

BUSINESS ETIQUETTE IN THE PHILIPPINES

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Doing business in the Philippines is not difficult at all. Even before the country was occupied by its many colonizers, i.e. the Spaniards, Americans and Japanese, it has always been actively trading with many foreigners like the Chinese, the Arabs, Hindus and the Malays.

Barter was the early form of business wherein Chinese, Arabs, Hindus and Malays would bring to the islands their goods in exchange for native produce of the natives. Today, more sophisticated ways to doing business in the Philippines lead to multi-million contracts.

The Spanish conquistadors introduced Christianity to the Philippines. They saw the islands an ideal hub for commerce with Manila and Cebu as strategic trading ports. The seat of government was first established in Cebu and later moved to Manila in 1571. Spanish colonization lasted from the 16th to the 19th century or 333 years, and was marked by a series of uprisings. Filipinos waged Asia's first nationalist revolution in 1896 and won their independence from Spain on June 12, 1898.

The Americans came after the Spaniards left and introduced their educational and legal systems as well as their democratic form of government. The American ruled for 48 years until World War II broke out in 1941 and the Philippines was annexed by the Japanese for 4 years. The US forces returned to liberate the Filipinos and on July 4, 1946, the Americans finally recognized Philippine independence.

Before a foreign businessman can transact business in the Philippines and create a significant volume of business, one must observe certain practices that are commonly noted in the Philippines. As the saying goes, "*When in Rome, do as the Romans do.*"

I have listed down the top eight most important things to remember when doing business in the Philippines.

(1) Courtesy

Filipinos value respect and courtesy. We respect superiors as well as peers and subordinates. We particular give much respect for elders, women, people with high positions and visitors. Never use foul or obscene language even in a joking

manner. When greeting business partners, a firm and brisk handshake is good with a warm smile on your face. During the initial meeting, exchange of business cards is important and make sure that your business card contains your name, company, mailing and e-mail address, contact telephone & fax numbers and cellphone number. Filipinos like to send text messages a lot as we are the texting capital of the world. Filipinos will do anything to save face when things go wrong. We prefer to discuss nice things in public and unpleasant things in private. We choose carefully the words we use in our meetings especially with foreigners. Coming on time for an appointment or business meeting is normal courtesy. But don't get disappointed when a partner is late because traffic is very bad especially in Manila.

(2) Social Events

An integral part of culture and values is hospitality. We are very good in taking care of visitors and guests. Hence, business partners are treated like extended members of the family. Filipinos in general work hard and are very creative. Thus, after a hard day's work, we like to enjoy ourselves in the company of family, friends, colleagues and partners. Once invited to a party or celebration by a Filipino, it is important that you go along with the activities in the party – dancing, drinking, eating, singing and games. For example, karaoke bar are usually full of young professionals and businessmen who like to relax and sing their hearts out after a long day. In short, be a good sport. It is good to exchange business cards with the people you are meeting for the first time. Because Filipinos eat a lot, meals in parties and festivals are always abundant. A good sense of humor will go a long in establishing rapport with Filipinos because they are fun-loving. Avoid asking very personal questions.

(3) Grooming and Hygiene

Filipinos observe a wide range of grooming styles. When invited to a meeting, it is always safe to wear business attire. When invited to dinner, one may choose to wear anywhere from smart casual to business to formal attire. In some very special occasions, the invitation will even indicate the attire of guests, e.g. Filipiniana, in which case, one must wear a Filipino costume. Do not attempt to be outrageous or different. Decent attire is a must. Filipinos are basically hygienic. They are very particular about how a person smells and his overall health. Do not face your partners without taking a bath.

(4) Dining

When eating in the Philippines, normally the host pays for the bill. The host sits at the topmost end of the table. Sometimes, Filipinos will offer exotic dishes like balut (duck's embryo), dinuguan (pork meat and internal organs in porkblood sauce), bagoong (shrimp paste), etc. It would be good to try local food. If you really do not wish to partake of exotic dishes, politely inform the host or the

server. In some instances, some restaurants or homes will serve dishes Kamayan style (eating with bare hands). In this case, one must first wash well his hands and also after the meal. Filipinos like eating with gusto their food when they use their hands. When drinking especially local concoctions, it is advisable to drink moderately.

(5) Religion & Superstition

Over 85% of Filipinos actively practice their religion which could be Catholicism, Protestantism, Islam or Buddhism. The country is predominantly Catholic. Many Filipinos especially the poor hold on to their faith vigorously. Normally, people go to church on Sundays but some go to churches on special days like Wednesday for Baclaran church and Friday for Quiapo church. Many of the business practices are anchored on the Catholic religion and various ancient superstition. For example, some businessmen do not sign contracts on particular days because they are not auspicious dates. They put symbols and objects in the façade or reception area of their business address to bring luck. When they give gifts or giveaways, for example, wallets, they put a peso bill to bring financial prosperity to the recipient. A priest would bless the factory, office or store of the business to bring good fortune to all the occupants and the entrepreneur.

(6) Equal Opportunities

Filipinos practice democratic ways by giving opportunities to women, persons with disabilities and even foreigners. Thus, it is common to find companies with women occupying high positions. Many companies now hire people with physical handicaps. This is also a growing trend in government positions. There are laws that protect groups regarded previously as disadvantaged groups.

(7) Savings

Filipinos are particularly conscious about savings. They like to have a good bargain – whether they are closing a deal or contract, purchasing raw materials, throwing a party for guests, or simply shopping. They always value money and would like to get the best quality for the lowest price. Thus, when transacting business with Filipinos, it is important to make them feel that they are getting a very good deal to be considered a valuable partner. Many Filipino companies are now engaged in recycling their own wastes, a proof of their conscious effort to save money and care for the environment.

(8) Word of Honor and Integrity

Keeping a promise is so important to Filipino businessmen. Breaking a promise could even lead to major disputes, lawsuits and even boycotts. Make sure that you read carefully and understand contracts before signing. Gentlemen's agreement, i.e. verbal in nature, should have witnesses to make sure that both

parties carry out what they verbally agreed to undertake. Filipino entrepreneurs do not like doing business with people who have no word of honor.

Once these eight major aspects of business etiquette in the Philippines are observed by a foreign businessman, one is guaranteed to adapt well to the Filipino business culture. China and the Philippines have been trading partners for centuries now. Businesses between the two countries have flourished particularly in the food processing, garment merchandising, tourism and education sectors.

In this era, we are looking forward to a more vibrant set of economic activities to create synergy between China and the Philippines. As your Prof. Andrew Wang (Guo An) lectured Filipinos on Chinese Business Etiquette in August, it is my distinct pleasure to deliver this lecture on Business Etiquette in the Philippines. Thank you.

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