

# DOING BUSINESS IN ROMANIA – ROMANIAN BUSINESS ETIQUETTE

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**Abstract:**

*In today's global business environment that brings people, cultures and markets closer together, where numerous contacts between companies, organizations and individuals take place on a daily basis, intercultural competence and the basic knowledge and practice of etiquette is a truly valuable advantage. This paper provides an insight into Romanian business etiquette based on Vadim Kotelnikov's four cultural dimensions and six fundamental patterns of cultural difference, along with some useful tips for anyone arriving to Romania on business.*

**Key words:** *business etiquette, Romania, cultural differences*

**JEL classification:** *Z10*

Etiquette, manners and cross-cultural communication have become critical elements required for all international and global business executives, managers, and employees. As international, multinational, transnational and global business continues to expand and bring people closer, one of the most important elements of successful business outcomes is the awareness and respect for regional or country cultural differences, namely for cultural diversity. The topic of intercultural competence has become increasingly important in the context of globalization and worldwide contacts between companies, organizations and individuals.

Intercultural competence is the ability of successful communication with people of other cultures. Intercultural competence is needed as the basic ability for any interaction! It is not only necessary to have social skills, but also to improve the sensitivity and understanding for other values, views, ways of living and thinking, as well as being self-conscious in transferring one's own values and views in a clear, but appropriate way.

Basic knowledge and practice of etiquette is a valuable advantage, because in a lot of situations, a second chance may not be possible or practical. There are many written and unwritten rules and guidelines for etiquette, and it is certainly impossible for a businessperson to learn all of them. These guidelines are subject to different nuances, depending on the company, the local culture, and the requirements of the situation. It is very likely for some errors to occur, but in order to minimize them one should adhere to the basic rules of etiquette.

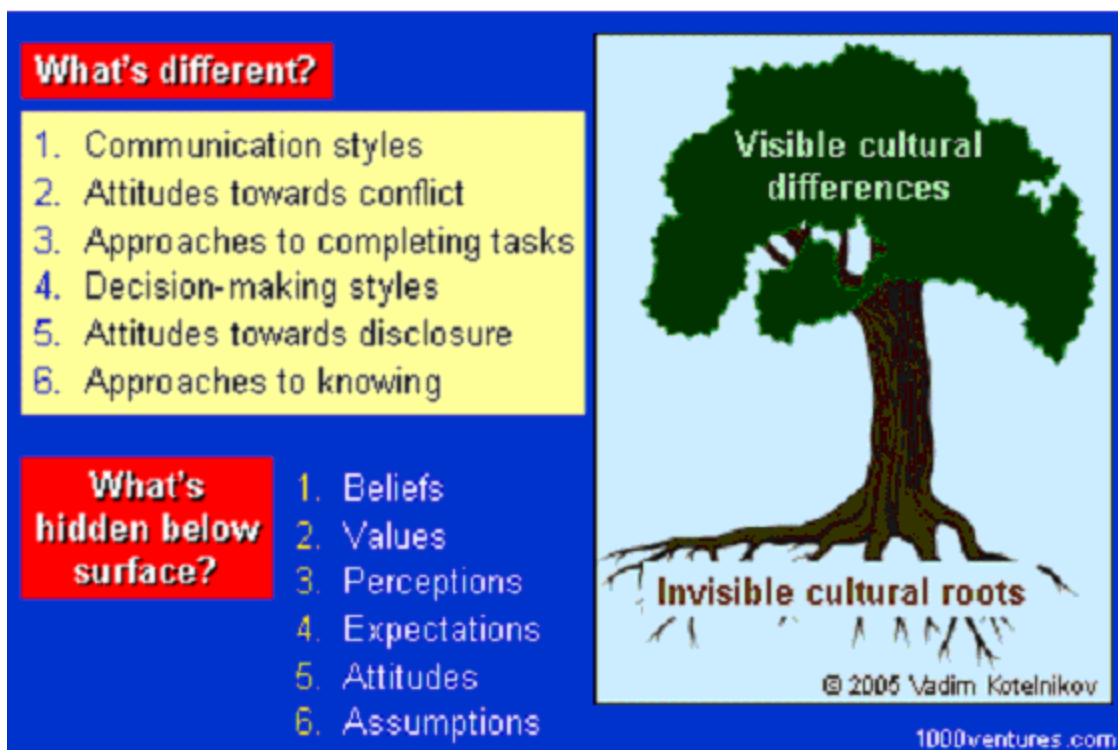
Before heading overseas one should always do their homework. You can always find books on business etiquette for different countries and online basic tips are also available free of charge. Some countries even have government-sponsored websites that tell visitors what to expect.

