

## Doing Business in Italy | Italian Social and Business Culture

### An Italian Culture Overview

#### Fact file

- **Official name** – Italian Republic
- **Population** – 58, 057, 477\* (July 2004 est.)
- **Official Languages** – Italian, German, French
- **Currency** – Euro (EUR)
- **Capital city** – Rome
- **GDP** – purchasing power parity \$1. 552 trillion\* (2003 est.).
- **GDP Per Capita** – purchasing power parity \$26,800\* (2003 est.).



#### Overview

A country of remarkable beauty and varying regional characteristics, Italy is unmistakably a place of cultural achievement and historical pride. Italian culture permeates every aspect of life and as a result, for those wishing to integrate effectively into Italian society or perhaps hoping to successfully break the Italian business market, an understanding of this culture is a vital tool.

#### Italian Culture – key concepts and values

**Individualism** – Italian culture has been described as highly individualistic, signifying a society that emphasises individual responsibility and close family ties. This means that Italians will tend to take care of themselves and their immediate family first. Across Italy you will find many Italian businesses owned by individuals and families. In a business context, individualism influences an Italian's preference to do business with people they are already familiar with.

**Bella Figura** – The term Bella Figura is often used to describe the ability to present oneself well and behave with an air of demure and formality and is a key element in Italian business culture. In some areas of Italy, particularly the south, maintaining Bella Figura is believed to enhance beauty and peace in the world. In Italian culture, appearances and other's opinions are considered extremely important. It is vital therefore, when doing business in Italy, to ensure that all presentations and business materials are aesthetically pleasing to your Italian counterparts.

**Affective Communication** - An important aspect of Italian culture is the openly expressed thoughts and feelings common to most Italians. Emotions tend to flow easily in this culture with large hand gestures and close personal contact frequently found during Italian conversations. As a result, Italians are often guided by their feelings and in business situations this is important to remember, as establishing solid relationships based on trust are a vital for successful business negotiations.

Since Italy became a nation state in 1861, the country has experienced numerous historical upheavals and periods of cultural influence. A founding member of the EU, Italy has contributed substantially to European and Political integration. Italy's infamous north and south divide provides a diversified economy consisting of both industrial and agricultural industries that have been strengthened by the success of many small family-owned businesses and a strong manufacturing sector. With such a firm emphasis on family orientation and national pride it is essential to gain an awareness of the country's culture, business practices and people before you consider doing business in Italy.

### **Italy business Part 2 - Working in Italy (Pre-departure)**

- **Working practices in Italy**
  - Punctuality in the Italian business environment, as a rule, is taken very seriously. However, even though you will be expected to arrive on time, your Italian counterparts may not always adhere to this rule.
  - The Italian bureaucracy and legal systems are rather slow; therefore expect decisions and business actions to take time.
  - Generally speaking, the best times to make business appointments are in the morning between 10 a.m. and 11 a.m., or after 3p.m.
  
- **Structure and hierarchy in Italian companies**
  - Italian business organisations generally have a fixed hierarchical structure, with a clear division between the ranks and little association amongst employees of varying status.
  - In larger traditional Italian businesses, this hierarchy is noticeably present in the “cordata” or chain of command. Only the most senior managers make decisions.
  
- **Working relationships in Italy**
  - Personal relationships in Italy are critical for successful business negotiations, but generally take a long time to develop.
  - In accordance with Italian business culture, there exists a great respect for authority, power and age. Therefore, the most senior or eldest person present in business and social events should always be given preferential treatment.
  - Generally speaking, when working in teams, it is becoming increasingly common for Italian business colleagues to address each other more informally.

### **Italy business Part 2 - Doing business in Italy**

- **Business practices in Italy**
  - During business meetings in Italy it is common to express open disagreement and constructive conflict. Initial meetings are often informal opportunities for evaluating colleagues and establishing relationships, not making business decisions.
  - When greeting your Italian business colleagues use last names and, if known, appropriate, professional titles until invited to do otherwise.

- The exchanging of business cards should take place only at the beginning of the first business meeting. Ensure that your card is translated into Italian on one side and that you include any advanced educational qualifications and your full title and position.
- **Business etiquette in Italy (Do's and Don'ts)**
  - ✓ DO maintain eye contact while talking. This is a sign to your Italian business colleagues that you are sincere and honest.
  - ✓ DO shake hands with everyone when being introduced during a business or social meeting. However, men should wait for women to extend their hand first.
  - ✓ DO ensure that you knock before entering an office in Italy and always close the door behind you.
  - \* DON'T appear impatient or rush your Italian colleagues in their business negotiations. Italians may see this as a sign of weakness.
  - \* DON'T give a business gift until you receive one first. In addition, gifts showcasing your company's logo should be avoided.
  - \* DON'T be surprised if during business meetings your Italian colleagues speak simultaneously or interrupt one another. It is a common trait of the Italian communication style.

#### **Italian Culture Quiz – true or false**

1. Italians do not conclude major business deals over the phone or by mail. They prefer to conduct business face to face where eye-contact can be made.
2. When invited to an Italian home for dinner, it is customary to allow the hostess to begin eating before guests.
3. Giving a gift that has been wrapped in black and gold is a sign of prosperity and luck.
4. Italian women regularly use their maiden name, especially in business and on legal documents.
5. The number 17 is considered to be a lucky number in Italy.

#### **Cultural Quiz – Answers**

1. True. Eye contact, facial expressions and gestures are extremely important for Italians. They are a means by which to determine trust.
2. True.
3. False. These colours symbolize mourning.
4. True. They generally use their married name outside of business.
5. False. 17 is considered to be bad luck.

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\* Source: CIA The World Factbook 2005

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