

# Intercultural Guide to Collaboration between Chilean and American Software Companies

---

Andrew Lawrence  
Tufts University Chile  
Intern at CYS Consultores Empresariales S.A.  
Las Condes, Santiago, Chile

December, 2024



## Table of Contents

---

<b>Introduction</b>	<b>3</b>
Author's Context and Rationale	3
Purpose and Scope	
<b>Sections 1-2 — Foundational Knowledge</b>	<b>3</b>
1. Industry Background	3
2. Cultural Dimensions	4
<b>Sections 3-4 — Practical Applications</b>	
3. Communication Styles	6
4. Business Etiquette	7
<b>Sections 5-6 — Problem-Solving and Insights</b>	
5. Potential Challenges	9
6. Best Practices	10
<b>Section 7 — Takeaways</b>	
7. Next Steps	10
<b>Bibliography</b>	<b>11</b>

## Introduction

### *Author's Context and Rationale*

As an exchange student and intern living in Santiago, I gained firsthand experience of the importance of clear communication and understanding cultural differences in fostering successful collaborations. This guide uses such experience to bridge the gap between Chilean and U.S. professionals, particularly in Santiago's growing tech sector, by offering practical insights into communication, business etiquette, and organizational norms.

I should note that the observations and content in this guide are not meant to decry one culture as better than the other in *any* aspect. Both Chile and the United States have very complex and interesting cultures that can be a joy to experience. Also, as always, take everything with a grain of salt—dynamics between *companies* are sometimes more varied than between countries.

### *Purpose and Scope*

The guide focuses on strategies for navigating cultural differences in business interactions. While it centers on the tech industry, the principles outlined can apply across various sectors. My hope is that by addressing communication styles and cultural expectations, this guide can support and enhance the growing relationship between Chile and the U.S., enabling businesses to thrive through better collaboration.

---

## 1. Industry Background

I begin by reviewing the recent growth of Chile's technology industry and the rationale for emphasizing Chile-U.S. intercultural collaboration in this guide.

### *1.1 Sector Landscape*

In recent years, Chile's technology industry has experienced substantial growth, supported by both domestic and international investment. Programs such as Chile 2035 and Start-Up Chile have established Chile as a leading regional tech hub, even in the face of challenges like the Pandemic<sup>[2,5,11]</sup>.

Chile leads Latin America in digital infrastructure, boasting the fastest fixed broadband globally and ranking first in Digital Economic Value<sup>[1]</sup>. These advantages, coupled with R&D tax incentives, make Chile an attractive destination for technology firms looking to expand into Latin America<sup>[1,2,7,8]</sup>.

### *1.2 Emerging Trends*

1. **Government Investment:** Tax exemptions and grants drive innovation, with the Chilean government increasing its digitalization budget by 64% in 2023<sup>[4]</sup>.
2. **Talent Development:** Educational initiatives and international partnerships ensure a steady pipeline of skilled professionals. Chile allocates 6.4% of its budget to education and its home to five of Latin America's top 30 universities<sup>[10]</sup>.

3. **Sustainability in Tech:** The tech industry emphasizes renewable energy technologies and sustainable data centers. In fact, 53% of Chilean companies identify sustainability as a core business priority<sup>[3]</sup>.

### *1.3 Implications*

Many U.S. firms are leveraging Chile's innovation hubs and government incentives to establish a presence in the region. Meanwhile, Chilean firms are offering AI-driven solutions and sustainability-focused services that align with U.S. market demands.

This growing trend of Chile-U.S. collaboration underscores the need for organizations to bridge cultural divides. By fostering a shared understanding and proactive communication, teams can cultivate productive and inclusive work environments—essential for long-term success in this rapidly evolving sector.

---

## **2. Cultural Dimensions**

### *2.1 Key Theoretical Frameworks*

Understanding cultural variability is crucial for navigating international business relationships. This subsection introduces two foundational models for analyzing workplace culture:

#### **Hofstede's Cultural Dimensions Theory:**

Developed from a global IBM study in the 1970s, this model identifies six dimensions of cultural variability<sup>[9,14]</sup>:

1. **Power Distance Index (PDI):** Measures acceptance of hierarchical inequality.
2. **Individualism versus Collectivism:** Reflects the prioritization of personal goals versus group cohesion or bonds.
3. **Uncertainty Avoidance Index (UAI):** Examines how cultures handle ambiguity—favoring structure or tolerating uncertainty.
4. **Masculinity versus Femininity:** Differentiates between competitive, goal-driven societies (masculine) and those valuing cooperation and quality of life (feminine).
5. **Long-term versus Short-term Orientation:** Focuses on perseverance and future planning versus quick results and tradition.
6. **Indulgence versus Restraint:** Highlights societies' tendencies toward hedonism versus controlled gratification.