*Etiquette* is a French origin word referring to a code of behavior that defines expectations for social behavior according to contemporary conventional norms within a society, social class or group.

Like “culture”, etiquette is a word that has gradually grown plural. Thus, it is now possible to refer to “an etiquette” or “a culture”, realizing that they are not universal. On the other hand, etiquette in general, and business etiquette in particular, is dependent on culture. What is excellent etiquette in one culture or society may shock another, as etiquette can vary widely between different cultures and nations.

Cultures in general, as well as organizational cultures differ along many dimensions, but four of them are particularly important according to Vadim Kotelnikov: *directness* (being straightforward or implying the message), *hierarchy* (following orders versus engaging in debate), *consensus* (accepting dissent versus requiring unanimity), *individualism* (individual winners versus team effectiveness). Kotelnikov has also established six visible cultural differences having six invisible cultural roots behind, as shown in the following figure:

### Six Fundamental Patterns of Cultural Difference



Source: Vadim Kotelnikov, 1000ventures.com

Thus, according to Kotelnikov, the main cultural differences consist in: *communication styles*, *attitudes towards conflict*, *approaches to completing tasks*, *decision-making styles*, *attitudes towards disclosure*, *approaches to knowing*, all of these determined by invisible cultural roots such as: *beliefs*, *values*, *perceptions*, *expectations*, *attitudes* and *assumptions*.

Vadim Kotelnikov is a world reputed business consultant, trainer, and IT practitioner with a cross-cultural expertise covering an impressive number of countries, among which: Australia, Austria, Bangladesh, Belgium, Cambodia, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Iran, Italy, Japan, Malaysia, Nepal, New Zealand, Pakistan, the Philippines, Republic of Korea, Russia, Singapore, Sri Lanka, Thailand, United Kingdom, United States, Uzbekistan, Vietnam.

When it comes to international business, it is important to note that etiquette in other cultures requires a bit of adaptation and flexibility. Business etiquette for each

particular country or culture, as a set of written and unwritten rules of conduct, has its own specificity. Therefore, when going to a different country on business, besides general knowledge about the language, time zones, working schedules, holidays, food customs etc., it is a good idea to learn as much as possible about its culture, social and business etiquette.

We will further provide a brief insight into Romanian business etiquette explained by means of Kotelnikov's cultural dimensions and patterns of cultural difference.

First of all, let's take a short look at Romania's background that has shaped their cultural roots determining the way they see themselves and the others, as well as their general conduct in a business context.

Romania has often been labeled as one of history's greatest survivors. After a past of invasions and occupations, Romania has recently undergone dynamic social and economic changes on its way to becoming a market economy, especially during the years pre and post-accession to the EU in 2007. While the country is still struggling to leave behind its communist past, present day attitudes and traditions still reflect this part of their turbulent history. Modest attitudes and behaviors coupled with Orthodox Christian beliefs reflect their simple and down-to-earth mentality that has been shaped by years of hardship. Though they may appear abrupt or unreceptive at first, Romanians on the whole are considered among the friendliest and most hospitable people in Europe, with big hearts, a unique sense of humor and a strong cultural heritage.

Romanian cultural roots, deriving from their difficult background, have shaped their basic mentalities.

Most Romanians **believe** in God and the supremacy of good over evil, even if their history of hardship has made them very patient and enduring while expecting a final positive outcome.

Their **values** are also very down-to-earth. Romanians place high value on their cultural heritage, on tradition, family, correctness, honesty, courtesy and respect, even if sometimes they find it hard to act according to these values themselves.

