



- The Need for a Pragmatic Focus
- Overview of the Nigerian Business Environment
- What You Need to Know About Nigerian Business Culture
- Case Scenarios
- Tactics and Strategies for Success

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Understanding the Business Culture of **Nigeria**





Contents

Introduction: Business Culture— The Need for a Pragmatic Focus.....	4
Discounting the Importance of Culture	4
Understanding Your Nigerian Counterpart.....	5
Practical Business Impacts of Culture	5
Chapter 1: Overview of the Business Environment in Nigeria	6
Recent Economic Developments	7
Canadian Opportunities	8
The Nigerian Business Environment	8
Chapter 2: What You Need to Know About Business Culture in Nigeria	9
Clothing	9
Collectivism Versus Individuality	9
Corruption and Favoritism	9
Decisive Action.....	10
Demeanor	10
Diversity	10
Gender	10
Hierarchical Society.....	10
Language	11
Religion	11
Short-Term Focus.....	11
Status	11
Social Life	12
Chapter 3: Case Scenarios	13
Cadbury Nigeria	13
Accenture – Verakki Business Solutions	14
Chapter 4: Tactics & Strategies for Success	15
Agreements and Contracts	15
Business Meetings	15



Communication Styles	16
Conflicts in the Workplace.....	17
Corporate Social Responsibility	17
Corruption.....	17
Dining and Entertainment.....	18
Displays of Emotion	18
Diversity	18
Dress	18
Gift Giving	19
Greetings.....	19
Hierarchy and Decision-Making.....	19
Management Styles and Qualities	20
Negotiations.....	20
Personal Space	21
Public Holidays	21
Punctuality	22
Relationships.....	22
Religion	23
Chapter 5: Getting Help When & Where You Need It	24
Notes	25



Introduction: Business Culture— The Need for a Pragmatic Focus

Despite Covid-19 and disruptions in international trade, questions related to culture and its impact on business should be on your screen. These questions are not always easy to answer and some of them are indeed perplexing. For Canadians, the push for diversification in export markets presents a plethora of practical cultural issues that simply cannot be ignored.

Is there a strategic way to prepare for cultural factors and key sources of market intelligence to rely on?

Which international markets require a significant marketing adaptation and which ones will allow limited or marginal changes?

How can I mitigate the risks deriving from business culture issues?

To what extent can I apply the adaptations that successful firms have made and to what extent do I have to swim on my own?

How significant are the cultural factors to success in a major market like Nigeria and who do I need on my team?

How deeply intertwined are cultural factors and corruption issues in Nigeria?

Discounting the Importance of Culture

In my view, Canadian businesspeople are not well prepared to identify and deal with cultural issues as they engage in business in the Nigerian market. This can be explained by a range of factors including the fact that Canadian executives' overall exposure to the market has been limited.

Some Canadian executives have had success in the US and have not had to adjust much from a cultural point of view. Others assume that cultural factors can be addressed by local agents or reps and will not materially impact their business if they have the "right" people to rely on. Some think that their products and services speak for themselves. Some Canadian businesspeople, venturing out for the first time, see cultural factors in the context of "nice to know" factors rather than "need to know." They have not experienced the consequences of cultural faux pas and are not inclined to spend precious time on understanding and adjusting to cultural factors and nuances.



Moving forward, we can expect that business culture will continue to be a significant factor in the Nigerian market. The scope of the market, young population, diversity and imbedded local traits and characteristics simply cannot be ignored or given lip service. The glocalization process of global products with local adaptations is playing out in Nigeria in its own unique way and will continue to do so.

Overall, business culture in the global context is a simultaneous convergence and divergence of national cultures. This leaves each businessperson the task of doing detailed homework and making the necessary adjustments. On the one hand, there are certain global products and practices that have become commonplace while others have distinctly local characteristics. National pride and local content in markets like Nigeria will continue to support local products, brands and solutions and mean that you need to be very mindful of local culture.

Understanding Your Nigerian Counterpart

The idea that the cultural file can be absorbed as your firm moves along or handled by a “local representative” should be dismissed. What you put into preparing for your business in Nigeria will be reflected in what you come away with and adapting to the culture is a big part of the equation.

Understanding your Nigerian counterparts - their motivations, the processes, the timelines, the decision-making, and how Nigerian culture weaves through all of this, can be hugely daunting, particularly to those who may have limited exposure. Many do not know where to turn for help.

The cultural diversity within Nigerian bears special mention and is significantly under recognized. I still see businesspeople looking for a one size fits all cultural approach to conducting business in the country. Like it or not, preparation on the cross-cultural side is not a quick fix and needs to be viewed in its full context - one that goes beyond geography, and incorporates the culture within the industry, the organization and the individual counterpart.

