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Understanding the Business Culture of

# Canada





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## 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 remain hugely important. These questions are not always easy to answer and some of them are indeed perplexing. As you look to do business in Canada, many questions related to culture will arise and we are here to help.

Is there a strategic way to prepare for cultural issues in markets like Canada and key sources of market intelligence to rely on?

Will Canada require a whole new approach from what I am doing in the United States?

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

Do I have to present material in English and French to be successful in Canada?

How do I account for cultural diversity within Canada?

### Discounting the Importance of Culture

Many international businesspeople are not well prepared to deal with cultural issues as they engage in business in the Canadian market. This can be explained by a range of factors including the fact that Canadian culture is hard to define and Canada is very much a multi-cultural society.

Many international executives 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 and override culture. Some, 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.

### Understanding Your Canadian Counterpart

Canada is a highly developed society which has an extremely close economic, political, and cultural linkage with the United States. However, you should do your homework on Canada and not assume that what worked in the US will automatically work in the Canadian context.

Canadians generally are seen to be more subtle than their American counterparts, more risk averse and more inclined to multi-lateral approaches in diplomacy. Furthermore,



Canadians have a quiet pride and like to articulate how they differ from their American neighbours.

From the business perspective, understanding Canadian business culture and your Canadian counterparts - their operations, location, timelines, clients and decision-making is fundamentally important as you start on your undertakings in Canada.

## Practical Business Impacts of Culture

This guide delves into the direct impacts of culture on conducting business in Canada. We present an overview of the Canadian business environment, what you need to know about Canadian 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 Canada

## Geography

Canada is the second-largest country in the world and spans six time zones from the Atlantic Ocean in the east to the Pacific Ocean in the west, with the Arctic Ocean to the north. It has the world's longest land border, over 8,890 kms with the United States to the south. Businesspeople should take special note of the time zones and Canada's strong and multi-faceted relationship with the United States.

The country has ten provinces and three territories, but despite its vast size it is one of the world's most sparsely populated countries, with most of the population of 37 million living in urban areas and, due to the low temperatures in the winter, within 300 kms of the US border.

## Political Context

History and geography have been key ingredients in what has allowed Canada to thrive and become one of the most stable democracies in the world. Canada has developed a hybrid political structure which combines Westminster-styled parliamentary democracy with a federal system of governance.

Powers are therefore dispersed among three separate levels of government – the federal government, the provincial / territories government and the municipal or city level.

You should note that information detailing the division of powers can be found on the Government of Canada website<sup>1</sup>. Each level of government maintains an ability to levy taxes, although only the federal and provincial governments may set personal, corporate or sales tax, and the federal government alone is authorized to collect customs duties.

## Language

As the first country in the world to adopt an official policy of multiculturalism, Canada is a bilingual country with English and French as the two official languages. Many immigrants from all over the world now live in Canada. For example, immigrants from East and South Asia are very prevalent in cities such as Vancouver and Toronto where it is not unusual to hear Mandarin, Hindi, Japanese and Cantonese as well as other Asian languages widely spoken.



English is widely spoken in all parts of the country but you should be aware that French is the language of business in the Province of Quebec and you should do your homework and plan your approach accordingly.

## Economy and Trade

Canada resembles the US in its market – oriented economic system, pattern of production, and high living standards. Since World War 11, the impressive growth of the manufacturing, mining, and service sectors has transformed the nation from a largely rural economy into one primarily industrial and urban.

The services sector accounts for approximately 75% of Canadian jobs and 78% of GDP. The sector includes transportation, health care, financial services, communications, engineering, tourism, government services and retail. In all of these areas, Canadian expertise and capability is world class.

Canada has a large oil and natural gas sector with the majority of crude oil production derived from oil sands in the Western provinces, especially Alberta. The country now ranks third in the world in proved oil reserves behind Venezuela and Saudi Arabia and is the world's seventh-largest oil producer.

The 1989 Canada-US Free Trade Agreement and the 1994 North American Free Trade Agreement (which includes Mexico and was recently updated) dramatically increased trade and economic integration between the US and Canada. The two countries enjoy the world's most comprehensive bilateral trade and investment relationship, with goods and services trade totaling more than \$718 billion in 2019. Two- way investment stocks currently amount to more than \$ 850 billion.

