AMERICANS DOING BUSINESS IN VIETNAM: COMMUNICATION DIFFERENCES

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COM 9656: International Business Communication
Fall 2007

This paper focuses on differences that are likely to cause problems for U.S. American managers operating in Vietnam. At first, Hofstede’s cultural dimensions of power distance, individualism, and long-term orientation are used to pinpoint key differences in Vietnamese and American business culture (Hofstede, 2001). Second, stable and transitional concepts of culture are delineated as they apply to the topic. Finally, areas of communication are discussed that benefit from special attention because of differences between Vietnamese and American culture.

Value Dimensions

Hofstede’s original cultural dimensions were power distance (PDI), individualism (IDV), masculinity (MAS), and uncertainty avoidance (UAI); later, long-term orientation (LTO) was added as a fifth dimension (2001). When comparing the United States with Vietnam, the three dimensions of power distance, individualism, and long-term orientation differ most significantly (see Figure 1).

![The 5D Model of professor Geert Hofstede](image)

*Figure 1. Comparison of value orientations: United States versus Vietnam (ITIM International, 2003).*

Power-distance according to Adler and Gundersen (2008) “reflects the extend to which less powerful members of organizations accept an unequal distribution of power” (p. 54). In countries such as Vietnam where high power-distance are paired with a low uncertainty avoidance, employees view their
organizations as families, and bosses are expected to take care of their employees financially and physically (Adler & Gundersen, 2008; ITIM International, 2003).

Adler and Gundersen describe individualism versus collectivism as referring to whether the employee defines him/herself primarily as a separate human being mainly committed to him/herself or whether employees see themselves as part of a group whose needs should determine behavior (2008, p. 51). The latter is the case in collectivistic Vietnam (ITIM International, 2003).

Long-term orientation, is a later addition to Hofstede’s original four dimensions of cultural behavior. Harrison and Lassen (2005, p. 55) lists six particularly persistent features of long-term orientation, or Confucian dynamism, as being group orientation, respect for hierarchy, the concept of face, avoidance of conflict and confrontation, the importance of relationships and the need for harmony. As the third part of this paper will show, the presence of these features are confirmed by the literature (e.g., ITIM International, 2003) as well as by my Vietnamese informant (C. Nguyen, personal communication, November 9, 2007).

Culture Concepts: Cultural Orientations and Social Representations

Vietnam is a country undergoing rapid change. Only about 30 percent of the population is older than 30 years and the rapid economic development that the country has undergone over the past 15 years means that the young Vietnamese lead very different lives from those of their parents and grandparents (Harrison & Lassen, 2005, p. 53; Engholm, 1995, p. xiv). Any concept of culture forming the base of current research on doing business in Vietnam has to be flexible enough to grasp the dual reality of cultural continuity and change. In the context of this paper, I propose a concept of culture that combines what Jean-Claude Usunier (1996) calls social representations and basic cultural orientations. While the latter only change over centuries, the former are dynamic, and tend to change within a period of ten to twenty years. Social representations are collectively verified and validated, and constantly updated as people are exposed to stories in the news, opinion polls, and interaction with others (pp. 18-19).

The change in the kind of refreshments offered at business meetings in Vietnam is a good example of this. According to Marieke De Mooij (2003), food has an important social function in collectivist cultures: “Providing food and having food in the home for any guest who drops by is an important social value” (p. 191). In Vietnam, this goes for business interactions as well. As described by Chambers (1997, p. 168), drinking tea used to be one of the few rituals observed at business meetings in Vietnam. But while the basic idea of treating your guests to refreshments have remained, companies now tend to invite their business partners to dine in fancy restaurants instead. According to my Vietnamese informant the change happened around the turn of the century and has to do with a greater influence of Korean and Japanese business culture (dining in fancy restaurants) as supposed to Chinese business habits (drinking tea) (C. Nguyen1, personal communication, November 9, 2007). The basic collectivist cultural orientation of being relationship focused that encourages Vietnamese to nourish the relationship with guests by sharing a table with them remains, but the kind of refreshments that are seen as fitting has been adapted to the changing social circumstances including more economic resources and more interaction with foreign firms. The notion of social representations makes it easier to grasp how cultures are able to respond to the kind of flux that characterizes today’s globalized world (Usunier, 1996, pp. 18-19).

