A Paper About the Influence of Philippines' Unique Social Culture in Business

Arlene Martinez
President and CEO of Mykartero Philippines
Email: arlene.martinez@mykartero.com

_____

Introduction

The Philippines has a unique social culture that has a significant impact on how business is conducted in the country. This social culture was shaped by more than three decades of Spanish Colonization (1565-1898), American colonization (1898-1946), and Japanese occupation (1942-1945). Centuries after migration of some Asians from neighboring countries that contributed to the development of our strong family values, respect for elders, and a sense of community. In this paper, we will also have a quick glance at the different aspects of Philippine social culture that affect business practices including the role of women, its strong faith base society, its growing youth population that embraced social media, technology and innovation, and the gender equality in Philippine social culture and how businesses leverage on these factors to encouraging inclusive growth for all and how businesses navigate these cultural norms to be successful in the Philippines.

Family Values and Relationships

Family is the foundation of Philippine culture. Filipino families are close-knit and independent, and this is reflected in business practices. Business relationships are often built on personal relationships, and these relationships are cultivated over time. The family dynamics in the Philippines provides an interesting case

study because of the inherent qualities that encompass the typical Filipino family. While no one single value is representative of the common family values of the Filipino, the distinct ones that seem shared by most are: family-centeredness, being child-centric, having close ties characterized by reciprocity, and large family size (Medina, 2001; Miralao, 1994). Filipinos prefer to do business with people they know and trust, rather than with strangers. This means that building relationships and trust are critical to success in the Philippines.

In addition, Filipinos place a high value on the concept of "pakikisama", which means getting along with others in the vein of society and social involvement. This emphasis on harmony and relationships can impact business negotiations, as Filipinos are more likely to seek solutions that benefit all parties, rather than just themselves.

Respect for Elders and Hierarchy

Either coming from a patriarchal or matriarchal family, respect for the elderly and authority has always been the mark of Asian societies like the Philippines deeply ingrained in culture. Likewise, this translates into a hierarchical business culture, where authority and decision-making power are concentrated on high premium preserving the authority in an exalted place. In business settings, it is important to show respect to superiors, and decisions are often made based on the hierarchy.

Philippine respect for authority is based on the special honor paid to elder members of the family and, by extension, to anyone in a position of power. This characteristic is generally conducive to the smooth running of society, although, when taken to extreme, it can develop into an authoritarianism that discourages independent judgment and individual responsibility and initiative.

This can also mean that employees may be less likely to speak up or challenge their superiors. In some cases, this can lead to a lack of innovation or creativity in the workplace. However, by understanding the importance of hierarchy and respecting

authority, businesses can navigate this aspect of Philippine social culture and build successful relationships with their employees through top-down, down-top ways of communication.

Sense of Community

The sense of community is another key aspect of Philippine social culture. The psychological sense of community is vital for the existence of the community for it serves as an adhesive that binds the community members to stand as one and work toward a specific goal of mutual benefit. Sarason (1974) defined this term as the perception of similarity to others, an acknowledged interdependence with others, a willingness to maintain this interdependence by giving to or doing for others what one expects from them, the feeling that one is part of a larger dependable and stable structure. Filipinos have a strong sense of social responsibility, and businesses are expected to contribute to the community in which they operate. This can take many forms, from supporting local charities and events to providing employment and economic opportunities for local residents.

In addition, the Philippines is a collectivist culture, which means that the needs of the group are valued above the needs of the individual. This can have an impact on business practices, as Filipinos are more likely to seek consensus and cooperation than competition. By understanding the importance of community and cooperation, businesses can build strong relationships with their customers and employees.

Women in Philippine Business

The Department of Trade (DTI) reports that the Philippines' woman population covers 49.8% of the total 2022 population with 90.3% being employed. Research on women entrepreneurs done in the early 90's was more focused on competency, resiliency, empowerment, and support given to women entrepreneurs, which can lead to influence in shaping our society and the economy (Edralin et al., 2015). Women in the Philippines are increasingly

breaking through the glass ceiling and taking on leadership roles in family, business and politics. However, there is still work to be done to ensure that women are given equal opportunities in the workplace.

The Department of Trade and Industry's (DTI) Gender and Development Program follows closely the Magna Carta of Women (Republic Act 9710) passed in 2009, which provides specific interventions by DTI on women's economic empowerment. The Philippine government has implemented policies pivoting women's participation and benefits in livelihood and entrepreneurial opportunities and activities. Businesses can also play a role in promoting gender equal opportunities for women and men, such as diversity training and mentoring programs.

Faith in Philippine Business

Religion plays an important role in Philippine culture, with the majority of the population being Catholic. Particularly noteworthy, it played a vital role in development initiatives that involved sustainability affecting holistic chance in the community and social environment. This impacts business practices, as many business owners and employees may be guided by their religious beliefs. For example, businesses may prioritize ethical practices and values, such as honesty and integrity, in their operations. Additionally, businesses may be more likely to engage in corporate social responsibility initiatives, such as charitable donations and community outreach programs and many other projects, as a way to give back to society.

Growing Youth in Philippine Business

The youth in the Philippines make up a significant portion of the population, and they are increasingly becoming an important demographic for businesses. According to Magtubo (2021), the development of youth enterprise is an important and significant strategy for fostering economic participation amongst young women and men in terms of employment creation, product and

service innovation, market competition, community revitalization, and income generation.

