

An informal business and cultural guide on Malaysia



This is not Malaysia – but nice to watch as introduction!
<https://www.youtube.com/watch?v=rrUXxqxu74k>

The Essence of Asia by Yuna (7mins)



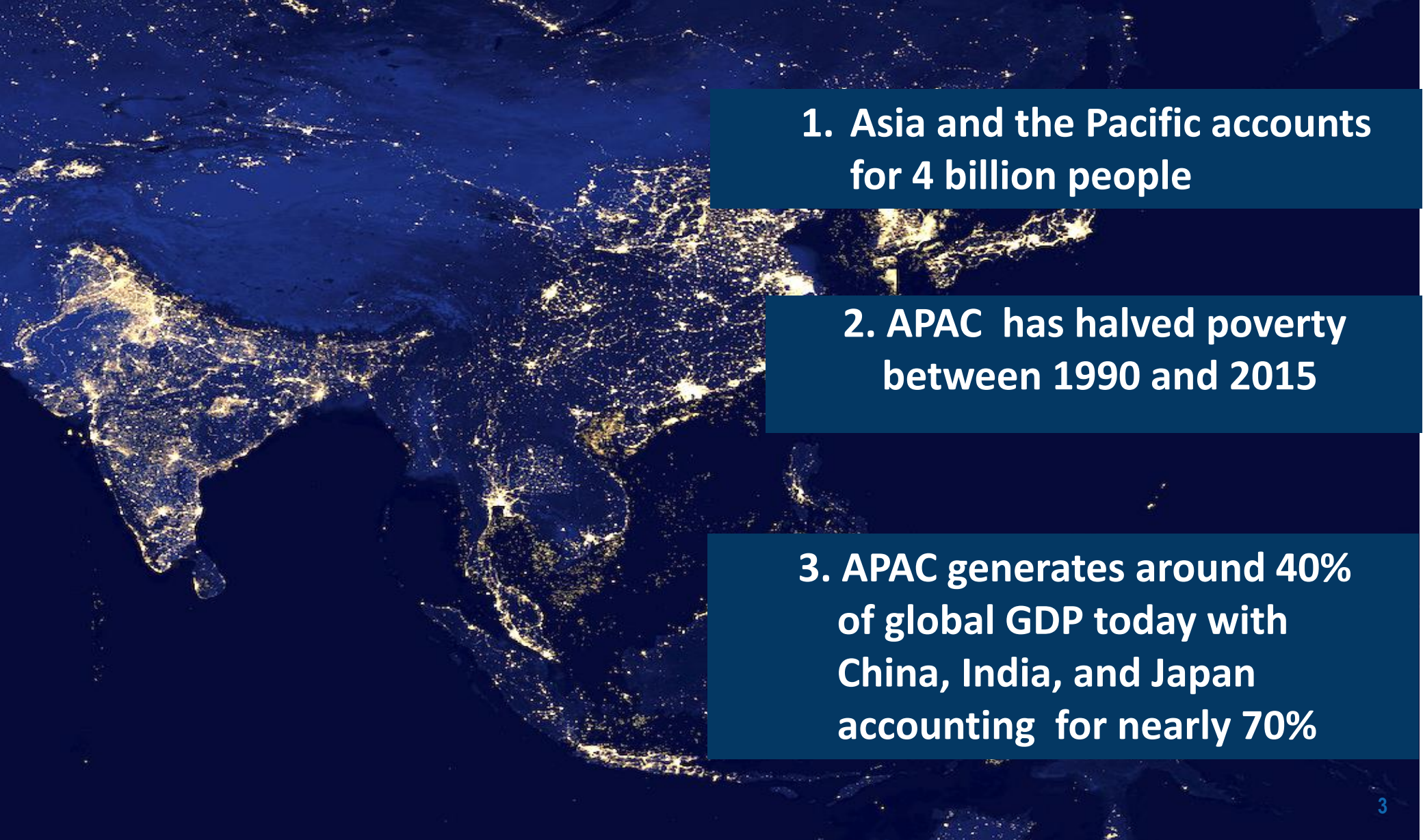
Zum Beenden des Vollbildmodus drücken

MALAYSIA IS

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APAC is an extremely diverse region with huge difference in culture, history, political and economic systems



