

## Doing Business in Venezuela | Venezuelan Social and Business Culture

### A Venezuelan Culture Overview

#### Fact File

- **Official name** – Bolivarian Republic of Venezuela
- **Population** – 26,814,843\*
- **Official Languages** – Spanish
- **Currency** – Venezuelan bolívar (VEB)
- **Capital city** – Caracas
- **GDP** – purchasing power parity \$357.9 billion\*\*
- **GDP Per Capita** – purchasing power parity \$13,500\*\*



#### Overview

Venezuela is located at the northern tip of South America bordering the Caribbean Sea and the Atlantic Ocean. Centuries of foreign influences have created a cultural fusion of indigenous, African and Spanish elements. Unlike its neighbouring countries Venezuela never experienced serious tensions among its population. Venezuelans have a high respect for difference and are known for their outgoing and friendly nature. An understanding of everyday social and business conduct and its underlying cultural values is essential for anyone embarking on business ventures in Venezuela.

#### Venezuelan Culture - Key Concepts and Values

**Religion** – Over ninety percent of the population is Roman Catholic and a strong devotion to God is part of daily basis. Religion, however, is not a contentious issue and Venezuelans are generally tolerant towards people of other faiths.

**Relationships** – Personal relationships are very important to Venezuelans with the family at the centre of life. Gestures of affection are often displayed towards friends and Venezuelans also like to foster a more personal atmosphere with colleagues.

**Time** – Venezuelans tend to approach time in a flexible manner and sometimes arrive late to appointments. Delays are common, but according to a Venezuelan saying “It is better to arrive late than never”. Within a professional business context, however, punctuality and deadlines tend to be respected, especially when dealing with foreigners.

## Doing Business in Venezuela

Oil is Venezuela's most important asset. Until 1970 Venezuela was the world's largest exporter and still relies on oil revenues to stabilise its domestic economy. This dependency, however, has made the country vulnerable to price fluctuations on the global market. Falling oil prices in the latter half of 2008 have negatively impacted Venezuela's economy and economists have forecasted difficult times. Nevertheless, President Chávez remains optimistic that his "21<sup>st</sup> century socialism" will save the country from recession. A profound understanding of local business culture remains crucial to doing business successfully in Venezuela.

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

- **Working practices in Venezuela**
  - Business hours in Venezuela are from 8.00am to 6.00pm with a two-hour break for lunch between noon and 2.00pm.
  - Venezuelans have a flexible attitude towards time so don't be surprised if business meetings or social events begin late. Punctuality tends to be respected when dealing with foreigners though so make sure to arrive on time.
  - Reconfirm meetings a few days beforehand as things can change at the last minute.
  - Be aware that negotiations can take some time in Venezuela so schedule sufficient time.
  - Working documents and presentation material should be translated into Spanish. Correspondence is usually written in Spanish, but if you are approached in English feel free to answer accordingly.
- **Structure and hierarchy in Venezuelan companies**
  - Business hierarchies are generally clearly defined, especially in family owned companies. Although employees are welcome to give suggestions and comments, the final decision is made by senior members or managers.
  - Education and experience are important qualities and sources of credibility. Foreigners tend to be approached with high regard simply on the basis of their international expertise.
  - Machismo is prevalent in Venezuelan society. Women frequently encounter chauvinist or sexual comments in the streets, however they are generally harmless and should simply be ignored.
  - Over the past few years women have increasingly entered the workforce and now occupy high positions in politics and the economy. Venezuelan men are therefore used to working with businesswomen.

- **Working relationships in Venezuela**
  - Venezuelans like to establish personal relationships with business counterparts and engage in informal conversation before discussing business matters. It is good to let your Venezuelan counterpart initiate and lead the discussion. Common interests are likely to encourage further personal ties.
  - Doing business in Venezuela is often based on nepotism and special privileges for personal connections are not uncommon. However, favours should only be granted in special circumstances, even more so as corruption is a sensitive matter in professional contexts.

### **Venezuela Business Part 2 - Doing Business in Venezuela**

- **Business practices in Venezuela**
  - When you first meet your Venezuelan counterparts, keep an arm's length distance between men and women.
  - A firm handshake between men is the standard form of greeting while women tend to shake hands more softly. Once a personal relationship is established a kiss on the cheek or a hug might be exchanged instead, in both social and professional situations, but wait for your Venezuelan counterparts to initiate it.
  - Managers are usually addressed using their surname and the formal 'Usted' form of 'you'. Once relations become more personal, colleagues may use the more informal form 'Tú'.
  - Business cards are commonly used and exchanged when first meeting your Venezuelan counterparts. It is a good idea to have them printed on both sides with information in Spanish and English.
  - Business attire is formal and conservative. Men typically wear dark suits and ties, while suits or dresses are considered appropriate for women. A stylish appearance is very important to Venezuelans.
  - Venezuelans are known for their open expression of feelings and affection, but they tend to refrain from showing negative sentiments in public. Criticism should never be vocalised in front of other people.

### **Venezuelan Business Etiquette (Do's and Don'ts)**

- ✓ DO participate in social events to improve relations with working colleagues.
- ✓ DO make eye contact when conversing. It shows interest in the subject and creates an atmosphere of trust.

- ✓ DO show gestures of affection when conversing with business partners you have become familiar with.
- ✗ DON'T attempt to move back if you feel the person you are speaking to is standing too close as this could be perceived as a cold rejection.
- ✗ DON'T point your index finger as this considered rude and vulgar. Use your full hand to indicate.
- ✗ DON'T be too dominant or aggressive when conversing with Venezuelans. Let them take the lead.

### **Venezuela Culture Quiz - True or False**

1. It is acceptable to arrive late to meetings.
2. If you are dissatisfied with a colleague, it is acceptable to voice your criticism immediately.
3. Venezuelans like to look each other straight into the eyes when conversing.
4. Venezuelans like to discuss business matters over lunch.
5. Humor is commonly used in conversations.

### **Venezuela Culture Quiz - Answers**

1. False. Despite common stereotypes about South American Punctuality is respected in a business context, especially when dealing with foreigners.
2. False. Criticism should never be vocalised in public. Instead take the person aside to speak in private.
3. True. Looking away is interpreted as unattentive behaviour.
4. True. Once a business relationship is established, it is common practice to discuss business matters in a rather informal setting.
5. True. Venezuelans like making jokes, even in formal settings.

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\* Source: CIA World Factbook 2009

\*\* Source: CIA World Factbook 2008

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