Business culture in the Latin Europe cluster

"It is only when you meet someone of a different culture from yourself that you begin to realise what your own beliefs really are."

-George Orwell, The Road to Wigan Pier-

The Latin Europe cluster includes France, Israel (considered by the Globe Project as part of this cluster because it was founded by Jewish people who migrated from Latin Europe to Eastern Europe to escape religious repression, but maintained their ties to Latin Europe over the centuries), Italy, Portugal, Spain, Switzerland (French- and Italian speaking samples).

Latin European societies are defined by:

- a high-context communication style (with the exception of Israel);
- a polychronic approach to time management;

- high in-group collectivism;
- a "being" orientation, based on moral relativism;

- well defined power dynamics;
- a dislike for ambiguity and unpredictability (uncertainty avoidance).

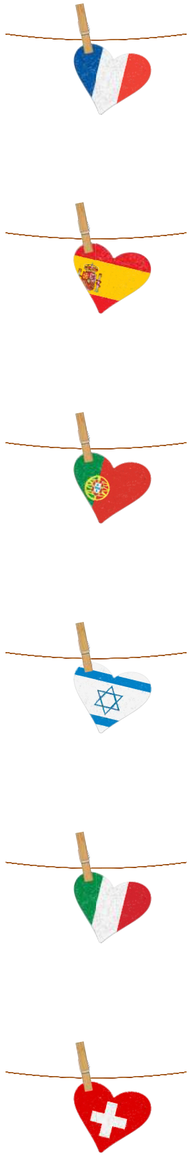
- Latin-European cultures are relationship oriented: as trust and affiliation are extremely important, it is advisable to establish a personal relationship before business matters are discussed. Negotiations may be long;

- Oral/verbal communication and face-to-face meetings are preferred to written exchanges and phone conversations;

- These are high power distance cultures: while people are welcome to share their views, indirect and tactful communication is common when advising or sharing constructive criticism with a "power holder";

- People's hierarchical position matters: adopting an informal approach with someone above your rank might be perceived as inappropriate and potentially offensive;

- In Latin Europe, time is fluid: delays are usually acceptable, personal and business time do often mix.



Business culture in Spain

- The business culture in Spain is mostly relational: as long term relationships are highly valued, it is important to remember that trust must be achieved before business decisions are made.

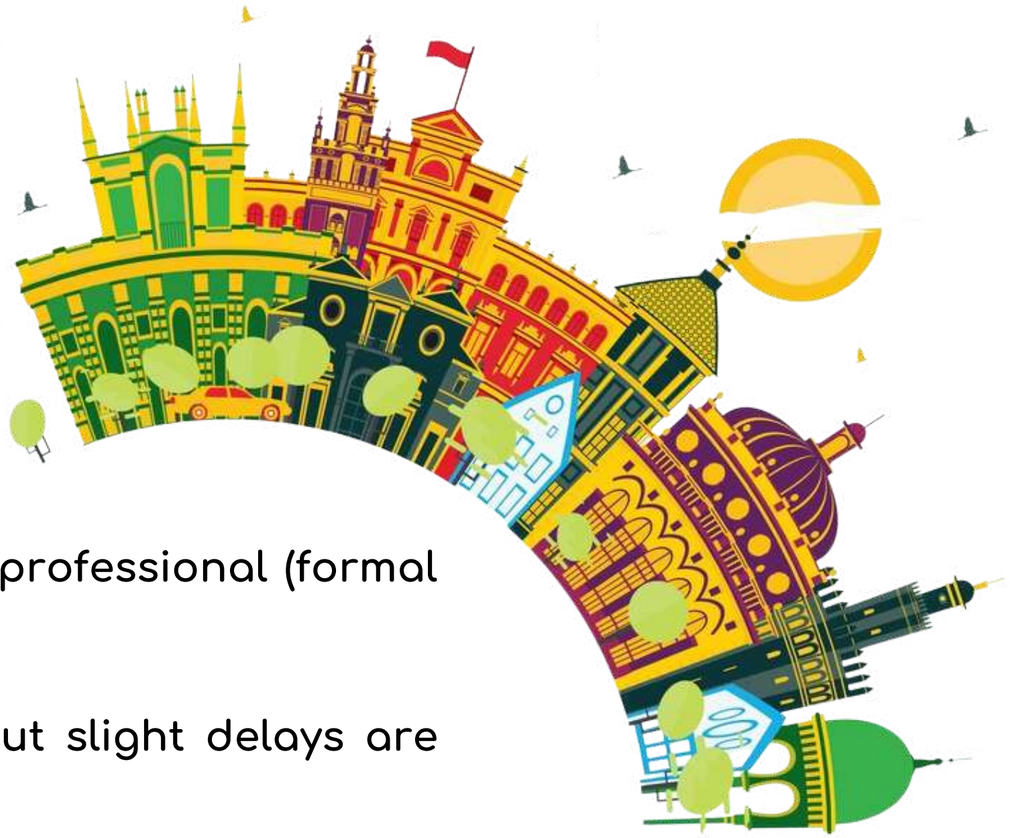
- It is common to socialize over meals, not necessarily to discuss business matters but to build a personal relationship first.

- Most businesses have a hierarchical structure: communication often happens at a senior level, and negotiations are likely to take place between peers. Final decisions are usually made by senior executives, who will then share them with employees during business meetings.

- In business settings, Spaniards are usually formal: unless invited by your host to address people by their first name (or names, e.g. Carlos Alberto), it is advisable to address them using the appropriate title of courtesy (Señor/Señora) plus surname.

