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**BUILDING INTERCULTURAL PARTNERSHIPS**

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# Working with a Filipino Partner

A Guide to Establish Effective  
Cross-Cultural Communication and  
Working Relationships in Philippines

IN - COUNTRY  
ORIENTATION  
PROGRAM  
(ICOP)

**MANILA  
PHILIPPINES**

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CENTRE FOR INTERCULTURAL TRAINING (CIT)  
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)

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## Working with a Filipino Partner

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Contact:  
Centre for Intercultural Learning  
Canadian Foreign Service Institute  
115 Bisson Street  
Gatineau (Hull Sector), Quebec J8Y 5M2  
Tel.: (819) 997-1197  
Tel. toll-free (in Canada): 1-800-852-9211

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## CONTENTS

<b>Foreword</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>5</b>
<b>What is a Partnership?</b> .....	<b>6</b>
<b>Working with a Filipino Partner:</b> .....	<b>7</b>
How it Differs from Working with a Canadian Partner	
<b>Understanding Filipino Culture</b> .....	<b>9</b>
Relationships .....	9
Faith .....	10
Humour .....	10
Reciprocity .....	11
Leadership Styles .....	11
Other Cultural Characteristics .....	12
<b>Communicating Effectively with your Filipino Partner</b> .....	<b>14</b>
<b>Working Effectively with your Filipino Partner</b> ..	<b>16</b>
Education and Research Sector .....	16
Background .....	16
Structure .....	17
Issues .....	18
Advice to Canadians .....	19

**Business Sector** ..... 20  
    Background ..... 20  
    Structure ..... 21  
    Issues ..... 21  
    Advice to Canadians ..... 22

**Government Sector** ..... 23  
    Background ..... 23  
    Structure ..... 24  
    Issues ..... 24  
    Advice to Canadians ..... 25

**Co-operative Sector** ..... 26  
    Background ..... 26  
    Structure ..... 27  
    Issues ..... 27  
    Advice to Canadians ..... 27

**Non-governmental Organization Sector** ..... 28  
    Background ..... 28  
    Structure ..... 28  
    Issues ..... 29  
    Advice to Canadians ..... 29

**Conclusion** ..... 31

**References** ..... 32

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## **FOREWORD**

*Working with a Filipino Partner* is one in a series of guides designed to help Canadians and Asians work together effectively. The idea for the series came from years of experience preparing Canadian technical advisors for work in developing nations and their foreign counterparts for missions to Canada as part of Canada's international development assistance programs. Although many guides were available to help them prepare for culture shock and learn the practicalities of living overseas, there were few good resources to assist them in developing effective working relationships, one of the most challenging and critically important aspects of their overseas experience.

The guide is modeled after *Thais Do Business the Thai Way*, which was produced by the SVITA Foundation of Bangkok for CIDA.

*Working with a Filipino Partner* is for Canadians who work with Filipinos in a business, official, or international development capacity. It offers practical advice on forming partnerships and alliances based on trust, understanding, and effective communication.

Judith A. Banning and Gina M. Ordonez prepared the original draft under the direction of Nancy Perez, and later, Celine Castillo-Macy, Coordinator of CIDA's In-Country Orientation Program in Manila. CIDA staff in the Philippines provided additional assistance. Stiles Associates Inc. of Ottawa revised and edited the guide.

We welcome your comments, suggestions and insights for subsequent editions. Please write to us or send us a facsimile message. We hope your stay in the Philippines is rewarding.

Claire Trépanier  
Program Manager, Asia

Centre for Intercultural Training  
Canadian International  
Development Agency  
200 Promenade du Portage, 8th floor  
Hull, Quebec  
CANADA  
K1A 0G4  
facsimile (819) 994-0084

## **INTRODUCTION**

The global nature of our economy requires people to live abroad and travel internationally for work in the private, public, and non-governmental sectors. Whether you are taking part in a development project or a business venture, you want it to be successful and rewarding. But success has eluded many Canadians despite their professional expertise or business acumen. Why? One reason is cross-cultural misunderstanding. Canadians are prone to underestimate the cultural differences between themselves and Filipinos.

Although there is an abundance of literature on Filipino culture, what separates *Working with a Filipino Partner* from the rest is that it concentrates on the workplace. It aims to give you, and newly-arrived Canadians like you, an outline of what you may encounter in the Filipino work environment. It focuses on the values

that affect how work is done, how Filipinos perceive and interact with Canadians, and how Canadians can communicate effectively with Filipinos. It presents contextual information about Filipinos and their organizations. It provides advice for establishing cohesive working relationships in five sectors: education and research, business, government, cooperatives and non-governmental organizations (NGOs).

How can I get my work done efficiently? How can I motivate others? How can I avoid making that dreaded faux pas, the one that delays the project, breaks trust or ends a major business deal? *Working with a Filipino Partner* provides answers to these and other critical questions related to the Filipino work environment. Moreover, it gives you practical advice to make your stay in the Philippines enjoyable.

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## **WHAT IS A PARTNERSHIP?**

A partnership is an alliance or relationship with reciprocal obligations. Successful partnerships are often based on trust, equality, and mutual understanding. Partnerships can be formal, where each party's roles and obligations are written into an agreement, or informal, where the roles and obligations are assumed or agreed to verbally.

Partnerships require sharing resources, talents and strengths, and problems and risks, too. Filipinos who were interviewed for this guide, urge Canadians to treat their Filipino partners as equals. Many Canadians do not allow their Filipino counterparts to make decisions. Too many undervalue their skills and experience. True partners recognize, appreciate and, where possible, accommodate each other's points of view. They acknowl-

edge the mutual benefits of their alliance and respect each other's differences.

Canadian research points to a number of common characteristics among successful overseas advisors. They treat counterparts as equal partners; they spend time with the nationals professionally and socially; they take an interest in their counterpart's culture and language; and they are unconcerned with racial or status differences (Kealey 1990).

