



Hungary

This month, we continue reviewing the Emerging Europe countries and focus on Hungary. Hungary is a landlocked state with many neighbours – Slovakia, Ukraine, Romania, Serbia, Croatia, Slovenia and Austria. The beautiful capital city, Budapest, straddles the River Danube and has two separate cities: Buda and Pest. Buda is on the western bank and is a popular residential area and Pest is on the eastern bank and is the city's commercial core.

The ancestors of ethnic Hungarians were the Magyar tribes, who moved into the Carpathian Basin in 896. Hungary became a Christian kingdom under St Stephen in the year 1000. The Hungarian language is unlike any of the country's neighbouring languages and is only distantly related to Finnish and Estonian. Hungarian people believe in strong familial values. Generations of extended family support each other and may still live together. The country has especially rich traditions in folk and classical music and has contributed greatly to the world in many areas such as science, arts, music and technology. Zoltan Kodály, Béla Bartok, Franz Liszt and Joseph Pulitzer are just a few famous Hungarians.

Hungary has capitalised on its ideal geographical position to become a manufacturing, services and logistics powerbase. Good infrastructure, ready-made industrial sites, offices and science parks combined with a good balance of labour costs and quality make it an ideal location for expanding firms to build a presence within Europe's huge consumer market. Some 250 million people are within a 1,000km radius of Hungary.

In business, personal contacts and social relationships remain very important in Hungary and visitors to the country will be treated with warmth and hospitality. Customers will be taken out to dinner in a relaxed environment to discuss business and other social topics.

Hungarian people invest time and emotions in nurturing a long-term relationship. In a trusting relationship, do not be surprised if you are asked personal questions, as this is part of the familiarizing process. A Hungarian business partner can easily turn into a friend. Nevertheless, building a trusting relationship usually takes a long time and the first meeting is characterized by a reserved attitude. Once the ice is broken, Hungarians are rather passionate and their verbal exchanges can be very intense and spirited.

Ironically, Communism reinforced a sense of hierarchy that still resides in many companies. However, Hungarians are creative and their preference is to find ways around hierarchical systems and procedures. They can be motivated to get the job done with undue concern for the process.

In Hungarian culture it is important to avoid mistakes. Expatriate managers highlight the avoidance of employees to take responsibility for a project even when they are encouraged and empowered. This may be due to a fear of failure and being reprimanded – embedded in the culture from the era of communism when the strategy of not drawing attention to themselves was best. This also leads to employees being uncomfortable with negative feedback. However, close supervision, detailed instructions, and creating a supporting environment and incentives for taking initiative will help.

Punctuality is important. If possible, try to arrive about ten minutes before your scheduled meeting time and allow for heavy traffic when travelling in a city, especially in Budapest.