

# Key Factors of Business Communications in Latin America

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*Communication difficulties in an international context often stems from fundamental differences in cultural values. Communications in Latin American, Mediterranean and Asian cultures are often embedded in as much facial expressions and voice tones vis-à-vis words in Germanic cultures. The value of time and emotional feelings also act as bridges to levels of communication in many cultures around the world. Latin societies are very aware of the need for business communications to be less rigid and more agile. Since economic and social policies tend to lessen the current acute inequalities in the society, Latin societies are not totally committed to implement measures that will soften the rigidity and adopt more agile methods of oral and written communications and the progress toward implementing these measures would be quite slow.*

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## INTRODUCTION

Personal and institutional communications in business, government, formal social events and academia in Latin America are very formal. They reflect the Iberian roots of the cultures of the Latin American countries, as well as several aspects of the Latin American societies, like their rigid socioeconomic structures, acute economic inequalities and respect for elders (Petersen, 2004). A common manifestation of the formality of the oral and written communication in Latin America is the use of the *usted* or *vos* forms, which are the formal versions of the singular of the second person. Also, common manifestations of this formality are the use of academic titles and the use of the social titles, which express reverence: *don* and *doña*.

The formality in the communications, oral and written, is *de rigueur* when the communication goes from the lower to the upper levels. The formality is also *de rigueur* when the communication is between two individuals or two groups, of the same socioeconomic level, but who have not yet developed a comfortable relationship. When the communication is from the upper levels to the lower levels, it may not be as formal and could, in some cases, be mildly or visibly disrespectful.

Due to its formalities, oral and written communication in Latin America is never as direct as it is in Northern Europe and the U.S. Among the Latin Americans, there is full awareness that this slows down the pace of development of relationships across society, as well as the pace of operations in business and government. Yet, the Latin Americans are also fully aware that in their societies, it is better to go slow and spend more time getting to know the partners in any kind of a relationship, than to accelerate the pace of the business or social relationship and increase the risk of having to use the legal system; which, in general, is quite inefficient and can be manipulated by the person or persons in the relationship who have more power (Petersen, 2004).

Non-verbal communication, body language, is more animated and more visible but, in general, less significant than in Northern Europe and the U.S. For Latin Americans, besides gestures and the tone of voice, body language also includes the presentation; that is, for Latin Americans an important part of body language is attire and personal grooming, especially among women (Petersen, 2004).

With the exception of Venezuela, all Latin American nations have been slowly but steadily increasing their participation in the global economy. This participation, albeit still small, has been enough to start inducing Latin Americans to adopt practices that facilitate their communication with non-Latin Americans. Among these practices is the learning of foreign languages, including Mandarin. Despite these efforts, oral and written communications in the Latin American nations will continue to be, in the foreseeable future, far more formal and less direct than in Northern Europe and the U.S. This is assured by the absence of economic and social policies that, through economic and social progress, would effectively erode the rigid socioeconomic structure of these societies.

The rest of this essay is organized as follows. Section two discusses key elements of the Latin American culture that help explain the rigidity and formality of the business and social communications in Latin America. Section three discusses how to deal with the social distance in written and oral communications. In section four the discussion deals with an issue that the Latin American business communities have failed to communicate: their changing attitude towards time. Finally, section five contains conclusions.

## **KEY ELEMENTS OF THE LATIN AMERICAN CULTURE**

There are marked cultural differences between the 19 countries of Latin America. However, these 19 nations have few very noticeable cultural similarities that also have a strong influence in the oral and written communications of the Latin American societies. Three of these important and very visible cultural similarities are: Respect for elders and a social and individual life centered on the family; rigid, racially influenced, socioeconomic structures; and highly educated upper classes but poorly educated majorities.

### **Respect for Elders and a Social and Individual Life Centered on the Family**

In 18 of the 19 Latin American nations, the welfare system consists, at best, of free basic health care services and of minor subsidies for low income housing, food and public transportation. That is, the welfare system in 18 of the 19 Latin American nations is either non-existent or very limited. This means that in these nations the family is in charge of providing the assistance that is equivalent to the unemployment benefits, rent assistance, maternity leave and other social services and economic aid provided by the welfare systems of developed nations.

Across the economies of these nations, the importance of the family is also quite visible. It takes the form of the family firm. This type of firm, from conglomerates to very small operations, dominates the domestic economy of 18 of the 19 Latin nations (IPADE, 2018).

Due, however, to the following factors: increasing participation of women in the organized labor force, globalization, increases in literacy and a marked growth of the participation of women in higher education, the importance of the family in society is diminishing. This is, to some extent suggested by the declining fertility rate, which in 2013 reached an average of 2 children per woman for the 19 countries of

Latin; a rate below the 2.1 children per woman needed for zero population growth (Economic Commission for Latin America, ECLAC, 2013).

