

# Software of the Mind – Cultural Competencies for Effective Business in Latin America

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While translating a presentation bid for a manufacturer of satellite earth stations, our firm witnessed a familiar phenomenon. Our client was astonished when they did not win a large Brazilian contract in spite of having advanced technical products, very favorable terms, and an excellent global track record.

Many U.S. Americans assume that if your company has great stuff and can put on a slick presentation, you can win the business. Americans assume that the playing field is level; however, in an international environment, the playing field is rarely level. The advantage goes to those who know how to do business effectively not only across language barriers, but also across cultures. Who won the bid? The company with a Brazilian as a member of their presentation team. Even after a successful sale, ongoing issues abound. How do you manage cultural differences? How can you ensure performance such as on-time compliance and quality assurance?

What you don't know can hurt you. North Americans in Latin America often fail to create effective partnerships with Latinos because of false assumptions. Assumptions like; "They think like we do," "They do things as we do," or, "We can motivate and persuade them as we do our own customers in the U.S.A." When things go wrong, we are left wondering why we didn't get that deal. (Or why we didn't get a straight answer. Or, the ever-present "***But they said, Sí!***"). Anyone who has done business in Latin America for more than a few weeks has faced these issues.

Substantive help is available. Social scientists have qualified and measured cultural differences empirically. This information is available and can be tapped to improve international business performance. In our role as consultants to dozens of North Texas Telecommunications executives doing business in South America, we have identified some of the most pronounced cultural differences between US Americans and Latin Americans. Four of these are included here. Interculturalists call this "software of the mind" because it explains how culture 'programs' us to think.

## **Hierarchy and Decision Making**

Latin American societies place a major emphasis on strong leadership, authority and hierarchies. This explains the concentration of power in executive decision. It also helps us to understand the extent of bureaucracies. Latins often see North Americans as lacking respect or too informal. North Americans value quick results. What can seem efficient to a North American may be perceived as rude and insensitive to Latinos. Attempts to "push through" are usually counterproductive. Instead, try personal warmth and respect for status and hierarchies. Use titles and never send lower level staff to meet higher placed counterparts.

## **Doesn't *sí* always mean yes?**

Interpersonal communication patterns in Latin America are much more sophisticated than in the USA. North Americans are very direct, specific and blunt in the way we communicate. In short, we are clear and transparent. In South America, it is important to be tactful, respectful and understated, particularly when something difficult has to be

said. This is part of the reason why North Americans have trouble getting “straight answers.” Latinos are uncomfortable answering tough questions directly. A direct, pointed answer is too offensive, and no Latino wants to offend. In Latin America, volumes are spoken through body language, tone, inflection, nuance and subtlety. Communication is essentially encrypted, and most North Americans *do not know the de-encryption code*. Navigating this minefield is one of the most difficult challenges for outsiders, even those who speak the language. Pay attention to non-verbal clues such as posture, physical deference, knowing glances, and understated language. In the midst of apparent silence, your Latino counterparts are exchanging massive bytes of information. Your best bet is to form an alliance with an insider.

### **Relationships are essential**

Research tells us that North Americans are some of the most highly individualistic people on the planet. In contrast, Latin people are group and relationship-oriented. This means that without the proper connections to people in Latin America, you will accomplish very little. To help us understand this principle, consider the concept of *waiting in line*. In the USA, to “take a number” or wait your turn is natural, democratic and fair. But high-status Latinos never tolerate waiting in a line or queue. To do so is to publicly advertise that you are not well connected or that you do not know how to establish and maintain relationships. In Latin America, not having the right connections is an **indictment**. Now consider how a Latin feels when channeled through endless voice-mail prompts!

### **Time is relative**

In the USA, we do things by the clock. This nifty device tells us when to move to the next meeting, when to eat, when to cut a conversation short. Time is a commodity for us; it is precious and we don't want to waste it with “unimportant” or “inefficient” things. Latin Americans, by contrast, do not subjugate themselves or their schedules to the clock. Time is flexible, stretching and bending as needed according to the event and particularly to people and relationships. For Latinos, people and events are more important than an arbitrary measurement on a timepiece or calendar. We have seen and felt the frustration of our US clients many times on this issue, particularly in the case of contracts and deadlines. Even a date on a contract can be bent and stretched, according to the Latin viewpoint. When the stakes are high, such as for rollout of a new product or a crucial manufacturing schedule, US businesses can build strategies to avoid losses caused by assuming that processes will be identical to those in the USA.

Be prepared to adjust to these differences. It means that things will take longer. New competencies take time to learn. To be competitive globally, one must adapt and change the way things are done. Patience and determination pay off in the long term. In the age of global markets, the future belongs to the globally capable. In Telecom, where technical expertise is so critical, we cannot afford to overlook cultural competencies as the other half of the equation.

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