Strong partner relationships are at the core of every successful overseas assignment. Relationships that break down often end in bitter feelings, lost time and wasted resources. Whether you choose a counterpart or one is assigned to you, many challenges lie ahead.

## **WORKING WITH A FILIPINO PARTNER:** *How it Differs from Working with a Canadian Partner*

Over the last 20 years, many Filipinos have immigrated to Canada to work as nurses, garment makers and domestic helpers. Most have successfully integrated into Canadian society. Canadians think of Filipinos in this western context. Few realize the extent to which Filipinos have had to adjust to a Canadian way of life, and, conversely, the adjustment they would have to make if they were to move to the Philippines. Why is this so?

When you arrive in the Philippines your Filipino partner's warm greeting and fluent English are reassuring. You see western clothes, restaurants, hotels and shopping centres. However, you soon begin to realize that beneath the western veneer lies a country and a culture that are vastly different. Statistics underscore the differences. The Philippine annual per capita income is less than \$850 (U.S.) and almost half the population lives below the poverty line.

The most common mistake Canadians make is to assume everyone understands English. When you have your first misunderstanding with a Filipino, usually over something very minor, it will leave you feeling frustrated and

tense. Once you acknowledge the language difficulties and the fact that many Filipinos find it hard to admit to not understanding, you will begin to appreciate the communication problems both parties face.

Many Filipinos will respond to your questions with a polite smile or a "yes," followed by a giggle. This is a face-saving way of saying they do not understand. When you ask to speak to someone on the phone, receptionists will reply, "for a while," and abandon you. This is their way of asking you to hold while they look for an English-speaking person to help you.

In Manila, pollution, traffic congestion, power interruptions, seasonal water shortages, floods and inadequate public transportation will affect the ability of you and your team to get things done. To get to and from work in Manila many Filipinos have to travel for hours on crowded, dusty jeepneys or buses, breathing toxic fumes along the major thoroughfares. Many have to endure nights with little sleep, owing to the heat, humidity and crowded living conditions. Yet most arrive on the job cheerful and immaculately dressed. During hot weather

when frequent brown-outs (electricity stoppages) occur, many workers become irritable, listless and disoriented. Productivity falls and may not rise again for some time.

All this will affect *your* life, at home and on the job. Your office may be uncomfortable (if you have one at all);

you may have to share a telephone; you may be without a computer and a fax machine; and you may experience frequent work stoppages for a host of reasons. (Some government offices shut down when they run out of paper.) Canadian standards of efficiency cannot be applied to your new work environment.

## UNDERSTANDING FILIPINO CULTURE

Filipino cultural values are intertwined and not easily categorized. Some values rooted in Malay culture have been influenced by the Spanish and American conquerors. Others have been shaped by the Chinese and

Dutch. Centuries of coping with military insurrections, volcanic eruptions, earthquakes and typhoons have also influenced Filipino perceptions and behaviours.

### Relationships ♦ ♦ ♦

#### Family

The family is central to Filipino community organization and social interaction. Many businesses are family-owned and operated. The first priority of most Filipinos is the welfare of the family. Family includes immediate members, grandparents, aunts, uncles and cousins, as well as *barkada*, the peer group. In some instances, loyalty to a peer group, whether a professional circle or a street gang, may supersede loyalty to the family. The *barkada* gives individuals psychological and economic support and group identity.

Relationships are more important to Filipinos than tasks. Your first meetings with Filipinos should focus on getting to know one another. Your partners must feel they understand you and that there is harmony in your relationship before work can proceed. This national characteristic can be frustrating for Canadians who like to get down to business quickly.

Filipinos value giving and receiving moral support. Office workers celebrate their colleagues' birthdays, and people invite their work colleagues to family celebrations. You are likely to develop a close personal relationship with your support staff. They will protect you and remain forever loyal. When they ask for your assistance, help them. Show concern for their well-being.

#### Food

Food plays a major role in relationships. Filipinos never eat alone and are very uncomfortable when someone does. You will make a major social gaff if you ignore invitations for lunch and eat at your desk. Take every opportunity to socialize over food. Even the poorest communities honour guests with meals. The poor will serve guests the best and freshest food, even if it means going without themselves. To refuse food, especially under these circumstances, is a major affront. It does not matter how much you eat, rather that you graciously accept the hospitality.

### **Personal contacts**

Filipinos have a very non-western way of handling large bureaucracies and their rules, regulations, and procedures. They often seek out family or community members to deal with

bureaucracies on their behalf. For example, they may ask someone with good contacts to help to obtain a passport, pay a fine or deal with any corporate structure. It is a more personal approach. Knowing the right people is an important survival factor.

### **Faith** ♦ ♦ ♦

Filipino culture is rooted in ritual and Roman Catholicism. Because of their deep faith, Filipinos think of and accept reality as part of God's will. They accept tragedy and joke about it. Their faith gives them optimism, inner peace, patience, endurance and the courage to act despite uncertainty.

ties. You will meet with disapproval if you declare yourself atheist, agnostic, or non-practising.

Friday masses are common in office settings. Your colleagues may invite you to their church or to gatherings of such groups as Couples for Christ. In the larger centres, your Filipino partners will understand if you decline politely, perhaps stating that you belong to another faith. You may be unable to decline so readily in the provinces, where people will expect you to participate in religious activi-

Religion often plays a role in making important work decisions. Don't be surprised when your colleagues disclose that they have prayed or said the Rosary so that their favoured decision is taken. Never ridicule or joke about such matters.

Some observers say Filipinos' acceptance of life masks a lack of initiative. Others argue that Filipino passivity is a learned response that stems from lack of opportunity. In dynamic work settings, however, you will likely find Filipinos who are as zealous as most Canadians.

