

Negotiating International Business - Greece

This section is an excerpt from the book "Negotiating International Business - The Negotiator's Reference Guide to 50 Countries Around the World" by Lothar Katz. It has been updated with inputs from readers and others, most recently in March 2008.

Though the country's culture is quite homogeneous, Greek businesspeople, especially those among younger generations, are usually experienced in interacting and doing business with visitors from other cultures. However, that does not always mean that they are open-minded. When negotiating business here, realize that people may expect things to be done 'their way.' Greeks tend to be very proud of their country and may strongly reject any critique of its ways.

Relationships and Respect

Building lasting and trusting personal relationships is critically important to most Greeks, who may expect to establish strong bonds prior to closing any deals. People in this country usually want to do business only with those they know and like. Establishing productive business cooperation requires a long-term perspective and commitment. Consequently, proceed with serious business discussions only after your counterparts have become very comfortable with you. This is usually a slow process. Greeks tend to distrust people who appear unwilling to spend the time or whose motives for relationship building are unclear.

Business relationships in this country exist between people, not necessarily between companies. Even when you have won your local business partners' friendship and trust, they will not necessarily trust others from your company. That makes it very important to keep company interfaces unchanged. Changing a key contact may require the relationship building process to start over.

Establishing personal relationships with others in Greece can create powerful networks and is vital to doing business. Whom you know may determine whether people want to get to know you. Personal networks rely mostly on strong friendships that also represent dependable mutual obligations. They may open doors and solve problems that would otherwise be very difficult to master. Maintaining honest and cordial relations is crucial. Third party introductions can be very helpful as a starting point to building a trusting relationship with a potential partner.

'Saving face' is very essential in Greece. Causing embarrassment to another person may cause a *loss of face* for all parties involved and can be disastrous for business negotiations. The importance of diplomatic restraint and tact cannot be overestimated. Keep your cool and never show openly that you are upset. Avoid open conflict, and know that politeness is crucial. While Greeks are usually very friendly, they are very proud and may be easily offended.

In the Greek business culture, the respect a person enjoys depends primarily on his or her age, rank, and status. However, personal achievements are now playing a bigger role than they used to. It is important to treat elderly people with the greatest respect. Admired personal traits include personal warmth and sociability.

Communication

Greek is the country's official language. Many businesspeople speak at least some English. It may

occasionally be beneficial to use an interpreter, though. To avoid offending the other side, ask beforehand whether an interpreter should be present at a meeting. When communicating in English, speak in short, simple sentences and avoid using jargon and slang. It will help people with a limited command of English if you speak slowly, summarize your key points often, and pause frequently to allow for interpretation.

Since they respect assertiveness, Greeks usually speak forcefully. Conversations may get loud and passionate. Greeks usually show their emotions openly. However, never lose your temper or appear impatient. People in the country generally converse in close proximity, standing only two feet or less apart. Never back away, even if this is much closer than your personal comfort zone allows. Doing so could be read as a sign that you are uncomfortable around them.

Communication in Greece can be direct and straightforward, especially among friends and close business partners. Early in the business relationship, people may communicate more indirectly, appearing vague and non-committal. If in doubt, watch for subtle messages that may signal issues and concerns. Silence is often a way to communicate a negative message.

Gestures and body language can be extensive. It is often not a good idea to imitate them, though. There may be frequent physical contact with others of the same gender. The American OK sign, with thumb and index finger forming a circle, may be taken as an obscene gesture in Greece. It is also rude to cross your arms while facing a person. Eye contact should be frequent, almost to the point of staring. This conveys sincerity and helps build trust. It is best to mask anger with a smile.

The Greek way to signal 'no' is by raising the eyebrows, sometimes together with a backward tilt of the head. Tilting the head to the side may signal 'yes.' However, many Greeks have adopted the western way of nodding or shaking the head.

Initial Contacts and Meetings

Before initiating business negotiations in Greece, it is advantageous to identify and engage a local intermediary. This person will help bridge the cultural and communications gap, allowing you to conduct business with greater effectiveness.

Negotiations in Greece can be conducted by individuals or teams of negotiators. Changing a team member may require the relationship building process to start over and should therefore be avoided. The most senior executive on your side should have the necessary authority and clearly act as the leader of your team. Similarly, the highest-ranking person on the Greek side will likely attend and will be the decision maker.

If possible, schedule meetings at least one to two weeks in advance. Since Greeks want to know whom they will be meeting, provide details on titles, positions, and responsibilities of attendees ahead of time. They will expect to do business with the most important person in your organization. Setting an agenda upfront is usually not necessary. It would likely not be followed anyway. Although Greeks may not be very punctual, foreign visitors are generally expected to be on time. Avoid being more than 10 to 15 minutes late, and call ahead if you will be. Displaying anger if you have to wait reflects very poorly on you.

Names are usually given in the order of first name, family name. Use *Mr./Mrs./Miss* plus the family name. If a person has a professional or academic title, use it instead, followed by the family name. Before calling Greeks by their first name, wait until they offer it. Greet the most senior person first, and then greet everyone else in the room individually. Introductions are accompanied by firm handshakes.

