

Saimaa University of Applied Sciences
Faculty of Business Administration
Degree Programme International Business

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Effects of Cultural Components on Business in Italy

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Abstract

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The objective of the study was to examine the impact that specific components of national culture have on Italian business. Therefore, the study aimed first to discover and then to analyse different elements of national culture that have a considerable impact on business in Italy. Firstly, it was determined in the research what culture generally is and major cultural components that constitute culture as a whole were illustrated. Secondly, the importance of cultural elements and their effects on business were explained. Then, the connection of national culture and business of Italy was introduced and described, and the extent to which certain cultural components affect business in Italy was investigated and presented.

The study was based on Geert Hofstede's six cultural dimensions of national culture. All the secondary data and figures necessary for the work were collected from relevant academic literature, scientific and business articles, including several reliable web pages. The primary data was obtained through the survey. Both qualitative and quantitative methods were used during the research.

The results of the study showed that the main components of Italian national culture affecting business are family, education, and attitudes and values. Theoretical research also highlighted such elements as language and religion, while empirical research – traditions and customs, clothing and food. The study also investigated that the main features of Italian culture influencing business are family orientation, appreciation of academic achievements and education, the use of non-verbal communication, the dependence of image on appearance and visibility, the differences between Southern and Northern Italy, and the aim to build strong long-term relationships on trust. As a result, during the study all research questions were answered and the main objective of the study was met.

Keywords: national culture, cultural components, business, Italy.

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1 Introduction

1.1 Background

What is culture in general? It is not a kind of question that can be answered in one sentence. Culture is a very broad notion and includes many diverse concepts in it. As 'Short Course in International Business Culture' states, it is essential to analyse culture by its components in order to understand the role of each single constituent and to logically explain reasons for certain behaviours, as well as business behaviours. The book highlights three main cultural elements that directly affect business: language, religion and attitudes, however, they are not the only ones. Manners, customs, arts, education, humour and social organisations – these and other constituents of culture are also crucial parts to analyse in order to see the bigger picture. (Mitchell 2000.)

It is extremely important to realize why cultural constituents affect culture as a whole. According to the author of 'Global Agricultural Marketing Management' Steve Carter, components such as language, education, religion, just to name a few, play an extremely important and inevitable part in each country's national culture. As Carter claims, for example, language reflects the inner nature of a nation, education – skills, ideas and attitudes, and religion can be used to understand the reason of a particular behaviour of an individual. (Carter 1997.)

As Collinson and Rugman state in 'International Business', language probably plays the vital role in understanding culture as a whole, including values, beliefs, attitudes, and opinions of an individual or society in general. The authors say that although English language is commonly known as the main business language, and despite the fact that many global institutions and companies have adopted English in their daily operations, it does not mean that speaking one language excludes cultural differences, it usually only hides them. Collinson and Rugman also highlight religion, as they are convinced it is connected with regional characteristics and language and has an impact on business culture. (Collinson & Rugman 2006.)

Regarding the connection of culture and business, how comes that these two concepts are so connected to each other and how differentiation in culture of a certain country can directly affect the country's business? The author of the book called 'Short Course in International Business Culture', which has already been mentioned, Charles Mitchell gives an extremely interesting answer to this question. He claims that time has always

been considered money because it is no less important in business than money itself. Nevertheless, in a modern world the knowledge of culture and cultural features has become money too, says the author, due to the reason that culture directly influences all basic forms of personal and business interaction, including decision making and management. In addition, according to the author, national culture also shapes business culture, making a huge effect on an internal structure of a company, its behaviour, attitude and view of its business partners. (Mitchell 2000.)

Furthermore, there is also strong connection between national culture and the company's inside operations, such as management control planning, which includes organising, measurement and evaluating. Efficiency and performance of management control depend on the attitude of management towards cultural values, as companies' performance is higher when management practices correspond to the national culture. The reason for this is that the culture inside the organisation consists of the values that people in the company share. (Bracci & Tallaki 2015.) In addition, according to the study of the relationship between national culture and management by Black, national culture highly affects employee work effort and commitment, both directly through cultural values and attitudes, and indirectly through its impact on human resource practices. (Black 1999.) These facts mean that national culture is present in all aspects of an organisation and plays an important role in business operations.

The topic of the importance of culture in various business contexts is also discussed by Collinson and Rugman; in particular, they highlight cross-cultural relations. The authors explain that in order for companies of diverse cultures to achieve success it is essential to make sure that all structures and procedures are balanced well for both companies and a cultural compromise is achieved. In addition, they claim that business relationships are influenced by social and cultural norms, meaning that the effectiveness of the communication depends on how well companies understand each other. Another key point is that for any company operating with people of other nationalities it is vital to learn what their behaviour and preferences are in order to successfully adapt and minimize cultural differences that can create inconsistency. (Collinson & Rugman 2006.)

1.2 Objectives and research questions

The objective of this thesis is to study different components of national culture and evaluate to which extent these elements influence business in Italy. The study aims to receive the information on the subject first from theoretical sources such as academic

literature and scientific articles, and then through opinions and real-life experience of Italian people in order to compare and contrast all obtained knowledge and finalise the study with a conclusion that combines both theoretical and empirical researches. During the theoretical part of the study, the emphasis is put on five specific elements: language, religion, social organisation, education, and attitudes and values, while empirical research is not concentrated on particular components and considers more than 16 elements.

By the end of the study the main research question is aimed to be answered: To which extent various components of national culture affect business in Italy? In particular, after conducting both theoretical and empirical researches the study aims to conclude what is the extent to which 5 cultural elements discussed during theoretical research and 16 elements during empirical actually affect Italian business. Nevertheless, this is not the only question that needs to be answered during the study. Therefore, there are also several sub-questions that this study is going to concentrate on.

These sub-questions are needed in order to discuss the main topic in more details and include all the necessary aspects of the research. The sub-questions are: How do cultural components shape culture as a whole and what influence do they have on business? The study aims to discuss this question first in general and then in terms of Italy, including the analysis of Italian non-material culture and its business effects through Hofstede framework. Also, what are the specifics of Italian national culture and what is the Italian way of doing business? This question allows understanding the cultural features inherent to a particular country that make its ways of doing business unique and remarkable.

1.3 Delimitations

According to the official website of a Dutch social psychologist Geert Hofstede, who is widely known for his research in the field of organizational studies, the culture in general can be defined as *“the collective programming of the mind that distinguishes the members of one group or category of people from others”*. During his research Hofstede divided culture into two concepts: national culture, which he described as a study about divergent values that are inherent to a variety of nations; and organisational culture that studies how organisations in various countries conduct their practices. (Hofstede, Hofstede & Minkov 2010.) This report is concentrated only on the subject of national culture and its constituents that particularly that have a major impact on business.

The study provides a deep analysis of cultural components of national culture in general and Italian culture in particular. Thus, the research is concentrated on Italy; the discussion of other countries is not included in this work. Although the topic involves the concept of business, it does not give deep business insight as it only aims to discover how cultural differences affect business, thus, this study focuses mainly on national culture.

The following cultural components were chosen for the theoretical part of the study: language, religion, social organisation, education, and attitudes and values. The research concentrates on these elements due to the fact that most of the academic literature that this study relies on considers these components major among all others representing national culture. Particularly, both in 'Short Course in International Business Culture' by Mitchell (2000) and 'Global Agricultural Marketing Management' by Carter (1997), both used in the research, language, religion, attitudes and values, education, and social organisation are referred as key cultural constituents relating to business transactions. Moreover, in his book Mitchell highlights that the state of being familiar with all these cultural basic building blocks gives a unique possibility to know what to expect during communication with business partners, and especially at the negotiating table. In addition, both Collinson and Rugman's 'International Business' (2006) and Rai and Panna's 'Introduction to Culture Studies' (2009), which this study also relies on, consider language, religion, social organisation and values and attitudes to be the main elements of culture as well.

1.4 Theoretical framework

Theoretical framework of this study is mainly based on Hofstede's six cultural dimensions of national culture, which are: Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity, Uncertainty Avoidance, Long Term Orientation vs. Short Term Normative Orientation, and Indulgence vs. Restraint. During the research the cultural dimensions are applied to Italy in order to study non-material national culture of Italy and understand major determinants of people's attitudes, values, and behaviours. All the data and figures necessary for the analysis were collected from the book 'Cultures and Organizations: Software of the Mind' released in 2010 by Hofstede, Hofstede and Minkov.

Moreover, the research is based on the academic literature such as 'Short Course in International Business Culture' by Mitchell (2000), 'Introduction to Culture Studies' by

Rai and Panna (2009) and 'International Business' by Collinson and Rugman (2006), which describe cultural components and give insight on different aspects that connect culture and business. Moreover, the information on cultural characteristics on Italian people and the way it affects their way of doing business is retrieved from the academic literature such as 'World's Business Cultures' by Nicks and Tomalin (2010), 'When Cultures Collide: Leading Across Cultures' by Lewis (2010), and 'Understanding Global Cultures' by Gannon and Pillai (2009). In addition, 'Passport Italy: Your Pocket Guide to Italian Business, Customs and Etiquette' by Gioseffi, Szerlip and Watson (2001) describes many features of national and business cultures of Italy that are analysed and compared during the study. All of them together and many other books create individual profile of the nation. Also, scientific articles, for instance, 'The Impact of the Family on Entrepreneurial Outcomes' by Bird (2014), 'Religion and the Secular State' by Ferrari (2010), 'How the Differences in Culture Affect the International Trade Business' by Moreno (2006), just to name a few, are an extremely crucial asset to the research as they contain useful information on specific cultural components discussed during the study.

1.5 Research methods

The empirical research is based on the survey prepared and conducted especially in support of this study. While secondary data was received through academic literature and other sources, primary data was received through the survey. The survey is presented in a form of a questionnaire and is prepared in order to receive first-hand information from people of Italian nationality concerning the main topic; both closed-ended and open-ended questions are included in the survey in order to receive a broader feedback. As the main objective of this study is to go beyond the phenomenon and to investigate the major components of national culture that influence business and evaluate to which extent these elements affect business in Italy, both qualitative and quantitative methods will be used during the research.