Practical Business Impacts of Culture

This guide delves into the direct impacts of culture on the key pillars of conducting business in Nigeria. We present an overview of the Nigerian business environment, what you need to know about Nigerian business culture, case scenarios and key tactics and strategies for success from the business culture perspective. We also draw on discussions with executives with direct experiences in doing business to capture the nuances seen from the ground.

It is my hope that this guide, will provide you and your firm with useful insights and “inside information” to avoid the potential pitfalls and bottlenecks due to a lack of cultural awareness.



Chapter 1: Overview of the Business Environment in Nigeriaⁱ

A key regional player in West Africa, Nigeria accounts for about half of West Africa's population with approximately 202 million people and one of the largest populations of youth in the world. Nigeria is a multi-ethnic and culturally diverse federation which consists of 36 autonomous states and the Federal Capital Territory. With an abundance of natural resources, it is Africa's biggest oil exporter, and has the largest natural gas reserves on the continent.

The country held national elections in 2019, for the sixth consecutive time since its return to democracy in 1999. The incumbent president, Muhammadu Buhari won the elections and was sworn in for a second term on May 29, 2019. He has identified fighting corruption, increasing security, tackling unemployment, diversifying the economy, enhancing climate resilience, and boosting the living standards of Nigerians as main policy priorities his government seeks to continue to pursue in his second term up till 2023. Nigeria's federated structure gives significant autonomy to states.

With the uncertainty of the long-term economic impact of the global COVID-19 (coronavirus) pandemic, a new economic analysis says the speed, quality and sustainability of Nigeria's economic recovery will be determined by the effectiveness of its government's response.ⁱⁱ

The Nigeria Development Update, Nigeria in Times of COVID-19: Laying Foundations for a Strong Recovery says the global spread of the pandemic and the subsequent collapse of international oil prices are destabilizing Nigeria's macroeconomic balances. Before COVID-19, the number of Nigerians living in poverty was expected to increase by about two million, largely due to population growth. Without bold reforms, strong fiscal and monetary policy actions, the report warns that the macroeconomic implications of COVID-19 in 2020 and 2021 will be severe—including the loss of life, and the possibility of five million more Nigerians being pushed into poverty—even if Nigeria manages to contain the spread of the virus.

"The unprecedented crisis will require an unprecedented response from the entire Nigerian public sector, in collaboration with the private sector, to contain the outbreak, save lives, and protect livelihoods of the poor and vulnerable," said Marco Hernandez, World Bank Lead Economist for Nigeria, and co-author of the report.

The report discusses policy options in five critical areas that can help Nigeria recover from the impact COVID-19 pandemic:

- Containing the outbreak and preparing for a more severe outbreak
- Enhancing macroeconomic management to boost investor confidence



- Safeguarding and mobilizing revenues
- Reprioritizing public spending to protect critical development expenditures and stimulate economic activity
- Protecting poor and vulnerable communities

Beyond assessing the economic and social impacts of COVID-19, the report also recognizes the need for vital policy reforms to support economic growth and job creation over the medium-term. Selected reform areas discussed in the report include a focus on addressing smuggling as part of a broader agenda around facilitating trade, improving security, and preventing counterterrorism, as well as investing in labor-intense agriculture infrastructure to provide for short-term jobs. Reforms also include increasing the processing capacity of agricultural produce by farmers and producer organizations, encouraging the return of skilled emigrants and improving channels for safe, regular and orderly emigration for Nigeria's development.

Recent Economic Developments

Before COVID-19, Nigeria's economy was gradually recovering from the 2016 recession, although per capita incomes were still falling because economic growth lagged population growth. Nigeria's GDP growth rate improved slightly in 2019, reflecting rising service output.

On the supply side, growth was mainly driven by the services sector, which represents about 50% of the country's gross domestic product (GDP). The principal performers here were telecommunications and financial services, which expanded in part because of policies aimed at increasing credit to the private sector. Agriculture and the oil industry also contributed to growth positively, despite the introduction of an OPEC cap on oil production.

On the demand side, growth was driven by strengthening investment and growing net exports, which more than compensated for still declining domestic consumption. As the GDP growth rate (2.2%) remained below the population growth rate (estimated at 2.6% per year), per capita GDP declined in 2019.

In 2020, in a baseline scenario, the economy is forecast to contract by 3.2%. This assumes an annual average oil price of \$30 a barrel. It also assumes that the spread of COVID-19 will be contained in Nigeria by the third quarter of 2020. This revised growth projection is more than five percentage points below the pre-COVID-19 forecast of moderate 2.1%. This will make the predicted 2020 recession at least twice as deep as that of 2015-2016 and the deepest since the 1980s.



Canadian Opportunities

In 2018, Nigeria was Canada’s second largest bilateral merchandise trading partner in Sub-Saharan Africa with bilateral merchandise trade totaling \$948.4 million. Canadian exports covered a wide range of products, including vehicles and equipment, wheat, manufacturing equipment, software, aircrafts, and cars and were valued at \$467.9 million. On the import side, Canadian imports consisted primarily of mineral fuels and oils, cocoa, rubber, lead, and processed foods and amounting to \$480.5 million.

