



# How Vietnamese Culture Shapes Business Practices: Insights for German Businesses During Tet

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# Introduction

Vietnam is one of the most dynamic economies in Southeast Asia, offering immense opportunities for international businesses. However, understanding the country's unique cultural nuances is crucial to thriving in this market.

Vietnamese culture heavily influences business practices, making cultural awareness a key factor for success. German business culture is often characterized by **directness, efficiency, and structured processes**, while Vietnamese culture emphasizes **relationships, hierarchy, and harmony**. Recognizing these differences enables German firms to adjust their approach, preventing misunderstandings and promoting mutual respect.

With Tet (Lunar New Year) just around the corner, it's the perfect time to explore how cultural traditions, especially during Tet, shape the business environment and provide both opportunities and challenges for German businesses in Vietnam.

## The Role of Vietnamese Culture in Business

### Respect for Hierarchy and Relationships

In Vietnamese culture, hierarchy is an essential aspect, with profound respect for elders, seniors, and authority figures. This respect extends into day-to-day business practices, where hierarchy and relationships play a central role.

Foreigners in Vietnam often find a warm and welcoming environment, yet demonstrating cultural awareness and professionalism is key to building trust and preventing misunderstandings. While subservience is not expected, partners and colleagues who show genuine respect for local traditions and values are more likely to foster strong, successful relationships. The influence of authority figures is significant, shaping decision-making processes.

Building strong personal relationships is essential for long-term business success. German businesses, accustomed to structured and direct approaches, can adapt by emphasizing trust and fostering connections with local partners and stakeholders.

### Work Ethic

Diligence is a quality that every nation takes pride in, and Vietnam is no exception. Vietnamese people often perceive themselves as having a strong work ethic.

Despite the tropical climate that prevails across much of the country, particularly where the Kinh people reside, it does little to diminish their work ethic. While the pace of work may not match the

urgency often seen in colder climates like Central Europe, the workday in Vietnam is notably longer. In rural areas, there are virtually no limits to working hours. Work often begins at the break of dawn and continues until nightfall, with minimal breaks. Even after dinner, people tend to engage in lighter tasks, ensuring that productivity extends well into the evening.

While Vietnamese partners may work longer hours, this does not necessarily imply lower productivity or efficiency. German businesses should focus on outcomes rather than rigidly imposing their own notions of work schedules or work-life balance. Awareness of this work culture can help German businesses better plan for tasks requiring extended hours, such as factory operations, production schedules, or infrastructure development.



Figure 2. Vietnamese engineers oversee progress at a construction site. Source: DINCO Engineering & Construction

*This strong work ethic is reflected in leading companies like [DINCO Engineering & Construction](#) (DINCO E&C). Renowned for their excellence in industrial plants and infrastructure construction, DINCO exemplifies a commitment to innovation and sustainability. Their use of lightweight construction materials, such as*

*thin, light walls, provides superior fire protection, heat, and sound insulation, effectively replacing traditional brick walls. This forward-thinking approach optimizes space, reduces costs, and conserves natural resources. In collaboration with partners like Asia Clean Capital Vietnam (ACCV), DINCO incorporates advanced energy solutions, including Building Integrated Photovoltaics (BIPV) and Ground Energy Systems (GES), ensuring enhanced system performance and improved energy sustainability. These sustainable practices are a testament to the Vietnamese dedication to delivering high-quality results while prioritizing environmental stewardship.*

## Community-Oriented Mindset

Vietnamese culture emphasizes community over individualism, shaping workplace dynamics where team harmony and consensus are prioritized. Rooted in a history of collective efforts to overcome natural adversities, this mindset cultivates a strong preference for teamwork and mutual support in business settings.

Vietnamese professionals value collaboration and adaptability, often approaching challenges with flexibility. While German companies may favor structured processes, their Vietnamese counterparts tend to adopt a more fluid approach, requiring both sides to align working styles.

However, traditional respect for hierarchy can sometimes hinder open communication, as employees may be reluctant to express disagreements or differing opinions directly. German managers can enhance collaboration by adapting leadership styles or providing intercultural training to employees to balance the structure between German and Vietnamese teamwork and adaptability.

## Tet: A Cultural Phenomenon with Business Implications

### Overview of Tet

Tet, the Lunar New Year, is Vietnam's most important holiday. It marks a time for family reunions, honoring ancestors, and celebrating the arrival of spring.

About two months before the holiday, prices across the country start to rise. Some traders stock up on goods as early as six months in advance. The peak period kicks in two to three weeks before Tet, when anything related to the celebration becomes more expensive—clothing fabrics, tailoring, rice, livestock, canned beer, and especially New Year's essentials like calendars, incense sticks, paper gold, artificial flowers, and sweets.



