

Business etiquette, language and culture

Meetings

Meetings are considered an integral component of the business process in Vietnam, and Vietnamese business people prefer to meet prospective business partners face-to-face. Unlike their Western counterparts, the Vietnamese are less dependent on emails, and it is uncommon for Vietnamese businesspeople to commit to appointments well in advance. It is not unusual for high-ranking officials not to confirm their attendance to a meeting until only one or two days prior to it, or even on the day itself.

You should allow plenty of time for meetings, as they will inevitably run over. It is advisable to spend time on introductions and small talk, especially on topics such as family and sport (for example, the English Premier League). This will help your Vietnamese counterpart to relax and increase their confidence in you. Please note that loud voices or excessive hand gestures may be perceived as rude.

There are some cultural differences that you should familiarise yourself with when doing business in Vietnam. For example, you should note that smiles and nods do not necessarily mean 'yes' to your proposal.

Attire

A shirt and tie is acceptable business wear "everyday" meetings. You may wish to wear a jacket for more formal events. Women tend to wear formal business attire which covers the shoulders.

Hierarchy

Business organisations in Vietnam tend to be hierarchical. Decisions and ideas come from the top and typically, decision-making is influenced by the eldest person. Respect to senior individuals is paramount in Vietnamese culture, whether by age, job position or level of education. Subsequently, it is usually the eldest member of the group who enters the room first, when engaging in business meetings.

Titles

Status is also very important to Vietnamese people, and they expect respect to be given to supervisors and work colleagues. Titles are perceived as very important, and status is gained with age and education. You should use the correct form of address when meeting potential business partners – Vietnamese names start with the surname followed by the middle name and lastly the first name, e.g. Mr Nguyen Nam Thuy would

be Mr Thuy. When referring to one another, Vietnamese people will use the appropriate title followed by the first name, not the surname.

Women in business

Stereotypically, the Vietnamese business world is dominated by men. Although things are now starting to change and progress, the majority of local women working in Vietnam take on administrative roles, such as assistants or secretaries. Men in Vietnam are accustomed to working with foreign women in more senior roles in a business context and will treat them equally.

Punctuality

When attending meetings, be sure to arrive at the agreed time, as being late is regarded as impolite. If for any reason you happen to be running late, it is wise to inform your host as soon as possible.

Business cards

Although many people in Vietnam speak English, it is recommended that you have your business cards printed in both English and Vietnamese. When offering your card for the first time, give it using both hands, with the Vietnamese side facing upwards.

Negotiations

Negotiations in Vietnam can be protracted as there is often a lot to go through. Do not be put off if there are long periods of silence during negotiations as Vietnamese people tend to wait a while before responding. Be aware, however, that if there is a disagreement your Vietnamese counterparts may remain silent in order to save face. You should immediately follow up in writing any agreement that may have been reached, to ensure there have not been any misunderstandings.

Handshakes

Initial introductions in Vietnamese business are formal. A handshake, while maintaining direct eye contact is the normal greeting and should also be exchanged upon leaving. Handshakes usually take place only between members of the same sex. Occasionally, a slight bow will accompany the handshake.

Body language

Some simple body language tips to remember are to avoid standing with your hands on your hips or with your arms crossed, and do not use your finger to point; instead use your whole hand.

Gift giving

A common practice in Vietnam is giving gifts. The gifts are simply a token of appreciation, and it is not necessary for the gifts to be expensive, although the gesture will be well-received. Popular gifts include fruit and flowers.

Formality

Business relationships in Vietnam are relatively formal and tend to take time to develop. You will need to spend time getting to know your Vietnamese counterparts before conducting business as they tend to be suspicious of those they don't know well.

Respect for your host

Avoid publicly criticising others as this would cause the loss of face for both parties. Vietnamese are status-conscious and appreciate the value of a good reputation. As a mark of respect, you should accept any food or drink that is offered to you.

Religion

The national religion of Vietnam is Buddhism. Religious activities are tolerated in Vietnam so long as they do not interfere with the Government's political agenda. Traditionally, the Vietnamese claim to be Buddhists of the Mahayana variety (Theravada in the South). However, the major religion is a mixture of Confucianism, Taoism and the Mahayana Buddhism, with elements of ancient animistic beliefs. Catholic cathedrals in major city centres hold a dual language mass once a week. Those following Protestant, Hindu and Muslim faiths will find places of worship in cities like Ho Chi Minh City.

Cultural considerations

There are a number of key cultural differences between Vietnam and the UK that you should bear in mind when conducting business there. As a whole, Vietnam is a collectivist society, where the needs of the group are often placed over the individual. Family and community concerns will almost always come before business or individual needs.

The idea of saving face is another important concept in Vietnamese society. To prevent loss of face Vietnamese people will avoid confrontation or will tell others what they want to hear rather than tackling issues head on. People can lose face by criticising someone in public or not staying true to their promises, so it is important to act with integrity when doing business in Vietnam and not to criticise your competitors.

(Source – UKTI)

Human Rights

Vietnam has ratified the core conventions of the ILO: ILO100 - Equal Remuneration for Work of Equal Value, ILO111 - Discrimination in Employment and Occupation, ILO138 - Minimum Age for Employment and ILO182 - Worst Forms of Child Labour Convention.

The right to freedom of association and to collective bargaining remains restricted in Vietnam. Vietnamese workers are not free to join or form independent unions and all unions must be affiliated with the Vietnam General Confederation of Labour (VGCL). This, and the failure of dispute settlement mechanisms to provide an effective channel to redress grievances, has led to an increasing number of wildcat strikes involving non-union members.

In June 2012 the Vietnamese National Assembly approved a revision of the Labour Code which included a number of important provisions including: extending maternity leave to six months, setting out the requirement for a minimum wage, preventing employees from working more than 50% over their official working hours in a day, reducing the maximum term of work permits for foreign nationals working in Vietnam from three years to two years and removing the work permit exemption rule for foreign workers coming to Vietnam to work for less than three months.

At the same time the National Assembly also passed an amended version of the Law on Trade Unions, which defines the responsibilities of officially recognised trade unions to protect workers' legitimate rights. The amended law did not remove the requirement for all trade unions to be officially affiliated to the Vietnam General Confederation of Labour (VGCL) nor the restriction on foreign workers from joining unions.

The Enterprise Law and Social Insurance laws were revised and approved by the National Assembly in July 2015.

For more information on human rights issues in Vietnam see the FCO's Annual Human Rights and Democracy report: www.gov.uk/government/publications/human-rights-and-democracy-report-2013/human-rights-and-democracy-report-2013

(Source
www.gov.uk/government/publications/overseas-business-risk-vietnam/overseas-business-risk-vietnam)

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