Top sectors of opportunity for Canada in Nigeria include sustainable technologies, education, information and communications technology and energy.

In 2018, Canada welcomed more than 11,000 Nigerian students. Nigeria was Canada’s most important source of international students from Sub-Saharan Africa.

The Nigerian Business Environment

Accelerators	Ongoing Issues
Scope of market	Containing Covid-19
Relatively high literacy rates	Crime rates, fraud
Young, active and mobile labor force	Security Issues
10th largest proven oil reserves	Reducing poverty
9th largest gas reserves	Inadequate infrastructure – power, roads
Well managed money supply	Insufficient information systems
Digital adaptation	Insufficient managerial resources
Investment competitiveness and profitability	Investment in human capital
Strong banking and financial sector	High cost of doing business
Manufacturing incentives	Lack of effective judicial due process
Agricultural incentives	Non-transparent economic decision-making
Opportunities in private education	Slow customs clearances
	Local content
	Restricted foreign exchange
	Lack of effective IP protection
	Access to credit and capital



Chapter 2: What You Need to Know About Business Culture in Nigeria

Clothing

In most urban areas, and particularly in the south of the country, both men and women tend to wear standard western-style clothing. Therefore, in a business context, stylish suits for men and smart dresses or trouser suits for women are the norm.

Nigeria also has a rich heritage of traditional dress, which is worn in more casual contexts. Women will often be seen wearing long flowing robes and headscarves in bright colors.

The most popular style of traditional dress is called “Buba”. For men this entails a long, loose-fitting shirt which comes down to halfway down the thigh, and for women a loose-fitting blouse that comes down to just below the waist. Men can also be seen wearing a traditional cap, known as a “fila”.

Collectivism Versus Individuality

Nigerian society is strongly rooted in a collectivist culture. Although this does not rule out individuality, a collective effort allows for communal ownership of resources and effort. In this atmosphere, trust becomes a key factor.

Corruption and Favoritism

Corruption and favoritism exist in official and business circles where officials often expect you to give them hand-outs each time you visit. This situation has been made worse by years of military misrule, damage to the economy and looting of the treasury by government officials, which has brought about situations where workers go for months without pay. Some have taken to asking for bribes to augment their situation and others have taken to commercial trading in their places of work.

It is a common sight to find several roadblocks or police checkpoints with the police openly asking for bribes from motorists. The same thing applies to the immigration and custom officials at the various points of entries into the country.

Nigerian civil society organs and external aid groups such as the World Bank are endeavoring to bring Nigeria closer to the Western value system.



Decisive Action

Nigerian culture could perhaps be described as ‘masculine’ in the sense that emphasis is placed on action and dealing with challenges directly and quickly. There is a stress placed on competition, quality, equity, and continuous improvements. Managers should be assertive and decisive because things are sorted out by fighting them out.

Demeanor

Nigerians are perceived as aggressive in comparison to many countries. Indeed, Nigerians often describe themselves as being “proud and loud”. In general, Nigerians can seem very emotional to people of other cultures, as big shows of emotion in public are commonplace and perfectly acceptable.

This may make it seem that people are having an argument or a shouting match, when in fact they are merely having a discussion or a friendly conversation, so try not to be put off by this.

Diversityⁱⁱⁱ

Nigeria is an extremely diverse country, with well over 1000 different ethnic groups residing within its territory. The 4 largest of these groups are the Hausa, the Fulani, the Igbo and the Yoruba. The culture of Nigeria is therefore every bit as diverse as you would expect from a country which is a melting pot of people from so many different backgrounds.

Gender

The gap between the role of men and women is gradually closing now with more women occupying senior management and ministerial positions. Men are fast accepting women as equal partners in progress, which represents a sharp deviation from the chauvinist nature of the past. But culturally, women are still expected to play the traditional mother, wife and sister roles with the nurturing disposition that goes with them. This is more pronounced in the Muslim Northern part of the country where the public responsibilities of women may be limited because of religious beliefs.

In power relations, Nigeria remains a highly male-centric society, particularly as you move northwards. Only three per cent of federal political offices were held by women in 2000. Unmarried women and widows are afforded less respect.

Hierarchical Society^{iv}

Nigerian society is strongly hierarchical in terms of power relations. It is a necessity that a clear hierarchy is established where every employee is aware of this structure so that



he or she may contribute to it constructively. In a certain sense, a benevolent autocrat is the preferred leadership style, and those willing to embrace this culture should experience success.

Language

The make-up of languages in Nigeria is hugely diverse. Over 500 languages are spoken in the country, according to recent estimates, though many of these are on the decline.

The official language of Nigeria is English, the former colonial language. English was chosen to try and promote cultural and linguistic unity within the country, although only around 75% of the population speak it, most of these being concentrated in urban areas. Many people speak “pidgin” English.