Qualitative research, commonly exploratory and investigative by its nature, is generally used for collecting in-depth reasons and motivations underlying a phenomenon or a problem. It is often irreplaceable when there is a need for a profound comprehension of a complex theory or process, especially essential for further decision making context. Qualitative research usually produces wide, detailed and actual information and allows unlimited expression from respondents, while quantitative research, on the opposite,

creates generalised facts and figures used for cause-and-effect relationships. Quantitative research techniques are extremely structured and questions are commonly pre-formulated. The combination of these two methods can be a useful asset, as quantitative research that builds a profound base for a study can be followed by qualitative research meant to explore findings further. (ATLAS.ti 2017.) Therefore, despite the fact that empirical research is prepared in a form of a questionnaire, it is not fully quantitative but is a mix of qualitative and quantitative methods as it includes both open and closed-ended questions and is aimed at analysing the details of the phenomenon, answering questions “why?” and “how?” and searching for the connections and links between two different concepts (culture and business).

The main target group for the questionnaire are young Italian adults approximately from 20 to 30 years old who study business in a university or college. Nevertheless, the questionnaire also targets people who are either currently occupied in a sphere of business (for instance, entrepreneurs, or employees of small, medium or large enterprises) or those who were previously connected to business in any way, for example, had some experience in a business field or closely familiar with a subject of business. The main goal of the questionnaire is to receive feedback and opinions on the topic, as well as to get answers for the main research questions and compare the information received through first hand to data collected from academic literature and other secondary sources. The questionnaire was held online through Facebook social platform via direct messaging to potential respondents.

1.6 Thesis structure

The study consists of two parts: the first one is theoretical and the second - empirical. In the theoretical part, the topic of culture is approached, and the general definition of culture is given. Then, major cultural components are presented and explained. After, during the theoretical part the analysis of non-material culture of Italy through the cultural model of Geert Hofstede is introduced, followed by the specifics of Italian way of doing business. In addition, specific components of Italian culture (language, religion, social organisation, education, and attitudes and values) and their impact on business in Italy is discussed in a separate chapter of the research, where the extent to which these cultural components affect Italian business environment is investigated. Also, the general phenomenon of cultural elements affecting business is discussed and reasons are provided.

During the empirical part of the research, the results of the online questionnaire are presented, analysed and discussed. The answers received from the survey are firstly processed, then summarized and finally gradually presented, divided by separate extracts where data is consequentially interpreted. The study is summarised with a conclusion that provides answers to the main question of this research 'To which extent various components of national culture affect business in Italy?' and reveals the result if the theoretical part of the study is coherent with the empirical research and, if not, the differences and presented and explained.

2 National culture

2.1 The definition of culture

First of all, a formal definition of culture should be presented. Originally the word 'culture' was based on the German word 'Kultur', which means 'growing'. In addition, in social anthropology 'culture' means knowledge about humanity that is not natural but learned or acquired through experience and time. Sir Edward Burnett Tylor who was an English anthropologist and the founder of cultural anthropology was one of the first ones who gave an official definition to the culture as we know it. In particular, he explained the term as follows: "Culture is that complex whole which includes knowledge, belief, art, morals, law, custom and other capabilities and habits acquired by man as a member of society." (Rai & Panna 2009.)

The other academic literature generally determines culture as a set of learned core values, beliefs, standards, knowledge, morals, laws, and behaviours that individuals and societies in different countries share and that also defines ways in which people act, feel, and view themselves and everyone around them. It is quite difficult to understand the whole national culture due to its complexity. However, separating it into several components that it consists of and analysing to which extent all elements affect culture as a whole can make it easier to investigate and present logic and motivation that drives behaviours. Such cultural elements are usually discussed as language, religion, education, attitudes, manners, customs, arts, humour, social organisations and more. (Mitchell 2000.)

2.2 Cultural components description

One of the vital cultural elements is language. Currently there are more than 7,000 languages in the world. Approximately two thirds of the world's population speaks on only 40 languages, such as Chinese, English, Spanish, Arabic, Russian, Portuguese, German and French. (Ethnologue 2016.) Language is a form of human communication, which is an integral part of a culture. With the help of a special system of symbols and sounds members of a society are able to easily communicate with each other. Language is not always fixed; it tends to change and evolve with years and experience. Each language is individual as it reflects individual identity of a certain society. Furthermore, language not only reflects culture, but is also a tool for each individual to get acquainted with physical and social environments. Through the language that people speak the concept of how they perceive everything and everyone around them can be formed. With the use of language makes humans can exchange both simple and complex thoughts, which develops and supports maintenance of social relationships. Moreover, language assists in transmitting traditions; as a result, a sense of group identity is improved and social order in society sustained. (Rai & Panna 2009.)

Language is a part of a verbal communication, yet there are several constituents of non-verbal communication that also form culture. Such methods of communication are artefacts, haptics, chronemics, proxemics, and kinesics. Artefacts help to recognise messages sent by clothing, jewellery or tattoos, haptics analyse different meanings of touches like handshakes or hugs, chronemics studies the attitude to time and use of it, while proxemics studies social space and kinesics - body positions, movement, facial expressions and gaze. (Rai & Panna 2009.)

The other essential cultural element is religion. There are five major religions that affect the most of the world's population: Christianity (31.5%), Islam (23%), Hinduism (15%), Buddhism (7%) and Folk religion (6%), while approximately 16.3% of all population is unaffiliated (2010 estimate, Pew Research Center 2012). According to the British sociologist Anthony Giddens *'Religion involve a set of symbols, invoking feelings of reverence or awe, and are linked to rituals or ceremonials engaged in by a community of believers'*. Religion is also a specific social process that assists in leading society in one direction and giving its members feelings like unity and peace, as well as supporting people in their beliefs and opinions. (Rai & Panna 2009.)

Religion also includes other cultural components that are substantial for culture formation and further development, for instance, myths and rituals. Myths are assumptions on the appearance and development of our world. They include hypothesis that people considering the universe and people's place in it. Regarding the rituals, they consist of diverse actions like praying, singing, eating or refraining from certain meals and more. However, ritual acts are mostly concentrated on religious symbols; thus, they are usually not a part of everyday routine and habits. (Rai & Panna 2009.)

Family, which is the largest representative of kinship relations, is extremely important in social anthropology. The reason for this is quite simple - all crucial moments of every individual's life are directly connected with kinship, for example, birth and death, livelihood, education, career and more. Group formation in our society is based on kinship, as well as relationships between people. Kinship not only defines which groups individuals belong to but also bonds groups to each other. In numerous countries, kinship is the key in establishing rights and responsibilities. Kinship relationships are based on blood ties or through marriage. However, in order for behaviours to be regulated and for groups to be formed, the kinship ties also need to be socially recognized. In spite of kinship ties relying mostly on biological relationships, it is, nevertheless, a cultural phenomenon because the ways how societies classify their kin are mainly culturally based. (Rai & Panna 2009.)

Education has many apparent functions such as to prepare young students for further occupation and develop skills and capabilities. In fact, education also shares a very important relationship with culture as it preserves the culture, builds its heritage and improves people's ability to think rationally and independently. Due to the fact that education can broaden the people's perspectives and help them discover new ideas, education becomes one of the boosters of a cultural change. Besides that, education is also a vehicle for social mobility for many nations. As the system of social classes where only a limited number of people can reach prestige still exists in 21st century, education becomes one perspective tool for a change. (Rai & Panna 2009.)

There are also parts of non-material culture that are extremely meaningful. They are divided into cognitive (knowledge – all information learned about the material world, beliefs – ideas, assumptions and suggestions about the reality, not always supported by facts) and normative (values – broad and non-specific instruments shaping and

determining behaviours in social systems, norms – specific and definite standards of behaviour expected of individuals by their social groups). (Rai & Panna 2009.)

3 Hofstede's framework: Italy

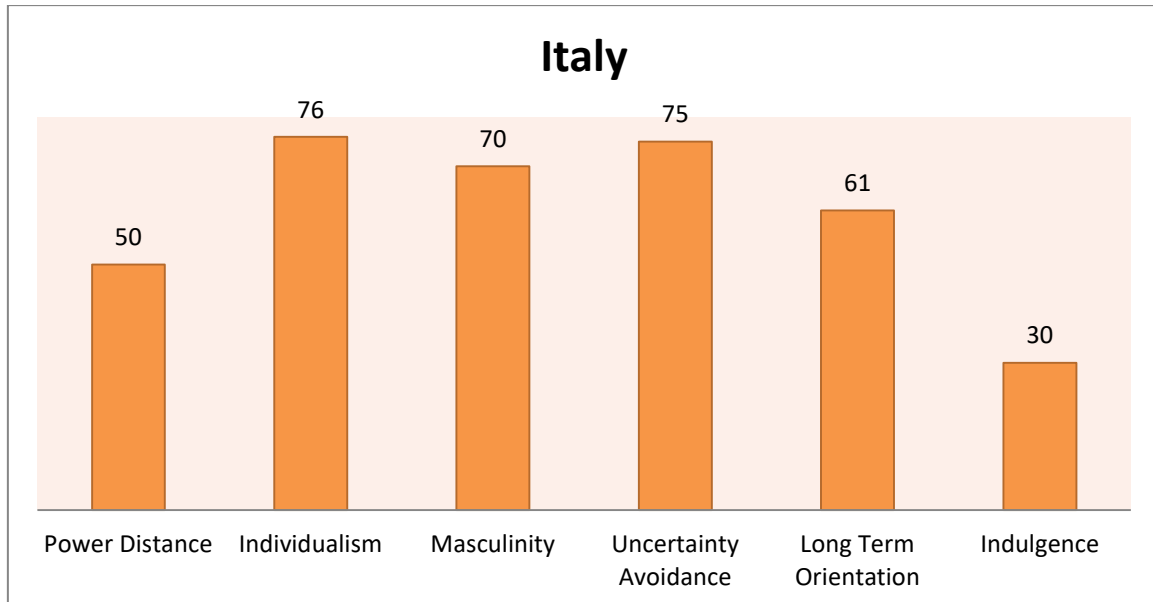


Figure 1 Cultural dimensions. Italy. (Hofstede, Hofstede & Minkov 2010.)