- It is important to remember that this is a high-context, collectivist society: communication is therefore indirect (especially if and when sharing unpleasant news), and the use of non-verbal communication is significant. A compromising approach is recommended.

- Meetings may not necessarily follow a linear structure: different issues might be discussed at the same time, some interruptions can be expected, speaking turns may not be respected. Small talk is common at the beginning of a meeting, and personal topics - such as family life - are not off-limits.



- The preferred dress code is business professional (formal and classic).

- Punctuality is expected and valued, but slight delays are usually tolerated.

Business culture in France

- The business culture in France favours the development of long-term business relationships. It is common to engage in friendly (but not overly personal) conversations before business is discussed.

- Business relationships may be forged over lunch, while dinner is mainly seen as a social occasion (business- and private time don't usually overlap).

- Most businesses have a hierarchical structure, and decisions are usually made by top executives. The decisions making process may be long, as it requires several discussions before an agreement is reached (click here to learn more about the art of conversation and debate in France).

- In business settings, formality is highly appreciated: a superior or someone people meet for the first time is addressed using the appropriate courtesy title (Monsieur or Madame) plus surname.

- The dress code is generally conservative and classic, as a neat and stylish appearance (even on "casual Friday") is important when it comes to first impressions.

- In France, time is polychronic: punctuality is expected and appreciated, but slight delays are usually tolerated (meetings may start a few minutes later than scheduled). This said, however, planning is essential in business scenarios: meetings are expected to be booked at least two weeks in advance, preferably not at lunch time. For scheduling purposes, it is also important to remember that July and August are the most common vacation period.

- Italian culture is relationship oriented: as trust must be achieved before business decisions are made, third-party introductions can be highly valuable. One of the primary goals of a business transaction is to forge a long-term relationship with clients and other stakeholders: social conversations are common before business matters are discussed, and personal topics are not off-limits. Business dealings are often discussed in front of a meal.

- Most businesses have a hierarchical structure: how people are addressed depends on their status (seniority/rank), suggestions and criticism should be offered in a formal and preferably indirect manner. The decision making process can be long, as juniors members of the company may have to discuss the deal with senior executives and wait for their suggestions and/or approvals before they take things forward.

- It is advisable to address people by their first name only if invited to do so, and to use the courtesy title Signor/Signora plus surname in any other scenario.

- Italians are fashion conscious and they do care about appearances, as someone's attire may be perceived as an indication of their success and social standing.

- Italians time is fluid (polychronic time orientation): punctuality is expected and appreciated, but it's not a priority. Slight delays are tolerated and not necessarily perceived as a sign of disrespect. Meetings are likely to have a flexible agenda, and some interruptions can be expected.

- Appointments must be booked at least two weeks in advance, preferably between 10 a.m. and 11 a.m., or after 3 p.m. It is important to remember that July and August are the most common vacation period.

- Portuguese culture, similarly to other collectivist cultures, is relationship oriented. People strive to achieve long-term relationships based on trust with their business partners, and business is often discussed over a shared meal (usually at the end of the meal, after social conversations about unrelated and somewhat personal topics have taken place).

- While the Portuguese are friendly and and appreciate a good sense of humour, it is advisable to keep the first interactions formal and to address people as Senhor or Senhora (plus surname), unless invited to call them by their first name.

- Most companies have a hierarchical structure, where age (seniority) and rank matter. Decisions are made by senior executives over the course of several meetings, and it is uncommon for someone in a senior position to consult with junior employees.

- It is important to remember that this is a high-context, collectivist, high power distance society: especially if and when sharing unpleasant news or delivering feedback and constructive criticism, communication is usually indirect and the use of non-verbal communication is significant. A compromising approach is recommended.

- Portuguese time is fluid (polychronic time orientation): punctuality is appreciated, but it's not a priority. Slight delays are tolerated and not necessarily perceived as a sign of disrespect. Meetings are likely to have a flexible agenda, and some interruptions can be expected. For scheduling purposes, it is important to remember that in Portugal August is the most common vacation period.

- In Portugal appearances are important and often indicative of someone's status: people are fashion conscious, and the business dress code is usually formal and classic.

Business culture in Israel

- In Israel, the business culture is relationship oriented: social connections are extremely important, and "protexia" might help securing deals in the business world. It is common to socialize over meals and/or coffee outside of office hours (social and business time often overlap).

- The communication style is straightforward and assertive (low-context), as directness tends to be equated with honesty. Subtle and indirect communication, on the other hand, may be confusing and it's best avoided if possible.

- With regard to body language and personal space, it is important to remember that in Israel personal space is smaller than in Northern Europe, United States, and most Asian countries. Taking a step back if someone gets close might be perceived as offensive.

- While hierarchy exists, the business structure is usually flat and egalitarian: it is common to address superiors by their first name, employees are encouraged to voice their opinions and share their ideas, proactivity is highly valued. The management style is collaborative.

- The dress code is informal (business-casual), but it is advisable to dress smart for a first meeting with a business partner.

- Israeli time is polychronic and somewhat hectic. While punctuality is expected and appreciated, meetings may not always start on time and interruptions can be frequent, as Israelis tend to do more things at the same time.

- Be mindful of sensitive topics such as politics and religion and, if dealing with a religious person, remember that it is not permitted to shake hands with someone of the opposite sex.

As the business culture in Italian- and French speaking Switzerland share many similarities with the business culture in Italy and in France, Switzerland will be included in the deck dedicated to "Business culture in the Germanic Europe cluster".

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