Over three-fourths of Canada's merchandise exports are destined for the US each year. Canada is the largest foreign supplier of energy to the US, including oil, natural gas, and electric power, and a top source of US uranium imports.

Given its abundant natural resources, highly skilled labor force, and modern capital stock, Canada enjoyed solid economic growth from 1993 through 2007. The global economic crisis of 2007-8 moved the Canadian economy into sharp recession by late 2008, and Ottawa posted its first fiscal deficit in 2009 after 12 years of surplus. Canada's major banks emerged from the financial crisis of 2008-9 among the strongest in the world, owing to the financial sector's tradition of conservative lending practises and strong capitalization.<sup>ii</sup>

The combination of the Covid-19 pandemic and an oil price shock has triggered the deepest recession of the Canadian economy in modern history. The good news is that



the recovery has been stronger than many forecasters anticipated, particularly with respect to retail spending and real estate activity.<sup>iii</sup>

A key development is how leadership teams across Canada are using the current crisis to make fundamental changes to their business. While some changes were driven by necessity – like increasing digital delivery and remote work – in many cases, new investments and structural reforms are being made to enable organizations to thrive in the post – pandemic world.

## The Canadian Business Environment

Canada’s business environment is highly developed and multi-faceted given its ten provinces and three territories and their distinctive economies and resources.

<b>Accelerators</b>	<b>Ongoing Issues</b>
Rich in natural resources	Containing Covid-19 and health care needs
Integration into the North American economy through the new NAFTA	Dependence on US economy and need for diversification
Strong financial sector and conservatively managed banking system.	Rising public debt in the face of the pandemic
Immigration regime and multi-cultural orientation	Challenging current relationship with China
Favorable trade regulations and membership in Free Trade Agreements	Interprovincial trade regulations
Well- developed infrastructural network	Cumbersome process for approvals of pipeline projects
Highly developed educational sector	More investment needed in innovation
Very skilled labor force	Lack of aggressive marketing internationally
Political stability	Lack of clarity on investment criteria
Low tax rate on investment	Western alienation and low prices for oil - need for diversification away from oil
Canadian government support in the face of Covid	Municipal Governments require more funding to meets needs of citizens and business
Transparency and focus on CSR	Wealth redistribution



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

Canada is a vast country with significant cultural differences across its regions and this combined with its multi-cultural orientation means that describing a typical Canadian and his or her activities and tendencies is not an easy task. Canada became self-governing in 1867 and while it severed its direct colonial ties with Britain in 1982 it retains its links with the Monarchy as a member of the British Commonwealth.<sup>iv</sup>

Canada's dual heritage has its roots in the British conquest of the French colony (around Quebec and Ontario) and the country is officially bilingual. The dual heritage continues to a certain extent to polarize its people. The French speaking community in Canada is quite defensive of its cultural origins and language.

Canada is hugely influenced by the United States with whom it shares an extensive border and the two economies are inextricably linked. However, Canadians are keen to stress that they are not "American" and you should appreciate this fact as you develop your relationships and business in Canada. There is a quiet pride about being a softer and more socially conscious society that should not be overlooked. The cultural differences between Canadians and Americans is beautifully set out in Pierre Burton's famous book entitled "Why We Act Like Canadians".<sup>v</sup>

There are extensive similarities in the approach to business in Canada and the United States. Many Canadian exporters and investors smoothly navigate the business environment in the United States without major adaptations. On a broad scale, there are notable differences in business culture including the fact that Canadians have a lower propensity to take risks. This is evidenced by the banking sector which has far fewer players than the US and a track record of stable performance.

Compared with citizens of the United States, Canadians tend to favour an orderly central government and a sense of community rather than individualism; and in international affairs to act as doves rather than hawks, preferring the role of peacemaker and having a more pluralistic way of viewing the world.

Business culture in Canada is, in fact, a blend of American, British, and French tendencies; and its practises vary depending on the region. Overall, Canadians are a polite people and somewhat more reserved than their southern neighbours with a tendency towards more subdued communications. The stereotypical Canadian seems to constantly be saying "I'm sorry".