#### **Trompenaars' Seven Dimensions of Culture:**

This model complements Hofstede's by focusing on interpersonal and organizational behaviors<sup>[6]</sup>:

1. **Universalism versus Particularism:** Concisely, rule application vs. individual relationships, or, adapting rules to context.
2. **Individualism versus Communitarianism:** Aligns with Hofstede's dimension but emphasizes group decision-making.
3. **Neutral versus Affective:** Emotional expression in professional settings.
4. **Specific versus Diffuse:** Separation of work and personal life.

5. **Achievement versus Ascription:** Whether status derives from accomplishments or identity.
6. **Sequential versus Synchronous Time:** Linear task completion vs. multitasking and flexibility.
7. **Internal versus External Control:** Belief in dominating versus adapting to the environment.

These models are not without criticism but remain widely used. While Hofstede's model excels in explaining workplace dynamics, Trompenaars' framework provides practical tools for resolving interpersonal misunderstandings<sup>[6,9,14]</sup>.

## *2.2 Chilean and U.S. Cultural Profiles*

Using the frameworks above, we profile Chilean and U.S. cultures across four critical dimensions relevant to the workplace. Generalizations are based on data from The Culture Factor Group and the Trompenaars Hampden-Turner Consulting firms<sup>[12,13]</sup>.

### **Power Distance:**

- **Chile:** Hierarchical structures dominate, with clear authority lines. Younger industries may challenge these norms, favoring flatter hierarchies.
- **United States:** Workplaces encourage open communication and initiative regardless of position, but hierarchies prevail.

### **Individuality:**

- **Chile:** Collectivist tendencies prioritize collaboration and relationship building, fostering group harmony but potentially slowing decision-making.
- **United States:** Employees heavily prioritize personal achievement, and decision-making often rests with individuals.

### **Neutrality:**

- **Chile:** Emotional expressiveness is common and valued as part of relationship-building.
- **United States:** Emotional restraint is the norm, which can appear distant to cultures accustomed to openness.

### **Specificity:**

- **Chile:** Diffuse boundaries between work and personal life foster closer team relationships.
- **United States:** Clear separation between professional and personal spheres promotes direct communication but may seem impersonal.

## *2.3 Implications for Business*

Cultural differences manifest in workplace behaviors and expectations, presenting both challenges and opportunities:

1. **Decision-Making:** U.S. emphasis on rapid, individual decision-making can seem abrupt to Chilean teams, who prioritize consensus and harmony.
2. **Emotional Expression:** Chilean expressiveness may clash with U.S. reserve, potentially leading to misunderstandings.

3. **Work-Life Integration:** Chilean diffuse boundaries may confuse U.S. collaborators used to clear separation.

By proactively addressing these differences, teams can foster mutual respect and achieve greater synergy in cross-cultural settings.

---

### 3. Communication Styles

Effective communication is the foundation of successful collaboration. In cross-cultural settings, misunderstandings in tone, formality, or non-verbal cues can derail professional relationships.

Building on the cultural dimensions discussed in Section 2, this section explores how verbal and non-verbal communication styles reflect broader cultural frameworks, concluding with strategies to bridge common barriers.

#### 3.1 Verbal Communication

Verbal communication differences between Chile and the United States often reflect the broader cultural dimensions of Specificity and Individualism:

##### **Clarity and Brevity vs. Relationship Building:**

U.S. professionals emphasize clarity, brevity, and directness. In contrast, Chileans prioritize relationship-building and harmony, often incorporating warm pleasantries into all exchanges.

Example – Online Messaging:

- **Chile:** “Hello / Good day / How are you? / Do you know where to find X?”
- **United States:** “Hey, do you know where to find X?”

In Chile, failing to include a greeting may be considered rude, while in the U.S., brevity is seen as efficient, not dismissive.

