, resulting in improved performance.

3. METHODOLOGY

To investigate the predictors that influence negotiators’ perception of their supervisor’s trust, an empirical survey was carried out among a sample of negotiators in Croatian companies from February to July 2019. Before the main survey, a preliminary survey was conducted to validate the structure of the questions and measurements. The questionnaire was distributed by email via the Google Forms tool, which was open from February 1 to July 31, 2019. The sample for this study was drawn from the population of companies registered in the Register of the Croatian Chamber of Commerce. A total of 530 questionnaires were sent out to potential respondents. After receiving the responses, 157 valid questionnaires were collected, resulting in a response rate of 29.6%.

The statistical analyses were carried out using SPSS 25.0 software. The normality of the data was tested using the Kolmogorov-Smirnov test, with a significance level of 0.05. Quantitative variables were described by the mean value and the standard deviation. The Pearson coefficient was calculated to determine the correlation between the variables for $p < 0.05$ and $p < 0.01$. Hierarchical linear regression was used to analyse the factors influencing perceived trust. The research framework proposed for this study comprises one dependent variable and six independent variables (Figure 1).

Figure 1. Research framework



Source: Authors

In Table 1, all variables are designed to capture respondents' perceptions. The dependent variable, perceived trust, measures the level of trust that supervisors' have in their subordinates. Based on the preliminary research, the perceived trust variable is categorised into three levels: low, moderate, and high. These levels aim to capture the varying degrees of trust perceived by the respondents.

Table 1. Variables and measurements

Variables	Measurements
Perceived trust	1 – 3; 1 Low level of trust, 2 Moderate level of trust, 3 High level of trust
Teamwork	1 – 5; 1 Completely unimportant, 5 Completely important
Outcome	1 – 5; 1 Completely unimportant, 5 Completely important
Deadline	1 – 5; 1 Completely unimportant, 5 Completely important
Satisfaction	1 – 5; 1 Completely unimportant, 5 Completely important
Culture	1 – 5; 1 Not an obstacle, 5 Considerable obstacle
Legislation	1 – 5; 1 Not an obstacle, 5 Considerable obstacle

Source: Authors

The independent variables in the model represent various factors related to business negotiation and are measured using a five-point Likert scale. The first independent variable, teamwork, measures the perceived importance of working in a team during the negotiation process. The second independent variable, negotiation outcome, measures the perceived importance of achieving the set goals in the negotiation. The third independent variable, deadline, assesses the perceived importance of completing the negotiation process within the planned time, which is particularly crucial under turbulent economic conditions. The fourth independent variable, satisfaction, captures the satisfaction of negotiators with their work environment as well as the satisfaction of all parties involved in the negotiation process. The fifth independent variable, culture, focuses on the perceived impact of cultural differences as potential obstacles in the negotiation process, especially in international business negotiations. The sixth independent variable, legislation, measures the perception of foreign legislation as a potential obstacle that could jeopardise the outcome of the negotiation process.

4. RESEARCH FINDINGS AND DISCUSSION

The data obtained from the questionnaires were analysed using the Statistical Package for the Social Sciences (SPSS) version 25.0. Descriptive statistics were calculated for the variables, including the minimum, maximum, mean, and standard deviation (Table 2). These statistics provide an overview of the distribution and characteristics of the variables.

Table 2. Descriptive statistics

Variables	Minimum	Maximum	Mean	Std. dev.	N
Perceived trust	1	3	2.24	0.690	157
Teamwork	1	5	3.54	1.283	157
Outcome	1	5	4.02	0.780	157
Deadline	1	5	3.89	0.874	157
Satisfaction	1	5	3.93	0.794	157
Culture	1	5	2.64	1.311	157
Legislation	1	5	3.23	1.254	157

Source: Authors

The results from Table 2 show that respondents perceive a significant level of trust from their supervisors. The mean score for the teamwork variable is not surprising, as it is consistent with the expectation that trust is associated with working in negotiating teams. Based on respondents' perceptions, the most important aspect of the negotiation process is achieving the desired outcomes. However, meeting deadlines and ensuring the satisfaction of all parties involved in the negotiation are also rated as very important. On the other hand, respondents do not see cultural differences as a major obstacle in the negotiation process. This could be due to the fact that they mainly negotiate with companies that have a low cultural distance. Legal issues, however, are perceived as a moderate obstacle, suggesting that an unstable legal environment is often associated with economic or political instability, which can lead to challenges in negotiations. It is therefore reasonable to assume that if the survey had been conducted after the pandemic was declared, the legal environment would have been perceived as an even greater obstacle to successful negotiations.