West Coast lifestyles and dress-code tend to be slightly more relaxed than in eastern Canada, and attitudes are more conservative in the mid-west and more rural areas. The urban/rural divide is quite pronounced and should be fully considered by international investors and sellers.

Canadian values revolve around respect, equality, justice, peace, and multi-culturalism. Canadians are generally quite sports - oriented and they also love to go to cottages and camping. Joining a team sport or sports club is a window to making friends and building rapport with Canadians. Canadians' passion for ice hockey rivals that of Brazil and many other countries' devotion to soccer.

On the culinary side, there are a few dishes that may be considered exclusively Canadian but with such a multi-cultural society Canada is a food lover's paradise. Tourtiere is very traditional in francophone Canada and poutine is a strong cultural reference and a must if you are living in Quebec. Pancakes and maple syrup, corn on the cob and homemade pies are renowned.

## Business Structures

It is difficult to generalize on business structures as there are many different approaches adopted by multi-nationals, family- owned enterprises, start-ups, and crown corporations. Many Canadian firms have moved from traditional hierarchical approaches in favor of leaner, flatter structures.

It is, therefore, important to do as much homework as possible on any potential clients or suppliers before initial contacts are made. Focus on their history, size, location and industry. As a rule of thumb, the more remote from major centers of populations, the more likely a company is to be traditionally hierarchical.

## Communications Styles

As noted earlier, Canada is officially bilingual and you need to recognize this as you develop your communication strategies and tactics. You should assess in which situations you need to provide French translations and be mindful of the requirement for a bilingual approach with the federal government. You must also appropriately place emphasis on French in the Province of Quebec.

One general difference between the US and Canada is that Canadian communication patterns are more subtle and low key. Reserve, understatement, diplomacy, and tact are features of Canadian communication styles and they contrast to a degree with the more direct approach of many Americans.

Although softer in approach, Canadians still generally like to be direct and say what they mean. It is unusual to find Canadians using overtly coded language. Canadians would



see evasive language as suspicious and would prefer any problems to be put onto the table for discussion.

## Customs and Protocol

Canadian businesspeople in general tend to be rather conservative in manner, speech, and dress. Excessive body contact, gestures in greetings or loud conversations are generally not the norm.

Punctuality for meetings and appointments is expected and it is advantageous to use titles in correspondence. Letters of reference can be important in certain situations including in job interviews.

## Diversity – Gender

Canada has made a lot of progress relating to gender bias in the last few decades. Many women are found in senior management roles in both the private sector and in government agencies. The current federal Liberal cabinet reflects a gender equality approach which has received considerable attention.

Women visiting Canada on business encounter few if any problems related to gender bias. Women are expected to behave in a professional and competent manner and will, in return, receive professional respect and be able to develop effective working relationships.

Within today's business circles in Canada, a great deal of emphasis is placed on diversity and a gender blind approach is not only seen as a legal requirement but also an ethical one. It is noteworthy that there is a strong trend towards establishing senior roles responsible for diversity issues in Canadian corporations.

## Dress Code

In Canadian cities business suits are common attire for men with conservative dresses for women. A trend towards slightly less formal attire is gradually appearing in some circles and companies in the digital sector seem to be leading this approach.

In doing business with smaller companies in rural areas, one finds a more relaxed and casual approach to dress code. It is advisable to do your homework and ask your collaborators before travelling to meet any new company or organization. One should also be mindful of the season and weather conditions as the Canadian climate may have a dramatic effect on clothing.



## Entertaining

It is common for visiting businesspeople to be invited for a business meal in Canada, likely for breakfast or lunch but also possibly for dinner. The venue will often be a restaurant or hotel conveniently located for the guest.

There is usually some small talk involved before direct discussion of business issues and some mixing of the two is quite common. A glass of wine or a beer may be offered depending on the location and available time.

Restaurants apply a Goods and Services Tax but gratuities are not included in the bill. It is expected that you leave a tip of around 15% for good service<sup>vi</sup>

## Greetings

A firm handshake is the traditional routine when meeting a business associate. Both men and women greet in this manner and this may be common in most social situations. Men greeting women that are related or good friends often embrace and kiss lightly on the cheek. Men may lightly embrace old friends or family. In Quebec, friends or acquaintances will kiss on both cheeks when meeting and leaving. This is the case between female friends and between men and women, but not between male friends.