1. Asia and the Pacific accounts for 4 billion people

2. APAC has halved poverty between 1990 and 2015

3. APAC generates around 40% of global GDP today with China, India, and Japan accounting for nearly 70%

Malaysia is split in East (Sabah & Sarawak) and West Malaysia



Malaysia become independent in 1957 from the British rulers (Rajas)



For a short overview of the economic history of Malaysia: <https://eh.net/encyclopedia/economic-history-of-malaysia/>

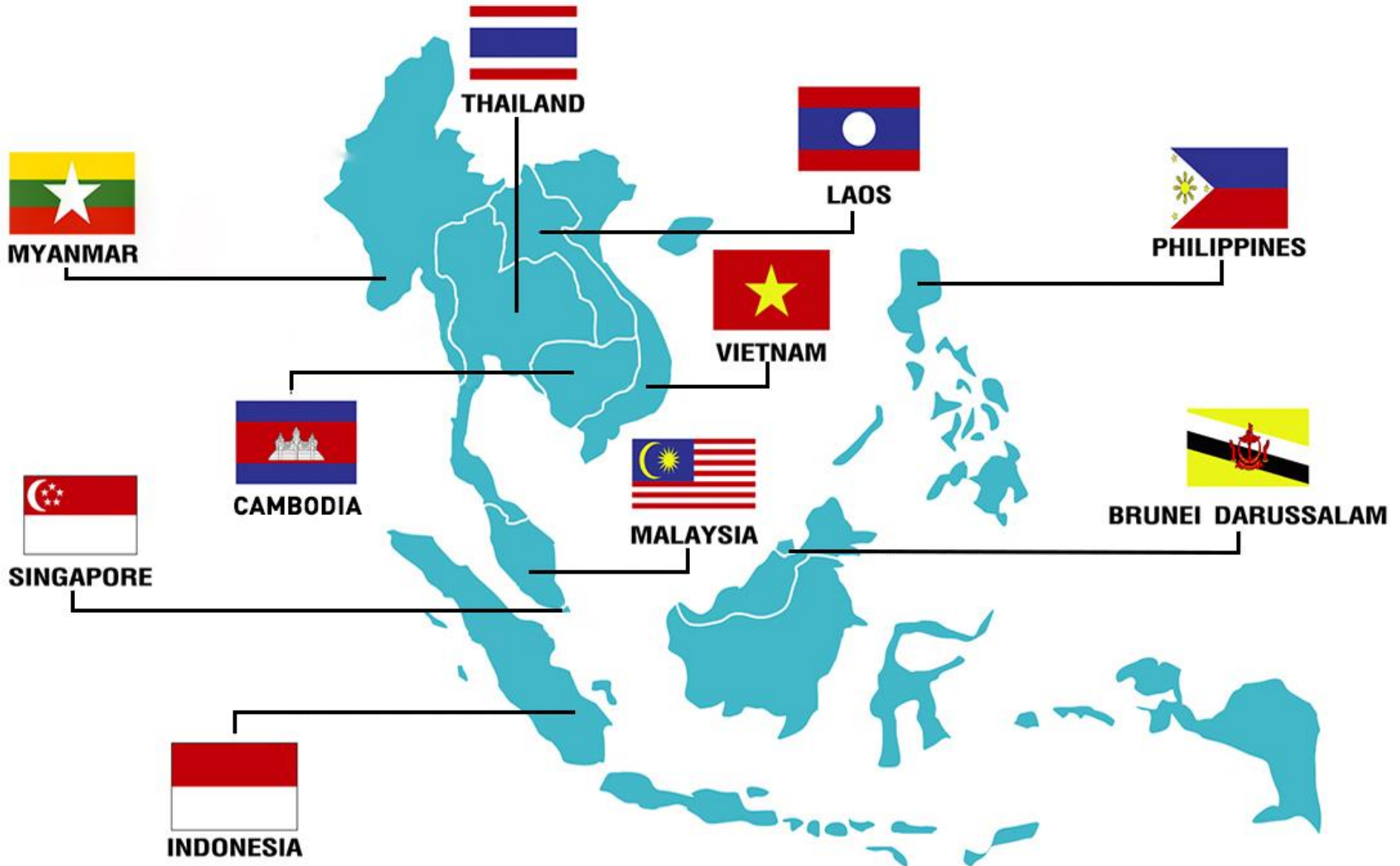
Malaysia is ruled by the UMNO party ever since independence – presently in a major struggle ahead of elections amid the 1MDB scandal



