

Doing business in Spain | Spanish Social and Business Culture

A Spanish Overview

Fact File

- o **Official name** – Kingdom of Spain
- o **Population** – 40,280,780* (July 2004 est.)
- o **Official languages** – Castilian Spanish, Catalan, Galician and Basque
- o **Currency** – Euro (EUR)
- o **Capital city** – Madrid
- o **GDP** – purchasing power parity \$885.5 billion* (2003 est.)
- o **GDP per capita** - purchasing power parity \$22,000* (2003 est.)



Overview

Situated in south-western Europe, Spain's geographical diversity encompasses landscapes that range from deserts and coastal beaches to snow-covered mountains. Present-day Spanish culture, deeply rooted in tradition, has been carved by the many outside influences the country has endured throughout its long history. Spain's diverse and unique regions are not only geographically and climatically different, but form an eclectic blend of personalities and identities. Appropriate and effective business etiquette in Spain can only be successfully applied through an understanding of this well-developed and highly elaborate culture.

Spanish culture – Key concepts and values

Face - Spanish culture places a large emphasis on personal pride. Therefore, causing loss of face through criticism or embarrassment should be avoided at all costs. During business meetings, for example, it is essential that your presentations are comprehensible in order to avoid any embarrassment that may occur from possible misunderstandings. In addition, when dealing with your Spanish counterparts you may also find that competence and control are important elements of their work ethos and crucial for saving face. This may often result in your Spanish colleagues insisting that everything is in order, even if it is not.

Individualism – In terms of personal attributes, individualism is highly valued in Spain, along with an emphasis on character and social status. Spanish culture highlights the importance of self and one's family. However, influenced by its collectivist past, family values, a sense of identity and belonging to a group, are also integral parts of society in Spain. Consequently personal qualities, appearance, image and personal relationships are extremely significant components in contemporary Spanish culture. In a business context, personal attributes and character are frequently valued as much as technical ability, experience or professional competence.

When doing business in Spain, you will find that individualism is particularly predominant in management, where Spanish managers are less inclined to favour group decision making and team orientation.

Uncertainty Avoidance – This is a vital element of Spanish culture that refers to the cautious approach the Spanish take towards new ideas. In Spain, individuals tend to avoid ambiguity, but often accept a

familiar risk situation. Spain's attitudes to rules, regulations and structure are important for maintaining a sense of control in a typically uncertain situation. In business, managers in Spain generally prefer to have precise answers to questions and give precise instructions in order to reduce conflict. In addition, you may find that the Spanish amenable nature to initial business suggestions is often hindered by a considered and tentative approach to final decisions.

Europe's third largest country, Spain has experienced a turbulent and reverberating historical past, including the dissolution of the Spanish Empire, civil war, fascist dictatorship and the relatively recent introduction of democracy, all of which have had a significant impact on the Spanish cultural psyche. The Iberian Peninsula's geographical position opened up Spain to numerous invasions and created an influx of divergent cultures and civilisations. As a result, Spanish culture has evolved immensely and continues to grow. Even the strict religious influences have given way to more modern influences. After establishing itself as a member of NATO, Spain joined the European Union in 1986. Subsequently, the country's economy increased significantly, placing Spain firmly on the Western economy map and supplying Spain with one of its major trading partners. Over the last four decades Spain's social and economic structure has changed substantially. Today, it portrays a highly developed and stable democracy in which potential business prospects can be assisted through an awareness of the Spanish cultural system that has shaped this country.

Spain & Spanish business culture Part 1 - Working in Spain (Pre-departure)

- **Working practices**

- Working hours can vary across Spain. Generally speaking, offices open at approximately 09.00 and close mid-evening, with a two-hour break around 14.00. However, Spanish working hours have become more "Europeanised" in recent years, particularly in the northern cities.
- Business appointments should always be made well in advance in Spain and confirmation via letter or fax beforehand is advised. It is best to arrange initial business meetings for mid-morning due to the relatively unusual structure of the Spanish working day.
- Punctuality is expected of foreign visitors; however, you may sometimes find your Spanish counterparts arrive up to 30 minutes late.