By analysing culture of Italy through Hofstede dimensions framework, it can be seen that features of non-material Italian culture inevitably affect the whole culture of Italy, including material culture, as well as business relationships and business as a whole. In addition, the framework shows that there are many cultural differences between Southern and Northern Italy and these differences highly influence business.

Hofstede defined Power Distance as the extent to which institutional members with less power from a specific country expect and accept unequal distribution of power. By institutions Hofstede means different societal elements, including family, school, community, and workplaces. People from the Northern part of Italy, especially the younger generation, would rather prefer equality and a decentralisation of power and decision-making, while Southern Italians do not generally dislike control and formal supervision. Moreover, Northern Italy commonly demonstrates a preference for teamwork and an open management style. Therefore, due to the fact that Northern Italy has low Power Distance Index and the south on the opposite, Italy scored 50 for Power Distance dimension. Such perception of power creates differences in business

structures and management approaches in two parts of the country. (Hofstede, Hofstede & Minkov 2010.)

According to Hofstede, Individualism relates to societies where there are quite loose ties between individuals; in particular, taking care of oneself is appreciated and promoted. In contrast, societies that belong to Collectivism consider people's integration into groups essential, and such qualities are valued as loyalty, support and protection of one another. With a score of 76 Italy belongs to an Individualist culture with more developed, richer, international and modern north, where people are more concerned about themselves, dominating over south, where large families and tight groups are still very important. Having objectives in life is crucial for all Italians and they tend to find happiness when achieving personal fulfilment. In addition, the high score on Individualism emphasises the antipathy to high control mentioned in the previous paragraph. (Hofstede et al. 2010.)

Hofstede's framework divides societies on Masculine and Feminine. In Masculine societies emotional gender roles are distinct, meaning that while men are focused on material success, women are concerned with the quality of life, while in Feminine societies emotional gender roles are mixed, and the concern about material success and the quality of life applies to both men and women. Italy scored 70, which means it is a Masculine society. Thus, the fact that the country is highly success oriented and driven makes a huge impact on business. First of all, there is a high level of competition both inside and outside of Italian companies as Italians consider working environment a place where they can achieve personal success and are taught to stick to 'win or lose' strategy from an early age. In addition, this element of non-material culture directly affects material culture of Italy: as Italians are focused on material achievements, they tend to show their success through acquiring status symbols like expensive property. (Hofstede et al. 2010.)

Uncertainty Avoidance is defined by Hofstede as *"the extent to which the members of a culture feel threatened by ambiguous or unknown situations"* (Hofstede et al. 2010). Such feeling creates a need for predictability in the country, especially a need for written and unwritten rules, and is expressed through stress and anxiety. Italy has a high score on Uncertainty Avoidance (75). This means that Italian people do not feel comfortable in ambiguous situations, and that is why in both everyday life and business formality is extremely important for Italian society, which results in large amounts of detailed

planning. However, despite the fact that Italian companies have a large number of complicated and detailed codes and procedures, they do not always comply with all of them, which might be confusing and misleading for foreign partners. (Hofstede et al. 2010.)

Many aspects of everyday life of Italian people are driven by specific non-material cultural factors intrinsic to this country. For example, due to high Masculinity and Uncertainty Avoidance, Italians often face stressful and difficult situations. That is why they are used to having many breaks from work during the day, including 2 or 3 hour long lunch break and several coffee breaks. Also, high Individualism, Uncertainty Avoidance and Masculinity scores make Italians extremely passionate about all aspects of their lives, including work, family, and hobbies. This is also a reason why the use of body language is so wide and common in Italy: the range of emotions Italians experience is very powerful, so they tend to often express them to other people. (Hofstede et al. 2010.)

As Hofstede states, dimension of Long-Term Orientation illustrates how cultures prioritise their existential goals and perceive past, present and future. Countries that have a low score are called normative. They tend to maintain and respect traditions and norms settled in the culture through the years and meet changes with suspicion. In addition, they believe that efforts should produce quick results. In contrast, countries that score high are called pragmatic as they appreciate thrift, have respect for circumstances and would rather prefer perseverance and sustained efforts toward slow but highly desirable results. As Italy's score on this dimension is 61, it means that Italy is a pragmatic culture. Italian people are quite dependent on situation, context and time. It is undoubtable that Italians value their traditions; however, they are also able to adapt traditions to changing environment. (Hofstede et al. 2010.)

Last but not the least, Indulgence is the newest cultural dimension described by Hofstede as a tendency to feel satisfaction, pleasure and joy of basic and natural human desires. Its opposite is Restraint, which implies strict social norms to regulate people's desires and impulses based on the way they were raised. As Italy has a low score of 30, Italian culture is referred to Restraint. Such a society tends to be quite cynical and pessimistic in comparison with an Indulgent culture. Italians generally do not emphasise their leisure time. Instead, they feel comfortable perceiving their actions being mostly controlled by social norms. (Hofstede et al. 2010.)

In the final analysis, the difference in doing business in Southern and Northern Italy is very clear: while straightforward and sophisticated north is a low-context subculture that appreciates and encourages written agreements and minimizes small personal talks, low-context south enjoys oral communication while conducting business and emphasises long-term relationships build on trust and close contact. Nevertheless, due to the emotional nature of all Italians, they commonly tend to conduct business in a collaborative style. Furthermore, despite the fact that Italians are usually quite individualistic, they place high importance on groups. Therefore, family plays a crucial role in decision making process both in personal and business lives of Italian people, who rely on their family members' views and appreciate their opinions. Groups' importance in Italy also reflects its business environment and can be seen, for instance, through the openness displayed during meetings. However, as individualistic people Italians may also often demonstrate materialistic and dominating behaviour. Also, Italian culture shows a high level of power distance between different members of society and accepts the differences in the level of power various societal members and groups obtain. In addition, people in Italy tend to avoid risks as much as possible by preferring close friends over strangers and familiar old over unfamiliar new situations and events. (Gannon & Pillai 2009.)

4 Italian culture and business

4.1 Italian way of doing business

It is very difficult to evaluate an Italian ethnic group – it is a nation of contradictions. Italian culture is a complex mixture of several dozen ethnic traditions. Therefore, the culture of Italy is unique and exceptional. Italy is also one of the most successful national brands. Cultural and emotional component of the country's image is the so-called 'Italian feeling' or 'soft power', which is built on tourist attraction caused by rich history, eternal art and beautiful nature, 'made in Italy' brand and Italian lifestyle (delicious cuisine, fashion and design, dolce vita concept). (Vasilenko 2015.) This chapter is to give general information on overall Italian culture and illustrate how major cultural features affect the way of doing business in the country.

One of the largest cultural features inherent to the country is the division between Northern and Southern Italy. There is a tension between the richer and more industrialized north and the more rural and poorer south, where lifestyle and perceived

wealth differ (Nicks & Tomalin 2010). Differences between north and south are quite striking: while Northern Italy is experienced, factual, modern, industrial, prosperous and law-abiding, Southern Italy can be described as imaginative, traditional, agricultural, church-guided and family-dominated. However, both Northern and Southern Italians are known as friendly, hospitable, generous, trustworthy, loyal, perceptive and essentially human. (Lewis 2009.)

Nevertheless, despite the fact that the country is separated by two parts, Italian economy has one distinctive feature – a huge number (more than 80%) of small and medium-sized enterprises, most of them family-owned. This is one of the reasons why family ties are extremely important in Italy, even more than political regulations or company policy. Moreover, Italians feel very proud and at the same time sensitive about their reputation in the world as besides being famous for its cuisine, wine, art, architecture and quality of life, Italy is also known for its bureaucracy. (Nicks & Tomalin 2010.)

As Italians have a respect for age, seniority and power, there is a high hierarchy in Italian business structure. In business Italians aim to build relationships that push business to develop and grow. The business relationships in Italy are quite formal though, with the main decisions being made by the top level of management. After establishing relationships built on trust, Italians prefer showing and sharing their human side with partners. Also for Italians taking the time needed is crucial, and they do not appreciate being pushed and pressured by time limits. Because intuition and emotions are the main drivers for Italian people, they are willing to get to know each other with their partners. The best conversation topics in Italy are: talks about families, backgrounds and personal lives, Italian art, music and films or sport, such as football, experiences in life and impressions of Italy. (Nicks & Tomalin 2010.) Also Italians enjoy conversations about vacations, hopes, aspirations or disappointments, and preferences. Political or religious opinions can also be revealed during a conversation with an Italian. Discussing such thing as believes and values is also considered common in Italy. Generally, no matter which topic is approached, Italians are not very sensitive or touchy. On the opposite, they are quite open for criticism and are quite flexible in conversations. (Lewis 2010.) The way how these conversations go may have a significant impact on the development of relationships (Nicks & Tomalin 2010).

The importance of the way people present and conduct themselves is extremely high in Italy, as well as the image they create. This means the way people dress is important too. Italians prefer dressing with style and elegance, and they also apply the same approach to visual materials, which they usually design well and expect the same from their partners. Presentations tend to be quite short in Italy but there is always plenty of time left for discussions. Another significant Italian feature is the importance of titles, which should always be clear for both sides. In addition, Italian people also appreciate and encourage academic degrees and achievements. (Nicks & Tomalin 2010.)

Regarding organisation, shaking hands is a common gesture during meetings but establishing good eye contact is crucial in Italy. In spite of the fact that stereotypically Italian people are seen as very relaxed with time, punctuality in business is appreciated in Italy and is generally expected from business partners. Even though some flexibility with time is acceptable, arriving on time for meetings is important. However, at the same time Italians often tend to ignore formal protocols, rules and procedures. (Nicks & Tomalin 2010.)