The other primary languages spoken in the country include Hausa, Igbo, and Yoruba which all use the Latin alphabet but with language-specific variations. These languages are all quite distinct, as the languages of Nigeria draw from many different families, including Afroasiatic languages, Nilo-Saharan languages, and Niger-Congo languages.

Religion^v

The population of Nigeria is divided evenly between Christians and Muslims though exact numbers vary, with the primarily Sunni Muslim communities being based in the north of the Country, and Christianity dominating the central and southern regions. There are also a small minority of people who adhere to other religions, including traditional tribal beliefs.

Unfortunately, there have been some confrontations between Christians and Muslims in Nigeria in recent history, propagated by the radical Islamist sect, Boko Haram, who have claimed responsibility for several attacks.

Short-Term Focus

Many Nigerian businesses are focused on achieving results quickly rather than adopting a long-term stratagem. In short, people love to see short-term returns and know that their monetary investment is being fruitful.

Status

People are generally class conscious. This explains why people are keen on titles and the emphasis on making sure they are addressed as such. It gives them the feeling of respect and superiority to others. Some people even buy honorary degrees and chieftaincy titles just to look important and relevant. There are situations where some



insist on being addressed by all their prefixes or designations at once, e.g. Dr., Engr., Ambassador, Gen., Chief, Alhaji Mohamed Baker. BSc, MSc., PhD.

Recent income distribution studies confirm that over the last two decades, an entrenched, burgeoning middle class has emerged that is drifting ever further from the impoverished majority.

Social Life

Nigerians do have something they are all equally passionate about and that is football (soccer), which is like a religion there. Try to watch the matches with them. Outside sports there are over or about 60 television stations, two most prominent of which are the state-owned Nigeria Television Authority (NTA) and the African Independent Television (AIT), which is privately owned. All the stations show wide varieties of local and international content, broadcast in English.

As a result of the cultural diversification of the country it is always better to travel to different parts of the country to really appreciate the cultural collage of the country.

You may attend the Eyo festival in Lagos and the Igwe (New Yam) festival in Benin City, both in the Southern part of the country or the Durba in Kano City and the Argungun fishing festival in Kebbi, both in the Northern part of the country. Nigerians everywhere celebrate everything from birth to death, attending one of these ceremonies such as baby christening, customary wedding, funerals can be a good way to know more about the culture of the people of the particular area you are in.

With the passage of Sharia law, including prohibition of alcohol consumption in much of the North, Nigerian cities have vastly varying degrees of popular nightlife; cosmopolitan Lagos, followed by Abuja are the best for live performances, art galleries, etc.



Chapter 3: Case Scenarios

Cadbury Nigeria^{vi}

Cadbury Nigeria which had been operating in Nigeria since 1965 while manufacturing and selling sugar confectionary, gum and food beverages was caught up in a major scandal in 2006. This is often referred to as the Nigerian version of the Enron case and while it took place sometime ago, there are lessons to be learned. The scandal resulted in the company losing a lot of money, damaging its reputation and those of its officers and the Cadbury brand. It also further clouded the reputation of Nigeria in the international investment community. Suits were filed by more than 300 shareholders for breach of duty.

Cadbury Nigeria's Chairman and key officials failed to obey the provisions of Nigeria's Code of Corporate Governance. The annual reports and accounts for a 3-year period contained untrue and misleading statements. There was a deliberate overstatement of the company's financial position over several years.

The operations were fraught with false stock certificates, overstatements of profits, false supplier certificates and an undisclosed and undocumented offshore remuneration account. It was determined that the Audit Committee had not properly discharged their duties and that the external auditors, a leading local accounting firm, failed to handle the company's financial statements with proper due diligence. The Union Registrars also failed to comply with their obligations.

The scandal was centered on a lack of strong principles of corporate governance and resulted from a lack of discipline, control and ethics given the perception that Nigerian officials would not strictly enforce codes of conduct and auditory and regulatory requirements.

For example, the CEO, finance executive and other executive directors were paid offshore remunerations without authorization of the Remunerations Committee. The Audit Committee was not properly constituted and failed to ensure proper investigations and recommendations. The Cadbury Nigeria Board also failed to live up to its obligations to provide transparency in its financial reporting. Lastly, the Union Registrars failed to notify the SEC in writing when Cadbury Nigeria failed to transfer the dividend payment in the required timeframe.

Many actions were taken to overcome the scandal including the sacking of the CEO and former finance executive director by Cadbury Nigeria, the CEO and finance executive were convicted of fraud and conspiracy by the Economic and Financial Crimes Commission (EFCC), the CEO and finance executive were banned from operating in the Nigerian capital market. The Chairman and other Board Directors were disqualified



from the Nigerian capital market and being employed or holding directorships in any public companies, Cadbury Nigeria was ordered to pay fines, Cadbury shares were suspended from trading, the external auditor was also fined for failing to complete their due diligence and the Union Registrars were also ordered to pay a penalty.

