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The Importance of Understanding Culture:

Effectively Conducting Business in Spain

With its unique position between the Atlantic and Mediterranean Sea, Spain's geography has allowed for high economic activity with international companies. US Companies such as IBM, Pfizer, Costco, and Microsoft have all successfully conducted business in Spain because they chose the Andalucian region in Southern Spain, where they have easy access to the rest of Europe and Africa. Spain's distinctive geography has created a vastly different culture than here in the U.S. To effectively conduct business in Spain as a US-based company, it would be important to understand the values important to Spaniards, specifically within business culture, to meet all parties' goals.

It is important to understand why Spain's geographical location creates benefits for the economy and how it has helped create the culture there. The country serves as a connector between northern and southern Europe and between Europe and Africa ("Geography of Spain"). There are many large ports along the coast of Spain that are extremely busy with boats from all over the world. For example, the Port of Algeciras

on the southern coast is the busiest port in the country, and it is “the epicenter for trade for tobacco, fishing, agriculture, and oil. It sees estimated cargo traffic of up to 70 million tonnes annually” (“Spain’s Top Ports”). This is important to know because if a large US-based company is looking to conduct business in Spain, information about trade and access to receiving imports and sending exports might be valuable. Many major US companies already conduct business in southern Spain because of the easy access to shipping ports. Furthermore, it would also be important to note which industries are the most popular. In Spain, the major industries are tourism, manufacturing, agriculture, and energy. All of these industries are shaped by the country's culture and geography. As a US-based company, as simple as it may be, it would be very beneficial to understand the country's basic economy and how the industries are affected by culture.

One cultural aspect that is often thought of when thinking about Spain is the term *siesta*, which directly translates to *nap*. However, the common misconception is that people go home and take a 2-hour nap during this time. This is not the case. People use this time to get lunch with friends or colleagues and spend some time away from work. This is not because Spaniards are lazy but because they highly value work-life balance and building personal relationships, as it helps them build trust (Janicke). One reason Spain ranks very high in work-life balance is that employees are entitled to 30 days of paid vacation each year as well as 14 bank holidays (Troadec).

As someone from the US, it would be important to understand that just because they get more paid time off than employees here doesn't make them lazy people. This is a stereotype about many European countries, but they work hard too; they just have more time to spend away from their jobs. In addition, family is the central unit for many in Spain, and having time away from work allows them to spend quality time with their families. Spaniards often live within closer proximity to the rest of their family members, and children will sometimes live at home into their 30s or 40s (Evason). All of these values and practices are very common in Spain, and it is important to understand that they live life at a slower pace than in the US. Siestas are a great way to build relationships outside of work and have proven to have many benefits in business culture.

In addition, it is valuable to understand that Spaniards do not hold punctuality as one of their main priorities. It is not uncommon for meetings to start late and end late. This ties back to their pace of life and how unhurried everyone is. This is a cultural norm very different from the US, where punctuality is valued, and being late is seen as disrespectful. It is extremely important to understand this as a US-based company trying to conduct business in Spain because if someone is late to a meeting, it is not because they forgot or are being rude; they just enjoy taking their time. It would be important not to take offense to this action. Furthermore, how businesses are typically structured can be different from workplaces common in the US. Many workplaces in

the US value teamwork, but in Spain, “individualism is predominant in management, and teamwork is not so much appreciated” (Janicke). This is starting to change slightly in Spain due to more young people studying abroad, but in many family businesses and in the government, a hierarchical structure is not uncommon. It is advisable that when communicating within the business, “it is better to see if your superior can speak to their superior rather than try to approach those above your rank yourself” (Janicke). It is beneficial to understand that businesses can be structured differently, and having a hierarchical system is not uncommon.

In order to effectively conduct business in Spain as a US-based company, it is extremely important to understand the culture in the country and how it differs from the culture in the US. It is also important to learn about the geography of the country and which locations may be best for a US-based company to conduct business.

Generally speaking, the pace of life in Spain is slower, and this is within businesses too.

In order to successfully meet the goals created by a US-based company, they would need to understand that they cannot go about conducting business in the same way they would here. Learning about different cultures is very beneficial for companies wanting to expand to different countries.

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