Within the family, there is respect for elders because they are seen as a source of wisdom and a source of moral authority. This view of elders, transfers to the rest of society, including business, and is manifested in the formality with which elders are addressed: always using the formal version of the singular second person, *usted* or *vos*.

As the importance of the family declines the paternalism that is common in Latin societies will diminish. However, the respect for elders is likely to continue as long as there are no welfare systems to replace the family as the security net and as long as the family firm continues to dominate the domestic economies of these nations. Also, as long as the family continues to be the center of individual and social life, the societies of Latin America will continue to be classified in the terminology of the well-known Dutch sociologist, Geert Hofstede, as collectivists rather than as individualistic societies (Hofstede Insights, 2018).

### **Rigid, Racially Influenced, Socioeconomic Structures**

There are four main racial groups in Latin America. These are: Indian or Amerindian or Native American, white or European, Mestizo and Mulatto. The countries where the majority of population is white or European are: Argentina, Chile, Costa Rica and Uruguay. In Brazil, Cuba, the Dominican Republic and Panama, Mulattos are the majority. Indians are the majority in Bolivia, Guatemala and Peru. Mestizos dominate the populations of the other eight Latin nations, namely: Colombia, El Salvador, Honduras, Ecuador, Mexico, Nicaragua, Paraguay and Venezuela (CIA, 2014).

The racial composition of the Latin societies would be irrelevant, if were not for the fact that this composition is strongly correlated with the level of economic wellbeing across and within countries in Latin America. The Latin nations with less economic inequality and a higher level of prosperity are those where the majority of the population is white: Argentina, Chile, Costa Rica and Uruguay. In the other nations, where the majorities are Mestizos, Mulattos or Indians, there is less economic prosperity and a very visible racial hierarchy. In these countries the oligarchy is exclusively white. The class below the oligarchy is predominantly white or white/Mestizo. The small middle classes are primarily formed by Mestizos and Mulatto; while the lower classes are formed by Mulattos, Indian/Mestizos, Indians and blacks. This hierarchy is a factor to consider when doing business in these nations because in the work place and in society, having the preferred racial appearance (European appearance) is a favorable factor. Also, in the work place and across society, manual labor is usually performed by the dark-skinned; which makes such type of labor an undistinguishable sign of low economic and social status ((Dulitzky 2008, p.18; Monsivais 2005; and Wagley 1994).

It is, however, important to be aware of the fact that no society of Latin America accepts the existence of this racial hierarchy. In Venezuela and Mexico is, furthermore, very easy to find individuals who would angrily argue that such hierarchy does not exist in their societies. A probable reason for denying the existence of this hierarchy is the absence of any form of racial violence and the tolerance that the light-skinned upper classes have for the dark-skinned lower classes (Dulitzki 2008, pp. 1–4). Despite these denials, the very visible persistence of the acute economic inequality along racial lines assures that, in the terminology of Geert Hofstede, high levels of power distance will continue to be part of most Latin societies (Hofstede, 2018).

### **Highly Educated Upper Classes but Very Poorly Educated Majorities**

Cuba has, by far, the best system of education of Latin America. Cuba's system of education is public and goes from elementary school to university. In the other 18 Latin American nations there are public and private education systems that go from elementary school to graduate school.

The quality of the public systems of education, from elementary school to high school, in the other 18 nations is, with the exception of the system of Chile, quite bad. The quality of the private systems of education, from elementary school to university, varies from mediocre and even bad, to very good.

Normally, however, the higher the quality of the education, the more expensive the education is. This means, that only the wealthy or relatively wealthy can afford a good or very good education.

Because of the very good education that the upper classes receive, members of these classes also tend to dominate the groups of Latin Americans who obtain advanced degrees, like masters and doctorates, in prestigious U.S. and European universities. On the other hand, because of the poor quality of education that they received, from elementary to high school, the majorities are badly represented in the domestic public universities and very poorly represented in the groups of Latin American students who obtain advanced degrees in prestigious European and U.S. universities. In short, the low quality of public education is another important contributor to the large distance between social classes that is easy to observe, outside of Cuba, in the Latin American countries (THES 2006 and Social Capital 2008).

### **Dealing with the Social Distance Element in Oral and Written Communications**

Due to limited economic progress, big differences in education and deeply rooted, albeit denied racist convictions, there is very little social mobility and very little interaction between the classes. Hence, perspectives and views on economic, social and political issues are not exchanged between members of the different classes. This means that communications between members of the social classes are, in general, limited to work situations.