Leadership and decision-making process in Italy is usually flexible and pragmatic; top-managers have all the power and their personal involvement in business processes is inevitable. Thus, for business partners it is essential to identify the prime decision-maker within an Italian firm. Networks of people socialising and unifying inside of the company are usually bases of hierarchies in organisations. Team-working is not very popular in Italy because tasks are commonly performed by reliable individuals. Nevertheless, when indicating and evaluating work performance in Italy, cash flow, turnover and gross profit of a company as a whole is more important than personal characteristics. (Nicks & Tomalin 2010.)

To add more, regarding the way Italian culture reflects business, in the book 'Understanding Global Cultures' Professors of California State University Gannon and Pillai metaphorically compared Italian culture to the opera, which illustrates Italian life very well through its overtures and spectacles, expressive voices and gestures, externalisation of emotions and thoughts, which all reflect everyday lives of Italian people and distinction of Italian character, as well as business relationships. For example, overtures are emphasised by Italian culture because Italians are open when it comes to expressing their feelings and thoughts during business relationships, nevertheless, they prefer taking their time considering personal trust and knowledge

with business partners. Spectacle is also a part of Italian personal and business life as communicating in an expressive manner is a common phenomenon in Italy, and a huge importance is put on appearance and aesthetics, which usually defines how the person or an action is viewed in Italy. In addition, life in Italy is often pageantry due to the fact that Italians tend to hide unpleasant and ugly facts and display themselves positively and life-asserting. However, despite the fact that Italian people usually act extremely emotionally and dramatically, they do not base their business decisions on their sentiments or hopes but on conscientiousness and a sensible and scrupulous evaluation of all advantages and drawbacks, and that is why Italians prefer direct and personal communication with their business partners during negotiations to be able to read their facial expressions and understand their behaviour better. In their book authors also mention the importance of family ties, which explains Italian tendency to be demonstrative and freely show affection, and also the fact that family is crucial for Italian business that is often based on personal connections. (Gannon & Pillai 2009.)

It is also essential to remember that cultural characteristics of Italians such as people orientation, teamwork, quickness and opportunism have influences their business environment by making them quite flexible in business, which means bending rules and laws and interpreting specific agreements and regulations in a flexible manner, thus, when having business cooperation with Italians, this is one important thing to be prepared for. (Lewis 2010.)

In essence, there are three ultimate ways to succeed in Italy: first, to establish long-term personal relationships based on trust, second, to show appreciation, enthusiasm and interest, and also to create well-thought and unique image able to impress (Nicks & Tomalin 2010). Besides that, other motivating factors for Italians are: humanity, families and loyalty, transparency and openness, interest and concernment, as well as humour and ease of communication (Lewis 2010).

4.2 Italian culture

As an older generation passes its culture to younger one in a society, cultural aspects like language, religion and customs are tightly connected to each other. Therefore, people's perceptions of authority, morals and ethics inevitably reflect in how they conduct businesses and negotiations or manage business relationships. Understanding the meaning of culture and getting acquainted with attitudes and beliefs of a business partner assists in creating a successful strategy for building healthy and strong long-

term business relationships. This way, such a widespread and, at first sight, obvious thing as culture can reveal some mysteries in how to conduct international business and is an ultimate tool to be used to one's advantage. (Mitchell 2000.)

4.2.1 Language

As the language has always been used to transmit information and ideas all around the world, language knowledge is a valuable asset that allows excluding any communication barriers. Moreover, language gives the possibility to understand particular points of view, as well as implied meanings and other not literal information, thus, language is the key to getting to know the culture better. (Moreno 2006.) Undoubtedly, the effect that cultural features have on business is huge. Languages, as well as non-verbal communication like body language, hand gestures, facial expressions, eye contact, physical greetings and personal space play one of the key roles when it comes to business. If the cultural context of verbal and non-verbal communication is failed to understand by one business partner, there is a very high risk of misrepresentation of views, confusion and even termination of business relations. (Mitchell 2000.)

Despite the fact that almost all of Italy speaks Italian language, there are many different regional dialects that can become barriers to communicate. That is one of the reasons why Italian people use a lot of hand gestures – a habit that exists in Italy for a long time now to assist better communication. Italian regions were formed depending on mountainous geography of the country. Each region developed its own distinct dialect, politics and culture. Before Italian language was made an obligatory study in Italian schools in 1922, Italian citizens could only speak their regional dialects. There are no doubts that Italian language has been standardized to some degree. However, reality says that still 60% of the country's population continues to speak a dialect, and some regions even speak their dialects exclusively. (Gioseffi, Szerlip & Watson 2001.)

Although some Italian dialects took their origins from the Romans, modern Italian language as we know it evolved accurately from ancient Latin. As the Latin base of Italian is very strong, the language kept its genuine homogeneity. As Italian, Spanish and French are all Latin-based languages, their structures are quite similar. Thus, for Italian person it is not difficult to learn Spanish, and vice versa. In addition, even without any learning, an average Italian person who has never studied Spanish can manage to

understand the main topic and some clue phrases from Spanish speech. (Gioseffi et al. 2001.)

However, not only Italian language is spoken in the country. In the North of Italy many people speak such languages as German or French mainly because after the WWI a part of Austrian territory joined Italy. Regarding English language in Italy, unlike other European countries, it is not spoken freely. Nowadays it is commonly studied in Italian schools as a second language, though. Therefore, younger generation generally speaks English more than adults and older people in Italy. However, the prevalence of English fluency is expected to grow as Italian businesses expand globally more and more every year, meaning that in near future English language might be included to French and German languages already spoken in a country. (Gioseffi et al. 2001.)

To summarise, language does play a considerable part in Italian business as issues like regional dialects and the lack of English language can be barriers in conducting business in Italy or cooperating with Italian partners. Nevertheless, non-verbal communication is no less important because the widespread use of gestures and rich body language, as well as knowledge of other languages by Italians from specific regions, can assist in establishing mutual understanding.

4.2.2 Religion

Learning the way religion affects business practices in Italy is extremely important because the connection of religion and society is very complex and profound in general, and religious beliefs often form human values, therefore, material and non-material worlds are viewed differently in each religion. Learning about the religious basis of a culture allows understanding things such as, for instance, the level of development and competitiveness in various companies in different nations. (Moreno 2006.) It is also extremely important not to underestimate the impact of the religious philosophy within a culture on an individual's business approach. As in many countries religion is considered as something quite personal, sometimes it might be not taken into account when it comes to business. On the opposite, especially because of the fact that religion is a source of each individual's personal views, beliefs and behaviours, it should be carefully studied. (Mitchell 2000.)

During the process of business communication system establishment each culture sticks to its own philosophy of understanding life and religion plays a very important role

in its formation. In addition, each country's business culture is shaped by different aspects, and religion often has the highest level of influence. These are reasons why different views on religion affect business ethics and business as a whole. Business ethics is the way how the company conducts its operations, what kind of ethical and moral principles it follows in a business environment, and religion is often one of the sources those principles come from. Each religion has its own unique business ethics, as well as its own prejudices. However, certain principles that the company follows should also build a commitment to establish and maintain auspicious working environment. That is why the impact of religion on business should not be excluded and differences in values in numerous companies and organisations should be respected. (Pertsev & Shykhova 2017.) In addition, religion's influence on the way business is conducted should be always taken into account because the religious philosophy dominating a culture impacts an individual's approach to business greatly, in spite of the fact that the individual does not have to follow a particular religion (Mitchell 2000).

Although Italy is quite diverse culturally, it is united religiously. Roman Catholicism is the major religion in the country as 85% of people born in Italy are Catholic. However, out of those 85% only 20% take part in church services of worship regularly. (Gioseffi et al. 2001.) According to Italian Constitution, there is a freedom of religion in the country. Nevertheless, in spite of the fact that Italy is a country free of imposed religion, Catholic Church does have some privileges that other faiths do not have, for example, the sovereign status and its historical political authority. (See Italia 2016.) Through forming the people's feeling of responsibility and obedience of certain organisational structures, and through preserving paternalistic relationships with women, the Catholic Church spreads significant social and political influence all over Italy. Furthermore, it also strengthens relationships between people of high social status and those who benefit from their influence and authority, but eventually does not cause a great impact on business ethics. (Gioseffi et al. 2001.) Nowadays despite Roman Catholic Church followers there is also a considerable amount of people who practice other types of Christianity such as Protestants, Orthodox, Waldensians, and even controversial movements like Mormons and Jehovah's Witnesses. Increasing rate of immigration in the country continues to assist in forming major groups of non-Christians like Muslims, Judaism and Buddhists. (See Italia 2016.)

Definitely, as the Papal residency is in Italy, the Catholic Church significantly influences social and business lives even no matter what the statistical results on the religious

values of Italian people are (Ferrari 2010). Therefore, it is essential to study the religious aspects that create an impact on lives of Italian people, as Italy is a culture that is highly driven by its history, roots and traditions, and religion has always been an essential part of Italian heritage and played an extremely important role in societal development. As a result, the religious influence on the country's business operations is inevitable and should always be considered.

4.2.3 Social organisation

One of the largest constituent of social organisation is family. Family is an aspect no less important in business. From the first point of view, it looks like family is just a part of personal life and not connected to work and business sphere. However, this statement is not actually true. First of all, family plays a significant part in entrepreneurship as most entrepreneurs have families that have a great influence on their business activities. Entrepreneurs usually rely on support of their families because often family members not only share a common identity and have strong mutual bonds of trust, but also have opportunities to discuss business ideas. Secondly, the fact that a considerable amount of companies are founded and run by families all around the world also proves the importance of family in business. (Bird 2014.) In addition, there are several researches that have proven that professional and personal lives are deeply integrated and that the perception of success of the family influences business success, and the opposite. The studies have also shown that family characteristics had impact on business outcomes, in particular, by family demands for the care of family members. Therefore, in order for the business to achieve success, both family and business demands should be fulfilled. (Fong, Masuo & Yanagida 2003.)