The results from Table 3 indicate that nearly half of the respondents (47.1%) perceive a medium level of trust from their supervisor, while slightly over one-third feel a high level of trust. This result, together with the result from Table 2, shows that Croatian negotiators believe that their supervisors trust them, which confirms H1. In terms of the importance of working in teams, the distribution is relatively balanced. Approximately 22% of the respondents do not consider teamwork important, while the same proportion (21.7%) remains neutral. On the other hand, 28% of the respondents consider teamwork important, and 28.7% perceive it as very important.

Table 3. Sample frequencies

Variables	Frequencies	Percentage
Perceived trust	157	100
1	23	14.6
2	74	47.1
3	60	38.2
Teamwork	157	100
1	15	9.6
2	19	12.7
3	34	21.7
4	44	28.0
5	45	28.7
Outcome	157	100
1	1	0.6
2	1	0.6
3	37	23.6
4	73	46.5
5	45	28.7
Deadline	157	100
1	1	0.6
2	3	1.9
3	54	34.4
4	53	33.8
5	46	29.3
Satisfaction	157	100
1	1	0.6
2	2	1.3
3	43	27.4
4	72	45.9
5	39	24.8
Culture	157	100
1	42	26.8
2	33	21.0
3	34	21.7
4	35	22.3
5	13	8.3
Legislation	157	100
1	20	12.7
2	19	12.1
3	51	32.5
4	37	23.7
5	29	18.6

Source: Authors

Regarding the achievement of set goals for the company, more than two-thirds of respondents indicated that this issue is important or very important. This highlights the significance placed on goal attainment in the negotiation process. When it comes to meeting deadlines, the variable received the highest rating of “completely important” from 29.3% of respondents. This was followed by the variables teamwork and outcomes with 28.7% and satisfaction with 24.8% of respondents giving them the highest rating. In terms of satisfaction with the negotiation process, 70.7% of respondents rated it as important or completely important. This underscores the significance of achieving satisfactory outcomes and maintaining positive working relationships during negotiations.

The results in Table 3 show that cultural differences are considered a problem for negotiations by more than 30% of the respondents, while almost half do not consider cultural differences as an obstacle. Most respondents (42%) agree that the legal environment could be the main reason for a possible failure of negotiations. However, a quarter of respondents do not consider legal issues a serious obstacle and almost a third remain neutral. Table 4 shows the correlations between perceived trust and the independent variables.

Table 4. Correlation matrix summary

Variables	Perceived trust
Teamwork	0.253**
Outcome	0.134
Deadline	0.191*
Satisfaction	0.159*
Culture	-0.119
Legislation	-0.166*

* Correlation is significant at the 0.05 level (2-tailed)

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

Source: Authors

As shown in Table 4, there is a significant positive correlation between perceived trust and teamwork. This suggests that perceiving teamwork as highly important correlates with perceiving a higher level of trust from supervisors, thereby confirming H2. This is consistent with previous research (Chiu and Chiang, 2019). In addition, there is a significant positive correlation between perceived trust and meeting deadlines. The perception of the importance of meeting deadlines correlates with higher levels of trust from supervisors, indicating the importance of responsibility and reliability in the context of building trust and supporting H3b. There is a significant positive correlation between perceived trust and satisfaction, which confirms H3c. In other words, negotiators who report a higher level of satisfaction with the overall negotiation process also tend to perceive a higher level of trust from their supervisors. Both H3b and H3c are consistent with previous findings (Chong and Law, 2016; Jha, 2017; Su *et al.*, 2020). With regard to the negotiation outcome, however, achieving the set goals as a negotiation priority was not positively related to the perception of supervisors’ trust, which refutes H3a. Finally, there is a significant negative correlation between perceived trust

and legislation, i.e. the more legislation is perceived as an obstacle, the lower the perceived trust. This result is in line with previous findings (Rudd and Lawson, 2007) and thus confirms H4a that legal barriers are negatively related to the perception of supervisors' trust. On the other hand, contrary to expectations, cultural differences were not negatively related to the perception of supervisors' trust, so that this result refutes H4b.

The next step of the analysis is hierarchical linear regression (Table 5 and Table 6). The aim of this method is to evaluate the individual effect of each of the four predictors on perceived trust as the dependent variable. Since there are four significant correlations, four related predictors are included in further analysis: teamwork, deadline, satisfaction, and legislation. Hierarchical linear regression was conducted in four steps or models. In Model 1, teamwork is included in the regression; in Model 2, teamwork and deadline are included in the regression; in Model 3, teamwork, deadline, and satisfaction are included in the regression; and in Model 4, teamwork, deadline, satisfaction, and legislation are included in the regression.

