



The Philippines

The Philippine Islands became a Spanish colony during the 16th century; they were ceded to the US in 1898 following the Spanish-American War. In 1935 the Philippines became a self-governing commonwealth. Manuel Quezon was elected president and was tasked with preparing the country for independence after a 10-year transition. In 1942 the islands fell under Japanese occupation during World War II and US forces and Filipinos fought together during 1944-45 to regain control. On 4 July 1946 the republic of the Philippines attained its independence.

The Philippines, or the Republic of the Philippines, has a large population of around 108 million. Unlike neighbouring countries, the influence of Islam has been limited. Many western values have been assimilated through the Roman Catholic Church and the legacy of US colonial rule. Issues such as 'loss of face' and group orientation are still very influential, but exist alongside a fierce sense of personal pride and dignity. Society tends to be hierarchically structured as in most Asian countries but is more informal than countries such as Japan or Korea.

Most large Filipino companies are controlled by members of a small number of key families and structures tend to be hierarchical. As most decisions are made at the top, it is imperative to have good contacts at this level. In the early stages of developing contacts with Filipino organisations, it is important that senior level contacts are not insulted by meeting junior employees from your firm.

Leveraging relationships is an important element when negotiating in the Philippines. To Filipinos, negotiating is usually a joint problem-solving process. While buyers are in a superior position, both sides in a business deal own the responsibility to reach agreement. They expect long-term commitments from their business partners. The primary negotiation style is co-operative and maintaining harmonious relationships is important. While each party is expected to pursue their best interests, Filipinos disapprove of competitiveness and strive to find win-win solutions.

Management style tends towards the paternalistic. However, people are careful to ensure that others do not suffer embarrassment or any sense of shame ('hiya') as a result of their own actions. It is considered bad behaviour to criticise another. Therefore, managers treat subordinates with respect whilst, at the same time, maintaining the dignity of the position of boss. Instructions are given clearly and precisely and subordinates are expected to follow those instructions with little or no discussion. Also, relationship bonds run deep in Filipino culture and the manager expects loyalty. In return for this loyalty the boss will look after the interests of those subordinates. It is very much a reciprocal arrangement.

Time can be elastic in the Philippines and some western business people can feel frustrated with the pace of progress in meetings and in negotiations generally. It is certainly not unusual for meetings to start late. It is important, however, that that you arrive punctually in order to show the right amount of respect.

The concept of 'pakikisama' or getting along smoothly with everybody is very strong and, therefore, Filipinos tend to be non-confrontational (unless their sense of personal dignity seems to be under attack). People go out of their way to help other team members and to be seen to be helping.

The official languages of the Philippines are English and Filipino, a standardised dialect of Tagalog. However, many other languages and dialects are spoken as well. The Filipino communication style still owes much to its Asian roots and the use of diplomatic and coded language can make comprehension somewhat difficult. As in many other Asian countries, people find it extremely difficult to say 'no'. In addition, smiles should not be misconstrued as agreement or pleasure in what has been discussed – they can just as easily be used to hide embarrassment, annoyance or disagreement.

In the Philippines' business culture, the respect a person enjoys depends primarily on his or her age and status. You will commonly find leaders in senior roles to be of advanced age. It is important to treat elderly people with great respect. Admired personal traits include humility, politeness, modesty, and graciousness.

Filipinos can be enthusiastic conversationalists when in a happy, cheerful mood. However, people generally speak softly in the Philippines. Loud and boisterous behaviour is perceived as a lack of self-control. Listen carefully when another person is talking. Interrupting others may be considered offensive. Silence is rare and may signal a problem.

Names are usually given in the order of first name, family name. Upper-class Filipinos often have two family names, the first one from their father and the other from their mother. Use Mr/Mrs/Miss plus the (father's) family name. If a person has an academic or professional title, use it instead, followed by the father's family name. Don't be surprised if you meet a person who appears to have different 'formal' and 'casual' names – the use of nicknames is widespread, and Filipinos may even show their nickname on their business cards.

Filipinos generally employ a polychronic work style. They are used to pursuing multiple actions and goals in parallel. When negotiating, they may jump back and forth between topics rather than addressing them in sequential order. Negotiators from strongly monochronic cultures, such as Germany, the United Kingdom, or the United States, may find this style confusing, irritating, and even annoying. In any case, remain positive and do not show irritation or anger when encountering this behaviour.

Compared with other Asian countries, women are relatively liberated in the Philippines. However, machismo attitudes remain strong. Women do not attain positions of similar income and authority as men. Female business travellers should exercise caution and act professionally in business and social situations.