



Chile

This month, we are reviewing Chile, located in southern South America between Argentina and Peru. The vast majority of the population live in urban areas (89.5%), particularly in the central region. The capital city of Santiago acts as the political, cultural and economic centre of the country.

Chile is a multi-ethnic society and includes people of European and indigenous ancestry. Primarily influenced by Catholicism, Chileans tend to be conservative, modest and respectful towards authority. The younger generation are becoming more relaxed about conservative attitudes and this has been described as the Chilean 'destape' ('taking off the lid') whereby Chileans are becoming more liberal in their outlook. However, the older generation tends to uphold traditional values. Chileans are very family-oriented: children are popular and travelling families can expect special treatment and friendly attention.

Chile has a market-oriented economy with a high level of foreign trade and a reputation for strong financial institutions and sound policy. Fiscal income is expected to grow during 2018-2020 as private sector prospects improve and copper prices rise. The positive business environment in Chile has been reinforced by the country's ranking as the leading Latin American country in The World Bank's Ease of Doing Business Survey.

The language of business is Spanish although many executives and highly-skilled workers will speak English. Working hours are long – Chile appears in the top 5 of nationalities that work the longest hours and staff can put in well above the maximum 45-hour work week stipulated by law. Senior positions in companies have traditionally been held by men but this is slowly changing as women are pursuing higher education and higher-powered roles. Although stereotypical Latin American machismo undoubtedly exists, it is not as strong as in some other countries in the region.

In Chile, personal relationships are key and they are used to obtain information and ease business transactions. It's often necessary to have a useful contact or connection (known as a pituto). For Chileans, it's acceptable to use their contacts and benefit from such 'favouritism'. For example, in some cases, jobs are not published because companies like to work on personal recommendations.

Take time to build personal relationships and be prepared for small talk as part of the getting to know you process. Don't talk about religion, politics, human rights or the period of military rule. Chileans are a proud and independent people and these are divisive issues.

You should greet your colleagues with a handshake - this is always done even if you have greeted them earlier in the day. Always greet the most senior person first - superiors should be addressed by "Señor" for men or "Señora" for women followed by their surname. The formal usted (you) should be used until you are familiar enough to use the more casual tú.

The work culture in Chile is quite formal and conservative and how you dress and conduct yourself is important as is demonstrating the correct business and social etiquette. Organisations are hierarchical with low degrees of delegation. There is a strong need to stick to the rules and a preference for avoidance of risk and uncertainty.

In business, Chileans will often avoid confrontation or direct criticism to avoid jeopardising another's honour or dignity. At times, this requires one to read between the lines to fully make sense of their Chilean counterpart's intentions. Many frown upon hard-sell approaches and aggressive behaviour. Although Chileans tend to be quite formal in a business setting they also appreciate a bit of humour when communicating with others. Keep it light and friendly and be careful not to overdo it. Business is a serious matter here.

Finally, be aware most Chileans have a polychronic work style. They are used to pursuing multiple actions and goals in parallel and may jump back and forth between topics rather than addressing them in sequential order. If you are from a strongly monochronic culture, such as Germany, the United Kingdom, or the United States, do not show your irritation when encountering this behaviour. Instead, keep track of the progress at all times, taking time to emphasize areas where agreement already exists.