Accenture – Verakki Business Solutions^{vii}

Accenture is a well-known global firm operating in multiple countries including Nigeria. After doing a review of its operations in Nigeria in 2018, it concluded that there was a need to change the way it was profiling itself and operating in the market to be more impactful. It decided that it should operate through a local entity which would be more flexible, more agile to take on risks while better meeting national content requirements. These reasons influenced Accenture’s decision to re-organize its presence, to remain a legal entity but not an operating entity.

Verakki was established by those former leaders of Accenture Nigeria, as well as other individuals who were formerly with Accenture Nigeria and Arthur Anderson. Verakki was born out of the idea that it was time to form an African practice, a professional services firm that is owned by Africans who have global experience, relevant skills and who are passionate about taking the required level of risk to be successful on the continent.

Verakki was approved as a Business Intermediary of Accenture to deliver services to Accenture clients in Nigeria. Accenture continues to support and provide services to Verakki including delivery support and access to specialized skills on projects as applicable.

Verakki will develop and provide business solutions designed inherently for Africa. It intends to go beyond consulting to invest in the market as well. Whereas with Accenture they were operating in four or five industries, with Verakki they will operate in 13 industries. With Accenture they were only operating with large and matured companies but with Verakki they will partner with both local and international companies including small, medium or large corporates. Verakki through its venture team will be deeply involved in the start-up ecosystem in Africa which is an exciting area that Accenture could not effectively tap as a multinational because of its processes, risk appetite and lack of deep connections and talent.

Culture was the key driver behind the transformation from Accenture to Verakki and positions operations for the longer term where they can provide a mobile telephony service to 60% of Africa’s one billion plus people.



Chapter 4: Tactics & Strategies for Success

Here is a roundup of recommended tactics and strategies to help you better navigate Nigerian business culture. They are presented in alphabetical order for ease of reference. You should visit and revisit them as you plan and execute your strategy in the country.

Agreements and Contracts^{viii}

Capturing and exchanging written understandings after meetings and at key negotiation stages is useful. Oral commitments may sound stronger than what your Nigerian counterparts might be willing to put in writing. However, these documents are not final agreements.

Any part of an agreement may still change significantly before both parties sign the final contract. It is essential to reconfirm agreements often to verify understanding and commitment. Written contracts may be created in a wide range of styles, from high-level to incredibly detailed. Signing one is often only a formality.

Nigerians believe that the primary strength of an agreement lies in the partners' commitment rather than in its written documentation. Your legal rights are rarely enforceable. However, it is still best to consult a local legal expert before signing a contract. Do not bring an attorney to the negotiation table, though, since this may be taken as a sign that you do not trust your counterparts.

Your best chance to ensure that your partners follow through on their commitments is to stay in regular contact and nurture the relationship throughout your business engagement. Business partners are expected to remain flexible if conditions change, which may include agreeing to modify some contract terms.

Business Meetings

You should always arrive on time for meetings, although be aware that it is possible others may arrive late. Tardiness does not have the same stigma attached to it as it does in western countries.

Expect meetings to take a lot of time and to involve a certain amount of “beating about the bush”. Nigerians like to feel comfortable that they know the people they are dealing with before they will make important decisions like entering business with that person.



Communication Styles

Communication styles in Nigeria may vary significantly depending on the individual's cultural ancestry. Nigerians from the south usually speak in a direct way and use a louder voice. Many of the people from the South – Western part of Nigeria make use of proverbs and sayings thus their communication style is more indirect. In general, Nigerians are a friendly and outgoing people.^x

Nigerians are quite gregarious and outgoing. It is rather difficult to stumble upon a taboo discussion topic, and this includes the country's problems—Nigerians discuss them all the time! Family, work, and place of origin are good openers. Canadians and Nigerians share roughly the same sense of humor, including observations of irony and double standards.

Learning a little bit of the indigenous language, such as basic greetings, can bring smiles to Nigerians' faces—they are flattered that foreigners make the effort to respect their unique and resilient culture! Many expatriates report maintaining rewarding friendships with their Nigerian colleagues that often extend long past their stay there.^x

Meeting a Nigerian for the first time could be easy and fun. Nigeria could also be one big drama and soap opera unfolding before your eyes and everybody seems to have one thing or another to talk or complain about. They are happy when someone shows interest in what they have to say.

As a result of the pluralistic nature of the various interests it is always preferable to take a neutral position or simply act as a moderator in such a situation. By so doing one would not be taking sides with any interest group.

Asking after the welfare of one's family is one way of showing how thoughtful one could be in a country where most of the citizens think the government has forgotten them and their plight.

Nigeria is still a very culturally rich and traditional country even though most Western values have crept into the society, especially among the youths. Sexual and immoral jokes may be frowned upon by some people.