##### **Workplace Tone:**

U.S. communication often features a distinct “workspeak” tone that can feel colder or more formal compared to the emotionally consistent style common in Chile. Many U.S. professionals significantly adapt their language in workplace settings, whereas Chilean professionals tend to maintain a similar tone across personal and professional interactions.

#### 3.2 Non-verbal Communication

Non-verbal communication differences also impact cross-cultural collaboration:

##### **Personal Space:**

Chileans are comfortable with closer personal space and physical touch, such as hugs in informal settings. In contrast, U.S. professionals prefer larger personal space and less physical contact. Chilean colleagues should not interpret an American’s preference for distance as disengagement.

##### **Eye Contact:**

While both cultures value eye contact, Americans may perceive overly intense or prolonged eye contact as confrontational, whereas Chileans generally interpret it as high engagement.

### **Gestures and Expressions:**

Chilean communication often includes expressive gestures, which may feel excessive to U.S. colleagues. Conversely, American non-verbal communication may seem restrained or overly reserved.

### **3.3 Overcoming Communication Barriers**

Bridging cultural communication gaps requires intentional adaptation and mutual respect. The following strategies can facilitate smoother interactions:

#### **Pleasantries:**

- **Chile:** Adjust to U.S. norms by reducing the length of greetings and getting to the point more quickly.
- **United States:** Add a polite greeting and express interest in the recipient's well-being before transitioning to the main topic.

#### **Messaging Etiquette:**

- Balance brevity and warmth by tailoring communication style to the recipient's expectations.

#### **Adjust Non-Verbal Behavior:**

- **Chile:** Acknowledge U.S. preferences for more distance and less physical touch.
- **United States:** Remain open to smaller personal space and consider expressive gestures as part of Chilean cultural norms.

#### **Clarify Intentions:**

When in doubt, clarify your intentions. Address potential misunderstandings openly and ensure alignment on tone and expectations.

If possible, try to organize cross-cultural workshops to prepare teams for collaborative work.

---

## **4. Business Etiquette**

Understanding business etiquette is essential for fostering trust, mutual respect, and effective collaboration. This section explores professional norms and practices in meetings, negotiations, and social contexts, offering actionable insights for navigating these key areas.

### **4.1 Professional Etiquette**

#### **4.1.1 Meeting Norms**

Meetings in Chile and the U.S. differ significantly in scheduling, structure, and decision-making dynamics.

**Scheduling and Punctuality:**

- **Chile:** While punctuality is valued in formal settings, a relaxed approach may be adopted in less formal contexts. Flexibility is not indicative of unprofessionalism but reflects cultural norms.
- **United States:** Punctuality is a strict expectation, with meetings beginning and ending as scheduled. Delays are often viewed as disrespectful.

**Structure:**

- **Chile:** Meetings often include informal discussions as a means of building rapport and trust before addressing the main agenda.
- **United States:** Meetings are typically agenda-driven, goal-oriented, and focused on efficiency.

**Decision-Making:**

- **Chile:** Decisions may require broader consultation, leading to extended timelines. Consensus and relationship-building are valued.
- **United States:** Decisions are often made quickly by individuals or small groups, prioritizing efficiency over consensus.

**Tips for Bridging Styles:**

- Set a clear agenda but allocate time for informal conversations to establish rapport.
- **Chile:** Communicate expected delays or changes in advance to meet U.S. punctuality standards.
- **United States:** Be prepared for discussions to take longer, reflecting Chilean emphasis on thorough consultation.

*4.1.2 Negotiation*

Negotiation styles reflect underlying cultural values, requiring tailored approaches:

- **Chile:** Relationship-building is integral to negotiations. Establishing trust and mutual understanding is seen as a prerequisite to discussing terms.
- **United States:** Negotiations are task-focused, with a goal of reaching agreement quickly and efficiently. Rapport-building is often secondary to achieving measurable outcomes.

**Tips for Success:**

- **Chile:** Recognize that U.S. counterparts may prioritize efficiency. Clearly outline the decision-making process and timelines to maintain alignment.
- **United States:** Dedicate time at the beginning of negotiations to establish rapport. Avoid diving directly into terms without fostering trust.



#### *4.2 Socializing and Relationship-Building*

Informal interactions play a critical role in Chilean business culture, contrasting with the more defined boundaries common in U.S. workplaces. Shared meals and gatherings are essential for building personal connections.

