

Doing Business in Lithuania | Lithuanian Social and Business Culture

A Lithuanian Culture Overview

Fact File

- **Official Name** - Republic of Lithuania
- **Population** - 3,545,319*
- **Official Language** - Lithuanian
- **Currency** - Euro
- **Capital City** - Vilnius
- **GDP** - purchasing power parity \$55.17 billion*
- **GDP Per Capita** - \$15,500*



Overview

Lithuania is the southernmost of the three Baltic States – and the largest and most populous. It's a very diverse country with breathtaking scenery and an abundance of natural resources such as limestone, iron ore, mineral water and quartz sand. Its landscape is dotted with hills, sand dunes, wetlands and forests. The capital Vilnius is an enchanting city on the banks of the rivers Neris and Vilnia, and it is one of the most impressive and biggest old Baroque towns in Eastern Europe. Soon after the collapse of the Soviet Union, Lithuania was able to gain its independence. In 2004 it became a member of the European Union, propelling it to the global stage, boosting its tourism industry and national economy.

Lithuanian Culture - Key Concepts and Values

Identity – Lithuanians are a patriotic people who regard tradition very highly. A strong sense of national identity is cultivated very early in life. Folk music, national traditions and holidays play a very important role in promoting Lithuania's cultural heritage. Lithuanians are reserved and generally do not make contact with strangers, avoiding eye contact unless they know you.

Relationships – As a family-focused society, Lithuanians are reliant on the building and maintaining of close personal relationships. Given Lithuanians' history of occupation, it is generally the case that outsiders must earn the trust of their Lithuanian acquaintances before a close relationship forms. You may find that your Lithuanian colleagues adopt a fairly formal approach to begin with and it may take several meetings before any final decisions are made.

Social Etiquette - If an invitation is extended to you, accept it and ensure that you present your host with a small token of appreciation. Generally, this can be either confectionery, a bottle of wine or flowers. Anything too extravagant may embarrass your host. Pay special attention when giving flowers - ensure that there are an odd number of flowers as even numbers signify someone's passing. Hosts are generous and go out of their way to ensure their guests' comfort. Lithuanians prefer to turn business relationships into friendships as they need to build relationships of mutual understanding. Once a friendship has developed, Lithuanians are willing to discuss business. Lithuanians in general will shake hands quite frequently. It is a custom to shake hands when greeting each other, especially among men.

Roman Catholicism – At various points in this country’s history, religion has played a central role in Lithuanian society. As a result, Roman Catholicism serves as the foundation of Lithuanian identity. Almost the entire population of Lithuania is Roman Catholic. Even in present-day society, the Roman Catholic Church has a significant bearing on many aspects of Lithuanian life and culture. It continues to provide both the country and its people with a basic sense of solidarity and constancy for the future.

Doing Business in Lithuania

Due to the bureaucratic nature of Lithuanian society, business tends to move more slowly than in Western Europe. However, Lithuania is an attractive destination for foreign investors due to its excellent geographical location and well developed infrastructure. Industries such as clothing and textiles, tourism and transport are currently experiencing high growth levels. In addition, Lithuania has the largest ICT Industry in the Baltic states and currently boasts the world’s fastest Internet upload speed,

Lithuanian Business Part 1 - Working in Lithuania (Pre-departure)

- **Working practices in Lithuania**
 - Generally speaking, official working hours are from 8am to 6pm, Monday to Friday with an hour’s break for lunch.
 - It is good business practice to arrive on time for business meetings in Lithuania. Although meetings often have no specific end time and can go on longer than planned, punctuality is vital for establishing your reliability.
 - When making a business appointment, you are advised to make it four to five days in advance and confirm the meeting the day before. Your Lithuanian colleagues can be flexible and are often prepared to change schedules if necessary.
- **Structure and hierarchy in Lithuanian companies**
 - Organisations in Lithuania have a strong respect for hierarchy and authority, with structure and delegation coming from above. This hierarchical style is reflected in many Lithuanian business formalities and settings, including the decision making process and the use of professional titles.
 - As decisions tend to be made from the top down, initial contact should be made with a high-ranking person who has the authority to make these decisions.
 - Age and educational background often form the basis for corporate hierarchy. For this reason, when negotiating, it is advisable to send delegates of a similar status to those of your Lithuanian colleagues, both in age and professional qualifications. More junior members of a team should not address a senior-ranking Lithuanian businessperson directly, as it is seen as a breach of etiquette.

- Responsibility and position are clearly defined within Lithuanian organisations. Levels of seniority should be noted, and particular attention and respect must be paid to both older members of the company and those in senior roles.
 - Rules and regulations are an important part of the Lithuanian business environment, therefore your Lithuanian counterparts will expect you to know and appreciate established protocol and business etiquette.
 - Younger business people tend to be less bureaucratic than their elders. The younger generation tend to be more eager to close business deals; therefore they are more likely to do what is required in order to clinch the deal.
- **Working relationships in Lithuania**
 - When doing business in Lithuania, it is important to remember the importance of relationships. Building individual relationships is essential to the success of business objectives, especially when business will be conducted over a long period of time.
 - Eye contact is important to Lithuanians. They consider it as a sign of dishonesty if a person refuses to, or is reluctant to make contact.

Lithuanian Business Part 2 - Doing Business in Lithuania

- **Business practices in Lithuania**
 - Lithuanians are quite conservative, so it's considered good practice to adopt a formal approach initially
 - It is customary to start business meetings in Lithuania with some introductory small talk. This allows you to become more acquainted with your Lithuanian counterparts and establish an initial business rapport. Conversational topics may cover a wide range of issues including public life, family and your work experience.
 - Business negotiations in Lithuania adopt a reserved and contemplative approach to settling deals. Extended periods of silence are not uncommon and are an essential part of negotiating. Therefore, you should try not to fill the silences with unnecessary talk and avoid pressing your Lithuanian counterparts for final decisions. It is ill advised to inform your Lithuanian colleagues of any pending deadlines as they are inclined to delay you even more.
 - Avoid hard selling tactics and any sort of conflict or disagreement.

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

- ✓ DO use personal titles where possible or the basic courtesy titles, Mr (Ponas), Ms (Panele) and Mrs (Pania), followed by a surname or first name.

- ✓ DO try to learn some basic Lithuanian words and phrases, for instance “hello”, “goodbye”, and “thank you”. Your Lithuanian business contacts will welcome your efforts and perceive them as a gracious gesture.
- ✓ DO smile and maintain direct eye contact during conversation with your Lithuanian counterparts, as it helps to develop a feeling of trust with the people you are meeting.
- ✗ DON'T boast or make claims as this may be interpreted as arrogance. Being humble is valued.
- ✗ DON'T try to disguise you feelings and emotions. Openness and honesty are qualities that your Lithuanian colleagues will appreciate and it will help build trust for future business transactions.

Lithuanian Culture Quiz – True or False

1. It is normal practice for a junior staff member to challenge a senior member of staff.
2. It is best to wait for the host to begin and end any business talk.
3. Referring to Lithuanian colleagues on a first name basis is encouraged.
4. If you are invited to a Lithuanian home, a small gift such as a bottle of wine or flowers for your host is generally expected.

Lithuanian Cultural Quiz - Answers

1. False. The Lithuanian work place is typically hierarchical, with few challenges to authority.
2. True.
3. False. Lithuanian business people have a formal approach to business and prefer to be referred to by their titles or Mr/Mrs/Ms followed by their surname.
4. True.

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* Source: CIA World Factbook 2010

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