For most of Italians the family usually has the main priority in their lives, a tribute to unity and tradition. Most probably it became inevitable to such a high extent as a way of responding to historical turbulence and inconstancy of Italy, including foreign invasions, conflicts in different regions, the WWI and the WWII, and the governmental changes. In Italy the notion of family is strongly connected to the concept of loyalty and the belief that a person's hometown and region is better than any others. The reason why it is not quite possible for personal status to change in Italy is that a status in society usually depends on wealth to a much lower degree than on birth, family background and class. (Gioseffi et al. 2001.)

Several decades ago, especially in the Southern Italy, where large extended families were common, all of the family used to live under one roof for many generations. During those times family structure was mainly patriarchal. Families were headed by the oldest male, who earned the money for the whole family, while women's duties were to take care of household and raise children. Nowadays, traditional norms tend to change constantly through the years and by today the nuclear family is considered also common in Italy. However, family structure and image remains still extremely stable and stronger than, for instance, its prototypes in other countries. (Gioseffi et al. 2001.)

As shown above, Italy is one of the countries where family plays one of the most important roles in people's lives and influences business to an extremely high extent due to the numerous family-owned companies that have been dominating Italian market for a very long time now. Italian people know that maintaining and developing social organisation is the secret of successful business, which includes spending a significant amount of both business and non-business activities with families and business partners. (Tresca 2013.)

4.2.4 Education

The value of formal education varies from one country to another. Nevertheless, it is no secret that academic qualifications and higher degrees do win respect in most of the world. However, it is important to use earned education wisely in business world, as while in some countries a person with qualifications and degrees is given credit, there are also some where such academic credentials are not as highly appreciated as, for example, real-life knowledge experience. The process of learning how education is valued in different societies assists in establishing the way a business partner processes information and identifying the approach that current situation needs. (Mitchell 2000.)

In Italy education is free of charge for Italian citizens and is mandatory from children aged six – sixteen. It commonly consists of five levels: kindergarten, primary school (elementary school), lower secondary school (middle school), upper secondary school (high school) and university. One of the main reasons that made Italians highly educated is chronic unemployment in the country. Usually if Italians cannot find a workplace, they continue their education and receive a higher degree to increase their chances in finding a suitable position. It is important to mention that there is a huge gap

in level of education received in the Northern part of Italy and in less developed south. (Gioseffi et al. 2001.)

In Italy the quality of elementary, middle and high schools that are financed by the government is quite high. Starting from early age, children at schools start obtaining significant knowledge in maths and other sciences, history, geography, social studies, physical education, arts, literature, humanities, as well as Latin and other languages. Regarding schools, until the eighth grade the attendance is obligatory. After that, if students pass all necessary exams to prove their qualifications, they can continue their education in high school for five more years. When Italian students graduate from school, they have to pass maturity exams if they wish to enter college or university. (Gioseffi et al. 2001.)

Higher education in Italy is provided by public universities, private universities and several superior graduate schools. Although the general level of education is not low in the country, Italian universities have lately shown poorer results than universities of other European countries such as UK, France and Germany (2016 estimate). Nevertheless, the Italian state has shown direct interest to increase the quality of higher education by reforms and investments. Nowadays many young Italians, who are in a wealthy state, continue their further education abroad in a foreign country. However, considering the differences in the educational structure, sometimes undergraduate work in Italy can happen to be equivalent to graduate work abroad. (Gioseffi et al. 2001.)

Altogether, qualifications are extremely meaningful in Italy because most of school-graduates continue their education and receive higher institution diploma first before their future employment, and generally Italy has a very large part of university students in the world. Furthermore, due to challenging study plans, the country believes in a high standard of its higher education qualifications. (Chesters 2007.) Higher education in Italy is strictly aimed at preparing young students for their future careers, thus, the practical approach in studies is the key in Italian educational system. Many universities offer special programmes for students studying economics and business, which include project management or product development in cooperation with different Italian or foreign companies in order to prepare students for solving real-life issues and managing challenging situations. Such emphasis on practice gives unique experience and vast knowledge of the subject to young Italian people, who intend to work in business sphere

in the future, and allows graduates to start successfully working in companies straight after universities without further professional trainings and additional education.

4.2.5 Attitudes and values

Both cognitive (beliefs, ideas) and normative (norms, values) parts of non-material culture also affect the way business is conducted. As worldwide businesses are conducted by multinational people who possess different personalities, therefore, have different beliefs, views, values and opinions, such processes as negotiations, decision-making, management and organisation are inevitably affected by certain people's behaviours. In order to reduce the risk of conflicting attitudes and failure of communication, it is essential to learn about business partner's national non-material culture. (Mitchell 2000.) One of the several frameworks that give insight on this subject is Geert Hofstede's six cultural dimensions of national culture, which is studied and applied in this thesis.

As a cultural component, values and attitudes are strongly attached to another element – education, as both of them are formed from specific role models, such as parents, teachers, and leaders. Values can be defined as ideas and beliefs that people are connected with through their emotions. Values are usually expressed in business through such concepts as honesty, freedom, and responsibility, and people's work ethics and desire for material possessions are shaped depending on their values, for instance, the contrast between the aspiration for material success through hard work and a dream of modest way of life and leisure. Correspondingly, values form attitudes that are evaluations, either positive or negative, towards concepts or ideas, which also directly affect business, for instance, attitudes toward time, work or free time. (Moreno 2006.)

In spite of the issues that the country has, Italian people live in one of the best European countries with an enjoyable way of life and high quality of life. Italian society's foundation is a highly developed social organisation, especially families and communities. People in Italy commonly have close family ties, including having many children and a huge respect and proper care for the elderly. In many countries all around the world social and family life complement work, however, in Italy it is on the opposite. Nevertheless, the true reason of such an uncommon lifestyle in modern days is the character of a genuine Italian person, whose life is led by the decisions made by the heart and soul. Italians are known worldwide as one of the most sociable, friendly,

generous and hospitable people. In Italy unstressed lifestyle, warm and close personal relationships, care for other people, low violence, great manners and style create comfortable conditions for living and socialising. Italians are always passionate about their life and everything they do, and approach every task seriously, not giving up until accomplishing the success. That is why Italy is known for its impressive level of high-quality craftsmanship. (Chesters 2007.)

In brief, there are no doubts that attitudes and values as a part of non-material culture are essential for business environment not only because they push individuals and companies for growth and development, but also due to the fact that important decisions that individuals and organisations are casually involved in reflecting common values and beliefs. One of the main goals for most of companies is to align organisational values with the aspirational values of employees to achieve higher performance and sustainability. Italian people are one of those who feel liberated when working for a firm where culture is aligned with their personal values, and they feel excited and happy to bring to work such things as their energy, creativity, enthusiasm, and commitment to the well-being of their associates and the success of the organisation as a whole. (Barrett 2010.)

5 Empirical research: survey results

The questionnaire that was held through Facebook social platform received 50 responses. People who took part in the survey were both men and women 20-33 years old Italians, most of them (about 60%) coming from the north of the country, about 1/3 from the south, and the rest from the central part of Italy.

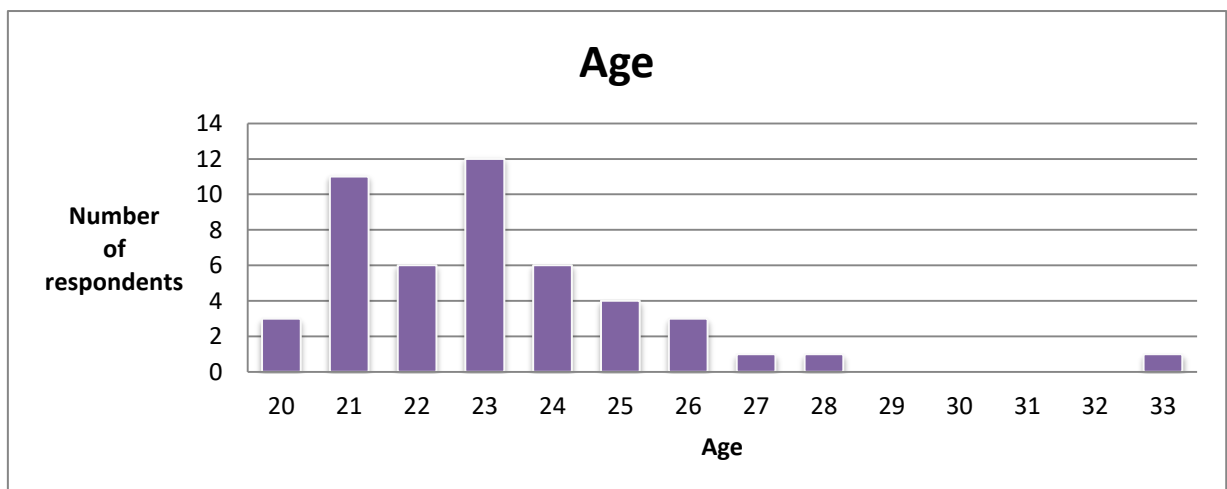


Figure 2 Age of respondents

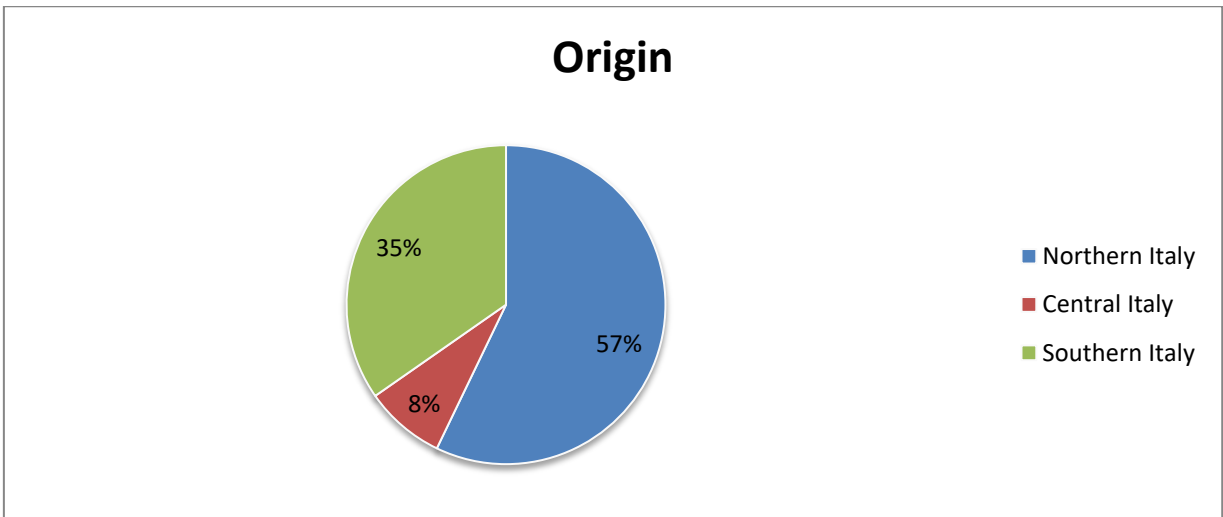


Figure 3 Origin of respondents

Out of 50 respondents 40 of them study business in the university or college, 9 work in a business sphere, and 4 have their own business. There were also some participants who used to study business in the university or college or used to work in a business sphere in the past, and there was even one Italian who had no connection with business at all but still preferred to fill in the survey.