Malaysia has had 6 Prime Ministers as of today – presently Dr. Mahathir is trying to defeat Najib in the next election by joining forces with the opposition

Background: <https://www.economist.com/news/asia/21724432-former-prime-minister-reinventing-himself-leader-opposition-mahathir-mohamads?zid=309&ah=80dcf288b8561b012f603b9fd9577f0e>

Malaysia is a key member of ASEAN (Association of South East Asian Nations)



All data about all ASEAN countries can be found online

Organisation	Website
ASEAN	https://data.aseanstats.org/
ASEAN	www.asean.org
Malaysia Government	https://www.dosm.gov.my/v1/
Worldbank (on Malaysia)	https://data.worldbank.org/country/malaysia
Asian Development Bank	https://www.adb.org/



Malaysia developed from agriculture and mining (tin and rubber) into a diversified structure



Malaysia has an Economic Planning Unit (EPU) which is continuously developing the Master Plan – present plan 2016-2020 can be viewed here: <http://www.epu.gov.my/en/rmk/eleventh-malaysia-plan-2016-2020>

Malaysian Culture

Malaysian culture can be a mine-field and it is wise to avoid obvious mistakes.

- Malaysia is a multi-cultural society. The main ethnic groups are the native Malays as well as large populations of Chinese, and Indians.
- The official languages are Bahasa Malaysia and English. Mandarin, Cantonese, and Tamil are widely spoken among the Chinese and Indians respectively.
- The family is considered the centre of the social structure, although this less so in large urban areas.
- Greetings in a social context will depend upon the ethnicity of the person you are meeting (see do's and don't's)
- The way names are used also varies between ethnicities:
 - ✓ Chinese: The surname (family name) is first and is followed by two personal names (some Chinese have adopted Western names)
 - ✓ Malays Many Malays do not have surnames. Instead, men add their father's name to their own name
 - ✓ Indian: Many Indians do not use surnames. Instead, they place the initial of their father's name in front of their own name.
- Food is a Malaysian pastime, no matter what race they belong to. They will drive 2 hours to visit a recommended restaurant
- Meeting and Greeting: In general, most Malays are aware of Western ways so the handshake is normal. Malays women do not shake hands in general. Indians shake hands with members of the same sex. The Chinese handshake is light and may be rather prolonged. Men and women may shake hands
- Business Card Etiquette is important

Remember – we are guests in Malaysia!

<u>English</u>	<u>Malay</u>
How do you do?	Apa khabar?
Good morning	Selamat pagi
Good afternoon	Selamat tengahari
Goodbye	Selamat tinggal
Bon voyage	Selamat jalan
Fine	Baik
Welcome	Selamat datang

Business Attire

Notwithstanding the hot climate being dressed for the occasion is a necessity

Dress styles in Malaysia range from the traditional to the very modern. To avoid offense, long sleeve shirt and tie for men should suffice for most business meetings. Despite the hot and humid climate, a jacket is often necessary for formal and other social events

Women are usually dressed modestly or wear business power suits

Locals can wear traditional dress to official events. Malay women often wear a hijab which covers the hair