### **Humour** ♦ ♦ ♦

Humour is a major source of psychological strength for Filipinos. It helps them cope with political strife, economic hardship, power outages and traffic jams. Filipino puns and jokes

are legendary. A lively sense of humour gives Filipinos a pleasant disposition and helps maintain their emotional balance. During a crisis, they are able to laugh at themselves

and make jokes to relieve tension. Meetings usually begin with joking, and Filipinos use humour to overcome

impasses. Humour reflects the population's healthy disrespect for power.

### **Reciprocity** ♦ ♦ ♦

Reciprocity, which Philippine society values highly, is implicit in almost all personal and group relationships. Locally, it is known as *utang na loob* or debt of gratitude. Once incurred, social and moral obligations must be repaid, favours returned, and assistance acknowledged and reciprocated. Filipinos do not normally accept financial compensation as a means of settling a social debt.

to gain acceptance. It is as simple as remembering to bring colleagues small gifts when you return from a business trip, or extending social invitations to those who have invited you to dinner. It is standard practice to offer perks when establishing business relationships. For example, when negotiating a business deal, it might be prudent to offer the top Filipino executive a trip to Canada. It is all a part of the *utang na loob* concept.

Reciprocity in the work setting must be understood and respected if one is

### **Leadership Styles** ♦ ♦ ♦

#### **Paternal leadership**

There is a good deal of discussion about paternalism and its role in the Filipino workplace. Some argue it doesn't exist; others say it does. Paternal leaders are often responsible, morally upright, and compassionate. Consultation, persuasion, consensus, and strict discipline are essential components of this leadership style. Paternal leaders lead by example.

#### **Authoritarian leadership**

You will encounter many examples of authoritarian leadership where decision-making is reserved for the top brass and consultation is unheard of. For example, it has been reported that the leaders of some large industrial and retail operations terminate their junior staff before they become eligible for social benefits.

## **Other Cultural Characteristics** ♦ ♦ ♦

### **Hospitality and generosity**

Filipinos are hospitable and extremely generous. They will be eager to assist you, and they will welcome you openly. They will put their best foot forward, bestowing on you, their guest, gracious generosity.

### **Socializing**

Filipinos love to have fun. They love music. They frequently sing at parties, accompanied by a guitar or karaoke. Karaoke is so popular that Filipinos will expect everyone, including you, to take up the microphone.

### **Personalism**

Personalism is the quality of being personal. Filipinos view the world in terms of personal relationships. They make no distinction between the task and the person performing it. Filipinos tend to take things personally and look between the lines of conversation for the real meaning. If you criticize or praise a task, it may be mistaken as criticism or praise for the individual who performs it.

### **Privacy and confidentiality**

Personalism explains what Canadians perceive as a lack of respect for privacy among Filipinos. They ask personal questions such as: "How old are you?"; "Are you married?"; "Do you have children?"; "Why not?"; and "How much rent do you pay?"

Consider your answers carefully. A complete answer is not always advisable or even expected. Be aware that your staff will read your incoming and outgoing faxes and talk about them openly, not realizing they may be infringing on your privacy.

### **Harmony**

Harmony is of paramount importance in Filipino relationships. Individuals seldom speak out. Students refrain from questioning their teachers because it risks upsetting a harmonious relationship. Such behaviour appears timid to foreigners, but to Filipinos, it illustrates courtesy, politeness, respect and the high value ascribed to harmony.

### **Respect for Authority**

Canadians usually refrain from using formal titles when referring to people after the first few meetings. Filipinos do not so readily discard titles because they regard them as a sign of respect. Use titles, even with your direct counterpart, in any public forum, including departmental meetings. On the telephone, always ask for your colleague formally, never by first or last name only. Filipinos show a high degree of respect for senior executives and academics.

### **Shame**

*Hiya*, shame, is the greatest insult in Filipino society. Filipinos never

criticize each other in public or in front of friends because it can bring shame. Never criticize a Filipino colleague in the presence of another. Never criticize a western colleague in front of his or her Filipino spouse. Filipinos are unlikely to forgive such insulting behaviour.

One of the more negative ramifications of *hiya* is that Filipinos may abandon a project or avoid innovation and change because they fear that failure could bring shame to the individuals, the work team and their families.

### **Group work**

Filipinos place more emphasis on group work than on individual achievement.

### **Flexibility, adaptability and creativity**

Flexibility, adaptability and creativity are the result of Filipinos having

endured Spanish and American domination, corrupt dictatorship, and countless natural disasters. Filipinos tolerate ambiguity and uncertainty, and know how to compromise. Canadians are often amazed at how Filipinos work the system. Rather than follow a contract to the letter, they will pinpoint the desired result, and choose the best way to get there, given the time and resources available to them. When they miss, they settle on similar or alternative goals. Canadians who insist on following the letter of the contract become frustrated and are critical of their Filipino partner's flexible approach.

### **Time**

Filipinos are relaxed about time. Meetings typically begin 15-30 minutes after the appointed hour. Dinner guests may arrive up to two hours late. Filipinos joke that they never set out ahead of time for an appointment or social engagement.

## **COMMUNICATING EFFECTIVELY WITH YOUR FILIPINO PARTNER**

### **Smiling**

Effective communication begins and ends with a smile. You can never smile too much in the Philippines. When a new ambassador arrived at the Canadian Embassy in Manila some time ago, one of the embassy drivers was asked what the ambassador was like. He replied, "Well, he has a nice smile." A smile and a handshake are the standard way to greet male and female colleagues. Should your smile fade and a stern or serious look cross your face, tension may mount and harmony fade. If smiling does not come easily to you, look for other ways to convey warmth and friendliness.