Communication between Vietnamese and Americans: Special Attention Areas

A Confucian orientation towards connections and relationship building are crucial to successful business ventures in Vietnam. “Before Vietnamese do business, the first things they look at are trust and relationships”2 (C. Nguyen, personal communication, November 9, 2007). A major challenge for American companies entering the Vietnamese market is that they will have to develop relationships and a

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1 The name of my informant has been changed in order to protect anonymity.
2 The quotes are included as they were spoken. Please note that the difference in the conventions of spoken and written language make them seem less articulate than they are.
network before they can get anywhere. This is naturally quite time consuming. But however much Americans dislike “wasting” too much time socializing with their Vietnamese business associates, it is strongly discouraged to enter the Vietnamese market if not prepared to take the time to do it properly. The Vietnamese have a saying that goes: “If you want good tasting food, then boil it well.” The same can be said of doing business in Vietnam (Robinson 1995, p. 7). The saying highlights the difference between a Vietnamese “slow-cook” business culture and an American “fast-food” business culture where time is money, and meetings are for getting down to business.

To walk into a business meeting in Vietnam, open the books, and start talking about how much can be profited from the project is simply not an option. Vietnamese, especially in the more conservative northern region, place great importance in developing a relationship by talking about families and other matters that Americans perceive as utterly unrelated to business, preferably over a nice dinner (C. Nguyen, personal communication, November 9, 2007; Chambers, 1997, p. 181).

Oral and Written Communication

Meetings in Vietnam are generally relaxed affairs, but small talk is also used to establish a sense of familiarity and of a relative status among the participants. As Vietnam is a very hierarchical society, Vietnamese in general feel uncomfortable if they do not know the status of the people with whom they interact (Chambers, 1997, pp. 157, 165).

Chambers (1997, p. 118) mentions that Vietnamese are uncomfortable doing business over the phone. My Vietnamese informant confirms this. She also points to the fact that it is the emphasis on relationship that causes oral communication to be much more frequently used in Vietnam than in the United States. For instance, if an American manager were to tell his staff that they could have sandwiches left over from a meeting for lunch it would be perfectly appropriate for him to do so by e-mail. In Vietnam the manager would have to walk around the office inviting everyone in person, thus strengthening the personal relationship between himself and each employee (Nguyen, personal communication, November 9, 2007).

An implication of the Vietnamese focus on relationships is that personal relations play a large role in maintaining agreements. As Chambers puts it: “Once managers are reassigned or leave the organization . . . a contract is subject to reinterpretation by their replacements” (1997, p. 96). In contrast to the more universalistic Americans, the Vietnamese are particularistic in the way that they regard the signing of a contracts as an agreement to enter a business relationship—the specifics are up for negotiation along the way (Chambers, 1997, p. 96; Adler & Gundersen, 2008, p. 61). It is not the contract but the desire to treat your manager right that will make the Vietnamese stay loyal to your agreement. Chambers recommends that businesses deal with this by keeping a stable representation in Vietnam and making sure to “keep frequent communications to discover problems or changes in the thinking of your Vietnamese partners” (1997, p. 97).

The difference in the view on contracts is a good example of an area where communication between Vietnamese and American business partners can go terribly wrong. In fact, my Vietnamese informant told me that Vietnamese have concerns about doing business with Americans, even though American products are of high quality.

You should really, really be careful when you do business with Americans. That’s what people say. In their mind, they will trick you and try to get money from you. They are materialistic. They try to cheat you. They try to see if there’s any hole in your business, they take over from you. They take advantage of you. There are loads of cases that happened before, where Americans sued the Vietnamese firms; they had to close down (C. Nguyen, personal communication, November 9, 2007).

Another related communication issue has to do with the Confucian concepts of maintaining harmony and avoidance of conflict and confrontation. As my Vietnamese informant puts it:
Vietnamese people rarely go to the court and Americans are famous for it. It affects the brand and
the business image if you are sued, or you have to go to court, and they are really important to the
Vietnamese people. You lose face if you have to go to court (C. Nguyen, personal communication,
November 9, 2007).