The Concept of “Face” – use your common sense

- Do what you can to avoid all potential embarrassment for others.
- Avoid pointing out someone's mistakes openly in front of their peers.
- Show extra respect by deferring to all elders and people of rank, title, or uniform.
- When negotiating prices in Asia, be a little flexible on your final price.
- Always allow your host to pay for dinner. You can offer a little resistance, but eventually allow them to pay. Don't offer to leave a tip!
- Try a small sample of all dishes you are offered in formal settings, even if you don't prefer them.
- Bending the truth is common, however, pointing out that someone is lying or embellishing details will definitely cause them to lose face.
- Be very cautious — or avoid altogether — friendly physical contact (i.e. hugging) with members of the opposite sex.
- Always be quick to give credit when due. Give sincere compliments when they are merited.
- If you see that potential embarrassment for someone else is imminent, do something to distract from it
- Politely deflect compliments that come your way. Turn them around to compliment the other person
- Laugh and smile at your own mistakes but then let them go. Move on without making a big deal!
- Turn the attention away from yourself. Don't be the loudest person at the table.
- Express interest in the local culture and history of a place you are visiting.
- Accept business cards with both hands; hold them by the corners and treat them as cherished objects of high value. Don't write on them.
- Get used to noisy environments and permanent use of mobile phones/whatsapps

The Business Meeting

Patience is a virtue

- It is a good idea for the most senior person on your team to enter first so that he or she is the first to greet the most senior Malaysian.
- This gives face to both parties as it demonstrates respect towards the Malaysian.
- It is customary for leaders to sit opposite each other around the table.
- Many companies will have their team seated in descending rank, although this is not always the case.
- Expect the most senior Malaysian to give a brief welcoming speech. You need not reciprocate.
- There will be a period of small talk, which will end when the most senior Malaysian is comfortable moving to the business discussion.
- Meetings may be conducted or continue over lunch and dinner.
- Meetings, especially initial ones, are generally somewhat formal. Treat all Malaysian participants with respect and be cautious not to lose your temper or appear irritated. At the first meeting between two companies, Malaysians will generally not get into in-depth discussions. They prefer to use the first meeting as an opportunity to get to know the other side and build a rapport, which is essential in this consensus-driven culture.

Example: A very wealthy Malaysian businessman is due to meet a prospective European partner for the first time. He picks him up in a chauffeur driven luxury car. Instead of going to the office they proceed the Malaysian's favourite roadside food stall to eat. The lessons to be learnt from this are:

1. The Malaysian wants to see the Europeans reaction
2. He is showing great respect by taking his guest to his favourite food stall.
3. If the European reacts in a positive manner this can lay the ground work for a solid relationship.

Invitations & Gifts

Gift giving to Malays:

If invited to someone's home for dinner, bring the hostess pastries or good quality chocolates. • Never give alcohol. • Do not give toy dogs or pigs to children. • Do not give anything made of pigskin. • Avoid white wrapping paper as it symbolizes death and mourning. • Avoid yellow wrapping paper, as it is the color of royalty. • If you give food, it must be “halal” (meaning permissible for Muslims). • Offer gifts with the right hand only or both hands if the item is large. • Gifts are generally not opened when received.

Gift giving to Chinese:

If invited to someone's home, bring a small gift of fruit, sweets, or cakes, saying that it is for the children. • A gift is traditionally refused before it is accepted to demonstrate that the recipient is not greedy. • Do not give scissors, knives or other cutting utensils as they indicate a desire to sever the relationship. • Flowers do not make good gifts as they are given to the sick and are used at funerals. • Do not wrap gifts in mourning colors - white, blue, or black. • Wrap the gifts in happy colors - red, pink, or yellow. • Elaborate gift - wrapping is imperative. • Never wrap a gift for a baby or decorate the gift in any way with a stork, as birds are the harbinger of death. • It is best to give gifts in even numbers since odd numbers are unlucky. • Gifts are generally not opened when received.