### **When "yes" means "no"**

Be wary of situations where your questions or plans meet with silence or hedging. A "maybe" or a less-than-enthusiastic "yes" could signal that your plans will go nowhere. It might also mean that your colleagues can not meet your expectations. They fear that telling you directly might embarrass you or create disharmony.

### **Non-verbal communication**

Filipino non-verbal communication is dynamic. Often, with no verbal accompaniment, the lips smile, the eyebrows arch, the head bobs, the

hands gesture. You may find the verbal message in a conversation opposite to the non-verbal message. Observe carefully and question, always clarifying verbal and non-verbal signals.

Whenever possible, meet with your Filipino colleagues face-to-face. Telephone conversation will not give you the full message. Lifting the eyebrows may be a greeting or an acknowledgment of another's presence. Shaking the head from side to side, sometimes accompanied by a "maybe," means "no." An abrupt backward toss of the head with hard eye contact is a challenge. Fixed eye contact is regarded as provocation. Gestures add emphasis to words. Explore the meaning of other gestures, and note how they differ from those used in Canada. For example, in the Philippines an O.K. sign means money.

### **Silence**

Learn to read silence; it is used as a way to avoid confrontation and prevent conflicts. One Canadian tells a story about key members of a project sitting around a table where they were discussing dates for their next meeting. They settled on the following Monday. When Monday arrived, two

important Filipino members were absent. They were out of town on trips that they had planned long before. Rather than reveal something that could have been considered negatively, they chose to remain silent. Canadians interpreted the silence as agreement when it was a sign of problems ahead.

### **Writing**

By Canadian standards, Filipino writing is elaborate, reflecting the courtesies and formalities of Filipino society. People use the passive voice in sentence construction more than the active voice. Generally, Filipinos answer questions indirectly and rarely express differing or critical opinions. Debate is handled verbally, rather than in writing.

## **WORKING EFFECTIVELY WITH YOUR FILIPINO PARTNER**

Organizations have cultures and traditions in the same way groups of people do. Canadians working in the Philippines need to be aware of

organizational cultures and traditions and their influence on behaviour and attitudes. We examine five major sectors from this perspective.

### ***Education and Research Sector*** ♦ ♦ ♦

#### **Background**

Although literacy rates rose from 88% in 1988 to about 94% in 1993, the Philippines is unlikely to achieve its goal of 98% by the end of the century. Education is compulsory for children 7-13 years of age. It is free at the primary and, in some areas, the secondary level. Still, poverty is the single most important reason for children not attending school or leaving early. In rural areas, many families need their children to help in the fields. Rather than go to school, the children of many homeless families beg or pick garbage. Many families cannot afford to buy school supplies and uniforms for their children.

College or university graduates are often skilled in areas where there are few jobs, while there is a shortage of skilled labour in other areas. For example, the Philippines has a growing number of electrical engineers, but few electricians. With no opportunities to practice their profession and few employment alternatives,

many graduates leave the country, join the ranks of the unemployed, or seek retraining.

Most university professors have post-graduate degrees from abroad. Many have extensive research or consulting experience with national and international organizations. At the college level, however, it is common to find a 30-year-old dean with a master's degree. Generally, educators take on as much contract work as they can because they are poorly paid.

Traffic jams, power outages and poor telephone service have resulted in fewer off-campus events in recent years. Brown-outs make it difficult for students to complete their assignments and teachers to schedule classes. During periods of frequent brown-outs, communities often provide a place with power during the evening so students can do their work.

Filipino university students are younger than their Canadian counterparts. With two fewer years of

secondary schooling, they enter university when they are 16 or 17 years old. Their behaviour and the problems they experience are typical of their age.

Filipino universities and their graduates excel in fields such as agriculture and forestry. Universities attract international students, including many from other Asian countries. Class sizes are large and contact between the teachers and students is minimal. Students generally ask few questions, unless strongly encouraged. Filipino academic institutions employ many more support staff than Canadian academic institutions. The support staff are fiercely loyal to their bosses.

### **Structure**

The Philippines has a formal and non-formal educational system. The Department of Education, Culture and Sports (DECS), which has a larger budget and staff than any other department, oversees both systems. DECS employs more than 440,000 public school administrators, teachers and support staff. Its budget is, however, inadequate to meet the demand for buildings, teachers and materials.

Private schools, profit and non-profit, sectarian and non-sectarian, provide an alternative to the public school system for people who can afford

them. They account for 11% of all elementary and secondary schools. They generally hire better-qualified teachers and offer better facilities than public schools. Predominantly Catholic—many with Spanish or American roots—they set their own curricula and achievement standards, but follow national guidelines.

There are many colleges and universities. Eighty-five percent of them are privately owned; about half are located in Metro Manila. They generally follow the American model of education where government involvement is considerably less than in the Canadian system of colleges and universities. Religious orders control many schools, much as they did in Canada years ago.

The University of the Philippines, a state university, has five campuses. It is one of four universities rated highly by Canadians working within the system. The others are the University of Santo Tomas, Ateneo de Manila University and De la Salle University. Manila-based universities receive the bulk of public funding. Recently, however, funding agencies have begun to provide more support to institutions outside Manila.

The non-formal system provides education for people who lack access to the formal system. They include

drop-outs, the illiterate, unemployed women, natives, and other disadvantaged groups. The non-formal system has the capacity and a broad educational mandate to respond to community needs. For example, one program teaches local tuna fishermen simple arithmetic so that the companies purchasing their catch cannot exploit them.

### Issues

Nationalism is increasing within academia. Pilipino, the country's official language, is becoming the primary language of instruction, even at the university level, much to the chagrin of some academics who feel a strong connection to the United States and wish to preserve the American university tradition. (The University of the Philippines, for example, is modeled after Cornell, Michigan, Ann Arbor and Stanford.)

Associate professors earn about \$400 a month, less than what a Filipino domestic worker would earn overseas. Low pay contributes to a high turnover among young university lecturers. There is less turnover at the associate professor level since the privileges that come with the position make the low salary more tolerable.