According to the global study commissioned by Dell EMC, it was revealed that Filipino Gen Z-ers have the most confidence in their tech savviness among their peers in Southeast Asia (SEA) and globally. Additionally, Filipino Gen Z-ers were the most confident in their tech savvy at 68%, compared to their counterparts in SE Asia at 62% and global at 52%. On top of that, Filipino Gen Z-ers are optimistic they have the tech skills that their employers need.

Moreover, this generation is highly connected and digitally savvy, which can be leveraged by businesses to reach new customers and expand their market. The Filipino youth are highly diverse with a wide range of interests and backgrounds, which can be a valuable source of innovation and creativity for business.

Gender Equality

Based on the World Economic Forum (WEF), the Philippines is still deemed as the most gender-equal country in Asia in WEF's 2023 Global Gender Gap Index. The Philippines, which ranked 19th place among 146 countries, has advanced three spots – to 16th place in the latest report. The Gender Gap Index measures gender equality based on economic participation and opportunity, educational attainment, health and survival, and political empowerment.

The influence of Philippine social culture on gender equality in business is significant with traditional gender roles and expectations affecting how women are perceived and treated in the workplace. According to the World Bank report, gender equality is intrinsically linked to sustainable and inclusive growth and development. In recent years, the Philippines' legal framework has helped move the country toward gender equality. The Philippines has embraced gender equality among its current policy priorities.

However, businesses promote gender equality by implementing policies and programs that support equal opportunities for women and men, such as increasing labor

participation, diversity training and mentoring programs for accelerating economic growth.

Additionally, businesses now ensure that their recruitment and promotion processes are free from bias and discrimination, and promote work-life balance to support employees in meeting their personal and professional responsibilities especially during these endemic times.

Promoting Inclusive Growth (from regionalistic to nationalistic)

As the government encourages businesses to promote inclusive growth in the Philippines, companies and organizations are now leveraging the role of women, faith, youth, technology, and innovation, supporting gender equality for a sustainable operation or business into the arena of efficient competitive markets.

By promoting diversity and inclusivity, businesses are able to create a more dynamic and innovative business culture that fosters growth and development for all. This involves implementing policies and programs that support equal opportunities and work-life balance, engaging in corporate social responsibility initiatives, and grasping the dynamic source of innovation and growth from the diversity and creativity of the youth.

Conclusion

In conclusion, the unique social culture of the Philippines can be leveraged by businesses to promote inclusive growth for all. By promoting gender equality, ethical practices and values, the diversity and creativity of the youth, and community outreach initiatives, and leveraging on the growing empowered women and quick adaptation to a dynamic technology development, businesses can create a more dynamic and innovative business culture that fosters growth and development for all. By embracing these factors, businesses can create a more inclusive and supportive workplace that contributes to the overall development of the Philippines.

Further Reading List

Capuno et al., (2013). Views and Values on Family among Filipinos: An Empirical Exploration. *Asian Journal of Social Science,* University of the Philippines, pp. 5-28

Carlos, C. (1999) Concerns of the Elderly in the Philippines, *Philippine Social Sciences Review*, vol. 56 nos.1-4

Edralin et al., (2015). Women Entrepreneurship Studies in the Philippines: An Inventory, pp. 1-2

Epetia, M. (2019). Explaining the gender gap in labor force participation in the Philippines. *The 3rd JILPT Tokyo Comparative Labor Policy Seminar 2019*. Japan Labor Issues, vol.3, no.17.

Knafo, A., S. Roccas and L. Sagiv (2011) "The value of values in cross-cultural research: A special issue in honor of Shalom Schwartz", youma/ of *Cross-Cultural Psychology* 42: 178-185. doi: 10.1177/0022022110396863.

Magtubo, R (2021). Marketing Strategy and Growth of Youth-owned Businesses during the COVID-19-Pandemic, Munich, GRIN Verlag

Medalla, M., & Mantaring, M. (2017). Mainstreaming SMEs: Promoting Inclusive Growth in APEC, *Philippine Institute for Development Studies*, pp. 3-4

Medina, B. T. G. (2001) The Filipino Family. 2nd edition. Quezon City, Philippines: University of the Philippines Press

Perez, A. (2018) Psychological Sense of Community and Altruism of Gawad Kalinga Residents in Batangas, Philippines, Batangas State University, *International Journal of Recent Innovations in Academic Research*, Volume-2, Issue-7, 1-12

Thaut, L. 2009. The role of faith in Christian faith-based humanitarian agencies: Constructing the taxonomy. Voluntas, 20: 319–350.

Website:

https://www.asianstudies.org/publications/eaa/archives/the-philippines-an-overview-of-the-colonial-era/

https://www.britannica.com/topic/history-of-Philippines

https://www.historians.org/

https://uca.edu/

https://wearesocial.com/uk/

https://countrystudies.us/philippines/

https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099830103012227161/p173002056f08e0a909afd0d7c9f381c4d3

https://www.dti.gov.ph/good-governance-program/gad-program/

https://www.trade.gov/country-commercial-guides/philippines-information-and-communications-technology

https://newsbytes.ph/2019/01/03/global-survey-pinoy-gen-z-ers-most-confident-on-being-tech-savvy-3/

https://www.rappler.com/nation/philippines-improves-global-gender-gap-index-2023/

World Economic Forum's (WEF) Global Gender Gap Index
https://www3.weforum.org/docs/WEF_GGGR_2023.pdf