In the downward direction, these communications are often influenced by the sense of entitlement of the members of upper classes; who tend to consider their economic and social privileges as normal, as elements of a natural order. It is, therefore, not surprising to observe that these communications are often condescending and even disrespectful. An example of this kind of communication is given by the use of "tu", the informal version of the second singular person, when a person of an upper class addresses an older individual of a lower class.

In the upward direction, these communications are influenced by the hidden sense of being second class citizens that the members of the lower classes tend to have. These communications are normally rigid and respectful. These communications necessarily involve the use of the "usted" or "vos", the formal version of the second person singular, and often the social title of "don" or "doña" before the name of the person who is being addressed. This formality happens even if the person of the lower class is older than the person of the upper class (Elvira and Davila 2005, pp. 8-11).

This formality is less pronounced in Argentina, Chile, Costa Rica and Uruguay, where the majority of the population is of European ancestry. In the other Latin American nations where the majorities are Indians, Mestizos or Mulattos, communications, especially in the upward direction, are not only very formal; but they also reflect the visible continued existence of the colonial racial caste system.

One important element of the formality of the oral and written communications is the use of academic titles. In written communications the acronyms of the academic titles are used before the name of the person who is being addressed. In oral communications, the full academic title always goes before the name of the person who is being addressed. In certain occasions, all that is needed to address an individual who is in a position of power or an individual with whom a close relationship has not yet been established, is her or his full academic title.

The most common academic title is "*Licenciado*" or "*Licenciada*," which are usually abbreviated as "*Lic.*" Originally, a *licenciado* was someone who had a law degree, a lawyer. This title meant that this person had a license to practice law. Currently, anyone who has a bachelor degree in the humanities, in business or in the social sciences uses this academic title before her or his name. This means that she or he has a license to practice the discipline that she or he studied. This discipline could be: philosophy, psychology, economics, literature, communications, sociology, business administration, international relations, etc.

Doctor is a title that was reserved for medical doctors. It used to be the highest ranked or the most prestigious academic title. Nowadays, individuals who have a Ph. D., a Doctor of Philosophy, also use the academic title of "*Doctor.*"

In terms of prestige or social ranking, after the academic title of doctor, comes the tile of "*Ingeniero*" or "*Ingeniera*," usually abbreviated as "*Ing.*" This academic title is given to any individual who finished a degree in any field of engineering.

The use of such titles is alleged to date back to the times when, even among the upper classes, was uncommon to have a university degree. Nowadays, having a university diploma is the norm in the upper classes; yet, it is still expected that in business, government, academia, and in formal social occasions, the proper academic title would be used when addressing someone who has a university education.

### Dealing with the Time Element

The land of "*mañana*", the land where there is no need to do today what can be done tomorrow; the land where punctuality is optional. This is one of the most typical stereotypes of Latin America. While there is some true in this stereotype, it also true that due to globalization, Latin Americans are not as relaxed about deadlines, schedules and in general about the misuse of time as they used to be. Yet, the departure from this stereotype is usually not communicated in the literature that deals with the business culture of Latin America.

The numbers reported in table 1 also suggest that the idea that time is a very valuable resource is, at least in the work place, part of the Latin American culture.

**TABLE 1**  
**HOURS OF WORK PER YEAR 2010 AND 2014**

Country	2010	2014
Germany	1390	1371
Spain	1710	1689
Chile	2068	1990
Costa Rica	1935	1938
Mexico	2242	2228

Source: OECD, 2016.

In business and in academics, and to a very large extent in government, punctuality and respect for deadlines is now expected. This is especially the case in the most globalized cities of Latin America like Santiago de Chile and Monterrey, Mexico. Thus, in business, academics and government, when schedules and deadlines are established, it is a good idea to try to meet those schedules and deadlines.

Globalization has not, however, changed significantly the relax attitude towards time in social occasions. It is still acceptable, and even expected, to arrive late to parties. What is most certainly not acceptable is to establish a time for when a party is supposed to end. For parties and informal social occasions where a large number of people are expected to attend, the starting time is usually clearly stated but not really respected, while an ending time is never established.

### CONCLUSIONS

Globalization has increased the awareness in Latin societies that their oral and written communications need to be less rigid, more agile, especially in the area of business. So far, however, this growing awareness has not generated a visible softening of this rigidity. The persistence of this rigidity has one solid reason: The economic and social policies that would lessen the acute inequalities, social and economic, across the Latin societies have not been implemented. Thus, until such policies are implemented, progress in making the oral and written communication in Latin America more agile would be quite slow.

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