Figure 2. A bustling Tet market in Vietnam, adorned with vibrant red and yellow decorations, flowers, and offerings, captures the festive preparations. Source: Vinh Thang, unplash.com

## Business Practices Around Tet

**Operational Disruptions:** The weeks leading up to Tet are characterized by a *pre-holiday rush*.

Companies often work at full capacity to meet deadlines, settle accounts, and complete projects before the holiday begins. Businesses operating in Vietnam may face logistical challenges during Tet as shops close, transportation slows, and employees take extended leave. Companies should plan for reduced productivity and adjust schedules accordingly.

**Cultural Sensitivity:** Recognizing the importance of Tet to employees and partners fosters goodwill. Simple gestures, such as Tet bonuses or festive greetings, can enhance relationships and employee satisfaction.

**Cross-Cultural Engagement:** Tet is deeply family-oriented, and joining in celebrations can strengthen ties with Vietnamese business partners. German executives who understand and respect Tet traditions are more likely to build trust and rapport.



Figure 3. Mr. Nguyen Van Duoc, Provincial Party Secretary of Long An, and his delegation visited AHK Vietnam at Deutsches Haus Ho Chi Minh City with Tet's spirit background. Source: AHK Vietnam

*Deutsches Haus Ho Chi Minh City is a pioneering premium Grade A+ Office Tower strategically located on the corner of Le Duan Street and Le Van Huu Street in the heart of Ho Chi Minh City. The 25-storey building consists of approximately 30,000 net square meters of prime office real estate. Deutsches Haus Ho Chi Minh City has all the modern state-of-the-art facilities and services one would expect from a centrally located premium Grade A+ Office Building. The building is home to the Consulate General of the Federal Republic of Germany, making it the destination for German companies and promoting German and Vietnamese relations. Modern German technology coupled with a high degree of sustainability provides innovative commercial office space of exceptional quality.*

## Gift-Giving and Relationship Building During Tet

Gift-giving plays an important role in fostering relationships in Vietnam, particularly during significant occasions like Tet. Far from being associated with bribery or corruption, it is a meaningful way to express gratitude, respect, and appreciation.

During Tet, small gifts are a symbol of goodwill and are often exchanged among friends, colleagues, and business partners. Personal gifts are typically given in private, reflecting the intimate nature of such gestures. Business gifts, similarly, are exchanged discreetly to maintain professionalism and mutual respect. However, gifts intended for an entire office or team are usually presented in a communal setting to emphasize inclusivity and shared celebration.

Some popular gifts for Tet include lucky money, plants and flowers, fruits, cakes, tea, coffee, wine, greeting cards, and gift combo sets. Red is a symbol of luck and prosperity, so it's often used in gifts during Tet. However, businesses should be mindful of cultural sensitivities—avoid gifting items considered inauspicious, such as sharp objects or clocks.

## Adapting German Business Practices to Vietnamese Culture

To succeed in Vietnam, German businesses can adapt their practices to align with local cultural norms. Building patience, flexibility, and cultural sensitivity into daily operations is essential. For instance, German firms can:

- Engage in relationship-building activities, such as informal meetings and shared meals.
- Respect local customs, especially during Tet, to demonstrate goodwill.
- Train staff in cultural nuances to avoid unintentional misunderstandings.

Highlighting real-world examples of successful collaborations between German and Vietnamese businesses can provide actionable insights.

## Tet as an Opportunity for German Businesses

Rather than seeing Tet as a disruption, German businesses can view it as an opportunity to strengthen partnerships and enhance their brand's reputation. Participating in Tet celebrations, sponsoring community events, or simply showing appreciation to local employees and partners can leave a lasting impression. Planning ahead for post-Tet opportunities, such as renewed energy and focus in the market, can also position German businesses for long-term success.



Figure 4. Business closure schedule during Tet 2025, including 5 days mandated by the Vietnamese Labor Code and 4 days falling on the weekend. Source: AHK Vietnam

## Conclusion

Vietnamese culture, with its emphasis on relationships, respect, and community, profoundly influences business practices. Tet, as the most culturally significant time of the year, symbolizes these values and offers a unique lens through which German businesses can deepen their understanding of the Vietnamese market. By embracing these cultural traditions and adapting their strategies accordingly, German businesses have the potential to build stronger partnerships and attain long-term success in Vietnam.

As Tet approaches, now is the perfect time for German businesses to reflect on how they can integrate cultural awareness into their operations. After all, understanding and respecting Vietnamese culture is not just good business—it’s the foundation for lasting partnerships.