After the introductions, offer your business card to everyone present. The process of exchanging

cards is usually quite relaxed. There is no need to have them translated to Greek, but it will be preferably noted if you do. When presenting your card, smile and keep eye contact, then take a few moments to look at the card you received. Next, place it on the table in front of you.

Meetings start with small talk, which can be extensive. It is important to be patient and let the other side set the pace. Initial meetings can be quite formal, but this usually gets more relaxed as the relationship develops. Some humor is welcome, but always keep it light and friendly. Meetings in Greece may appear somewhat chaotic, with frequent interruptions and several parallel conversations. Do not take this personally; it also does not indicate a lack of interest.

The primary purpose of the first meeting is to become acquainted and build relationships. Little else may happen, and you may actually not get to talk about business at all. It is unrealistic to expect initial meetings to lead to straight decisions.

Presentation materials should be attractively designed, with good and clear visuals. Greeks communicate primarily orally and visually, so avoid using too much text. Having your handout materials translated to Greek is not a must, but it helps in getting your messages across.

Negotiation

Attitudes and Styles - Leveraging relationships is an important element when negotiating in Greece. Greeks often engage in debates aimed at reaching a mutually agreeable solution. However, negotiating in the country may also include tough bargaining at many levels. While the buyer is in a superior position, both sides in a business deal own the responsibility to reach agreement. They expect long-term commitments from their business partners and will focus mostly on long-term benefits. Although the primary negotiation style is competitive, the Greek nevertheless value long-term relationships and look for win-win solutions. While proposals should demonstrate the benefits to both negotiating parties, attempts to win competitive advantages should not be taken negatively. You earn your counterparts' respect by maintaining a positive, persistent attitude.

Should a dispute arise at any stage of a negotiation, you might be able to reach resolution or an acceptable compromise by leveraging personal relationships, assuming that they are strong enough.

Sharing of Information – The level of information sharing depends largely on the strength of the relationship. During initial negotiations, the Greeks often play their cards close to the chest.

Pace of Negotiation – Expect negotiations to be slow and protracted, and be prepared to make several trips if necessary to achieve your objectives. Initial exchanges that precede the bargaining stage of the negotiation may be lengthy. Decisions are usually made between meetings rather than at the table. Throughout the negotiation, be patient, control your emotions, and accept that delays occur. Attempts to rush the process are unlikely to produce better results and may be viewed as offensive.

Greeks generally employ a polychronic work style. They are used to pursuing multiple actions and goals in parallel. When negotiating, they often take a holistic approach and may jump back and forth between topics rather than addressing them in sequential order. Negotiators from strongly monochronic cultures, such as Germany, the United Kingdom, or the United States, may find this style confusing, irritating, and even annoying. In any case, do not show irritation or anger when encountering this behavior. Instead, keep track of the bargaining progress at all times, often emphasizing areas where agreement already exists.

If your counterparts appear to be stalling the negotiation, assess carefully whether their slowing

down the process indicates that they are evaluating alternatives or that they are not interested in doing business with you. While such behavior could represent attempts to create time pressure in order to obtain concessions, the slow decision process in the country is far more likely causing the lack of progress. People from fast-paced cultures tend to underestimate how much time this takes and often make the mistake of trying to 'speed things up.' Again, patience and persistence are vitally important.

Bargaining – Most Greeks enjoy bargaining and haggling. They expect to do a lot of it during a negotiation. This may include a lot of drama, exaggerations, and bragging. Your counterparts may be offended if you refuse to play along.

The bargaining exchange of a negotiation can be very extensive. Opening stage and initial offers on both sides are critically important when negotiating with Greeks. Many believe that the first person to quote a price will end up getting the worse part of the deal, and that initial proposals should never be accepted. Accordingly, either they may wait for you to make an initial offer and then reject it right away, or they open with an extreme offer that is far from realistic, carefully watching your response. Know your objectives, and work slowly and persistently towards them. At the same time, remain professional and keep a positive attitude throughout the exchange.

Prices often move 40 percent or more between initial offers and final agreement. Leave yourself a lot of room for concessions at different stages. However, concessions will never come easily, and Greeks sometimes find it difficult to change their position. When conceding yourself, present this as a decision you made because you like and respect your counterpart. Always ask the other side to reciprocate. You can use the fact that aspects can be re-visited to your advantage, for instance by offering further concessions under the condition that the Greek side reciprocate in areas that had already been agreed upon.

Deceptive techniques are frequently used. This includes tactics such as telling lies and sending fake non-verbal messages, pretending to be disinterested in the whole deal or in single concessions, misrepresenting an item's value, or making false demands and concessions. This includes tactics such as telling lies and sending fake non-verbal messages, pretending to be disinterested in the whole deal or in single concessions, misrepresenting an item's value, or making false demands and concessions. Do not take such tactics personally and realize that overt attempts to lie at or bluff your counterparts could backfire and might damage business relationships. Greeks rarely claim limited authority since you will usually be dealing directly with the decision maker.