Gift giving to Indians:

you give flowers, avoid frangipani as they are used in funeral wreaths. • Money should be given in odd numbers. • Offer gifts with the right hand only or both hands if the item is large. • Do not wrap gifts in white or black. • Wrap gifts in red, yellow or green paper or other bright colors as these bring good fortune. • Do not give leather products to a Hindu. • Do not give alcohol unless you are certain the recipient drinks. • Gifts are generally not opened when received.

Role of Women

The trend to gender equality is progressing well

- In theory there are no restrictions on the participation of women in work place.
- Discrimination is not more pronounced than in most Western countries.
- Success of women depends very much on education.
- Many women have achieved high positions in government and industry.
- There is a marked difference between women living in rural and urban areas.
- The trend for girls to complete school while many boys drop out has been observed.
- In Malay and Indian families the woman is often the leader in the house.
- Women provide a large percentage of unskilled workers in industry requiring semi-manual labour
- Along ethnic lines Chinese and Indian women tend to hold higher positions than Malay women.

Bumiputera

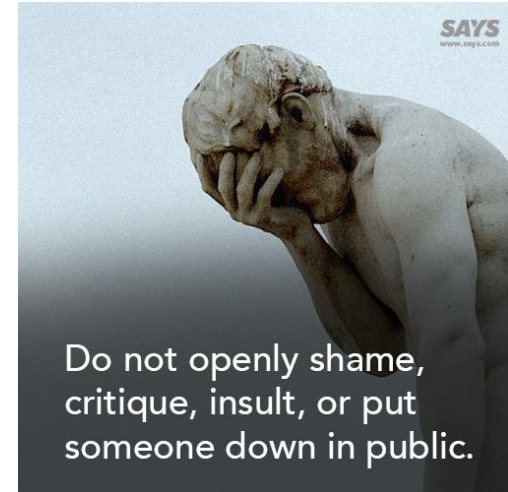
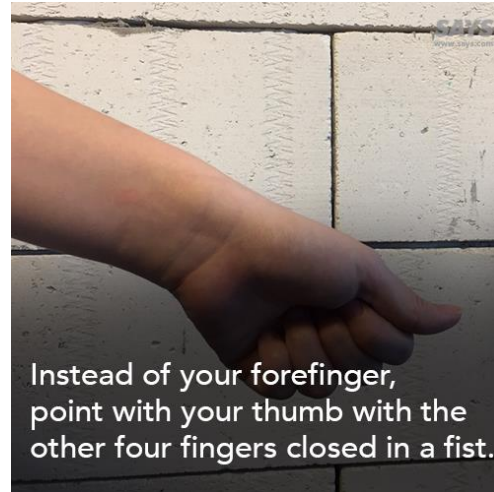
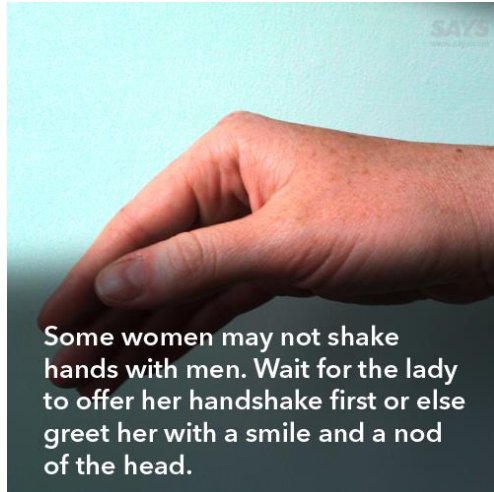
The “Bumi” policies are highly controversial

Ethnic Make-up: Malay 50.4%, Chinese 23.7%, indigenous 11%, Indian 7.1%, others 7.8%