Their **perceptions** and **expectations** also derive from their troubled history. Therefore, they might perceive an outsider as a potential threat at first, but after the initial stages of a relationship have passed and one has earned their trust, it is possible to build a very strong relationship based on loyalty and respect. On the other hand, there is also another common perception among Romanians regarding outsiders, especially those coming from Western culture and civilization, as opposed to the Russian communist one: sometimes these visitors to our country are perceived as somewhat superior and treated accordingly, while Romanian society on the whole has eagerly adopted many of the Western ways without giving it much thought.

In terms of their **expectations**, Romanians believe in some distant positive outcome, but they have learnt it the hard way not to expect anything for free and not to take anything for granted. So they expect to work hard or put up a fight for anything truly valuable they would like to achieve. Another important mention should be made here: even if social and economic improvement is extremely visible in the last two decades, Romanians are still struggling with the perception of themselves as not being capable to do things well on their own and not seeing themselves as winners. That is yet another reason why they might sometimes perceive outsiders as being superior and admire their attitude of winners, while expecting on the other hand to have the opportunity to learn from their way of doing things.

Their **attitudes** towards outsiders can vary from circumspection at first to extraordinary friendliness and hospitality, based on the **assumptions** that they haven't

always been approached by outsiders with good intentions, but that, nevertheless, people are just people everywhere and, eventually, when greeted with respect, honesty and hospitality, they will respond in the same manner.

Let's proceed now to an analysis of the Romanian business environment in terms of the four main dimensions established by Kotelnikov: directness, hierarchy, consensus and individualism.

### ***Directness***

Romanian communication style is a mix of direct and indirect. While being straightforward is valued in Romania, there is also an emphasis placed on delivering information in a sensitive way. Often the level of the relationship will determine how straight someone is. For newly established and more formal relationships, a great deal of emphasis is placed on diplomacy. But after the initial phases of a relationship, people feel more comfortable speaking frankly with each other. Eye contact can also be very direct in Romania and is regarded as a sign of respect. Looking away will be interpreted either as lack of interest or rudeness.

### ***Hierarchy***

Romanian society at large and the Romanian business environment in particular, are extensively hierarchical. In this hierarchical system delegation comes from the top down and decisions are rarely questioned by those of a lower rank. Most business dealings are very formal and senior members of the group are given the most respect and privileges. Responsibility and position are clearly defined and those having greater authority are respected accordingly, which is often reflected in the decision-making process and the use of titles and formal greetings. Therefore, although there is room for debate, people tend to follow the orders of superiors without questioning or challenging them a lot.

### ***Consensus***

As a consequence of hierarchy, the decision of superiors prevails. Thus, in terms of consensus, unanimity is not strongly required and dissent may be accepted on a formal level.

### ***Individualism***

Romania's communist controlled past has created a culture in which the group is more important than the individual. Relationships are therefore a vital part of Romanian business culture and must be developed in order to succeed. We could state that while working in groups, people still find it hard to really work together as effective teams. Nevertheless, it is not very often that one person finds the courage to act individually and assume responsibility.

The major visible differences in the business environment are generally generated within these four major dimensions. And accordingly, we are going to present some of the characteristics of these differences when it comes to the Romanian business environment.

### ***Communication styles***

Romanian communication style is a mix of direct and indirect, formal and informal. Although Romanians value straightforwardness, an emphasis is also placed on diplomacy, on delivering the message in a sensitive way. The level of directness highly depends on the level of the relationship. The stronger the relationship, the more frank one is likely to be.

The same goes for formal and informal communication. As a general rule, business communication in Romania is generally very formal, following the rules of old

European etiquette. High value is placed on courtesy, on respectful greeting and the proper use of titles. But once a business relationship has passed the initial stages and has become steady and solid, communication can be carried out in a more informal way.

#### ***Attitudes towards conflict***

Romanians generally resent conflict and can be very enduring, so that it takes a lot of building up inside for an open conflict to burst out. Because of the importance of hierarchy in our country, people rarely get into conflict with a superior, even if they can be very fervent in conflicts with peers.

Another important mention should be made here: an outsider should be very careful when disagreeing with someone, as the conflict of ideas can often generate a personal conflict because of the tendency to identify with the idea.