As a result of the long military misrule and hardship, more and more people have been resorting to religious faiths for divine interventions, so it is easy to find proliferations of churches and various religious sects in the Southern parts of the country.

Nigerians in the Southern half of the country speak frankly and directly, and their normal speaking volume is about thirty percent higher than the Canadian norm; those living in the North speak quietly.



Fortunately, you will discover that Nigerians are generally forgiving of foreigners' etiquette gaffes.

Conflicts in the Workplace

It is always advisable to confront a colleague officially, directly, and privately when you have a work-related problem. Since Nigerians are somewhat loud and not as indirect as Canadians, it is quite easy to know when they have problems with you. On the other side, if they are too intimidated to confront you directly, they may withdraw from you completely or take to gossiping among other colleagues.

Corporate Social Responsibility

Canadians intending to work in Nigeria must understand that, through traumatic events such as the environmental degradation in the Niger Delta induced by foreign-owned resource extraction operations, impoverished communities in the Southern half of the country are well-acquainted with their economic rights.

Good corporate social responsibility, including social development programming for the host communities must be countenanced, or the workers and citizens will revolt, possibly provoking military retaliation and potentially damaging international publicity, as recent events have demonstrated.^{xi}

Corruption

Corruption is a significant obstacle to doing business in Nigeria and international companies are highly likely to encounter bribery and other corrupt practices. Corruption risks are pervasive throughout all institutions, but the oil sector is particularly corrupt.

Canadian firms should be very mindful of the risks and plan their approach carefully starting with a briefing on the Canadian Corruption of Foreign Public Officials Act (CFPOA). They should also proactively advise Nigerian counterparts of their ethical standards and policies at an early stage.

The importance of carrying out detailed market research, drawing on a variety of sources to identify suitable partners and undertaking thorough due diligence cannot be over emphasized. Firms should draw on the Canadian trade commissioners and other Canadian firms in the market to benefit from their knowledge, experience, and contacts.

Firms should consult with professional services firms as they develop their anti-corruption compliance programs. The compliance programs should cover all the bases including gifts and entertainment, facilitation payments, political, community and charitable contributions and require all employees to sign their commitments. Training staff to identify the red flags of potential corrupt activities in the market is crucial.



Dining and Entertainment

Many aspects of Nigerian customs are defined by traditional family roles. Therefore, during a meal it is not uncommon for men, women, and children to eat separately, with the men being served first. When sitting down to eat, the honored guest will be served first, and you should not start eating until they have started.

Avoid eating or passing food with your left hand. If you are eating out in a restaurant, in addition to the above, you should also be aware that you may be seated at a table with strangers. If this happens, then do not feel obliged to start a conversation but continue with your meal as if you were at your own table. Normally the person who invites other people for a meal will also be the one paying. It is appropriate in Nigerian restaurants to tip at about 10%.

Displays of Emotion

Public display of affections such as kissing or assuming postures that may be sexually suggestive are commonly frowned upon by some people with strong religious convictions, be they Christian or Muslim. But demonstrations of affection from a mother to a child or between siblings are accepted. People are free to express their anger (if it is legal). It is quite common to see this in chaotic Lagos, where people vent their anger openly as a result of one disappointment or another. Open emotional displays such as crying for the loss of loved ones is common. There are also emotional outbursts of joy at celebration of successes, birth of a child, promotions, etc.

Southern Nigerians raise their voices and appear to become emotionally agitated much more frequently than Canadians. This can be distressful for newcomers, but it usually only signals that the parties feel passionately about the discussion topic.

Diversity

Be conscious of cultural diversity within Nigeria. There are around 500 ethnic groups in Nigeria, with approximately two-thirds of the population represented by the Hausa, Yoruba, and Igbo tribes. This cultural diversity can pose challenges to the deal making process. For example, an advisor from one tribe engaging with a vendor from an opposing tribe may disadvantage the deal, and these cultural sensitivities and nuances need to be taken into consideration. What is more, when it comes to integrating a new business, buyers must think carefully about the potential mismatching of working cultures and how to overcome this challenge ahead of closing a deal.

Dress

The Nigeria work attitude is somewhat laid back and dress should be clean, modest, and formal or semi - formal, depending on the type of job and office occupied. Some



people may prefer to dress to work in their African traditional attires, while some prefer to stick to the Western style.

In general, one should dress smartly, and be groomed well. Physical appearances are the first signal of one's status in society. While dependent on the corporate culture, "native dress" (flowing gowns in colorful printed cloth or lace fabrics) is often worn on alternating days with Western-style fashions by Nigerians old and young; professional class Nigerians tend to restrict themselves to the latter.

Gift Giving

If Invited to dinner at someone's home then bring fruit, nuts, or chocolates for the host. A gift for the children is always a nice touch. Gifts should be given using the right hand only or both hands. Never use the left hand only. Gifts from a man to a woman must be said to come from the man's mother, wife, sister or other female relative, never from the man himself. Gifts should be wrapped, although there are no cultural taboos concerning paper color. Gifts are not always opened when received.