Table 5. Hierarchical linear regression summary

Model	R	R ²	R ² change	F change	Sig F change
1	0.247	0.061	0.061	10.004	0.002
2	0.303	0.092	0.031	5.228	0.024
3	0.304	0.093	0.001	0.085	0.771
4	0.358	0.128	0.035	6.130	0.014

Source: Authors

An important metric in linear regression result is the R² value or coefficient of determination. R² determines the proportion of the variance in the dependent variable that can be explained by the independent variable. In hierarchical linear regression, the focus is on the R² change value, which represents the specific proportion of variance explained by each predictor. According to the R² change values in Table 5, the predictor teamwork explains 6.1% of the variance in perceived trust. The predictor deadline explains 3.1%, satisfaction 0.1%, and legislation 3.5% of the same variance. One can also note that Model 3 is not statistically significant. As mentioned earlier, Model 4 includes all predictors and the R² value shows that all predictors together explain 12.8% of the variance in perceived trust.

Table 6: Hierarchical linear regression model (short version)

Model	Unstandardized coefficients B	Std. error (unstd. B)	Standardized coefficients Beta	t	Sig.
Constant	1.498	0.318		4.710	0.000
Teamwork	0.123	0.041	0.229	2.995	0.003
Deadline	0.140	0.099	0.177	1.411	0.160
Satisfaction	0.023	0.108	0.027	0.214	0.831
Legislation	-0.104	0.042	-0.189	-2.476	0.014

Source: Authors

Table 6 contains the coefficient values of the regression model focusing on model 4, which includes all predictors. It provides a summary overview of the regression analyses between the independent variables or predictors, i.e., teamwork, deadline, satisfaction, and legislation, and the dependent variable perceived trust. These data allow for the formulation of the regression equation.

$$Y_5 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 \quad (1)$$

where

Y_5 = perceived trust,

β_0 = constant

X_1 = observation of teamwork,

X_2 = observation of the deadline

X_3 = observation of satisfaction

X_4 = observation of legislation

Using the data from Table 6, the linear regression equation is formulated as follows:

$$\text{Perceived trust} = 1.498 + 0.123X_1 + 0.140X_2 + 0.023X_3 - 0.104X_4 \quad (2)$$

With the formula of linear regression, it is possible to calculate the value Y for each given value X. The positive relationship between the predictors teamwork, deadline and satisfaction and the dependent variable perceived trust is evidenced by the positive unstandardized beta coefficient (0.123, 0.140 and 0.023). It should be noted that the unstandardized beta coefficient for legislation is negative, corresponding to a negative Pearson coefficient in Table 4.

5. CONCLUSION

Based on the research findings, several conclusions can be drawn regarding the predictors and their relationship with perceived supervisor trust in the negotiation process. In relation to RQ1, our findings show that negotiators in Croatian companies generally perceive that their supervisors trust them. With regard to RQ2, we find that companies that place a higher value on teamwork tend to have higher levels of perceived supervisor trust. In relation to RQ3, i.e. the key factors that influence perceived trust within the negotiation process, our findings indicate that the importance of meeting deadlines in the negotiation process has a positive effect on perceived supervisor trust and that the importance of overall satisfaction in the negotiation process has a positive effect on perceived supervisor trust. Furthermore, the research findings show no significant relationship between the negotiation outcome and perceived supervisor trust. This suggests that while the negotiation outcome is considered important by respondents, it does not directly impact the perceived supervisor trust. Finally, with regard to RQ4, the findings indicate that a lack of knowledge about domestic and foreign market laws and regulations negatively affects perceived supervisor trust. In other words, understanding and complying with legal requirements in negotiations contribute to higher

levels of perceived supervisor trust. In addition, the perception of cultural differences as an obstacle to negotiation is not statistically significantly related to perceived supervisor trust.

The research findings have several implications for managers. First, subordinates' perception of trust is very important because it affects their effectiveness. Managers should be aware of the importance of trust in the workplace, both horizontally and vertically. If we were to apply the Likert model of leadership styles to the results of this survey, we would conclude that, on average, respondents perceive a moderate level of trust from their supervisors, which corresponds to a consultative leadership style. The closer the leadership style is to the democratic style, the more pronounced the tendency to collaborate within the negotiation team, which has a direct impact on negotiation performance. The closer the leadership style is to the democratic style, the more pronounced are the orderly behaviour patterns of subordinates. This research demonstrates the influence of factors such as teamwork, meeting deadlines, striving to satisfy all participants in the negotiation process, and knowledge of and compliance with laws and regulations.