Women generally have a prominent role in the education sector, although some say women who make it to the decision-making level are atypical. Women make up a large percentage of the university faculty and over half the student body.

Professional jealousy and bitter rivalry over rewards and promotions are intense during the selection of department heads and deans. The rivalry affects support staff who compete among themselves in support of their superiors. The competition often leads to conflict.

Academics guard their freedom and independence, even though politicians often label them leftists, centrists or rightists, and accuse them of being slow to accept new ideas.

Without foreign assistance, many academics would be unable to do research. Academics are pleasant to work with, accommodating, and eager to meet your requirements. They respond equally well to Canadian men and women. They may not tell you if they are unable to meet deadlines or undertake work that is too difficult. They may simply hint at certain problems or let you discover them yourself.

Academics not under your employ may be more open with you than those you hire. They may ask you about a new theory or technology. Academics will observe how you respond to situations and solve problems. They will defer to you at first out of courtesy, but will silently take note of how much you know. Unless they have asked for your opinion, they may take offense if you tell them what to do.

### **Advice to Canadians**

First, establish a personal relationship with your partner. Set aside time to get to know your partner. Be open about your life and experiences. Carefully consider how to explain your role. Some advisors suggest asking your partner, or a Filipino of higher status, to describe your role to other Filipinos.

**Listen.** Some Canadian advisors recommend that you not volunteer too much (especially opinions) for the first six months. As you work and get to know your colleagues, you will be able to make more valuable contributions to the tasks at hand.

Never underestimate the abilities of your Filipino counterparts. They are knowledgeable and know where they want to go. Work with them as your

equals. For example, one group of Canadian educators designed a project that involved several Canadian short-term advisors. Their Filipino team members asked the Canadians to change the title from advisors to associates in order to put everyone on the same level.

For some Filipino academics, the greatest challenge in an intercultural partnership is to develop mutual respect. It can be especially difficult if your Filipino partner has had an unpleasant experience with foreigners in the past.

Be careful not to offend your counterpart's nationalistic sentiments. Filipinos who want to develop their own models and bring their own way of thinking to the educational system will resent anything that suggests of foreign cultural imperialism. Explain what you know about education in Canada. Let your Filipino counterparts decide what is appropriate to transfer. Let them ask questions and learn. Learn as much Pilipino as you can. It may soon be a necessity for everyone in the academic field to speak Pilipino.

What works in Canada may not work in the Philippines. You can, however, adapt some Canadian organizational models, management systems and

technologies. For example, a Filipino-Canadian model of training teachers to respond to community needs worked so well that it was replicated widely in the Philippines and exported to other Asian countries.

Respect elders and authority. Use formal titles such as Doctor and Professor when other colleagues are present. This rule applies to your counterpart, too. Never question your colleagues' judgement publicly, especially if they have been around the system for some time. Meet with them privately instead, and proceed tactfully.

In the past, the education system discouraged discussion and debate among students and teaching faculty. Many teachers are now working to change this and would appreciate information on participatory instructional methods.

Filipinos rarely work alone. You may create negative feelings among your Filipino colleagues if you work by yourself. Loners may become the target of prying or have vital information withheld from them.

You may think that your Filipino counterparts, who take on projects in addition to yours, lack commitment. Remember that they need additional work to supplement their incomes.

Evaluations are problematic. Because there is little separation between people and their work, it is difficult to evaluate job performance without offending people. Find other ways to bring about improvements. Use a Filipino intermediary to carry the message. It may take time before you are comfortable operating this way within the Filipino system.

## ***Business Sector***    ♦    ♦    ♦

### **Background**

A major goal of the Philippines 2000 program is to move the country to the status of a Newly-Industrialized Country by the end of the century. To accomplish this goal, the national government is trying to make the Philippine economic climate more conducive to investment and trade. It is minimizing its intervention in business and offering tax breaks to the

private sector, as it has done in the Subic Bay Freeport Zone.

The national government wants the private sector to lead the Philippine economic development and recovery. In order to assist, the national government has promised to improve peace and order, develop better infrastructure, and reduce power outages.

The Philippine labour force is well educated and many workers are proficient in English. Although there are many Filipinos who excel in mechanics, it is difficult to find people skilled in technical areas. You may have difficulties training workers to advance their technical skills.

### **Structure**

Power is concentrated in the hands of a few in the private sector. About 30% of companies operating in the Philippines control about 70% of all commercial activity. The dominant companies control the consumer, banking, trading and real estate markets. Many of them are family owned and have Spanish or Chinese origins.

The Makati business district is foremost among the industrialized areas of the Philippines, followed closely by the city of Manila, Quezon City, Cebu and Davao. Calabarzon, which is composed of the provinces of Calamba, Laguna, Batangas, Rizal and Quezon, is a new industrial area near Metro Manila where the government is promoting business development.

Export processing zones and industrial parks host foreign manufacturers, among them Japanese, Americans, Germans, Taiwanese and Koreans. They bring state-of-the-art technology and equipment to the Philippines.

### **Issues**

Although profit and personal economic security are high priorities, business people are also concerned with social acceptance, self-esteem, respect, social mobility, and job satisfaction.

Political ties are important in the Filipino business world. Political connections are helpful in getting contracts, permits and information about government initiatives before they become public knowledge. The government frequently appoints people from the business sector to head commissions, publicly-owned companies or government departments.

Most businesses start as a family enterprise. As they expand, the owners hire trusted friends and associates. Family ties make for cohesive management. Top-level managers and owners make most decisions. Mid-level managers often waive the right to make decisions, even those that involve small amounts of money. (What amounts to small or large sums of money is relative. For example, a small or medium-sized business would consider \$2,000 a large sum.)