Greetings

Handshakes are the normal means of greeting in a business context, though be aware that they are often longer than average. Be wary of physical contact between a man and a woman, as Muslim Nigerians discourage this. If you are a man, then it is best to wait to see whether a woman extends her hand to you.

It would be considered rude to rush the greeting process. You should take the time to ask about the person's health, the health of their families or other niceties. Close friends and family members often kiss and hug when meeting.

Status is important in Nigeria, so if you are meetings someone senior to you, a small bow when shaking hands would be appropriate. Additionally, avoid prolonged eye contact with someone more senior to you, as this could be seen to be disrespectful. Address people initially by their academic, professional, or honorific title and their surname.

It is normal to exchange business cards. Make sure you present your card with your right hand, and accept cards from others with the same hand, smiling and making eye contact. Put cards that you receive in a case or keep them on the table in front of you.

Hierarchy and Decision-Making

The oldest person in a group is revered and honored. In a social situation, they are greeted and served first. In return the most senior person has the responsibility to make decisions that are in the best interest of the group.^{xii}



In the workplace, decisions are normally taken by the board of directors or senior management. Ideas can be generated by two-way communication from junior staff to management through the appropriate communication lines. Likewise, feedback to staff is sent through established communication lines.

Staff often leave all decision-making to their supervisor. Nevertheless, within this rather narrow locus of control, employees' resourcefulness and innovation are encouraged and rewarded. Immediate supervisors may treat employees who request help disdainfully. There is an expectation that employees have sufficient skills to complete their work with minimal guidance.

Management Styles and Qualities

Strong leadership skills are admired above all else in both Nigerian and expatriate managers. The supervisor holds a paternal (or maternal) responsibility over his (her) staff members, and as such should be well networked and a skillful strategist. Information sharing is rarely formalized, i.e. frequent group staff meetings are not expected. Often a supervisor will meet only with staff within the confines of their office.

Employees will remain loyal if they feel their boss treats them fairly, by paying them regularly, and fulfilling the obligations expected in a reciprocal arrangement. Non-local managers would do well to have an indigenous colleague or senior establish for employees a clear chain of command. Because Nigerian practices are often idiosyncratic for those accustomed to standard Western business ethics, it's fairly common for international firms doing business there to enter into licensing agreements with locally owned Nigerian outfits rather than setting up foreign-controlled subsidiaries.^{xiii}

Negotiations

The Nigerian attitude to business meetings and negotiations reflects their wider attitude to social interactions. Therefore, expect a certain amount of emotion when negotiating, and feel free to respond in kind, however, remember that losing control is not acceptable.

You can expect that negotiations will be slow and protracted as Nigerians love bargaining and haggling.

Deceptive techniques are frequent and Nigerian negotiators may expect you to use them as well. They may include tactics such as sending fake non-verbal messages, initially pretending to be disinterested in the whole deal or in single concessions, misrepresenting an item's value.



Keep in mind that business relationships in Nigeria exist between people, not necessarily between companies.

Negotiators in the country may use pressure techniques that include making final offers, or nibbling. Final offers may come more than once and are rarely final. Do not use tactics such as opening with your best offer, applying time pressure or making expiring offers, since Nigerians could view these as signs that you are not willing to build a long-term relationship. Silence is rarely used as a tactic, but it may be effective to employ it yourself.

Personal Space

Nigerians tend to be more relaxed about physical contact, so bear in mind that if you are from a western background, you may feel that your personal space is being invaded. People of the same gender will often touch each other on the arms or back whilst having a conversation, and this is considered perfectly normal. Touching between people of different genders is less common, particularly in the Muslim areas in the north of the country.

Nigerians living in the southern half of the country are comfortable with considerably less personal space than Canadians; allow approximately 50 centimeters. In the northern half, personal space is greater. Among the Yoruba in the South-West, avoid direct eye contact out of respect for those seniors in age or social standing; this rule is often enforced by standing at right angles to one's speaking partner.

Canadians who take public transport in Nigeria may be surprised to see that shared taxis often have two passengers seated in the front passenger seat, and three in the back, while mini vans carry four passengers across each bench.

Public Holidays^{xiv}

Public Holidays in Nigeria for 2020 include:

- Jan 1 – New Year's Day
- April 10 – Good Friday
- April 13 – Easter Monday
- May 1 – Workers' Day
- May 25 – Id el Fitr
- May 26 – Id el Fitr
- June 12 – Democracy Day
- July 30 – Id el Kabir
- July 31 – Id el Kabir
- Oct 1 – National Day



- Oct 29 – Id el Maulud
- Dec 25 – Christmas Day
- Dec 26 – Boxing Day

Other Local Holidays and observances should be researched as you plan your business program.