## Management Style

Canadian managers are generally not expected to manage in an authoritarian or paternalistic manner but are, nonetheless expected to be decisive. The management style in many businesses could be characterized as informal and friendly with an open approach. Many managers take pains not to be perceived as an aloof figure who stands apart.

It is common for managers to consult with concerned employees as they consider an issue. The final decision usually remains with the manager and rapid decision making is important for efficiency and results. Failure to consult with employees could reflect negatively on the manager and may be seen to detract from team morale. The manager is not necessarily expected to be the most technically competent person on the team. He or she will be judged more on his or her ability to manage resources, alignment with corporate or industry standards and interpersonal skills.

## Meetings

Punctuality is expected and meetings often start with a short bit of small talk. Body language tends to be quite reserved with few visible shows of emotion and particularly anger.



Meetings tend to follow the typical Anglo-Saxon approach of one at a time speaking while generally following an agenda of issues. Interruptions do happen with everyone expecting the democratic right to be allowed to have their say.

It is unusual for meetings to become aggressive or heated as the expectations are that proceedings should be courteous and polite. If a meeting seems to be heading for overt confrontation, most Canadians will take steps to calm things down.

Attendees at meetings are expected to be well prepared as decisions tend to be taken because of empirical facts rather than on hunches, gut reactions or on emotional factors. Inability to provide the relevant facts and data could be viewed as suspicious and evasive behavior. Short power point presentations may be used with time allotted for questions and answers.

## Personal Space

In general, Canadians place high priority on personal space and privacy and may be considered rather reserved. It takes them a while to warm up to newcomers although they are a welcoming people. Newcomers to Canada may find life a little lonely until they develop friendships and they may not feel at ease to reach out to Canadians given their private nature.

Canadians are civil and polite but do not normally discuss personal aspects of their lives immediately. Making eye contact is a sign of respect and sincerity and signals a real engagement between speakers. Canadians' level of comfort with touching and gestures depends on their ethnic background but generally it is not high.

In principle, Canadians expect a high degree of respect for public and private property and space.<sup>vii</sup>

## Relationships

Building a good dialogue with clients or colleagues is important to successful business in Canada. However, the depth and length of relationships may vary and in general relationships in Canada are more casual than in many emerging markets.

It is important to build good friendly relationships across the whole organization, from the concierge to the managers as they may all be helpful for your collaboration.

Workplace relations, which tend to be among peers, are often quite separate from personal relationships and many Canadians like it that way and value their privacy. A personal relationship (as opposed to a friendly professional relationship) with a client may happen but would not be the norm.



## Religion

There is a tremendous diversity in the beliefs of Canadians, religious or otherwise. It is advisable to be respectful and be sensitive to this diversity. Most Canadians believe it is important to respect people regardless of their religious beliefs but see religion as a private matter. Canadians tend to separate work and private life and may be uncomfortable when religion is brought into the workplace. Many Canadians, regardless of their religious background, do not actively participate in religious activities.

## Team Orientation

Teamwork is huge in Canadian business life and individuals expect to be valued for the contribution they bring to the team and the team leader or manager needs to reflect this in managing the team. Project or adhoc teams are often formed to complement structural teams within the organization. A team needs to have a clear idea of its purpose and goal and each team member needs to understand clearly what they are expected to contribute.

As Canadians place less emphasis on personal relationships than some cultures, teams may be formed and disbanded quite quickly and seamlessly.

Team members expect to be given general guidance rather than be micro-managed by the team leader or manager.

## Time Orientation

It is advisable to respect time rather closely as you deal with Canadians. Generally, your Canadian counterparts will not wait more than 15 to 20 minutes for someone who has arranged to meet them for business.

Your Canadian supervisors and co-workers will be disturbed if you are constantly late for work. For social invitations, people expect that you will arrive within approximately 30 minutes of the stated time. If you are going to be late, it is appropriate to phone and advise the person who is expecting you.