The matriarchal Philippine family enables women to play powerful roles in family businesses. Even though many Filipino wives stay at home, they influence their husbands'

business decisions. Today, many Filipino small businesses—those selling everything from fashion to automobiles—are owned and managed by women.

Management styles vary with the company. They range from western or Japanese methods to the individual modes of family owners. Sanctions, not rewards, are usually the norm. With a huge available labour force, owners often exploit lower-level staff, particularly in large companies.

Filipinos say their way of doing business, compared to Canadian business practice, is less by-the-book. A Filipino considering a business deal is likely to ask, “Do I know this fellow?”; “Do I like him?”; “Do I know his father?” As the businesses grow, the business practices become more conventional.

### **Advice to Canadians**

Filipinos will receive you warmly and treat you with respect if you adhere to an advisory role. They will listen to your opinions, although they may not act on all of them.

If you are setting up or expanding a business, the managers of established companies and banks will be straightforward. Small firms that want your business may promise to deliver goods without specifying the dates, amounts,

or other important information. Ask directly for details and be sure they understand what you want. If possible, get the terms in writing. These firms will want to please you and will likely agree to most of your requests. If they are unsure of filling your order, they may not tell you, or they may not show up to reconfirm. It is often best to deal with a vendor recommended by a friend or business colleague.

To start or expand a business, you will need an agent resident in the country and probably a Filipino partner as well. Both will help you work the system. An agent is essential to help you get through the rules, regulations and procedures. Moreover, your agent will ease communication and negotiations.

When approaching a company for the first time, make your appointment with the highest level executive available. Use the telephone or facsimile from Canada to make the appointment. Letters receive lower priority. Confirm your meeting once you arrive in the Philippines and set aside most of the day for the appointment. Don't be upset if you are kept waiting. Filipinos take pride in their attire; you should do the same.

The first meeting is crucial. A business agreement will not proceed if the partners dislike or mistrust each other. Your agent should go with you to the

meeting. To avoid any cultural misunderstanding, it may be wise for you to say as little as possible until you know the rules. Most Filipinos will give you a certain amount of leeway. You should never place them in an embarrassing situation or point out something they have been doing wrong. If someone in your party makes a gaff, apologize, regardless of whether he or she was right.

Smiles are essential. Sometimes they help defuse potentially embarrassing situations. You must communicate harmony and congeniality. The first meeting is to make acquaintances. The business at hand may go without mention until the end of the meeting when you request a second appointment. If your partners treat you to lunch or dinner, you should reciprocate.

It is your decision whether or not to negotiate or bargain. If you are not in

a position to negotiate, be frank about it. If you decide to negotiate, do it in a relaxed manner without frowning or scowling. Back off if tensions develop and seek to restore harmony.

Because Filipinos are reluctant to say no, it may be difficult to determine when you have an agreement. You may wish to follow up with a letter of understanding and, later, a formal contract.

Go easy on promoting Canadian ways of doing business. Your Filipino partners may outwardly agree with your advice, but inwardly resent it. Try to understand and appreciate the Filipino business approach.

Some Canadians have had difficulty getting paid for work completed or goods delivered. Most transactions should be on a cash-on-delivery basis.

## ***Government Sector*** ♦ ♦ ♦

### **Background**

Since the end of the Marcos era, the Philippine government sector has experienced radical shifts as it attempts to redefine its role and deal with the country's problems. Rapid change has created turmoil within the public service, resulting in the loss of many skilled bureaucrats.

Lack of funds—caused, in part, by inadequate tax collection—has handicapped the government. Public facilities are run down, the salaries of public servants are low, and there is very little money for new equipment, repairs and office supplies. With insufficient resources, the government faces difficulties implementing

essential programs for recovery, such as economic development, electrical power generation, peace and order, education, and family planning. Many programs fail or never materialize. The government is, therefore, eager to attract foreign aid to help it meet its development targets.

### **Structure**

The Philippine government is based on the American model, with legislative power vested in a bicameral Congress, consisting of a Senate and a House of Representatives. A president heads the executive branch of government. The legislature passes laws affecting specific government sectors and the president appoints secretaries to these sectors to oversee their day-to-day activities and implement the laws. The secretaries have a role similar to cabinet ministers in Canada. They are not, however, accountable to a constituency, something most Canadians find hard to accept.

Failure to adequately define the functions of the policy, regulatory and executive areas of government is among the problems inherent in the Philippine system. Policy direction is split between the legislative and the executive, resulting in what appears to be weak leadership and little consensus on the goals of each sector. There is frequent conflict as a result of overlapping mandates. One consultant

compares working in the system to living in a pinball machine; people bounce off each other and set off bells and whistles. In the confusion, politicians, big business and special interest groups readily manipulate the government.

Government technocrats have much less power than they do in the West. Decision-making is much more autocratic and top-down. Often the secretary and an inner circle of close advisors make most of the decisions, leaving senior bureaucrats with little influence and stature.

### **Issues**

There is no common perspective within the huge government bureaucracy. However, you will likely find that your Filipino counterpart is an effective worker, as competent and as ethical as your Canadian colleagues.

When supported from the top, Filipino civil servants are creative in achieving their goals, often using innovative and unconventional methods. Law and official policy may say one thing but, Filipinos believe they should not stand in the way of getting things done.

Salaries are low. Division chiefs earn between \$200 and \$500 per month, administrative secretaries earn about \$100. As a result, many employees with several years of experience are

drawn to private industry where they can earn double their government salary, even at the entry level. There is little movement from private industry to the public service except for political appointments to secretary and undersecretary positions. The annual salary for an undersecretary is about \$10,000. Many of the political appointees are wealthy. Their motivation comes from a desire to serve their country.

