

Doing Business in Australia | Australian Social and Business Culture

An Australian Culture Overview

Fact File

- **Official name** – Commonwealth of Australia
- **Population** – 21,262,641 *
- **Official Languages** – English
- **Currency** – Australian dollar (AUD)
- **Capital city** – Canberra
- **GDP** – purchasing power parity \$800.5 billion*
- **GDP Per Capita** – purchasing power parity \$38,100 *



Overview

Australia, the vast island continent situated southeast of Asia, is renowned for its natural beauty, multiculturalism, and diverse population. The country's immense geographical variety has given Australia much of its character, creating a land of cultural fusion and enriching opportunity. In order to fully comprehend the complexity of this nation, it is essential to gain and understanding into the underlying concepts of its culture.

Key Concepts

Egalitarianism – Australia has a very egalitarian culture where differences in status need no particular deference. Often referred to as the 'tall poppy syndrome', this creates a society that avoids differentiation between individuals, or being a 'tall poppy' by standing out from the crowd. Instead, modesty, parity and mutual respect are preferred. Egalitarianism infiltrates all aspects of Australian life and is particularly prominent in the business sphere. Australians generally avoid drawing too much attention to their academic qualifications, personal achievements or business success, since this may be perceived as arrogance. Its influence can also be seen in the more down-to-earth approach to business that Australians adopt.

Openness – A highly valued aspect of Australian culture and well-known trait of the nation's population is the open and direct manner in which daily life is conducted. Generally, Australians are literal and to the point in their communication, often voicing what might be perceived as strong and confrontational opinions. As a nation, they value directness and respect those who express their own views and beliefs. In a business context, you will find that your Australian counterparts are, on the whole, receptive to new ideas and encourage lively discussion or debate.

Individualism - This characteristic is prominent in the behaviour of many Australians and in the way they interact with other members of society. A common feature of individualism, which must be taken into consideration, is the importance of personal privacy and the segregation of the public and private life of individuals. Whilst dealing with your Australian counterparts, you may find attempts at developing personal relationships are treated with caution.

Doing Business with Australia

The Commonwealth of Australia, a united independent nation established in 1901, consists of six states and two territories. Aboriginal settlers were the first to migrate to the continent almost 50,000 years ago, until the seventeenth century when the first Europeans began to explore and Captain James Cook took possession under Great Britain in 1770. As a self-sufficient country, natural resources helped to rapidly develop the nation's agricultural and manufacturing industries. In recent years, Australia has increased its economic focus and has become one of the most dominant and advanced market economies in the world with increasing demands from its trading partners.

Australia Business Part 1 - Working in Australia (Pre-departure)

- **Working practices in Australia**
 - Punctuality is an essential part of Australian business practice. Lateness may create the impression that you are unreliable and careless in your business dealings. However, whilst arriving on time is expected of foreigners, it is not uncommon for Australians to bend these rules slightly.
 - It is advisable to schedule business appointments approximately one month in advance. Generally, making appointments with executives is relatively easy and you will find most of them accessible and accommodating.
 - Business hours in Australia tend to be 9.00 am to 5.00 p.m., Monday to Friday. You should avoid making business trips to the country around Christmas and Easter, as this is the time of the year when most business people are on holiday.
- **Structure and hierarchy in Australian companies**
 - Company structure in Australia is generally flat with little visible distinction between those of varying rank and status.
 - The authority to make decisions is not always left in the hands of the high level executives. In Australia, lower level employees often have a considerable amount of power and authority within the company.
- **Working relationships in Australia**
 - Australians tend to initiate a first name basis with their fellow business associates quickly. This is an indication of mutual respect and equality.
 - In Australia it is essential to establish personal relationships with those you are conducting business with. It is important to make connections with established representatives who are able to help build those relationships.

Australia Business Part 2 - Doing Business in Australia

- **Business practices in Australia**
 - The use of titles is not an essential part of Australian business culture. Australians tend to be more informal in their business dealings and will move to a first name basis quite quickly. However, when initially introduced, you should address your Australian counterparts by their last names preceded by “Mr.”, “Mrs.”, or “Miss.”, until they initiate this informality.
 - When meeting your Australian associates for the first time, it is customary to shake hands, firmly but briefly, at the beginning and end of a meeting. This is the preferred gesture for both male and female colleagues, although men should allow a woman to offer their hand first.
 - Following initial introductions, negotiations will proceed quickly. Australians will negotiate major issues in an open and direct manner, but always in accordance with company policy. It is fundamental to abide by established rules and laws rather than allow feelings to take precedence.
 - Despite an overall results-orientated outlook towards business, the decision making process can be a slow and extended one, that should not be rushed or hurried. Australian business culture prefers a more collaborative approach to work and therefore managers and subordinates alike will give their input and consider the options before reaching a final decision.

Australian Business Etiquette (Do's and Don'ts)

- ✓ DO partake in some initial “small talk” before a business meeting begins. Australians use this as a way of establishing rapport with their colleagues and is an important part of business etiquette.
- ✓ DO keep a certain amount of distance when in conversation with your Australian counterparts. Personal space is highly valued in Australian culture.
- ✓ DO maintain good, direct eye contact with your Australian colleagues during all business meetings and conversations as this helps to establish trust.
- ✗ DON'T over exaggerate or boast about your company's abilities or build up business information. Self-importance is not a favoured quality in Australian culture; therefore you should remain modest and unassuming at all times.
- ✗ DON'T discuss aspects of your personal life during business negotiations. Privacy is an important element of everyday life in Australia.
- ✗ DON'T use aggressive sales techniques whilst negotiating. Your Australian business colleagues will dislike being pressured and may be put off by this approach.

Australia Culture Quiz - True or False

1. If invited to an Australian's home, it is good practice to take a small gift of chocolates, wine or flowers.
2. When meeting your Australian business associates for the first time, it is necessary to wait for a third party to introduce you.
3. The "V" sign, (made with the index and middle fingers with the palm facing inward) is considered an insult in Australia and should be avoided.
4. Australians tend to make judgments on your business competence based on actions as opposed to words.
5. The exchanging of business cards is not a common procedure amongst business professionals.

Answers

1. True. This is done out of courtesy, although it is not always expected.
2. False. It is quite acceptable for visitors to the country to introduce themselves.
3. True.
4. True. Empirical evidence and concrete facts have more value in Australian business culture.
5. False. It is appropriate to present your business card when initial introductions are made.

* Source: CIA World Factbook 2007

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