

Doing Business in Canada | Canadian Social and Business Culture

A Canadian Culture Overview

Fact file

- **Official name** – Canada
- **Population** – 32, 805, 041* (July 2005 est.)
- **Official Languages** – English and French
- **Currency** – Canadian dollar (CAD)
- **Capital city** – Ottawa
- **GDP** – purchasing power parity \$1.023 trillion (2004 est.)
- **GDP Per Capita** – purchasing power parity \$31, 500* (2004 est.)



Overview

Canada is the second largest country in the world and is characterised by an extraordinary variety of topography, climates and time zones. Canadian culture is a diverse fusion of indigenous, French and British traditions that have been significantly broadened by a wave of immigration from Europe and Asia in the late nineteenth and early twentieth centuries. This vast multicultural and bilingual nation boasts a unique society with customs and values that must be recognised and appreciated should your organisation wish to venture successfully into Canada's business sector.

Key concepts

Individualism – On the whole, Canadians are very individually oriented and ties with others are relatively loose. As a result, personal privacy is highly valued in Canadian culture and there is a clear distinction between public and private life. In a business context, Canadians will generally be more open to discussion. They may also maintain a certain amount of distance and privacy within the business relationship but perhaps less so than in other Western countries. Individualism is also reflected in personal achievement and its potential to measure individual success. However, whilst other Western nations pursue a more assertive individualism, it is important to note that Canada and its inhabitants tend to share a greater sense of community and interdependence with other countries

Regional Differences – In such a vast country, regional differences are inevitable. Canada boasts an immensely varied population which includes many Asian, Chinese, Italian, Ukrainian and indigenous communities spread throughout the country. Each province also has its own unique culture, religious background and sense of identity. Quebec, for instance has a very different value system from the rest of Canada while English-speaking Canadians are considered to be slightly more reserved. Consequently, when doing business in Canada, you must bear in mind

that the customs of business people may reflect their ethnic and regional background, which can differ significantly.

Power Distance - In Canada, there is a high level of equality between societal levels, where cooperation and maintaining a certain sense of harmony are encouraged. Interaction across varying power levels in a business context appears to be more evenly balanced as a result of this.

Canada was once inhabited by many different indigenous people before European settlers gradually displaced these groups in the seventeenth century. France lost its part of the territory to Britain in war but the French-speaking colonies remained. Modern Canada was formed in 1867 when colonies merged in an event known as the Confederation and the country became a self-governing, parliamentary democracy with a constitutional monarchy. Canada achieved full independence in 1931 but continues to belong to the Commonwealth of Nations. As one of the world's richest and most developed countries, Canada ranks among the top ten industrial powers and given its affluent natural resources, skilled labour force and successful economic integration with the US as part of NAFTA, Canada holds sound economic prospects. The nation's steady economic growth allows Canada to offer good trade and investments for companies covering a range of business areas.

Canada business Part 1 - Working in Canada (Pre-departure)

- **Working practices in Canada**
 - Punctuality for meetings and appointments is a highly valued part of Canadian business culture. Therefore, you should make your Canadian colleagues aware of any delays. In some French areas however, the concept of time is a little more relaxed, but foreigners will still be expected to arrive promptly.
 - Traditional working hours are 9:00 am to 5.00 pm, Monday to Friday. However, longer hours are common.
 - It is essential to schedule business appointments in advance and confirm the meeting a few days beforehand.

- **Structure and hierarchy in Canadian companies**
 - The importance of rank and title is more pronounced in Canadian business culture than in most other Western countries and therefore respect for superiors should be subtly shown.
 - The decision-making process can vary from company to company in Canada. However, because of the diverse population, Canadian businesses often display a greater cooperative interaction across power levels and place a higher value on mutual responsibility and transparency in decision-making than other Western countries.

- **Working relationships in Canada**
 - Generally, co-workers of similar status address each other by their first names. However, when conversing with an older or significantly senior colleague, for

instance a company director, a professional title and last name would be used.

- Canadians will look to establish solid working relationships with their counterparts through a sense of equality and respect. It is vital to establish these relationships before successful business interactions can take place.

Canada business Part 2 - Doing business in Canada

o Business practices in Canada

- On greeting your Canadian counterparts for the first time, it is customary to shake hands and introduce yourself. It is important to use a firm handshake and make direct eye contact when meeting and leaving your business associates, as this creates an impression of sincerity.
- For initial introductions, use the appropriate professional title such as “Dr.” or “Ms”, “Miss”, “Mrs.” or “Mr.” followed by the last name when addressing your Canadian colleagues. You will quickly be invited to use first names.
- In Canadian business culture, the exchanging of business cards is common practice. If doing business in Eastern Ontario (Ottawa) or in the province of Quebec, it is advised to include both French and English translations on your business card as well as printing your academic title or degree. Education and status are important, especially to French Canadians.
- Generally, business meetings in Canada are well structured and time efficient. As a result of the Canadian respect for courtesy, meetings tend to be more democratic, where agreement is sought and a “give and take”, open expression of opinion is encouraged.

o Canadian business etiquette (Do’s and Don’ts)

- ✓ DO expect business negotiations to end in a direct plan of action. However, decisions are not hurried, and the open discussion style of Canadian negotiating may set a slower pace for business.
- ✓ DO make enquiries in advance as to your Canadian counterparts’ chosen language. If doing business in the East or in Quebec, some organisations may require documents to be in both English and French.
- ✓ DO maintain an air of formality at all times. A reserved demeanour, good manners, and following good rules of etiquette are important aspects of Canadian culture. This type of behaviour is essential for appearing confident and trustworthy to your Canadian business associates.
- ✗ DON’T discuss areas of one’s personal life, such as family and other personal affairs,

- during business negotiations. Canadians prefer to keep this aspect of their life separate.
- * DON'T over emphasise your company's abilities or appear too boastful. Although a certain amount of confidence is expected in Canadian business culture, you should never overstate your business competence.
 - * DON'T underestimate your Canadian counterparts' direct approach to business. Despite their reserved reputation, communication in business situations is more direct and succinct.

Canadian Culture Quiz – true or false

1. Canadians prefer to rely on emotions and feelings to guide them in their business dealings, rather than basing decisions on concrete facts and information.
2. The notion of personal space varies between the English and French provinces of Canada. You will find that French Canadians stand closer to their business colleagues whilst talking than their English counterparts.
3. When invited for dinner at a Canadian home, it is polite to wait for your host or hostess to begin eating or drinking before proceeding yourself.
4. In Canada, the "V for victory" sign, if given with the palm facing outward, is considered an insult and could cause offence.
5. It is common business practice to close a business deal with an offer of drinks or a meal.

Cultural Quiz – Answers

1. False. Generally speaking, data and extensive facts are thought to be more reliable than feelings.
2. True. It is important to maintain a certain amount of personal space, however, this will be more obvious when conversing with English Canadians.
3. True.
4. False. This gesture is offensive if given with the palm facing *inward*.
5. True.

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* Source: CIA The World Factbook 2006

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