

Doing Business in Pakistan | Pakistani Social and Business Culture

A Pakistan Overview

Fact file

- **Official name** – Islamic Republic of Pakistan
- **Population** –176,242,949 (July 2008 est.)*
- **Official Languages** – English and Urdu (official languages), Punjabi, Sindhi, Siraiki (a Punjabi variant), Pashtu, and others
- **Currency** – Pakistani Rupee (PKR)
- **Capital city** – Islamabad
- **GDP** – purchasing power parity \$452.7 billion (2007 est.) *
- **GDP Per Capita** – purchasing power parity \$2,600 (2007 est.) *



Overview

Pakistan was founded as an independent nation in 1947, following partition with India. As a part of British India until 1947, Pakistan shares many cultural and historical features with India. Pakistani culture has also been influenced by the many empires and invading cultures which ruled the area over 5,000 years. Though Pakistan has experienced several periods of political and religious unrest both inside and outside its borders, it is a country with a rich and unique culture, which protects its traditions while also trying to re-invent itself to the wider world. In order to comprehend the social and business culture in Pakistan, a thorough understanding of Pakistan's values and attitudes is essential.

Pakistani Culture – Key Concepts and Values

Islam- Religion plays a very important role in the life of almost every Pakistani. Muslims must live according to the five pillars of Islam, which involves praying facing Mecca five times a day. Friday is the holy day when everything is closed. Further restrictions may occur during the holy month of Ramadan, when Muslims fast and the working day is shortened. .

Respect- Pakistanis show a lot of respect to those who are more experienced, older and have a high position in society or an organisation. Older people are viewed as wise and, therefore, should be greeted, addressed and served first. Pakistan is a hierarchical society.

Indirect communication- Explicit statements are only used with people Pakistanis know well. In general, Pakistanis are rather diplomatic and use indirect communication with a lot of hyperbole and similes. Consequently, a seemingly straightforward question does not always receive a clear answer. Asking closed as well as open questions will help you to get clearer

Doing Business in Pakistan

Despite having rich sources of natural gas, Pakistan is not yet a well-developed country. Due to a lack of foreign investment and internal struggles, poverty remains an issue. Economic development remains uncertain because of Pakistan's dependence on agricultural production

and its reliance on foreign oil supplies. However, with a high economic growth rate during recent years, Pakistan is developing rapidly and the number of business opportunities are increasing. Economic reforms and the implementation of a more democratically elected government should also improve the country's position on the world market. Doing business in Pakistan requires an understanding of its political and economic history as well as Pakistani business culture and working practices.

Pakistan Business Part 1 – Working in Pakistan (Pre-departure)

- **Working practices in Pakistan**
 - Appointments should be scheduled in writing about three or four weeks in advance. Meetings can sometimes be arranged at short notice, especially in private companies, but plan ahead as much as you can.
 - Ideally meetings should take place late morning or early afternoon.
 - Pakistanis expect you to be on time for business meetings but they may keep you waiting.
 - Deadlines are seen as rather flexible, so make sure you plan your projects accordingly. Try to set a deadline earlier than you need it but be sure to allow sufficient time for your Pakistani partners to finish.
 - People from Pakistan are hard working and used to working overtime or at weekends. They appreciate and sometimes expect to be recognised or rewarded for their hard work.
- **Structure and hierarchy in Pakistani companies**
 - The most senior person tends to make the final decision in private Pakistani companies. However, if it is an important business matter, consensus is sometimes expected during a meeting. In government offices hierarchical structures are followed more strictly.
 - Pakistani culture values the family above everything else. Family ties characterise the social structure and individual identity. Therefore, Pakistanis favour doing business with people they know and trust. Consequently, family members and friends are often hired to work in the same company.
 - Besides family structures, education and experience are important qualities for a manager in Pakistan. Pakistanis are used to giving and receiving orders, and do not tend to work in teams where consensus is necessary.
- **Working relationships in Pakistan**
 - Negative emotions are normally not shown in public. People from Pakistan are polite and not very likely to complain about their superiors or their management style. However, Pakistani employees' performance will improve if they are happy with their superior.
 - Personal problems at work are dealt with in private or at least very discreetly. Pakistanis prefer to keep their problems to themselves and tend to only discuss them with family and close friends.
 - Pakistanis prefer to do business in person. They see the telephone as too impersonal for business communication, so try to schedule as many face-to-face meetings as you can.

- When communicating with Pakistanis, the person's title and surname should be used until they invite you to use the first name.

Pakistan Business Part 2 – Doing Business in Pakistan

○ **Business practices in Pakistan**

- When greeting your Pakistani business partner shake hands and take your time. Introduce yourself and ask about your colleague's well-being and family, but avoid asking about their wife or daughters. This is a good way to get to know each other to ensure a successful business relationship. Business with Pakistanis may take longer as a result of the time it takes to build relationships with them.
- The decision making process is very slow in Pakistani culture. Do not rush negotiations as this will only cause frustration and slow things down further.
- During meetings and negotiations you should maintain indirect eye contact and stay calm at all times, although do not be surprised if your Pakistani colleagues show emotions during negotiations
- Pakistanis tend to avoid using their hands and arms when they communicate. Instead, they tend to touch each other and will often put their hand on someone's shoulder. In general, they tend to keep a close distance to other people.
- Foreigners often find that Pakistanis talk quite loudly but this is not an expression of anger or power.

○ **Pakistani Business Etiquette (Do's and Don'ts)**

- ✓ DO try to establish close contacts with Pakistani business partners as this will help you in your business endeavours.
- ✓ DO ensure, if you are a woman, that you cover bare arms and ankles to avoid offence. Women will also need to wear a headscarf at holy places.
- ✓ DO give and receive a gift using both hands.
- ✗ DON'T be surprised by personal questions your Pakistani partner may ask. They do this to get to know you. So it is best to answer them. Pakistanis are interested in personal history and family and like to talk about it. This is restricted to male family members only, because discussing women in public is inappropriate.
- ✗ DON'T be surprised if you have to take your shoes off when entering a Pakistani home. If you are unsure watch what your Pakistani counterpart does.
- ✗ DON'T shake hands with a Pakistani woman if you are a man until she extends her hand to you. However, as a female you may shake hands with other women right away.

Pakistani Culture Quiz – True or False

1. Men hug when greeting each other.
2. During dinner at a Pakistani home, you will likely be served a second and third helping even after saying you are full.
3. Constant eye-contact with the opposite sex is considered rude.
4. According the Pakistani culture one should not mix business with private life.
5. Pakistanis strive for a win-win solution.

Pakistani Culture Quiz – Answers

1. True. If the relationship between the persons is developed they will hug and shake hands.
2. True. Pakistanis are very hospitable and want to be sure you have enough to eat.
3. True. Direct eye-contact is not very important in Pakistan. In Islam in particular, men should not look directly at women unless they are closely related.
4. False. The contrary is true in Pakistan. Family ties are very important in the business environment and even nepotism is accepted.
5. True.

* Source: CIA World Factbook 2008

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