Negotiators in the country may use pressure techniques that include making final offers or nibbling. Final offers may come more than once and are rarely final. Do not use tactics such as applying time pressure, opening with your best offer, or making decreasing or expiring offers, since your Greek counterparts could view these as signs that you are not willing to build a long-term relationship. They may choose to terminate the negotiation. Silence can be an effective way to signal rejection of a proposal.

Greek negotiators avoid openly aggressive or adversarial techniques but may use more subtle versions. Extreme openings are frequently employed as a way to start the bargaining process. In addition, they may make indirect threats and warnings or subtly display anger. Use these tactics with caution yourself since they may adversely affect the relationship if employed too aggressively. Do not walk out or threaten to do so as your counterparts will likely take this as a personal insult and may end all talks.

Emotional negotiation techniques, such as attitudinal bargaining, sending dual messages, attempting to make you feel guilty, grimacing, or appealing to personal relationships, are frequent and can be effective. Be cautious not to cause *loss of face* when employing any of them yourself. Also, know

that Greeks tend to exaggerate situations and can become quite emotional during fierce bargaining. It is best to remain calm. At times, defensive tactics such as blocking or changing the subject, asking probing or very direct questions, making promises, or keeping an inflexible position may be used.

Corruption and bribery are somewhat common in Greece's public and private sectors. However, people may draw the line differently, viewing minor payments as rewards for getting a job done rather than as bribes. Also, keep in mind that there is a fine line between giving gifts and bribing. What you may consider a bribe, a Greek may view as only a nice gift.

Decision Making – Most companies are hierarchical, and people expect to work within clearly established lines of authority. Many businesses in Greece are still family-owned. Although the pace of business is accelerating, decision making can be a slow process. Decision makers are usually senior executives who consider the best interest of the group or organization. They may consult with others and often prefer to reach consensus before making the final call. Subordinates may be reluctant to accept responsibility. Decision makers also rarely delegate their authority, so it is important to deal with senior executives.

When making decisions, businesspeople usually consider the specific situation rather than applying universal principles. Personal feelings and experiences weigh much more strongly than empirical evidence and other objective facts do. Greeks are often uneasy with change and reluctant to take risks. If you expect them to support a risky decision, you may need to find ways for them to become comfortable with it first, for instance by explaining contingency plans, outlining areas of additional support, or by offering guarantees and warranties.

Agreements and Contracts

Capturing and exchanging written understandings after meetings and at key negotiation stages is useful since oral statements are not always dependable. It may be helpful to ask your counterparts to initial these write-ups as a way to document consensus. However, do not mistake them for final agreements. Any part of an agreement may still change significantly before both parties sign the contract.

Written contracts are usually kept high-level, capturing only the primary aspects, terms, and conditions of the agreement. Writing up and signing the contract is a formality. Greeks believe that the primary strength of an agreement lies in the partners' commitment rather than in its written documentation.

It is advisable to consult a local legal expert before signing a contract. However, do not bring your attorney to the negotiation table. Greeks may read it as a sign of mistrust if you do.

Signed contracts may not always be honored. This depends to no small degree on the strength of the continuing relationship between the contract partners. It is strongly advisable to continue staying in touch and maintaining the trust of your Greek business partner. Business partners usually expect the other side to remain somewhat flexible if conditions change, which may include agreeing to modify contract terms.

Women in Business

Greece remains a male-dominated society. Women may still be considered inferior and rarely attain important positions. As a visiting businesswoman, emphasize your company's importance and your role in it. A personal introduction or at least a letter of support from a senior executive within your company may help a lot.

Female business travelers should graciously accept any chivalric gestures they receive. While you should acknowledge compliments with a brief short smile, it is best to exercise caution and act professionally in business and social situations. Displaying confidence and some degree of assertiveness can be effective, but it is very important not to appear overly bold and aggressive.

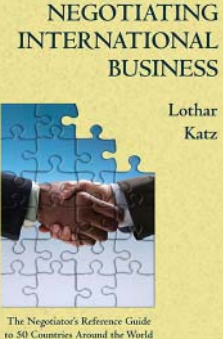
Other Important Things to Know

Conservative attire is important when doing business here. Male business visitors should wear dark suits with neckties on most occasions. First impressions can have a significant impact on how people view you.

Social events do not require strict punctuality. While it is best to arrive at dinners close to the agreed time, being late to a party by 20 to 30 minutes is perfectly acceptable.

Greeks enjoys discussing politics and are often well informed. They may be very outspoken, openly sharing their opinion. It is best to take a neutral or positive stance in such discussions. The same applies if the topic of religion comes up in a conversation. Topics to avoid in discussions are Greece's relationship with Turkey, the tensions over Cyprus, as well as issues around the former Yugoslavian neighbors to the north. Greeks also dislike being stereotyped the way you may find in Hollywood movies. The culture is indeed quite diverse and complex.

Gift giving in business settings is rare. It is best not to bring a gift to an initial meeting in order to avoid raising suspicions about your motives. Never overly praise something your host owns. He may feel obliged to give it to you, which could create a very difficult situation.

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