

Doing Business in Switzerland | Swiss Social and Business Culture

A Swiss Culture Overview

Fact file

- **Official Name** – Swiss Confederation
- **Population** – 7,604,467*
- **Official Languages** – German (majority), French, Italian, Romansch
- **Currency** – Swiss Franc (CHF)
- **Capital City** – Bern
- **GDP** – purchasing power parity \$309.9 billion*
- **GDP Per Capita** – purchasing power parity \$40,900*



A Swiss Overview

Recognised internationally for its geopolitical neutrality, Switzerland also takes a non-participatory approach to its domestic affairs. Through decentralised federalism, the individual cantons (small states) that make up the Swiss Confederation retain a large amount of autonomous power, and direct decision-making by the citizens ensure a truly consensus-driven society. These cantons, which predate the unified Swiss state, were historically self-governing and language-specific. There is very little history common to all Swiss people prior to the mid-19th century. There is general agreement among the Swiss that they are held together by the cultural value “unity, not uniformity.” If your organisation is planning to conduct business with Switzerland, potential success depends upon a good understanding of Swiss culture.

Swiss Culture – Key Cultural Concepts and Values

Linguistic and Cultural Ties - Social communities in Switzerland are divided by language. Apart from Romansch, which is spoken by less than 1% of the population, Switzerland has no domestic oral or written language of its own. This linguistic division creates more cultural commonalities between French-speaking Swiss and French nationals, for instance, than between Italian and German-speaking Swiss. However, each group shares an overarching political and social commitment to unity and nationalism.

Focus on Long-Term Relationships - Initial professional encounters in Switzerland are extremely formal. Only after a long-term business relationship is established will colleagues address one another on a first-name basis. Taking the time to get to know your Swiss counterparts will help ensure that your business interactions are successful.

Consensus - The Swiss place high value on consensus-building and group decision-making. Although final-decision making power ultimately rests at the top, the Swiss business structure stresses an egalitarian-style system of mutual respect and responsibility. Leaders encourage group participation and input in the decision-making process.

Punctuality and Orderliness: It is no coincidence that the Swiss are leaders in manufacturing precise time-keeping technology. Businesses are orderly and run with great precision. Efficiency is achieved through clearly defined systems and assigned responsibilities. Flexibility is not a highly regarded workplace value, as improvisation is considered a sign of poor preparation and planning. Employees are expected to exhibit self-discipline and a high level of formality; there is very little humour or small-talk in the professional environment.

Doing Business in Switzerland

While Switzerland remains outside of the EU, it is highly receptive to globalisation and is home to the European headquarters of over 1,000 multinational companies and corporations. In 2004, *Foreign Policy Magazine* ranked Switzerland as the third most globalised country when evaluated on factors such as share of trade in the economy, level of foreign investment, and per capita use of international telecommunications. Strong humanitarian tradition and commitment to environmental conservation are notable elements of Swiss business and social culture. Swiss companies are extremely competitive in the world market due to the skilled and specialised labour force and high-quality exported goods. A thorough understanding of Swiss business culture and etiquette is essential to be competitive in this lucrative market.

Swiss Business Part 1 - Working in Switzerland (Pre-departure)

- **Swiss Working Practices**
 - Appointments should be arranged far in advance. Arrive prepared with detailed information relating to the meeting's objectives.
 - Punctuality is crucial for building a positive business relationship. Swiss business professionals adhere tightly to set schedules. Arriving at an appointment even five or ten minutes late is considered disrespectful. When lateness is unavoidable, contact the meeting coordinator as early as possible.
 - Efficiency is highly valued in the professional setting. Business meetings are generally formal in their structure and discussion is restricted to predetermined topics.
- **Swiss Hierarchy and Decision-making Practices**
 - Swiss businesses operate with a clear leadership structure. However, leaders in high levels of authority tend to be modest about their roles and discreet in their exercise of authority, emphasising the importance of team consensus over independent decisions.
 - Although Swiss professionals are task-oriented and direct in their communication, decision-making is generally a slow process, involving thorough discussion and reflection. Be prepared to respond to detailed questions and avoid hard-sell or high-pressure business tactics.
- **Swiss Working Relationships**
 - The Swiss are generally courteous but reserved. Loudness, excessive enthusiasm,

and over familiarity are all considered improper at the start of a business relationship.

- Gift-giving is not a part of Swiss business culture, however if invited to dine in a colleague's home, it is appropriate to bring flowers or high quality (Swiss!) chocolate.

Swiss Business Part 2 – Working in Switzerland

○ Business Practices in Switzerland

- When entering or leaving a meeting, it is traditional to shake hands and make eye contact with each person in attendance, beginning with the most senior in age or rank. It is also appropriate to distribute business cards during introductions.
- Professional relationships are quite formal, even amongst colleagues who have worked closely together for many years. Refer to Swiss colleagues using their formal title if appropriate, or Mr., Mrs., etc. (in the relevant language) and surname.
- Nonverbal communication and proper posture is important in professional situations. It is appropriate to cross legs knee-over-knee, however, crossing legs ankle-over-knee or extending legs out while seated is considered rude.

○ Swiss Business Etiquette (Do's and Don'ts)

- ✓ DO dress formally and arrive at the designated time for appointments.
- ✓ DO show emotional restraint and refrain from excessive enthusiasm. Speak quietly and focus on analytical facts.
- ✓ DO provide written copies of your key points, presentation, or speech for your Swiss counterparts in the local language.
- ✗ DON'T attempt to break the ice with humour or personal anecdotes. Stay focused on the established goals for the meeting.
- ✗ DON'T use high-pressure or aggressive sales tactics to reach a decision with your Swiss counterparts.
- ✗ DON'T ask personal questions about your Swiss counterparts, or discuss Swiss banks, money, or Switzerland's military role in World War I or II.

Swiss Culture Quiz – True or False

1. The Swiss are generally considered discourteous and inhospitable.
2. High level leaders in Swiss companies tend to deal directly with employees and value input from lower-ranked staff.
3. Business lunches tend to occur in informal restaurants or even workplace cafeterias.

4. The Swiss are linear thinkers and prefer to make professional decisions based on objective facts rather than emotional or subjective sentiments.
5. Red roses are an appropriate token to bring when invited to dine in a Swiss home.

Swiss Culture Quiz - Answers

1. False. The Swiss are regarded as friendly, courteous and hospitable although their formality and reserve when interacting with new acquaintances can be misinterpreted as disinterest.
2. True.
3. True. However, business dinners tend to be far more formal and often occur in expensive, high quality restaurants.
4. True.
5. False. Red roses symbolise romance and are not appropriate tokens of gratitude.

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* Source: CIA World Factbook 2007

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