

Doing Business in Croatia | Croatian Social and Business Culture

A Croatian Culture Overview

Official Name – Republic of Croatia
Population – 4,494,749 (July 2006 est)
Official Language - Croatian
Currency – Kuna (HRK)
Capital city - Zagreb
GDP - purchasing power parity: \$55.79 billion (2005 est.)
GDP per capita - \$12,400 (2005 est.)



Overview

Croatia is home to a blend of Greek, Roman and Byzantine influences. Though Croatia is a very young autonomous nation, its distinct culture has been driven by thousands of years of empires, kingdoms and civilisations. Croatia proclaimed independence in 1991 and was recognised by the European Union and United Nations in 1992. Even after its independence Croatia continued fighting with occupying Serbian forces until 1995. As one of six former republics of Yugoslavia, Croatians have a very strong sense of culture and heritage and are proud of their national identity. Croatia is famed for its rich culture and natural beauty, with numerous national parks and a flourishing tourism industry. Understanding Croatian culture is essential for doing business in Croatia successfully.

Key Concepts

Religion – Religion is a unifying factor of Croatian culture where most Croatians are Roman Catholic. Though religion is not discussed in the workplace, Catholicism has a large impact on everyday life and many businesses close for Roman Catholic holidays. Each town and city has a patron saint and celebrates the saint’s feast day with ceremonies and festivals. The Catholic religion has also played a large part in Croatia’s historical and cultural development and continues to be seen in everyday Croatian life.

National Pride – Croatians are very proud of their country and heritage and take criticism very personally. Because of this, Croatians can come off as being haughty and pretentious and may seem arrogant to foreigners. Croatians feel a strong sense of nationalism after years of foreign control and often refer to their country as “Our Beautiful Homeland.”

Humour – Croatians enjoy irony and dark humour and will often laugh at difficult situations and personal flaws. Croatians find humour in sarcasm and do not typically change their tone of voice or facial expression when telling a joke. For these reasons, it can be difficult for foreigners to understand Croatian humour. Croatians tend to tease others, especially foreigners, but mean no ill intent and expect you to behave the same towards them.

Doing Business with Croatians

Croatia has successfully established macroeconomic stabilisation. Though the state still has a large presence in the economy, GDP growth is rising and the Croatian market is experiencing moderate expansion. Croatia spent the first five years of its independence fighting the presence of the Serbian military and has only recently begun to improve living standards and to make critical economic changes. Tourism and an increase in consumer spending have also refined Croatia's economic climate. A member of NATO and the UN, Croatia has plans to join the EU in 2010.

Croatia Business Part 1 - Working in Croatia

○ **Working practices in Croatia**

- Croatians are very fashion conscious and will always dress according to the latest western styles. Croatians dress to reflect their level of professionalism.
- Most businesses operate from 9:00 am to 5.00 pm but it is always advised that you check with your Croatian business partners because many companies will start or finish at different times.
- Deadlines are a lot more flexible than in western business culture and work is often finished at the last minute.
- Always address colleagues with their title and surname. Never use first names unless invited to do so.

○ **Structure and hierarchy in Croatian companies**

- Croatians value authoritative superiors and respect the knowledge, education, confidence and experience that comes with status.
- Croatia's collectivist society has significantly impacted business culture. Usually only one person makes major decisions and receives success. However, no one is responsible for failure.
- Decisions are made without consultation and managers usually do not need to provide explanations as to why a decision was reached.

○ **Working relationships in Croatia**

- Croatians are personable and will want to know about your family and where you are from. Do not talk about money or personal problems – Croatians view this as a sign of weak character and the discussion will leave your colleagues feeling uneasy.
- Personal space is important, but a large distance indicates dislike. Eye contact is also essential and is viewed as a sign of respect.
- Croatians are often direct. Croatians view soft-spoken or shy people as vulnerable and weak.

Croatia Business Part 2 – Doing Business in Croatia

○ **Business Practices in Croatia**

- Meetings are often lengthy and do not tend to follow an agenda.
- Small talk usually precedes negotiations at meetings. It is important to initially build a relationship before discussing business matters.
- Professionalism is extremely important in Croatian business culture. Always maintain an appropriate relationship with your Croatian colleagues, as respect will decrease if the relationship becomes too personal.

○ **Croatian business etiquette (Do's and Don'ts)**

- ✓ DO show respect towards everyone you meet, including unfamiliar acquaintances as Croatsians will often acknowledge strangers in passing.
- ✓ DO ask Croatsians for their opinions on the subject matter at hand. Croatsians will be happy to assist you and this will help you earn their trust.
- ✓ DO translate one side of your business card into Croatian. While not a necessity, this shows respect and will impress your Croatian business partners.
- ✗ DON'T discuss religion, war, or other ethnicities. These subjects are taboo in Croatian business culture.
- ✗ DON'T openly criticise your Croatian colleagues. Croatsians are very proud and are easily offended, so make suggestions rather than complaints and avoid direct confrontation.
- ✗ DON'T make plans, either business or personal at the weekend without the consent of your Croatian colleagues. Weekends are considered family time and Croatsians do not tend to let business interfere with their personal plans.

Croatian Culture Quiz – true or false

1. Raising the thumb, index, and middle finger at once is a negative gesture.
2. Pointing at someone is considered rude.
3. Class and family background matter little to Croatsians.
4. Maintaining eye contact shows interest and respect while too much physical contact should be avoided
5. Many Croatsians enjoy Hollywood gossip and celebrity scandals.

Croatian Culture Quiz – Answers

1. True. This is a gesture linked to Serbian nationalism and you should never use this gesture under any circumstance while working with Croatian colleagues.
2. True
3. False. While class isn't extremely important, many professional Croatians typically enjoy the company of those whose families are well-off and city educated. These people are often considered better to know and are more respected.
4. True.
5. True

* Source: CIA World Factbook 2008

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