The study has some limitations that should be considered. First, the relatively small sample and geographic coverage of the study provide limited opportunities for generalisation of the research findings. Similarly, these findings should be interpreted with caution and cannot be generalised to all organisations or negotiation contexts, as subordinates' perceived trust (confidence in them) may not match the manager's actual trust in the subordinate (Brower *et al.*, 2008). In addition, some research shows that supervisors' trust in employees was generally stronger than employees' perceived trust (Huang, Chuang and Kwok, 2023). Second, the study focused on a specific set of variables related to negotiation factors and trust. The inclusion of additional variables such as subordinates' personality traits, propensity to trust, willingness to take risks, or their trust in the manager could lead to a more comprehensive understanding of the factors that influence perceived trust. In addition, future studies could measure both perceived and actual trust to gain a more comprehensive understanding of supervisor-subordinate relationships. By addressing these limitations in future research, a more comprehensive understanding of the role of trust in supervisor-subordinate relationships and negotiation processes can be developed. Future work could examine leadership styles in the context of trust between a supervisor and a subordinate in a negotiation context. In this sense, the full-range leadership model can also be applied.

Despite its limitations, this study contributes to the existing literature by providing new insights into negotiation behaviour in the Croatian context, particularly by examining perceived trust from the subordinate's perspective. Further research in other cultural contexts and industries may also expand the generalisability of the findings. Comparing and contrasting perceptions of trust and negotiation behaviour in different contexts would help identify cultural or contextual factors that may influence these dynamics. By addressing these areas of future research, we can deepen our understanding of the role of leadership styles, cultural factors, and other variables in shaping trust in negotiation situations and ultimately improve our ability to establish and maintain effective supervisor-subordinate relationships.

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PERCIPIRANO POVJERENJE I PRAKSE POSLOVNOG PREGOVARANJA: PERSPEKTIVA PODREĐENIH

Katija Vojvodić

Dr. sc., redovita profesorica, Sveučilište u Dubrovniku, Odjel za ekonomiju i poslovnu ekonomiju,
Lapadska obala 7, 20 000 Dubrovnik, Hrvatska; e-mail: katija.vojvodic@unidu.hr

Marija Martinović

Dr. sc., izvanredna profesorica, Sveučilište u Dubrovniku, Odjel za ekonomiju i poslovnu ekonomiju,
Lapadska obala 7, 20 000 Dubrovnik, Hrvatska; e-mail: marija.martinovic@unidu.hr

Marko Brajević

e-mail: brajevicmarko@gmail.com

SAŽETAK

Uspješno funkcioniranje organizacije ovisi o važnosti povjerenja, koje promiče jedinstvo između nadređenih i podređenih te stvara pozitivnu organizacijsku klimu koja zauzvrat poboljšava radni učinak podređenih. Svrha je ovog rada identificirati prediktore koji utječu na percepciju pregovarača o povjerenju njihovih nadređenih. U radu se razmatra nekoliko prediktora uključujući timski rad, ishode, rokove, zadovoljstvo, kulturu i zakonodavstvo. Provedena je anketa među 157 poduzeća u Hrvatskoj te je napravljena regresijska analiza pomoću statističkog paketa SPSS. Otprilike polovica ispitanika ocijenila je percipirano povjerenje svojih nadređenih umjerenim. Većina pregovarača kao prioritet navodi postizanje svih postavljenih ciljeva, dok je na drugom mjestu zadovoljstvo svih strana uključenih u pregovarački proces. Nešto više od polovice ispitanika timski rad doživljava važnim ili vrlo važnim. Ispitanici u prosjeku smatraju da pravna pitanja predstavljaju veće prepreke od kulturnih razlika. Rezultati istraživanja potvrđuju statistički značajan odnos između percipiranog povjerenja i čimbenika kao što su timski rad, poštivanje rokova, zadovoljstvo i zakonske prepreke. Ovaj rad produbljuje razumijevanje važnosti povjerenja između nadređenih i podređenih u pregovaračkom kontekstu kroz ispitivanje percipiranog povjerenja iz perspektive podređenog.

Ključne riječi: poslovno pregovaranje, percipirano povjerenje, nadređeni, podređeni