# Chapter 3: Case Scenarios

## Adapting to Canadian Workplace Culture<sup>viii</sup>

There is probably no better insight into Canadian business culture than the view from immigrant employees who experience it from the first day on the job. Newcomers are warmly welcomed into Canadian business organizations and are expected to adapt quickly to their roles.



The following are 5 key characteristics of Canadian workplace culture which shape some of the adaptation for newcomers.

### **Egalitarian Workplace**

The Canadian workplace culture is far more egalitarian than the cultures of many immigrants and requires a big adaptation by many immigrant workers. Employees, of course, still need to follow directions, but they are to a much greater extent expected to show initiative, identify problems, suggest solutions to their managers and discuss the actions that need to be taken. It is crucial for the manager and newcomer to bridge this issue quickly and thoroughly. Unless the issue is addressed, employees from hierarchical cultures may conclude that the manager “doesn’t know how to manage “. On the other side, Canadian managers may assume that the employee lacks initiative and insight.

### **Indirect Feedback**

While a lot of communication in Canada may be considered quite direct, feedback on performance and particularly that related to the need for improvement is often couched in positive comments. Accordingly, there is an open possibility that suggestions for improvement will not be picked up. On the other hand, positive commentary may lead to expectations on behalf of the employee. Employees need to develop a good ear for the feedback and ideally address issues promptly and take pains to keep managers tuned into their training and experiential learning initiatives.

### **Importance of Soft Skills**

There is no doubt that “soft skills” have become increasingly important as the Canadian business environment evolves. These soft skills include integrity, teamwork, tolerance, flexibility, positive attitude, time management, leadership qualities and ability to motivate co-workers. One of the reasons “soft skills” are becoming indispensable is the increasingly ethnocultural diversity in Canada.

New employees from many emerging markets often need to absorb and develop these soft skills. They need to approach the job with an open mind from a much broader perspective than the technical or hard skills perspective.

### **Gaining the Right Amount of Workplace Visibility**

In relatively egalitarian cultures like Canada, employees need to look out for their own career progression and make sure their bosses are aware of the good job they are doing. Gaining such visibility can be challenging especially for immigrants who come from countries where being humble is considered a virtue. You need to be careful as there is a fine line between telling people about your performance and boasting.



## Role of Networking

Networking in Canada is crucial for both finding jobs and career enhancement. As a publication of Ryerson Career Development and Employment Centre points out, 80 percent of all positions are filled through personal recommendations, recruiters or through direct contact with the decision-making employers. In Canada you need to continue building your professional relationships within and outside your company to keep current in your field. Newcomers to Canada should join groups, go to conferences, volunteer with community organizations and capitalize on opportunities as they evolve.

The great majority of immigrants coming to Canada are able to navigate in the Canadian workplace and adapt to the cultural nuances noted above although the period of transition is variable.

## Target's \$ 2.5 billion loss in Canada

Target is an 114 year old company that evolved out of the old Dayton-Hudson Corporation and is one of America's largest and most successful retailers. The company's unfortunate experience in Canada underscores that cultural issues can have a bearing on success or failure even in countries with similar cultures such as those of the US and Canada.

Less than two years after entering Canada, Target shocked the retail world by pulling out. After accumulating \$ 2.5 billion in losses, the Minneapolis-based company shut down its 133 Canadian locations and laid off 17,600 employees.

Target was a careful, analytical, and efficient organization with a highly admired corporate culture. However, the company's entry into Canada was uncharacteristically bold – not just for Target, but for any retailer. The company paid \$ 1.8 billion for the leases to the entire Zeller's department store chain in 2011 and formulated a plan to open 124 locations by the end of 2013. Not only that, but the chain expected to be profitable within its first year of operations.<sup>ix</sup>

Given the cultural alignment with the two countries, the entry into Canada should have been easy, right? After all, Americans and Canadians speak the same (save for French speaking Canadians) and most Americans somehow seem to think of Canada as their 51<sup>st</sup>, more polite, colder state to the north.