- **Structure and hierarchy**

- Hierarchy and position are extremely significant in Spanish business culture. For this reason it is advised to work with those of equal rank rather than with someone of a lower business status.
- The distinct hierarchical structure of Spanish businesses means the authority to make decisions rests with the individual in highest authority.
- Subordinates are respectful of authority and are generally far removed from their superiors. Spanish business culture advocates subordinate initiative where problems are dealt with at lower levels first before approaching superiors for assistance.

- **Working relationships**

- An essential part of conducting business in Spain is establishing personal contacts. Generally speaking, the Spanish prefer to do business with those they are familiar with, therefore obtaining personal contacts enables the negotiation process to advance more swiftly and successfully.
- Establishing solid business relationships and building colleague rapport is a vital concept in Spanish business culture. Effective business negotiations and decisions are frequently based on trust and personal feelings, as well as concrete evidence.

- The Spanish close sense of personal space and animated means of expression and communication can be seen as part of this emotion directed culture.

Spain & Spanish business culture Part 2 - Doing business in Spain

- **Business practices**

- The decision-making process in Spain is usually unhurried and can be a gradual, detailed procedure that involves consideration from various levels within the company. In this respect, maintaining good relationships with your Spanish counterparts from all positions are vital for success.
- When arriving at an appointment it is advised to present your business card to the receptionist. Wherever possible, business cards should be printed in English on one side and in Spanish on the other. You should present your card with the Spanish side facing the recipient.
- An initial introduction at both business and social meetings generally include a formal handshake whilst making direct eye contact and is extended to everyone present, male and female.

Business etiquette (Do's and Don'ts)

- ✓ DO remain patient in all dealings with your Spanish counterparts. The Spanish are sometimes noted for their relaxed approach to business and Spanish bureaucracy can be frustrating. However, be wary of the 'mañana' stereotype as you will find that certainly in the northern regions such as Catalonia and the Basque Country that deadlines and punctuality are much more closely adhered to.
- ✓ DO try to maintain a friendly and personal atmosphere during negotiations. In order to be effective in Spain, Spanish business culture also requires a sense of self-dignity, consideration and diplomacy.
- ✓ DO use basic titles of courtesy, Mr, Mrs, or Miss, followed by the surname, and professional titles, such as Dr, where known. Particularly with older counterparts or those in the south of Spain. Care should also be taken in using the correct surname as Spaniards have two, their father's first surname and their mother's first surname. Normally the father's surname is used on its own.
- ✗ DON'T expect to enter into business discussions at the start of a meeting. Your Spanish colleagues will want to establish a familiar environment on which to build new business relationships. This may include asking personal questions regarding your family life and background.
- ✗ DON'T presume that business can be explicitly discussed over meals, it is generally considered a sociable activity and therefore you should wait until your Spanish colleagues initiate such conversation. Despite this, business lunches and dinners are a vital part of business life in Spain as a means through which to establish trust and future business relationships.
- ✗ DON'T display signs of over assertiveness or superiority. Your Spanish counterparts will appreciate a more modest approach to business negotiations.

Spanish Culture Quiz – true or false

1. During business lunches and dinners different ranks within a Spanish company often dine together.
2. In Spain, crossing your fingers is a friendly gesture that can symbolise "protection" or "good luck".
3. Whilst conducting business negotiations it is common to experience interruptions or individuals speaking simultaneously. By interrupting Spaniards are showing genuine interest in the discussion
4. The North American symbol for "OK", making a circle with the index finger and thumb is considered vulgar in Spain
5. In accordance with Spanish business culture, it is customary to offer a gift at the outset of any form of business negotiation.

Answers

1. False. Employees from varying levels within a company rarely mix during business lunches.
2. True
3. True.
4. True.
5. False. In Spain, gifts are not normally exchanged at business meetings. However, if they are given, it is usually only after the successful completion of a deal.

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* Source: CIA The World Factbook 2004