

## Doing Business in Colombia | Colombian Social and Business Culture

### A Colombian Culture Overview

#### Fact File

- **Official name** – Republic of Colombia
- **Population** – 45,644,023\*
- **Official Languages** – Spanish
- **Currency** – Colombian peso (COP)
- **Capital city** – Bogotá
- **GDP** – purchasing power parity \$399.4 billion\*
- **GDP Per Capita** – purchasing power parity \$8,900 \*



#### Overview

Colombia is a country with a unique culture influenced by a fusion of its indigenous Indian, Spanish and African origins. A diverse geography and warm climate makes Colombia home to some of South America's richest natural resources such as petroleum, coffee and fruit. Though the country struggles with historical class differences, political conflict and illegal drug cartels, improvements have recently been made socially and economically making Colombia a more inviting country to international investments and business opportunities. For those wanting to conduct business in this emerging market, a thorough understanding of Colombian heritage and culture must be achieved in order to secure your future business success.

#### Key concepts

**Family** – As a collectivist culture, family is the central unit of Colombian society. Close ties between extended families and communities can have a major influence on individual behaviour. The importance of family is also evident in Colombian business culture where often family members will be found working for the same company and many companies are family owned.

**Indirect communication** – Colombians tend to communicate in an indirect and subtle manner. It is important to not offend others and always be as diplomatic as possible. Meaning is conveyed through non-verbal forms of communication and often a Colombian will say 'yes' or 'maybe' instead of saying 'no' to avoid losing face and maintain harmony.

**Time** – Colombians approach time in a very relaxed and flexible manner. Punctuality is not essential and planning things to the minute is not common. Business meetings are often delayed as a result and sometimes even cancelled at the last minute without any prior warning. If planning a visit or series of meetings in Colombia, therefore, always schedule extra time in between to allow for any extra time needed.

## Doing Business in Colombia

Following centuries of Spanish rule, Colombia finally gained independence in the late nineteenth century. Years of violent political conflict ensued as parties and governments fought to be the ruling power and insurgent groups became more prevalent. Meanwhile an extensive illegal drug trade developed and Colombians were increasingly accused of human rights abuses against captured guerrillas and members of insurgent groups. The 90s were a period of social, economic and political improvement during which time a new constitution was introduced. However, the violence present in Colombian society as a result of the existence of insurgencies and the illegal drug trade did not improve.

Today, despite a turbulent past, Colombia's efforts to improve current economic policy and democratic security strategies have given rise to an increased confidence in the economy and business sector. The fourth largest country in South America and one of the continent's most populous nations, Colombia's substantial oil reserves and natural resources provide numerous business and trade opportunities for foreign investors. Understanding Colombian business etiquette is essential to successfully doing business in Colombia.

### Colombia Business Part 1 - Working in Colombia (Pre-departure)

- **Working practices in Colombia**
  - In most Colombian cities, working hours are generally 9.00 a.m. to 5.00 p.m., but may extend until 7.00 p.m. from Monday to Friday. Business is rarely conducted at the weekend, which is normally reserved for family.
  - It is important to schedule business appointments at least two to three weeks in advance and confirm them once you have arrived in Colombia. Also try to leave a few hours in between them should they go on longer than anticipated.
  - Business lunches are a favourable method of conducting business in Colombia and often go on for several hours.
- **Structure and hierarchy in Colombian companies**
  - Colombian companies tend to have vertical hierarchies. This hierarchy is an important part of Colombian business culture and should be respected whenever possible.
  - Most decisions are made from the top by the senior members of staff, though often opinions and consensus is sought from subordinate employees.
  - Titles are important and should be used to show respect to those with authority, especially elder and more senior members of the group.
- **Working relationships in Colombia**
  - In Colombian business culture, cultivating close personal relationships and building trust are considered vital components for a successful working environment.

- Colombians prefer to do business with people whom they know/trust and it is not uncommon to find many family members working for the same business.

## Colombia Business Part 2 - Doing Business in Colombia

### o Business practices in Colombia

- Handshakes are the most common form of greeting, though people who know each other well may greet each other with an embrace. Offering your hand upon arrival as well as departure is an essential part of Colombian culture.
- As part of the formality of Colombian business culture, titles are important and frequently used when addressing someone. Courtesy titles such as “Mr” (*Señor*), “Mrs” (*Señora*), or “Miss” (*Señorita*), and professional titles (i.e. “*Licenciado*”, “*Doctor*”, “*Profesor*”) should be used, followed by a surname. Since first names are generally only used with family and close friends, you should wait until invited to address someone in this way.
- The formality of Colombian business culture and flexible attitude towards time often results in business negotiations being a lengthy process. It is imperative not to rush this process and take the time to continue developing relationships for negotiations to be successful.

### o Colombian business etiquette (Do’s and Don’ts)

- ✓ DO expect to spend a lot of time getting to know your Colombian business counterparts before any business takes place.
- ✓ DO translate all your marketing literature, business cards and any other documents you present in your business dealings into Spanish. Failure to do so may jeopardise your business potential.
- ✓ DO accept invitations from your Colombian business counterparts to social or business occasions. Social events are an ideal time to develop relationships which are an essential part of Colombian business culture. They are also a great opportunity to experience and learn more about Colombian culture.
- ✗ DON’T rush business dealings with your Colombian colleagues and avoid pressing for final decisions.
- ✗ DON’T be overly aggressive while negotiating business deals, as it is considered rude and often perceived as arrogant.
- ✗ DON’T ignore formal Colombian dining etiquette as this will reflect poorly on you as an individual and will also negatively impact any business dealings in Colombia.

### Colombian Culture Quiz – True or False

1. Maintaining close eye contact is important in business meetings and negotiations.
2. Upon receiving a gift, it is polite to immediately open it in front of the person who gave it to you.
3. Putting the thumb and index finger together to make the 'OK' gesture is considered vulgar in Colombia.
4. Decisions tend to be made based on factual knowledge and evidence.
5. Relationships tend to be developed with individuals and not companies.

### Cultural Quiz - Answers

1. True.
2. False. It is polite to say thank you and show appreciation for the gift, but open it elsewhere. Opening it in front of the person who gave it to you is perceived to be greedy.
3. True.
4. False. While factual information and evidence is considered, decisions are often made based on intuition and overall 'gut' feeling.
5. True.

\* Source: CIA The World Factbook 2007

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