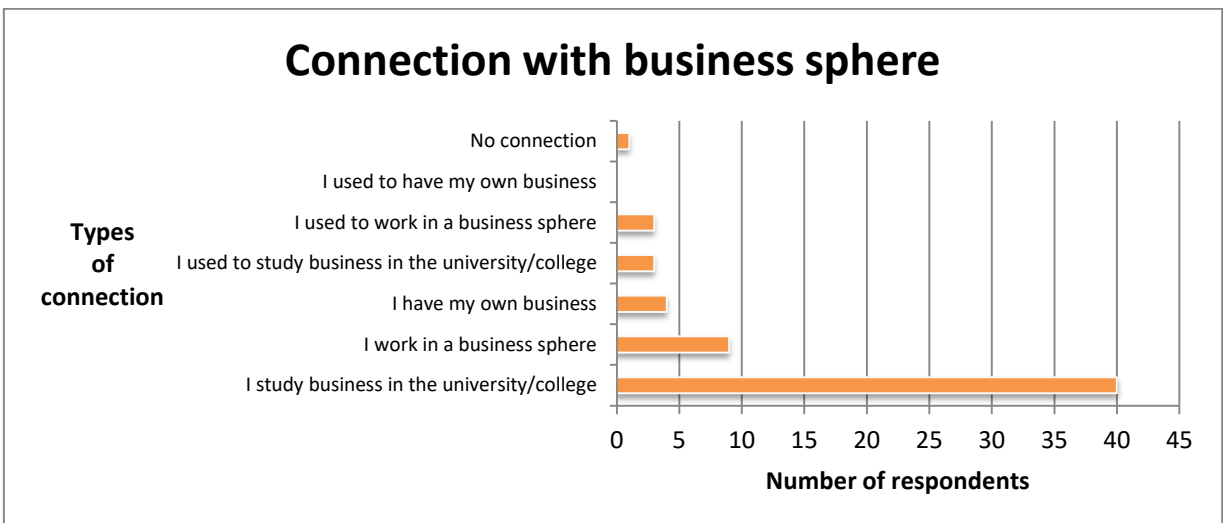


Figure 4 Connection of respondents with business sphere

All people who took part in the survey believed in the connection of concepts of culture and business. When asked how exactly these two concepts are connected, they gave a wide range of different answers but the most common one (given by 30 people) was that Italian culture and heritage affects the Italian way of doing business. In particular, participants mentioned that culture, and especially its components such as language, traditions, history, education, behaviours, beliefs and values, influence business views

and activities, decision making process, management methods, shape business targets, ideas, preferences and choices, affects the way how to deal with suppliers and customers and how to approach the market. Many respondents especially highlighted the fact that Italy is a country that has many unique cultural features, for instance, the extensive use of gestures, flexible time-management, conflicting attitudes, and appreciation of style, as well as extremely high family importance and involvement. Therefore, these features' influence on business environment in the country is inevitable. Also, participants underlined the difference between industrialised north and traditional south, as well as the importance of Italian traditions, such as a tendency to save and avoid large investments due to high risks or regional traditions that affect business, for example, Milan being the world's capital of fashion and design and Naples being famous all around the world for its traditional and typical Italian food. In addition, some respondents pointed out that culture and business are inter-related because they affect each other from both sides as business influences the culture of the nation by improving and increasing its level, and culture influences the generation of new ideas, and some of them can be translated in new business opportunities. Last but not the least, some people also said that business is based on interaction between different parties, and the way people interact with others is directly affected by their cultural background.

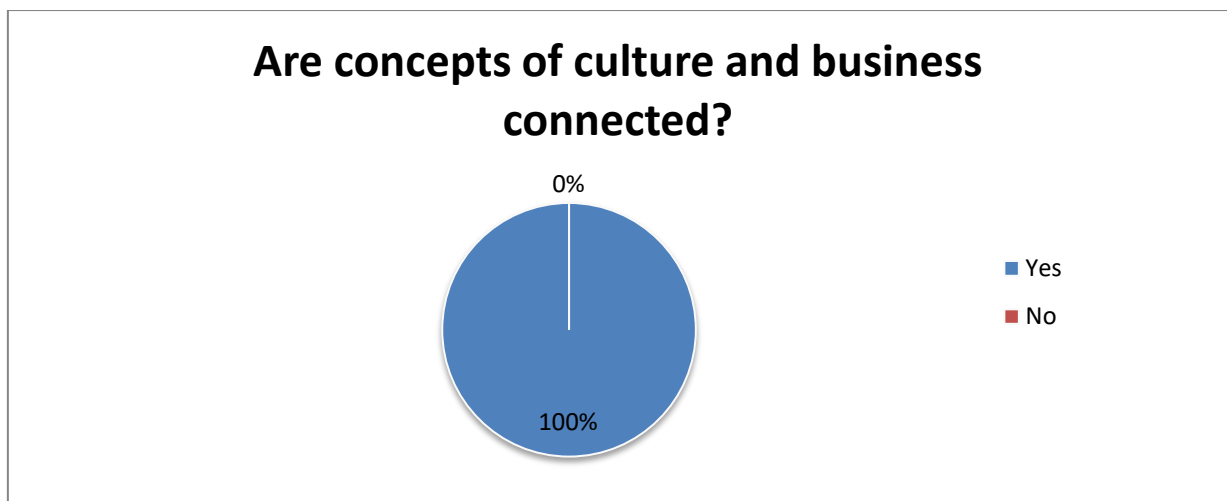


Figure 5 Connection between concepts of culture and business

Then the survey stated that it is believed that cultural components such as language or religion shape the whole culture, and participants were asked if they agree that cultural components were important. 100% of people who took part in the questionnaire answered positively. The question was followed with another one asking respondents to

name cultural components that affect culture. The results were extremely interesting: most mentioned cultural component was traditions and customs – more than 10 people wrote it in their answers. The second mentioned elements were education and family and origin, and there were also many people who believed such components as religion and beliefs and values are very important. Other features mentioned by participants in the survey were: language, habits, behaviours, politics, clothing, history, food, manners, moral values, personal space, arts, tastes, and laws.

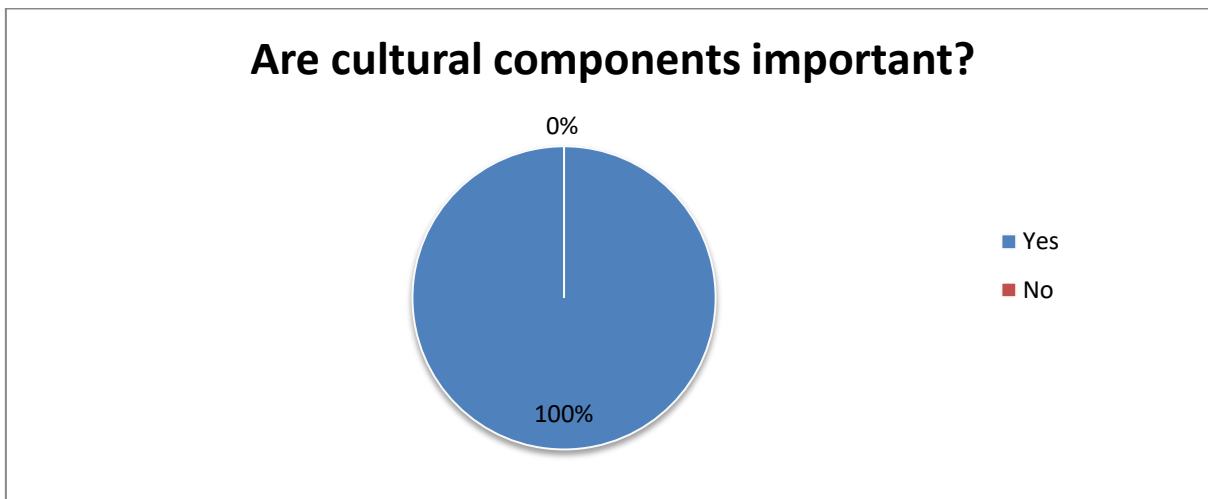


Figure 6 Importance of cultural components

Next, Italians were asked to give their opinion and share their personal experience and answer which elements of Italian national culture have more impact on business sphere in Italy and which have less. There were 16 total elements presented: language, non-verbal communication (gestures, body language), religion, social organisations (families, friends), education, heritage (history, music, literature, arts), beliefs and ideas, norms and values, traditions and customs (holidays, festivals), manners (greeting, dining, personal space), humour, health beliefs (use of modern/traditional medicine), gender roles (masculine/feminine behaviours), sexuality (sexual identity, sexualisation - using sex to influence), food (cuisine, eating habits), clothing (fashion, clothing habits). Respondents had to evaluate the importance of each component on a scale from 1 to 5, where 1 was a very small impact that the cultural element has on business in Italy and 5 - a very large impact. The results can be seen on the graph below, which demonstrates the average value of each component assessed by 50 Italians.

