

The Business Context in the European Union - Similarities and Regional Differences

Part II – Socio-Cultural Differences at Work and in Business

This bulletin discusses aspects directly related to the cultural differences in European countries as they pertain to work organization and business practices.

Social Europe is not yet a reality, and doing business is still very much dictated by each country's individual work practices and regulations. Québec entrepreneurs will have to take these elements into consideration when choosing a target market and organizing relations with European partners.

For example, in Northern Europe, workers typically work the whole day, beginning early in the morning and finishing in the mid-afternoon (7:00 a.m. - 4:00 p.m. on average) while in Southern Europe and France, the work schedules, although quite diversified, are generally at least one hour behind. The two-hour lunch break has pretty much disappeared, with most workers now taking only 45-60 minutes. In contrast, many Spanish companies still have summer hours where a two-hour break during the hottest part of the day is followed by an evening of work that can end at 10:00 p.m.

In all cases, Québec companies must remember the five- to six-hour time difference with Europe; it is already mid-afternoon there when we begin our workday. This may seem insignificant, but the fact remains that people are not in the same mood in the morning as after six hours of work.

Statutory holidays and vacation times vary widely from one country to another, with economic activity slowing to a standstill at some times of the year. Business relations with France can be quite difficult in May if the statutory holidays of the 1st and 8th fall in the middle of the week. The addition of Ascension Day and Pentecost makes a total of four holidays that are frequently bridged in a month.

Business behaviour also varies widely and does not necessarily follow a north-south geographic logic. At first glance, Germans and Spaniards appear less open than other Europeans when they meet prospective partners. Yet this does not necessarily mean that it will be more difficult and less profitable to establish a business in Germany and Spain than elsewhere. Although they are quick to reject potential partners who do not demonstrate an immediate interest, they quickly warm up when the interest becomes apparent. As well, once the partnership has been forged, these people are usually proactive, transparent and loyal. For their part, Italians and the British are initially easier to deal with but require numerous contacts before an agreement is signed.

Payment terms and conditions are becoming more uniform in the E.U., albeit slowly since some practices die hard. German companies usually demand payment immediately following receipt of an invoice, offering a 4% discount, while in France, mass merchandisers stubbornly hold on to a 90-day payment term.

The concept of product or service quality and price also differs in each country. Scandinavians, Germans and Austrians pay more attention to quality and the technological sophistication of a product than its novelty or price, which must nevertheless be competitive. In contrast, price is the first consideration in the rest of Europe, followed by style in France, Portugal, Spain and Italy. The notion of service is generally more developed in Northern Europe than in the South.

Europe is not a monolithic bloc. Each country or market has its own characteristics, requirements and cultural barriers in business and at work. Consequently, in order to ensure success on this market, Québec companies must adapt their approach and product/service offering accordingly.