#### ***Approaches to completing tasks***

A task is generally perceived in terms of quality, time and money. And the result of completing a specific task highly depends on motivation, financial or not. Romanians don't have the culture of constant, steady work. They tend to work in leaps, and so the result of completing a task depends on how much they identify with it. When they don't identify with a task, their attitude is reactive. But when they do, they can prove to be very hard-working and have a proactive attitude.

Also as a result of hierarchy, tasks have to be distributed by direct superiors or by leaders (which are seen and respected as superiors), as Romanians would never willingly accept a task from someone on the same level.

#### ***Decision-making styles***

As mentioned before, business is highly hierarchical in Romania. Therefore, the decision-making power is held at the top of the company. At times it may appear that no one wants to accept responsibility for making a decision because most decisions require several layers of approval and that is a time consuming process.

The Romanian business environment is still young and in the process of learning and developing, as for a long fifty years there was no business under communism. That's why Romanians are generally eager to adjust, which is sometimes perceived by outsiders as a sign of weakness. Foreign business partners have occasionally said that decisions are easily reversed in Romania, that Romanians have a tendency to tell others what they think they want to hear or that contracts function as statements of intent instead of binding agreements and when circumstances change, the contract will accommodate the revised conditions. But one should try to see the bigger picture and be sensitive about these issues.

#### ***Attitudes towards disclosure***

Romanians regard information as power. That's why they are very cautious about what and how much they reveal. They always keep important pieces of information stored for difficult times.

When it comes to the business activity and ongoing processes on the whole, we could say that in our country there is low transparency. People don't say much and there is a typical Romanian attitude of "doing one's laundry in the family". That's why very sharp methods of evaluation are needed in order to get a clear picture of what's really going on.

#### ***Approaches to knowing***

Approaches to knowing are extremely variable throughout Romanian society and business environment, from the "I know it all" attitude to people very eager to learn, who place an extremely high value on knowledge. But in general, along with the post-communist natural development in all sectors of our society and economy, people have become increasingly aware of the power and importance of information and

knowledge and consequently, the number of very well trained specialists and professionals has significantly increased.

## CONCLUSION AND BASIC TIPS FOR A BUSINESS TRIP TO ROMANIA

In today's global business environment that brings people, cultures and markets closer together, where numerous worldwide contacts between companies, organizations and individuals take place, a successful business outcome highly depends on the successful interaction and communication with a wide variety of different cultures and mentalities.

That is why, before approaching a new market and its inherent cultural values, one should always do some serious research, as intercultural competence and the basic knowledge and practice of etiquette is a truly valuable advantage.

Finally, after the deeper insight into Romanian business culture, mentalities and etiquette, here are some basic tips to keep in mind when coming to Romania on business:

- business appointments are necessary and should be planned two or three weeks in advance, preferably not during the summer or other holiday periods
- punctuality is valued, though not always honored, except when dealing with entrepreneurial companies or those that frequently do business in the international arena; when dealing with state-run companies, you will most likely be kept waiting
- meetings tend to be formal and follow a strict routine of introductions, handshakes and an exchange of business cards
- the use of titles and formal greetings is highly valued; shake hands with people upon arrival and also when leaving and wait for the ladies to extend their hand
- make sure you include any titles or academic degrees on your card; if your company has been in business for many years, make sure you also mention that on your card as Romanians are impressed by stability
- most business dealings are very formal and senior members of the group are given the most respect and privileges
- take some time to build a personal relationship before getting down to business, but don't inquire too much personal information
- business dealings usually take a long time because Romanians can be tough negotiators and also because of the extensive bureaucratic system of rules and regulations; therefore, patience and relationships are essential for successful business ventures in Romania
- presentations should be factual and easy to understand
- include facts and figures to back up your conclusions
- avoid hyperbole or making exaggerated claims
- maintain eye contact as it is considered as a sign of respect and looking away will be interpreted either as lack of interest or rudeness
- as building a strong business relationship is important in Romania, do not change members of a negotiating team before a decision is reached or the relationship building process will have to begin anew
- always wear a suit for business occasions and dress casually but nicely for other occasions
- when invited to someone's home and you bring flowers, make sure you bring an uneven number for it is customary to bring an even number of flowers when attending funerals

- if you are offered food in Romania and you decline, be prepared to be served anyway as it is considered polite to refuse, as well as to repeatedly insist if someone is refusing

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