The challenges that Target faced were many and included IT issues which arose due to Canadian currency and the use of the metric system. There is no doubt that internationalizing an IT system is a lot of work and Target's decision to go with a new system in a tight timeline was a huge challenge. It was compounded by developing and



implementing the Canadian training program. The company's technology and operating problems in the overall process included data quality, data loading, empty shelves in stores but overflows in distribution centres, distribution problems and malfunctioning point of sale systems. Target also struggled with sourcing of products that had to be adjusted to packaging for the Canadian market.

In addition to the issues related to IT systems, senior executives admitted early on that Canadians were less accustomed to Target's model of "one stop shopping" so popular with consumers in the US, preferring to visit several stores to fulfill their shopping lists.

Many Canadians were already familiar with Target, having shopped in its stores across the border. While that brand awareness gave Target an initial boost, Canadians soon started complaining that Target's Canadian stores had higher prices and lacked the same products as US stores, forcing the company to scramble to lower its prices and add new products.<sup>x</sup>

Other contributing factors in the demise of Target in Canada was the intense competition from Wal-Mart, Shopper's Drug Mart, Loblaws and the fact that these competitors moved forward faster with online offerings.

Overall, the story is one of underestimating cultural and logistical factors in cross border business and not allowing for adjustments in the growth plan. The experience proves that miscalculations can be made by large and established firms with successful track records as well as smaller and less experienced ones.

## Chapter 4: Tactics and Strategies

Here are some points of reference as you plan your interaction and explore opportunities in the Canadian market. They should be viewed very much in terms of guidelines given the diversity in the Canadian marketplace.

### Communication (Direct)

In direct interaction with Canadians, keep in mind that eye contact reflects attention and sincerity and should be demonstrated although staring should be avoided. You should note and respect that there is here is little casual touching during conversation in Canada and most people will stand approximately half a metre apart when speaking.

### Decision Making

By and large, big decisions are taken by managers and leaders but your proposal may be reviewed at multiple levels. You want to make sure that the elements of your proposal are fully supported with facts and data and be prepared for questions or issues that may arise at various levels. Knowing the ultimate decisionmaker can be helpful but



project proposals need to stand on their own and are subject to a process of review. You should respect the process.

## Dress Code

Overall, dress code is expected to be formal or semi-formal with sober colored suits and dresses. In some industries, such as technology there is much more casual attire. In general, there is also more casual dress in rural Canada. You should plan your attire depending on these factors and consult with your agent or host.

## Entertaining

You may be invited out for meals during your visit and usually this takes place at a restaurant in a convenient location. It is more likely that this will be a luncheon although a breakfast or dinner could be possible as well. During these events, small talk is common during the initial stages but look for the cues to start the business discussions. It is up to you to gauge how much detail to get into and to take signals from your Canadian counterpart. You may find the proceedings a little more formal in the province of Quebec.

## First Contact

It is a normal practise to set up an appointment for the first meeting and having a reference or common acquaintance is helpful but not mandatory. Appointment requests can be made by telephone or email followed by an Outlook reminder. You need to do your homework to be sure that you are converging on the best contact and where he or she fits into the decision- making process. Your counterpart will expect that there is a clear reason for the meeting and you may need to show flexibility in who you will be able to meet with given the schedules of key executives.

## Gifts

The exchange of gifts is not a common practise in Canada although there may be situations involving international visitors where this may occur as a goodwill gesture. Small business gifts might be given when an agreement is reached or at the end of an international mission or an official visit. Traditional gifts from one's country of origin are appropriate, quality chocolates, flowers or wine also make suitable gifts.<sup>xi</sup>

Canadians are increasingly sensitive to issues related to bribery and many companies and government departments have strict rules on accepting gifts of value or those which may be construed as providing favors so be mindful of the environment in Canada in this regard.

## Greetings

In general, greetings start with a handshake, followed by a personal and company introduction. When meeting with a French-Canadian colleague of the opposite sex, you



may expect to be greeted with a double cheek kiss. It is normal to present business cards and to engage in a short round of small talk.

## Holidays

Public holidays that are observed include: January 1 – New Year’s Day, March/April- Good Friday, March/April -Easter Monday, May- Victoria Day, June - Saint John the Baptist, July 1- Canada Day, August-Civic Holiday, September – Labor Day, October- Thanksgiving Day, November 11 – Remembrance Day, December 25 – Christmas Day, December 26- Boxing Day

## Language

Be mindful that Canada is officially a bilingual country (English and French) and that proposals to federal government agencies should be in both official languages. In the Province of Quebec, proposals need to be in French.