#### **Sobremesa**

A notable aspect of Chilean socializing not seen in U.S. culture is the *sobremesa*—lingering at the table after a meal to chat. This unhurried time is seen as an opportunity to deepen relationships, often blending professional and personal topics.

#### **Tips for Navigating Social Contexts:**

- **Chile:** Understand that U.S. colleagues may prefer clearer boundaries between work and personal life. Respect these preferences while introducing opportunities for informal connections.
- **United States:** Embrace the unstructured nature of Chilean socializing. Show genuine interest in personal stories and avoid rushing away from meals or meetings. Be prepared for these interactions to extend longer than anticipated.

Mastering business etiquette differences is not merely about avoiding misunderstandings—it is a pathway to building trust, fostering collaboration, and achieving long-term success. By aligning professional practices with cultural expectations, businesses can create stronger, more productive relationships.

---

### **5. Potential Challenges**

Despite a solid understanding of cultural differences, cross-cultural collaborations often encounter challenges. Misaligned expectations, communication breakdowns, and unspoken norms can create friction, particularly in the early stages of building trust and cohesion. Recognizing and addressing these challenges is essential for fostering successful partnerships.

#### *5.1 Barriers to Understanding*

Unspoken cultural norms often present the most significant challenges in cross-cultural environments. These norms, which may go unnoticed within a single cultural context, can lead to misunderstandings and misinterpretations over time.

#### **The Solution: Make the Unspoken Spoken**

Navigating implicit expectations requires intentional communication. Polite, thoughtful questions are a powerful tool for clarifying uncertainties, avoiding assumptions, and demonstrating respect for cultural differences.

#### **Examples:**

- A Chilean professional collaborating with U.S. colleagues could inquire about feedback practices: *“How should I share constructive input?”*

- A U.S. professional unsure about addressing hierarchy in a Chilean workplace might ask a trusted colleague: *“What’s the best way to approach senior leaders here?”*

These conversations not only provide clarity but also foster mutual understanding and respect, turning potential sources of friction into opportunities for growth.

### *5.2 Embracing Proactivity and Intentionality*

In cross-cultural settings, professionals must be proactive in engaging with differences. While certain challenges are common—such as navigating hierarchy or varying communication styles—others will be unique to specific teams or industries. Remaining adaptable and communicative is key to overcoming these barriers.

### *5.3 Turning Barriers into Pathways*

Cultural challenges should not be viewed as insurmountable obstacles but as opportunities for deeper collaboration. When approached with curiosity and openness, these barriers become pathways for building trust, fostering innovation, and achieving shared goals.

By embracing this mindset, professionals can transform potential misunderstandings into moments of connection, paving the way for more meaningful and productive partnerships.

---

## **6. Best Practices**

Successful cross-cultural collaboration requires intentionality, preparation, and adaptability. This section summarizes the tips and tools needed to help professionals navigate cultural differences.

### *6.1 Checklist for Success*

**Do:**

- Prioritize relationship building.
- Communicate transparently.
- Adapt communication styles.
- Respect hierarchies and roles.
- Address issues early.

**Don’t:**

- Make assumptions.
- Rush introductions.
- Ignore non-verbal cues.

### *6.2 Training and Resources*

Equipping teams with the knowledge and tools to navigate cultural differences is critical for success. Consider hosting workshops, pairing professionals with mentors, and developing internal documentation.

## 7. Next Steps

### 7.1 Key Takeaways

- **Cultural Awareness:** Respect differences in hierarchy, communication, and business practices.
- **Effective Communication:** Adapt verbal and non-verbal styles to foster stronger relationships.
- **Professional Etiquette:** Align practices like punctuality and negotiation styles with cultural norms.
- **Flexibility and Relationship-Building:** Embrace adaptability and rapport as essential tools for success.
- **Preparation:** Anticipate challenges and provide teams with training and resources.

### 7.2 Looking Ahead

This guide is a starting place, not a final answer. To remain effective in evolving global contexts, companies should:

- **Stay Informed:** Monitor cultural and industry trends.
- **Encourage Learning:** Provide ongoing training in cultural competence.
- **Foster Dialogue:** Promote open discussions to turn cultural challenges into opportunities.

By continuously adapting, organizations can turn cultural diversity into a strategic advantage.