Punctuality

Nigerians have an orientation to work quite different from Canadians' rigid demarcation of work and break periods. Nigerian family, social and remunerative domains interpenetrate so deeply and fluidly that a considerable period of acclimatization may be necessary.

In the heat of the day, when the supervisor has not assigned them work, it is not uncommon to encounter workers with their heads on their desks (though they remain attentive to the summoning voice of the boss) or else spending hours together chatting and laughing; mothers at work may carry their babies nestled on their backs. Conversely, supervisors can on occasion require their staff to work long hours in unpaid overtime.

Time orientation also differs significantly from that of Canadians. Punctuality and clock-watching are rare, in part because of the unpredictability of the physical and communications infrastructure: travel delays result from frequent mechanical breakdowns, fuel shortages, road accidents, police checkpoints, and traffic jams. Communications are disrupted daily by power outages, public strikes, rioting, etc., although the emergence of mobile phone coverage in many locales has improved matters.

Appointment bookings are rarely made, so one may be required to wait an hour or more to see important figures. Once ushered in, the meeting may be disrupted frequently, when someone of equivalent or higher social standing suddenly appears on the scene. Canadians should not expect the same uniform standard of prompt, efficient, customer-oriented service as back home; the rarely qualified response 'Soon' to your question 'When...?' is best interpreted on a timescale perhaps five to ten times longer.

Relationships

Nigerians prefer to develop personal relationships prior to conducting business. Therefore, if this is the first time that you are meeting with a Nigerian company or organization, you should expect to devote a decent period to getting to know people on a personal level. This may take as long as two hours for an initial meeting. Any attempt to bypass this protocol will hamper your business success.

Relationship building, based on trust and mutual support among all the enterprise's stakeholders is a crucial prerequisite to the successful conduct of business. Unlike Canadians' faith in the impersonal, impartial institutions of the state and an independent



judiciary, power relations and allegiance in Nigeria remain largely contingent on personal agreements.

Religion

As a multi- religious country, Nigeria's constitution allows for freedom of worship and religion for everybody and people expect their religious beliefs to be respected by others. In the Northern part of the country where strict Islamic law (Sharia) has been introduced, it is advisable to dress modestly and mind your language.

Perhaps nine-tenths of Nigerians profess to be either Christians or Muslims, although animist belief systems (e.g. ritual sacrifices, bullet-defying charms, oracles, carved figures embodying deities) often overlap. Unlike Canada's predominant secularity, church- and mosque- going is practiced fervently in Nigeria and it is usually the principal associative element outside the family circle.



Chapter 5: Getting Help When & Where You Need It

Navigating Nigerian business culture is a constant learning process and one where surprises and faux pas occur, regardless of how well versed and prepared you may be on the cultural file.

MIRA services (www.miraservices.ca) can help provide important guidance to your learning curve and the support you need when issues arise through the provision of the following services:

- Research and analysis of your business opportunity in Nigeria with strategic recommendations on how to best proceed
- A critique of your business plan including from the business culture point of view
- Recommended cultural tactics and strategies tailored to your current situation
- References to a network of experts who can address specific issues related to culture, including marketing, negotiations, human resource management and much more



Notes

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- ⁱ <https://www.worldbank.org/en/country/nigeria/overview>
 - ⁱⁱ <https://www.worldbank.org/en/country/nigeria/publication/nigeria-development-update-rebuilding-after-covid19>
 - ⁱⁱⁱ <https://www.kwintessential.co.uk/resources/guide-to-nigeria-etiquette-customs-culture-business>
 - ^{iv} <https://www.howwemadeitinafrica.com/nigerian-business-culture-and-incentives-an-inside-perspective/47005/>
 - ^v <https://www.kwintessential.co.uk/resources/guide-to-nigeria-etiquette-customs-culture-business>
 - ^{vi} <https://www.ukessays.com/essays/management/cadbury-nigeria-actions-taken-to-overcome-the-scandal-in-accordance-corporate-governance-management-essay.php>
 - ^{vii} <https://www.abcnig.com/african-challenges-demand-specific-tech-solutions/>
 - ^{viii} <http://www.leadershipcrossroads.com/mat/cou/Nigeria.pdf>
 - ^{ix} <https://www.slideshare.net/Raufu/global-culture-a-case-study-of-nigeria>
 - ^x https://www.international.gc.ca/cil-cai/country_insights-apercus_pays/ci-ic_ng.aspx?lang=eng
 - ^{xi} https://www.international.gc.ca/cil-cai/country_insights-apercus_pays/ci-ic_ng.aspx?lang=eng
 - ^{xii} <https://www.slideshare.net/Raufu/global-culture-a-case-study-of-nigeria>
 - ^{xiii} https://www.international.gc.ca/cil-cai/country_insights-apercus_pays/ci-ic_ng.aspx?lang=eng
 - ^{xiv} <https://www.timeanddate.com/holidays/nigeria/>