## Manager Selection

As you consider hiring a manager in Canada, note that academic and professional skills are key factors in a manager’s application but that experience is also highly valued. Ultimately Canadian managers will be judged by performance and ability to get the job done. Age, social status, and connections may be factors but they are not as important as in some other cultures.

Canadian managers generally encourage teamwork and therefore it is important for the candidate to show confidence as well as humility and good listening skills.

## Meetings

As mentioned earlier, you should demonstrate punctuality and be prepared for discussions to move quite quickly into the agenda.

Presentations should be short and clear, and it is important to use facts and figures during business meetings. Be sure to be prepared with information and not exaggerate your company’s capabilities and operations.

If an offer is of real interest, a response may be given rather quickly. Follow-up summaries of agreed plans being exchanged is common and written agreements can be drafted and presented quite promptly. You should be prepared to review these with your lawyer and note that the contract will be administered with due attention.



## Negotiation

Businesspeople negotiating with Canadians should be well informed and knowledgeable about the details of their proposals and should expect a methodical process for addressing issues including the tabling of agendas for sessions.

Thoroughness is appreciated and directness is also generally valued. Evasive answers or posturing are not viewed positively by Canadians. It is important for all businesspeople to avoid exaggerating the strengths of their companies or benefits of their product.

## Networking

As noted earlier, in general Canadians are very polite as reflected by the fact that they seem to be constantly saying “sorry” for small things. Networking is also centred around such a culture of politeness and you should be mindful of it and realize that most Canadians will not directly give negative feedback and may sandwich it in a soft way between positive messages.

LinkedIn is a good way to start your networking and soft messages showing your interest in a particular issue or opportunity is the appropriate move followed by the idea of a “coffee chat” if your counterpart’s messages are positive. Remember not to be too direct and that the orientation of Canadians here is towards a casual relationship which may be beneficial to their business interests.

## Relationships

Relationships in Canadian business are more casual than in many emerging markets and you will find your Canadian counterpart to be pleasant and receptive but not generally oriented towards a deep and enduring business/personal relationship.

You should be mindful that there may be limitations on entertaining and cultivating a long-term relationship and that Canadians do not expect to mix social with business activities to the extent common in your environment.

## Tipping

When dining at “sit-down” restaurants, Canadians generally tip their waiter at the end of the meal. The usual amount is 15% of the total bill with over-tipping in the case of exceptional service. You should follow this practise to avoid embarrassing situations in the event you have invited a businessperson to dine.



## Chapter 5: Getting Help When & Where You Need It

Navigating Canadian 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](http://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 Canada 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 questions and issues related to culture, immigration, investments, taxes, financing, negotiations and much more.



## Notes

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<sup>i</sup> : <https://www.canada.ca/en/immigration-refugees-citizenship/services/new-immigrants/learn-about-canada/gouvernement.html>.

<sup>ii</sup> <https://www.forbes.com/places/canada/?sh=cb25026114c9>

<sup>iii</sup> Economic outlook | Deloitte Canada

<sup>iv</sup> Canada - Language, Culture, Customs and Etiquette (commisceo-global.com)

<sup>v</sup> Why We Act Like Canadians by Pierre Berton | Penguin Random House Canada

<sup>vi</sup> <https://www.globalbusinesscompass.com/wp-content/uploads/2019/10/J713-Canada-Country-Profile-1019.pdf>

<sup>vii</sup> Cultural Information - Canada | Centre for Intercultural Learning (international.gc.ca)

<sup>viii</sup> Canadian Workplace Culture: 5 Key Characteristics (Newcomer success) (newcanadians.tv)

<sup>ix</sup> Case Study 7: The \$2.5 Billion Cross-Border Expansion Mistake by Target - Henrico Dolfig

<sup>x</sup> Missing the mark: Five reasons why Target failed in Canada - The Globe and Mail

<sup>xi</sup> Business practices in Canada - Santandertrade.com