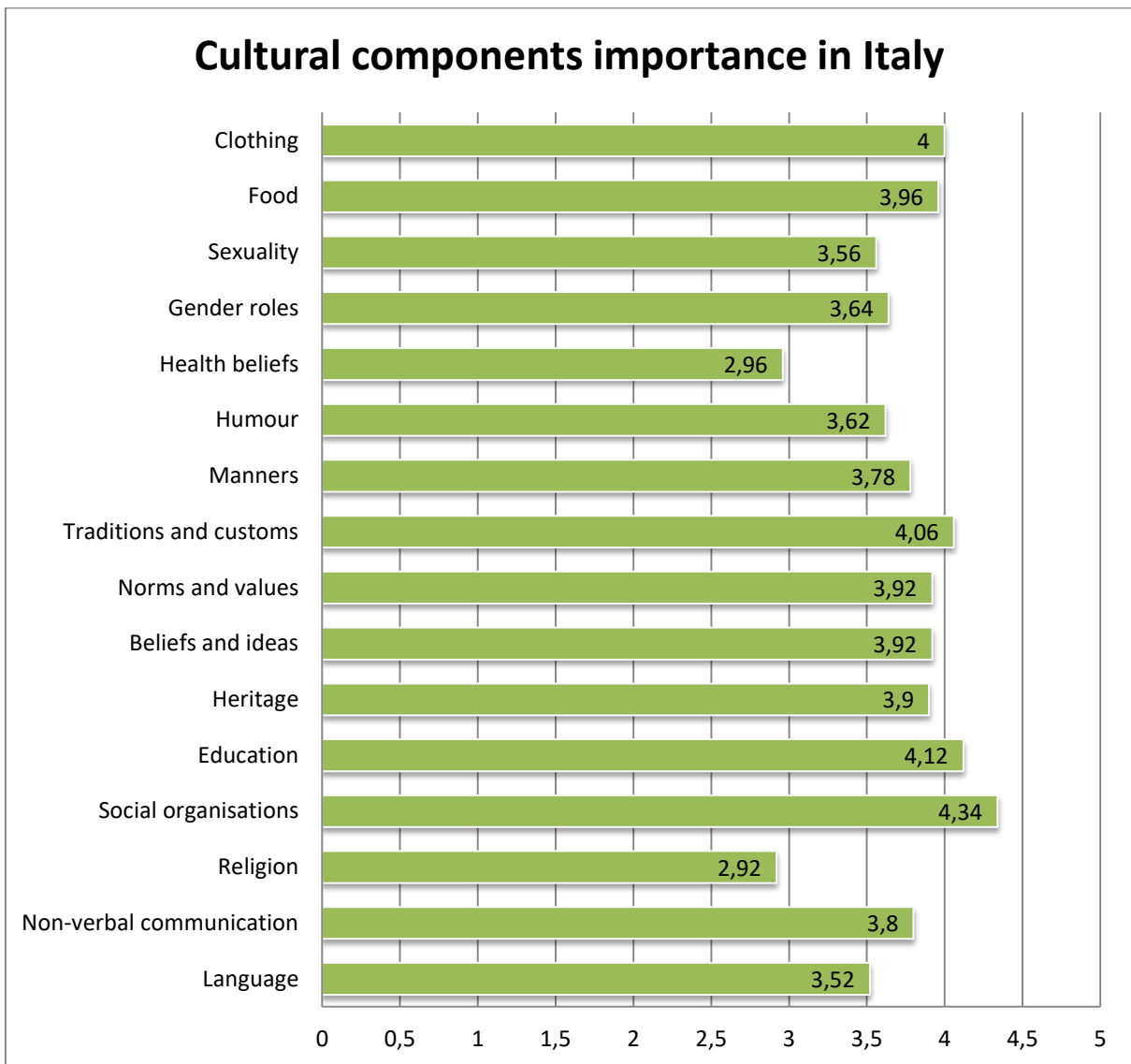


Figure 7 Cultural components importance in Italy

The graph shows that respondents chose social organisations as the cultural element with the highest importance of all – the average value was 4.34 from total 5.00. Most of the participants highly evaluated social organisations due to the fact that 80% of Italian business is based on small-medium enterprises that are family-owned businesses and the adherence to combine family and business is very high in Italy. Education is believed to be the second most important component of Italian culture affecting business with a rate of 4.12, which was found very important by Italians mainly because most of the respondents were students themselves, and tradition and customs - the third (4.06) as, some participants claim, it is one of the largest features Italy is known worldwide for. These results are completely coherent with the results of the previous question with the same elements being the most commonly mentioned. And even though they were only slightly mentioned in the preceding question, such elements as

clothing and food also gained high importance, with 4.00 and 3.96 point respectively. Meanwhile, even despite the fact that religion was one of the most mentioned elements during the previous question Italians found religion the least important in the term of business connection and influence, with only 2.92 out of 5.00, mainly because of the reason that most of them never had any influence of religion on their business operations. In addition, health believes connection with business was also evaluated very low by the respondents (2.96) as the largest part of them could not think of any example how this element might affect business in Italy.

During the next question participants also justified some of other decisions they made while evaluating cultural components considering their effect on business. The results showed that many of them placed a high value on clothing due to several reasons: first, Italians tend to identify people from the impression they give with their clothes, and second, Italy and, in particular, Milan is a capital of fashion and style is extremely appreciated in the country. Also a large number of participants highly evaluated heritage, traditions, food and clothing because these elements are basics of Italian culture and can be successful businesses themselves in Italy. Some people also believed that such aspects of Italian culture can be leveraged and can positively influence the national business idea all over the world. There were also some people who stated humour is essential in business because of the fact that Italian humour is very specific and not all nationalities are able to understand it quite easily. Moreover, there was a significant amount of people who considered language and non-verbal communication very important as Italian people prefer speaking their own language over English and as using gestures is a very common and popular way to communicate, which is known worldwide and even became a stereotype. In addition, some respondents placed a high value on gender roles as they stated that there is a high difference between male and female roles in Italian society, and culture of Italy is mainly masculine because men dominate in leading roles, both in business and leisure lives. Also, a high value was placed on sexuality because Italians thought that in Italy the sexual identity is often discriminately viewed. However, Italian people did not tend to highly evaluate religion's importance in business because many of them did not think it could affect business in any way even though they have the Pope and the Vatican. On the whole, neither religion, nor health beliefs gained considerable importance. When asked if there are any other important elements not mentioned in the previous question, most of the respondents claimed there is none, and only three suggestions were made:

that political views, passion for sports and Italian three F – food, fashion and furniture might be added to the list as they are inevitable parts of Italian culture.

The last and the largest question of the survey was to think of an example from personal experience when Italian culture or some of cultural elements influenced business in Italy. The question was open, and the participants were asked to tell their stories very shortly in just a few sentences. As the question was required to answer, most of the respondents shared their experience on the subject and a large amount of information was received. Some answers were very unique, while others were quite similar to each other. Overall, there are three specific trends that can be clearly distinguished and highlighted from the responses received: family orientation, the difference between south and north, and the focus on building trust and long-term relationships in business. Also, the results showed that fashion and food are two of the largest business sectors in Italy.

In fact, more than 16 participants mentioned family in their answers. Generally speaking, according to the survey, family ties are crucial in Italy and the family affects many Italian industries because in many family businesses, which are often passed from one generation to another, family members manage the key areas, thus, knowing the "inner spirit" and history behind the business is extremely important. However, family businesses also have their drawbacks: some respondents say that keeping family as property is a reason for not acquiring enough capital and letting shareholders elect professional management. Also, Italians state that sometimes it may be hard to act against the interest of the family, which is also a disadvantage. In addition, respondents emphasised the fact that Italian family-owned businesses usually prefer staying local and often face difficulties when exporting abroad and going global. Nevertheless, for many Italians family is a valuable asset that teaches them everything they know and guides them through their lives. The results also revealed that many important characteristics that Italian people obtain such as kindness, respect, honesty, reliability, sincerity and integrity they gained from their families and transferred into their business lives. Moreover, Italians always find support in their families and tend to seek appreciation from their family members, especially their parents; for most of Italians families are the most valuable elements in their national culture.

A large number of family-owned businesses in Italy has a common goal: to settle strong long-term relationships built on trust with their collaborators and partners. The

questionnaire confirmed and proved that this issue is crucial for Italians. Many participants mentioned things like finding the right approach, using good behaviour towards people, focusing on honesty, placing high value on interpersonal relations, creating a favourable working environment, which means that these are the main elements Italian business is aimed at succeeding. Also such aspects as food and fashion are extremely important for people from Italy because these are very developed sectors of Italian business sphere. Several people mentioned working in food or fashion industries in the survey. Another key point mentioned by respondents is the importance of the “Italian factor” and “Made in Italy” brand, which make Italian products especially valuable worldwide, as well as the significance of reputation. Furthermore, a substantial amount of people emphasised the differences between the Southern and Northern Italy, mentioning that south is mainly traditional, old-fashioned, poor and dedicated to agriculture, while north provides more opportunities, better education, higher wages and more working places, as well as many connections and presence of international companies and banks, which leads to higher profits. Of course, one of the main issues of regional differences is a variety of beliefs and attitudes that Italians from different regions obtain; therefore, for many companies that employ people of different origin training and seminars, as well as detailed knowledge of employees’ interests, beliefs, values, etc., is a necessity in order to maintain healthy and stable corporate culture and make sure that all employees have the same values and norms.