Despite the low pay, there is a high degree of commitment among most government workers. It comes from job satisfaction, career incentives and altruism. Civil servants look for remuneration through other means, such as travel, on-the-job training and study overseas. Such perks can, however, lead to corruption.

Civil servants work under considerable stress. Many are frustrated by political interference. For example, politicians frequently force civil servants to compromise bidding procedures and award contracts to unworthy candidates. Other sources of aggravation include broken air conditioners, photocopiers, and elevators, frequent power outages, few telephones and computers, red tape, and constant delays.

Women play a major role in the public service, filling more senior management positions than female civil servants in Canada. It is, however, a chauvinistic environment, not unlike the environment of the Canadian workforce in the 1950s. For example, men often refer to women as "girls" and tell sexist jokes at meetings. Although the attitudes may startle newly arrived Canadians, most Filipinos, including women, are unconcerned.

### **Advice to Canadians**

Filipino civil servants are receptive to Canadians. They will be curious about your background, generous and forgiving. If you are entering a very gregarious group, your Filipino colleagues will expect you to be the same.

Your approach will depend on your project. Establish a common purpose with your partners. Win them over and gain their trust before getting down to business. It can make a big difference. Filipinos will react negatively if they think things are being thrust upon them.

Carefully explain your role within the group. If you are a policy consultant, explain that your expertise is in Canadian, not Filipino, policy. Ask for their help in understanding where and how your Canadian expertise can be utilized in their setting.

Consult senior people regularly, especially before important meetings. Keep them informed. One-on-one meetings work best and are an effective way to maintain relationships. Be open-minded, patient, and culturally sensitive. Try to pick up on subtle clues. Listen to what is being said between the lines. Don't be misled when a Filipino tells a joke in a tense situation. Your Filipino colleagues take the situations seriously; the joke is designed only to relieve anxiety. Do not expect the universe to unfold as it should.

Get to know your counterpart on a personal level. Discuss your likes and dislikes, your family, your children. Plan activities that involve the group. Bowling tournaments or partnering workshops work well.

Don't sit in your office and work all of the time. Mingle, practice your small talk, show your colleagues that you share their sense of belonging to the group. Once they see that you are adjusting to their culture, you will be accepted.

## *Co-operative Sector* ♦ ♦ ♦

### **Background**

The co-operative movement began in the 1950s with the development of community credit unions and farming, fishing and marketing co-ops. Members welcomed the benefits of co-operative activities such as market access, loan assistance, and bargaining leverage. With each member entitled to one vote, co-operatives offered them a voice in governing and an equitable means of profit-sharing.

The government provided assistance to set up co-operatives across the country and, by the 1970s, co-ops became a conduit for government funding. As they grew, members became increasingly concerned about

government control and began to distance their organizations from the long arm of the state. Under martial law, the government suppressed many co-operative workers when their organizations became part of an alternative movement for political change.

Today, the co-op movement is strong, to the extent that the Philippine model is replicated by other developing countries. Through years of struggle, co-operatives have defended their independence and stood by their philosophy of self-reliance. Today, the government regulates co-operatives and provides them with financial assistance.

## Structure

Approximately 700,000 Filipinos belong to co-operatives. The most common among them are savings and credit co-ops. Consumer co-operatives provide goods to consumers; marketing co-ops buy and sell members' produce; and multi-purpose co-ops combine these services. Some co-ops provide housing and transportation. Producers' co-ops manufacture and market products for their members. There are rural banking and area marketing co-operatives in the provinces. Co-operative hospitals are now appearing.

The Co-operative Development Authority and the Securities and Exchange Commission register co-ops. Primary, secondary and tertiary level co-ops are interconnected in a pyramid structure for better co-ordination and networking. They share resources for training, funding and management.

The co-op movement has attracted many women, some to management positions. Some people think women managers are more trustworthy and less corrupt than their male counterparts. They are hard workers, socially responsible, and often willing to receive less pay. However, men generally make the policy decisions because there are few women sitting on co-op boards, especially in conservative rural areas.

## Issues

As part of the co-op culture, people who are involved in the movement are committed to the development of economic and social alternatives. They are hard-working and dedicated, despite their low pay.

Co-op leaders protect their gains and are suspicious of state involvement because government is prone to use co-operatives, along with NGOs, to push its own agenda. Unlike NGOs, co-operatives work to make a profit for their members. Co-operatives have been a successful organizational tool for the social and economic empowerment of underprivileged groups in the Philippines.

Filipinos have great respect for Canada's co-operative movement. Sometimes, however, they express concern there is little connection between large Canadian co-operatives and small, grassroots Philippine co-ops. Canadians need to bear in mind the political context of the Philippine co-operative movement.

## Advice to Canadians

Listen attentively, and learn how Philippine co-ops work to the advantage of the poor. Familiarize yourself with the Philippine co-operative environment.

When you introduce yourself, talk about your background, and look for

things you have in common with your counterparts. Explain your role and what it is you offer. The common reaction is: "That may be true for your setting where co-operatives are big, but will it work in our small, community-based co-op?" Your ideas may seem irrelevant at first. Present your experiences within the Canadian context; your partners can then take the information and apply it. (Many Canadian advisors, even those coming from the largest co-operatives such as the Saskatchewan Wheat Pool,

maintain grassroots connections that make the transition to the Philippine setting quite easy.)

The greatest difficulty, especially for the short-term advisor, is learning to appreciate how long it takes to get things done. Something as simple as traveling a short distance or making a telephone call can take twice as much time as it would in Canada. Short-term advisors must understand that it is practical to schedule only one appointment a day.

## ***Non-governmental Organization Sector*** ♦ ♦ ♦

### **Background**

NGOs have a long and dynamic history in the Philippines. During the Marcos era, NGOs provided one of the few reliable means of getting development funds to the regions.