The sometimes negative perception of U.S. firms makes it even more crucial for Americans doing
business in Vietnam to take the time to build a personal relationship with their Vietnamese counterparts,
and for Vietnamese managers to verbalize their expectations in spite of the value that is placed on not
having to say too much since Vietnam is a high-context culture American culture is low-context in the
sense that Americans are direct and have no problem with verbally spelling out what they want.
Vietnamese culture, on the other hand, is high-context: Nonverbal signals are important and to the
Vietnamese “indirectness indicates respect for another person’s perceptivity and intelligence” (Chambers,
1997, p. 173; Usunier, 1996, p. 369). The direct approach of American managers might therefore give the
Vietnamese the impression that the Americans find them obtuse.

**Nonverbal Communication**

There are quite a few differences in nonverbal communication habits that might cause trouble
between American managers and Vietnamese employees or business partners. Besides the fact that you
are discouraged from touching your business partners in Vietnam (except for handshakes), my
Vietnamese informant points to facial expressions and gestures as key differences between the two
cultures:

It is not a good idea to do body language [in Vietnam]. And people tend not to look at people’s
eyes when they are speaking. Especially you tend not to look at older people’s eyes when you
speak to them (C. Nguyen, personal communication, November 9, 2007).

It follows from this that American managers operating in Vietnam would do well to subdue their
cultural preference for gesturing and touching, while not jumping to the conclusion that the Vietnamese
are dishonest or disengaged for avoiding eye contact.

**Visual Communication: Advertising and Cross-Cultural Marketing**

People from different cultural backgrounds are likely to interpret the imagery and messages
included in ads and commercials in different ways. The general point of advertising your product is to
convince consumers that it is meant for them: That it will serve as a status symbol or make their lives
more convenient. As Hans Magnus Enzensberger points out ”when an advertising campaign is taken
abroad different values and perceptions as to what enhances status or gives convenience exist. These
differences make the original advertising campaign defunct" (2007, para. 4) Some of these perceptions
are based on basic cultural orientations and are therefore reasonably well known, as they are fairly stable
over time. Others, however, are based on the more fluctuating social representations, and it is strongly
recommended for American firms marketing their product in Vietnam to team up with a local partner that
knows not only the “tip of the iceberg” part of the culture, but also the 90 percent under the surface (De
Mooij, 2004). Nevertheless, a few pointers to keep in mind when advertising in Vietnam will be brought
in the following.

An example of a difference in Vietnamese and American commercials can be attributed to the
Confucian aversion to aggressive behavior in Vietnam. In U.S. commercials a product is frequently
promoted as being much better than that of a named competitor. You do not see this type of advertising in
Vietnam where criticizing your competition is seen as inappropriate and would cause you to lose face
(Chambers, 1997, p. 175).

Two other important rules about advertising in Vietnam are that people tend to believe that high
prices mean high quality, and that sexual imagery is a cultural taboo (C. Nguyen, personal
communication, November 9, 2007). Even though the Vietnamese teenagers dress more and more like Westerners it does not mean that sexual imagery sells products or is tolerated. What you do see is “sentiments, like a pretty couple falling in love.” (C. Nguyen, personal communication, November 9, 2007).

When it comes to the stylistic part of advertising one’s product to the young Vietnamese population one would do good to remember the admiration of everything Korean described by my informant: “… Young teenagers tend to follow Korean style. Not American style. Korean style means you have a young look… active and very colorful, and innovative, high technology” (C. Nguyen, personal communication, November 9, 2007).

A popular way of getting the attention and goodwill of the consumers is by using Vietnamese celebrities to sell all sorts of goods: “Vietnamese celebrities, but follow Korean style. With those kind of hair, and cool you know working out... muscular” (C. Nguyen, personal communication, November 9, 2007). By associating your product with people of high symbolic rank you may benefit from the Vietnamese’s use of luxury products to signal high status within the social hierarchy.

Conclusion

When applying Hofstede’s (2001) model to Vietnam and the United States, the major differences are in the dimensions of power distance, individualism vs. collectivism and long-term orientation (ITIM International, 2003). Americans operating in Vietnam may encounter communication problems and misunderstandings deriving from these differences and will do well to research Vietnam’s culture diligently before embarking on business ventures.

References