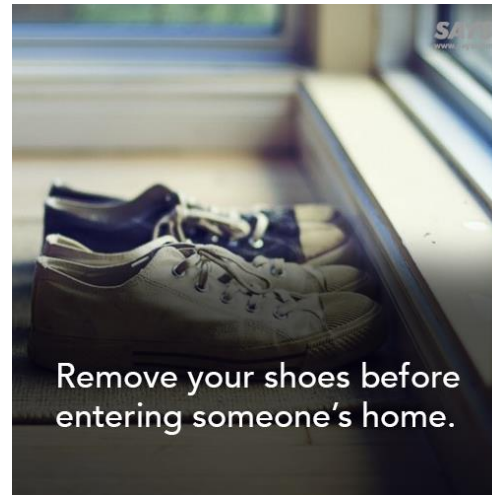
Religions: Muslim 60.4%, Buddhist 19.2%, Christian 9.1%, Hindu 6.3%, Confucianism, Taoism, other traditional Chinese religions 2.6%, other or unknown 1.5%, none 0.8%



Do's and Dont's



Do's and Dont's (2/3)



Do's and Dont's (3/3)



Malaysian Titles are important to understand and addressing the title holder properly is critical

Titles matter in Malaysia – use them in addressing a person with a title

“**Tun**” is the highest civilian honour that can be granted to a deserving Malaysian by the Yang Di Pertuan Agong (King) at Federal Level

“**Tan Sri**” is the second most senior title at Federal Level.

“**Dato’ Seri**” is the highest title awarded by a Sultan of one of the nine Malay States. The equivalent award from States that do not have Sultan would be “**Datuk Seri**”.

“**Dato’**” is a title awarded by a hereditary Royal Ruler or Sultan of one of the nine Malay States. “**Datuk**” is a title awarded by the Agong or the Governors of other states that do not have Sultan

Background: <http://www.expatsgo.com/my/2013/07/19/understanding-malaysias-honorary-titles/>



Tun Dr. Mahathir bin Mohamad



Tan Sri Vincent Tan



Dato' Sri Najib Razak and Datuk Seri Anwar Ibrahim



Dato' Siti Nurhaliza

Corruption & Compliance

It takes two to do a Tango....follow your rules of compliance and be aware of traps



Organisation	Website
Transparency International	https://www.transparency.org/country/MYS
Malaysia Anti Corruption Commission	http://www.sprm.gov.my/index.php/en/

Examples of individual perceptions – make your own experiences and stay positive

Expatriate View:

“...But I know that it is not only in Malaysia, it's more in the Asian culture, we are not supposed to have confrontation. Because confrontation is seen as losing your face and people take it negatively...”

Expatriate View:

“.....the way we (European) work is quite different. We have to...work with precise objectives and targets. We cannot have this pressure here because people are not used to the type of pressure. Too strong pressure, it is not very easy to handle. The people here are not quite the same as the people in Europe...And the same time we have targets to achieve,...and I am in the middle of two different cultures...”

Expatriate View:

“...Malaysians do not really want to say anything that might hurt the people. Whatever they say they do not want to look like criticizing...If they see someone in the senior rank say something...then the rest of the junior people will not say anything...”

Expatriate View:

“...People here are so conscious about your title, such as Dr, Professor, Ms or Mrs, In the West, we could always talk to others such as, "Hi John" or "Hi Robert" even though they are professors or one with Ph.D...”

Expatriate View:

“Malaysians define "Mat Salleh" as a local name given to foreigners who are Caucasian or in other words, the "white" people. Between the lines I find it to be a mix of jealousy and admiration...”

Expatriate View:

“...when you do business with them there is no sense of urgency. And in this industry, you have to have the sense of urgency...the pace is quicker. And it's the same if you go to the Immigration,...the tax office...they'll do it in their own time”.

Expatriate View:

“The speed of doing work is different...in Netherlands, people are more stressful and everybody is time conscious. Here people take their own time...People sort of starting late and leaving early for lunch...And you know, at the end of the day, you just try to accept this as long as the job is done...I am not in a position for their time keeping. The manager should be responsible.”



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„Terimah Kasih“