It is important to realise, in spite of the fact that most of the respondents did not believe in the connection of religion and business and the general evaluation of religion as a cultural component affecting Italian business was very low comparing to other elements, there were several examples of importance of religion in business sphere in Italy given in the questionnaire. Some people emphasised that the fact of being grown up in Catholic family influenced their life choices, both personal and business ones, while other respondents shared experiences of working in Italian companies that did not hire people who were not religious or had many cases when religion and history influenced the results of important activities. In the same way, there was also received one example of Italian company where the importance of sports, especially football, was so high that management preferred watching football matches of favourable teams over business meetings. There were also other example describing distinctive characteristics of Italian companies received through the survey, such as wide gap generations affecting business aimed at specific target groups, a lack of English language and

flexible time-management resulting in communication problems with foreign partners, the evaluation of people's image by their appearance and clothes, the high value of Italian heritage often used in sale promotion and marketing campaigns, and the importance of working in teams and leadership.

6 Discussion of theoretical and empirical researches

During the theoretical research five cultural components - language, religion, social organisation, education, and attitudes and values – were highlighted among all others due to the fact that most of the academic literature considers these components crucial when studying culture and the impact that culture has on business. When analysing these elements deeply, the theoretical study proved that all of them play very important roles in everyday and business lives of Italian people and influence all aspects of their lives. However, the empirical study is not fully coherent with the theoretical one and showed slightly different results. According to Italian people, five most important cultural elements affecting business in Italy are: social organisations, education, traditions and customs, clothing, and food. Religion, on the opposite, was evaluated very low by respondents of the survey, which was the basis of the empirical research; in particular, religion was the lowest rated cultural component of all 16 presented. And despite the fact, that Italians appreciated attitudes and values by placing them on the 6th place, they did not think language was a crucial cultural component influencing business; therefore, it was only placed on 13th place. Nevertheless, when asked to list all cultural components they know in the previous question, more than 14 participants named religion and language. Therefore, given these points, it is important to realise that Italian do consider religion and language important cultural elements but do not believe they affect business in Italy to a great extent. In contrast, neither food nor clothing was mentioned by respondents in the question that asked to list cultural components. However, a high number of Italian people believed these two elements were extremely important in their national business. Consequently, food and clothing are not the most important cultural components in general for Italians but they are crucial in terms of Italy and particularly Italian business.

Despite the fact that theoretical and empirical researches are not fully coherent with each other and slightly differ, they still showed a significant amount of similar results. These similarities are proof of certain theories and conjectures studied and analysed

during the study. The specific statements that were proposed in the first part of the study were proved by the practical research conducted particularly to reveal their truthfulness and support with real-life examples and experiences. However, there were also several important points that differed two parts of the study. The next two paragraphs demonstrate the main features, both similarities and differences, that should be considered after finishing theoretical and practical researches.

Both theoretical and empirical studies showed that the most important aspects of culture's influence on business in Italy are the following: family orientation (both researches placed an extremely high emphasis on this element), appreciation of academic achievements and encouragement of education (due to the fact that the most part of respondents were students), the ubiquitous use of non-verbal communication (for example, gestures), the dependence of image on appearance and visibility, the differences between Southern and Northern Italy, and the aim to build strong long-term business relationships on trust and personal approach. Additionally, both theoretical analysis of Italian non-material national culture through Hofstede's framework and personal opinions of Italian people received through the online questionnaire revealed that Italy is an individualistic, masculine and long-term oriented society with a tendency to hierarchy and the desire to avoid risks. Hofstede's framework also showed Italian culture as a restraint, which was also confirmed by the responses and opinions of Italians who participated in the survey (in particular, several people expressed a desire to work in other countries as Italy is too closed-minded and too controlled by rules and norms).

Regarding the differences that appeared between the results of two researches within the frame of the study, they were not too extreme or unexpected, and there were not too many of them. Still, some of them are quite important and even crucial. Firstly, in contrast with the theoretical study that showed religion as an essential cultural component, the people who took part in the empirical research did not find religion as an aspect that affected or influenced business in Italy. Most of them (not all) could not think of any modern real-life situation or example when religion played an important role in business and affected any operations or actions. Nevertheless, in spite of the fact that the largest part of respondents could not find practical application of religion in business, they still considered it as an essential component of national culture in general. Secondly, the theoretical study and the significant number of academic literature that it relies on also presented language as a very important element of

national culture, while the empirical research did not assess language as high. In fact, out of 16 elements presented to Italians to evaluation, language was the third lowest assessed component of all, after religion and health beliefs. Still, some participants did mention the fact that English and other languages are not that common in Italy in comparison with Italian language, including business sphere. However, it is essential to mention that during the theoretical research the concept of language included non-verbal communication as well, while the empirical study considered them as two separate components. Regarding non-verbal communication, which included gestures and body language, its practical assessment in the questionnaire was very high. Given these facts, there are minor differences in theoretical and empirical results considering language as a cultural component in terms of business. Furthermore, even though non-material aspects of culture such as attitudes, norms, values, beliefs and ideas were not in top-5 elements chosen by survey participants but they were still one of the most essential components that, as Italian people believed, played a large part in business in Italy (supported by many various examples from people's personal experience and their honest opinions). The other several essential aspects not discussed in the theoretical study but highlighted by the Italian people who took part in the survey were traditions and customs, clothing and food, which Italians refer to as inevitable parts of Italian heritage formed for many centuries and passed from one generation to another, thus, lucky to be preserved. As the questionnaire revealed, these three components of national culture are believed to affect and influence Italian business in a great way because of the fact that fashion, food and tourism are one of the most profitable and successful, as well as extremely popular industries in Italy. Therefore, for Italian people it is crucial to preserve, maintain and develop these industries to keep and improve the Italian image of delicious food, fashionable clothes and impressive sightseeing and resorts.

7 Conclusion

In the final analysis, the study has met its objective to investigate to which extent specific cultural elements influence business in Italy through two different researches: theoretical and empirical. The researches showed slightly different but mainly quite similar results, highlighting such components of Italian culture as family, education, and attitudes and values as the most importance in terms of influencing business in Italy. There were also several elements such as language and religion that theoretical

research was focused on. In contrast, empirical research also pointed out on traditions and customs, clothing and food, not believing in high importance of religion, as well as the language (except non-verbal communication, which was given a very high importance) as components strongly affecting Italian business. To summarise the main issues investigated and discussed by both theoretical and empirical studies, the most important aspects of culture's influence on business in Italy can be presented as follows: family orientation, appreciation of academic achievements and encouragement of education, the ubiquitous use of non-verbal communication, the dependence of image on appearance and visibility, the differences between Southern and Northern Italy, and the aim to build strong long-term business relationships on trust and personal approach. Furthermore, the deep analysis of Italian culture through Hofstede's framework revealed that Italy is an individualistic, masculine and long-term oriented society with a tendency to hierarchy, restraint and the desire to avoid risks.

The study managed to successfully cover all the research questions settled in the beginning of the work. The extent to which more than 16 components of national culture affect business in Italy was discussed in both parts of the study and presented in the second part. The theoretical part has also explained well how cultural components shape culture as a whole and what influence they have on business by discussing it first in general and then in terms of Italy, including the analysis of Italian non-material culture and its business effects through Hofstede framework. Additionally, the research also successfully studied the Italian way of doing business to explore the uniqueness of Italian national culture.

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Appendices

Appendix 1. The survey

1. How old are you?
2. Where do you come from?
 - Northern Italy
 - Central Italy
 - Southern Italy
3. How are you connected with business sphere?
 - I study business in the university/college
 - I work in a business sphere
 - I have my own business
 - I used to study business in the university/college
 - I used to work in a business sphere
 - I used to have my own business
 - Other (specify)
4. Do you believe that concepts of culture and business are connected?
 - Yes
 - No
5. If yes, how exactly are they connected? If no, why not?
6. It is believed that cultural components such as language or religion shape the whole culture. Do you agree that cultural components are important?
 - Yes
 - No
7. If yes, please name other cultural components that you think affect culture. If no, why do you think they do not?
8. In your opinion and from your personal experience, which elements of ITALIAN national culture have more impact on business sphere in Italy and which have less? Please evaluate the importance of each component on a scale from 1 to 5, where 1 is a very small impact that the cultural element has on business in Italy and 5 - a very large impact.

Language

1 2 3 4 5

A very small impact A very large impact

Non-verbal communication (gestures, body language)

1 2 3 4 5

A very small impact A very large impact

Religion

1 2 3 4 5

A very small impact A very large impact

Social organisations (families, friends, etc.)

1 2 3 4 5

A very small impact A very large impact

Education

1 2 3 4 5

A very small impact A very large impact

Heritage (history, music, literature, arts, etc.)

1 2 3 4 5

A very small impact A very large impact

Beliefs and ideas

1 2 3 4 5

A very small impact A very large impact

Norms and values

1 2 3 4 5

A very small impact A very large impact

Traditions and customs (holidays, festivals, etc.)

1 2 3 4 5

A very small impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A very large impact
Manners (greeting, dining, personal space, etc.)						
	1	2	3	4	5	
A very small impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A very large impact
Humour						
	1	2	3	4	5	
A very small impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A very large impact
Health beliefs (use of modern/traditional medicine)						
	1	2	3	4	5	
A very small impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A very large impact
Gender roles (masculine/feminine behaviours)						
	1	2	3	4	5	
A very small impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A very large impact
Sexuality (sexual identity, sexualisation - using sex to influence)						
	1	2	3	4	5	
A very small impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A very large impact
Food (cuisine, eating habits)						
	1	2	3	4	5	
A very small impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A very large impact
Clothing (fashion, clothing habits)						
	1	2	3	4	5	
A very small impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A very large impact

9. Please justify and explain some of your decisions you made in the previous question. (For example: I put 1 to language because... and I put 5 to religion because...)

10. Are there any other important elements that were not mentioned?

11. Can you think of an example from your personal experience when Italian culture or some of cultural elements has influenced business in Italy?

For instance: "I work in a company that has partners from other countries. For each meeting the management of our company collects information on partners' cultures to find out their attitudes toward time or formality and invites a translator to be able to communicate with partners freely."

or

"I come from a large family. My parents and relatives have a family-owned business, and family plays a very significant role in our lives because in order to conduct our business successfully it is important to build honest, reliable and trustworthy relationships among family members."

Please tell your story very shortly in just a few sentences. Thank you.