---

## Bibliography

[1] Balloun, Chevas. "Inside Chile's Thriving Tech Hub: Startups and Success Stories." *Nucamp.co*, Nucamp Inc., 7 Dec. 2024, [www.nucamp.co/blog/coding-bootcamp-chile-chl-inside-chiles-thriving-tech-hub-startups-and-success-stories](http://www.nucamp.co/blog/coding-bootcamp-chile-chl-inside-chiles-thriving-tech-hub-startups-and-success-stories). Accessed 11 Dec. 2024.

[2] BNamericas. "Spotlight: Chile's 2035 Digital Transformation Strategy." *BNamericas.com*, BNamericas, 25 Aug. 2023, [www.bnamericas.com/en/features/spotlight-chiles-2035-digital-transformation-strategy](http://www.bnamericas.com/en/features/spotlight-chiles-2035-digital-transformation-strategy). Accessed 11 Dec. 2024.

[3] Bowen, Mark. "76% of Companies in Chile Use or Plan to Manage Their Sustainability Agenda with Technological Solutions – Intelligent CIO LATAM." *Intelligentcio.com*, Intelligent CIO LATAM, 21 Aug. 2023,

[www.intelligentcio.com/latam/2023/08/21/76-of-companies-in-chile-use-or-plan-to-manage-their-sustainability-agenda-with-technological-solutions/](http://www.intelligentcio.com/latam/2023/08/21/76-of-companies-in-chile-use-or-plan-to-manage-their-sustainability-agenda-with-technological-solutions/). Accessed 11 Dec. 2024.

[4] "Chile Aumentará En 64 % El Presupuesto Para Digitalizar El Estado En 2023." *CGTN.com*, China Global Television Network, 15 Dec. 2022, [espanol.cgtn.com/news/2022-12-15/1603200800240439298/index.html](http://espanol.cgtn.com/news/2022-12-15/1603200800240439298/index.html). Accessed 11 Dec. 2024.

[5] CORFO. "Start-up Chile, ¿Qué Es?" *Corfo.cl*, La Corporación de Fomento de la Producción, 2024, [www.corfo.cl/sites/cpp/inf/startup-chile](http://www.corfo.cl/sites/cpp/inf/startup-chile). Accessed 11 Dec. 2024.

[6] G., Denis. "Trompenaars Cultural Dimensions – the 7 Dimensions of Culture." *Expert Program Management*, Minute Tools,

- expertprogrammanagement.com/2017/10/trompenaars-cultural-dimensions/. Accessed 11 Dec. 2024.
- [7] Gomez, David. "Technology Industry in Chile Overview." *Alcor-Bpo.com*, Alcor LLC, 23 Apr. 2024, alcor-bpo.com/technology-industry-in-chile/. Accessed 11 Dec. 2024.
- [8] InvestChile. "Global Services: What Are the Incentives for Investing in Chile?" *InvestChile.gob.cl*, InvestChile, 22 June 2021, blog.investchile.gob.cl/global-services-what-are-the-incentives-for-investing-in-chile/. Accessed 11 Dec. 2024.
- [9] Nickerson, Charlotte. "Hofstede's Cultural Dimensions Theory & Examples." *Simplypsychology.org*, Simply Psychology, 24 Oct. 2023, www.simplypsychology.org/hofstedes-cultural-dimensions-theory.html. Accessed 11 Dec. 2024.
- [10] OECD. "Education at a Glance 2023." OECD, 2023.
- [11] StartupBlink. "The Startup Ecosystem of Chile." *Startupblink.com*, StartupBlink, 2024, www.startupblink.com/startup-ecosystem/chile?page=1. Accessed 11 Dec. 2024.
- [12] The Culture Factor Group. "Country Comparison Tool." *Theculturefactor.com*, The Culture Factor Group Oy, www.theculturefactor.com/country-comparison-tool?countries=chile%2Cunited+states. Accessed 11 Dec. 2024.
- [13] Trompenaars Hampden-Turner. "Explore What Binds and Divides for Reconciliation." *Thtconsulting.com*, Trompenaars Hampden-Turner, www.thtconsulting.com/culture-factory/culture-explore/compare-countries/. Accessed 11 Dec. 2024.
- [14] Vinney, Cynthia. "Hofstede's Six Cultural Dimensions and Why They Matter." *Verywellmind.com*, Dotdash meredith, 22 Mar. 2024, www.verywellmind.com/hofstedes-cultural-dimensions-8583990. Accessed 11 Dec. 2024.