During the Aquino administration, the number of NGOs increased from 10,000 to 65,000. NGOs became more institutionalized, and people began to see work in the sector as a career. Today NGOs play a key role in the government's development strategy. For example, under a 1992 law, the government allocates 5% of its development budget to women's projects. Consequently, new NGOs dealing with women's issues have sprung up.

The proliferation of NGOs has inspired many jokes and some amusing acronyms such as, GINGO for government-run NGOs, and BINGO for big NGOs.

### **Structure**

NGOs range in size from small, grassroots groups to large, highly sophisticated organizations. NGO funding comes from a variety of sources, including local and national governments, international development organizations and fund-raising.

NGO desks in several government departments and agencies, including Agriculture, Environment and Natural Resources, Agrarian Reform, the National Commission on Women and the Philippine Overseas Employment Agency, are evidence of the close links

between NGOs and government.

Many top government officials have worked for NGOs or served on their boards in the past. Their experience gives them a thorough understanding of the NGO sector.

As a constitutional right and a national policy, NGOs participate in the planning, decision-making, and monitoring of government activities at all levels. The Local Government Code, which has as its goal the devolution of many government functions to the provincial, municipal and *barangay* levels, provides mechanisms for NGO participation.

Like the co-operatives, the NGO structure is pyramid-shaped. At the base are self-help groups or people's organizations. At the next level are small, local NGOs that provide links between local communities and the larger, urban-based NGOs. NGOs at both levels serve as voices for the poor. On the third level are NGOs that obtain assistance from donors and institutional lenders on behalf of smaller NGOs. They tend to have professional staff and stable funding. At the top are networks, umbrella organizations, and associations. A new network of service NGOs offers management consulting, gender sensitization and other services to NGO members. Most NGOs are registered with the Securities and Exchange Commission.

### **Issues**

To understand the perspective of an NGO, look at its history. Under what administration was it established? What was the rationale behind its development? NGOs with similar political and sector orientations tend to stick together. Some protect their turf, others cooperate. They reflect the specific region and culture in which they are based.

Generally, meetings, documentation, letters and social events are less formal in the NGO sector than in others. A common joke about NGOs goes like this: if the invitation card to an NGO party reads "NGO formal," it means, wear denims.

Security and peace and order are the primary concerns of NGO workers in the provinces. Their work with the poor puts them at risk of reprisal from people who have a vested interest in blocking change.

### **Advice to Canadians**

Your Filipino counterparts will size you up at your first meeting. They are likely to be hospitable and respond positively to your questions. Be open to questions about yourself and your life in Canada. Your disclosure of personal information will help you establish a good working relationship.

Before leaving Canada, gather background on the NGOs and the representatives you plan to meet. Determine each NGO's political and program orientation, and learn about the economic and political history of the regions they serve. Find out about the culture and customs of the local people. Are there certain unspoken rules? Your Filipino partners are unlikely to have the same opportunity to learn about you beforehand. Consider how you can most effectively tell them about yourself.

Try to obtain the names of your counterparts. Begin corresponding with them before you leave Canada. Try to find someone who will introduce you to others in the network on your arrival.

Bring all of the equipment you will need to do your job. If your work takes you outside Manila, you may need to bring your own computer.

The most common mistakes Canadians make are to dress too formally and to insist on getting down to work too quickly. Find out what is appropriate to wear, and take the time to develop a relationship with your Filipino colleagues before starting work.

Your first meeting with your partners is crucial; it can make or break your relationship. Don't rush to get to your work agenda; it is important to first

get to know your new colleagues on a personal basis. Allow time for you and your partners to explore each other's expectations and perceptions.

Watch for problems or misunderstandings as you settle down to work. One Canadian learned the hard way. Shortly after his arrival, he grew frustrated with his Filipino colleagues' attempts to find housing for him. Because he was vague about his requirements, his Filipino colleagues gave him many options, too many from his perspective. Without letting his Filipino colleagues know, the Canadian went out and found accommodation on his own. This offended the Filipinos. For the next three months, they were unable to communicate effectively or complete any work.

Be flexible when negotiating contracts or contribution agreements. Canadians like to follow the rules to the letter, while Filipinos like to suggest different ways of reaching the same goals.

Be a student before you are a teacher. Ask questions before telling people what to do. Learning may take many months. If your counterparts raise a problem, ask them how they solved it in the past and what lessons they learned from the experience. Be a facilitator.

## **CONCLUSION**

First seek to understand and then to be understood. Canadians must learn to listen and listen to learn if they are to develop successful partnerships in the Philippines.

Be sensitive to the differences between yourself and your counterparts. Once you have received a briefing on the Philippines and its culture, take time to learn more. Even after six months you should still be asking questions and trying to understand. Filipinos will be polite and will tell you that you are doing the right thing, even when you are not. Seek the assistance of your Philippine sponsor, someone who will take you around, introduce you, and help you find your way through the systems.

No matter how much you have read about the Philippines, avoid feeling that your knowledge is superior. If you tell Filipinos you know little about their country and culture, they will be relieved. One consultant, who believed he could ingratiate himself by showing how much he knew about the Philippines and its problems, ended up insulting his partners. It took them six months to get over it.

The development of a successful partnership is a two-way process. Learn from each other. Be willing to adapt. Instead of criticizing or attempting to fix things that do not appear to be working, offer information. Act as a facilitator. For example, use your Canadian and international connections to get journal articles, scientific papers, reports, and policy documents for others to use. Assist your Filipino colleagues in developing a model that works in the Philippines, one they will keep up long after your return to Canada.

The complexity of Filipino culture provides an exciting and demanding work environment for Canadians. Most arrive with enthusiasm, professional commitment, and a genuine desire to help. Success does not come easily.

Although this guide has focused on the differences between Filipino and Canadian culture, people from the two countries have much in common that can help bridge communication gaps.

We hope your stay in the Philippines is enjoyable and rewarding.

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