

Doing Business in Bangladesh | Bangladeshi Business Culture

A Bangladeshi Overview

Fact File

- **Official name** – People’s Republic of Bangladesh
- **Population** – 156,118,464*
- **Official Languages** – Bangla (also known as Bengali), English
- **Currency** – Taka
- **Capital city** – Dhaka
- **GDP** – purchasing power parity \$259.3 billion*
- **GDP Per Capita** – purchasing power parity \$1,700



Overview

What is today known as Bangladesh was established when Bengal separated from India in 1947. It was then named East Pakistan, part of the newly formed nation of Pakistan. Dissatisfaction fueled by political exclusion and ethnic discrimination by the dominant West Pakistan, culminated in the Bangladesh Liberation War in 1971, which the Bengalis won due to the assistance of India, and the subsequent establishment of Bangladesh. The restoration of democracy in 1991 has been followed by relative calm and economic progress.

Bangladesh has a rich cultural heritage, which encompasses both old and new traditions, which aid in uniting Bangladeshis across both religious and ethnic divides. It is also the world’s most densely populated non-island nation. Though it is largely Muslim, the country has a sizable number of Hindus and other minorities.

Bangladeshi Culture – Key Concepts and Values

Identity - Bangladeshi culture assimilated over centuries and is an amalgamation of Hindu, Jainist, Buddhist and Islamic influences. Bangladeshi national identity is embedded in Bengali culture. Symbolically, Bangladeshi identity is centred on the 1971 struggle for independence from Pakistan. During that liberation struggle, the key elements of Bangladeshi identity focused on the importance of the Bengali mother tongue and the distinctiveness of a culture or way of life connected to the floodplains of the region.

Community - Although progress has been made in terms of the advancement of women (the current Prime Minister is female), Bangladeshi society functions along patriarchal lines and major decisions are still made by males. The village or *gram* is a central concept to Bangladeshis, even those who now reside in cities. Bangladeshis bear a strong sense of community and family and kinship form the core of social relations.

Social Etiquette - Hierarchy is important in Bangladeshi society and differences in age and status are observed through language conventions. Individuals with higher status are not addressed by personal name; instead, a title or kinship term is used. Placing the right hand over the heart after a handshake is an indication of respect. Men and women do not shake

hands with each other. In same-sex conversation, touching is common and individuals may stand or sit very close. The closer individuals are in terms of status, the closer their spatial interaction is.

Doing Business in Bangladesh

Bangladesh is attractive to foreign investors due to its stable political environment, good infrastructure and low labour costs. It is also strategically located as the gateway to South and East Asian regions. Jute, a natural fibre, is currently Bangladesh's biggest export. It also produces rice, tea, sugar wheat, textiles, fertilizer, pharmaceuticals, ceramic tableware and newsprint.

Bangladesh is subject to annual monsoon floods and cyclones, which may negatively impact regular harvesting. Understanding this and other local and cultural implications is essential to successful business in Bangladesh.

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

- **Working practices Bangladesh**
 - Formal behaviour is expected when conducting business in Bangladesh
 - Address your Bangladeshi counterparts as “Sir” or “Madam” unless otherwise indicated
 - Greetings usually take place between members of the same sex
 - Only shake a woman's hand if she offers it, otherwise it's acceptable to nod
 - In general, age dictates how people are addressed
- **Structure and hierarchy in Bangladeshi companies**
 - Bangladesh is a hierarchical society where people are respected because of their age and position.
 - Face and self-esteem is an essential part of Bangladeshi culture, therefore any individual criticism in business situations must be done carefully and with sensitivity
 - Within the system of hierarchy in the Bangladeshi work place, senior colleagues and especially elders are obeyed and respected. Discussions are almost always lead by the most senior person. Final decisions rest with the highest-ranking business executives, therefore it is important to maintain strong relationships with senior figures in Bangladeshi business.

Bangladesh Business Part 2 – Doing Business in Bangladesh

- **Business practices in Bangladesh**
 - Meetings are generally led by the most senior member of staff, who sets the agenda, content and pace of the meeting.

- Meetings usually begin with friendly small talk. This may include personal questions regarding your health and family and are used to build a rapport.
 - It is important to establish a personal relationship before embarking on business related talks
 - Communication is formal and follows a hierarchical structure.
 - Bangladeshis will phrase sentiments in such a way that it is up to people to read between the lines to understand what is being implied. Phrases such as "we will try", or "that may be difficult", may really mean "this can't be done".
- **Bangladeshi Business Etiquette (Do's and Don'ts)**
- ✓ Do use titles wherever possible, such as "Professor" or "Doctor". If your Bangladeshi counterpart does not have a title, use "Mr", "Mrs", or "Miss".
 - ✓ Do wait for a female business colleague to initiate the greeting. Bangladeshi men do not generally shake hands with women out of respect.
 - ✓ When invited to a meal, do not start eating until the oldest person at the table begins
 - ✗ Don't be aggressive in your business negotiations – it can show disrespect.
 - ✗ Don't take large or expensive gifts as this may cause embarrassment. If you do take a gift make sure you present the gift with both hands.
 - ✗ Don't refuse any food or drink offered to you during business meetings as this may cause offence.

Bangladeshi Culture Quiz – True or False

1. It is considered an insult to show the soles of your feet.
2. Showing emotion during business meetings is acceptable.
3. It is considered polite to refer to your counterparts on a first name basis.
4. When invited to a meal, it is acceptable to flatly decline the invitation.
5. You should only eat or drink with your right hand.

Bangladesh Culture Quiz – Answers

1. True. Showing the soles of your feet/shoes is considered highly offensive
2. False. This may lead to loss of respect from your Bangladeshi counterparts.
3. False. Men should be addressed as "Sir" while women should be addressed as "madam".
4. False. You should use indirect communication to suggest that it may not be possible.
5. True. The left hand is considered unclean

* Source: CIA World Factbook 2011

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