

Organizational and National Culture
Guatemala
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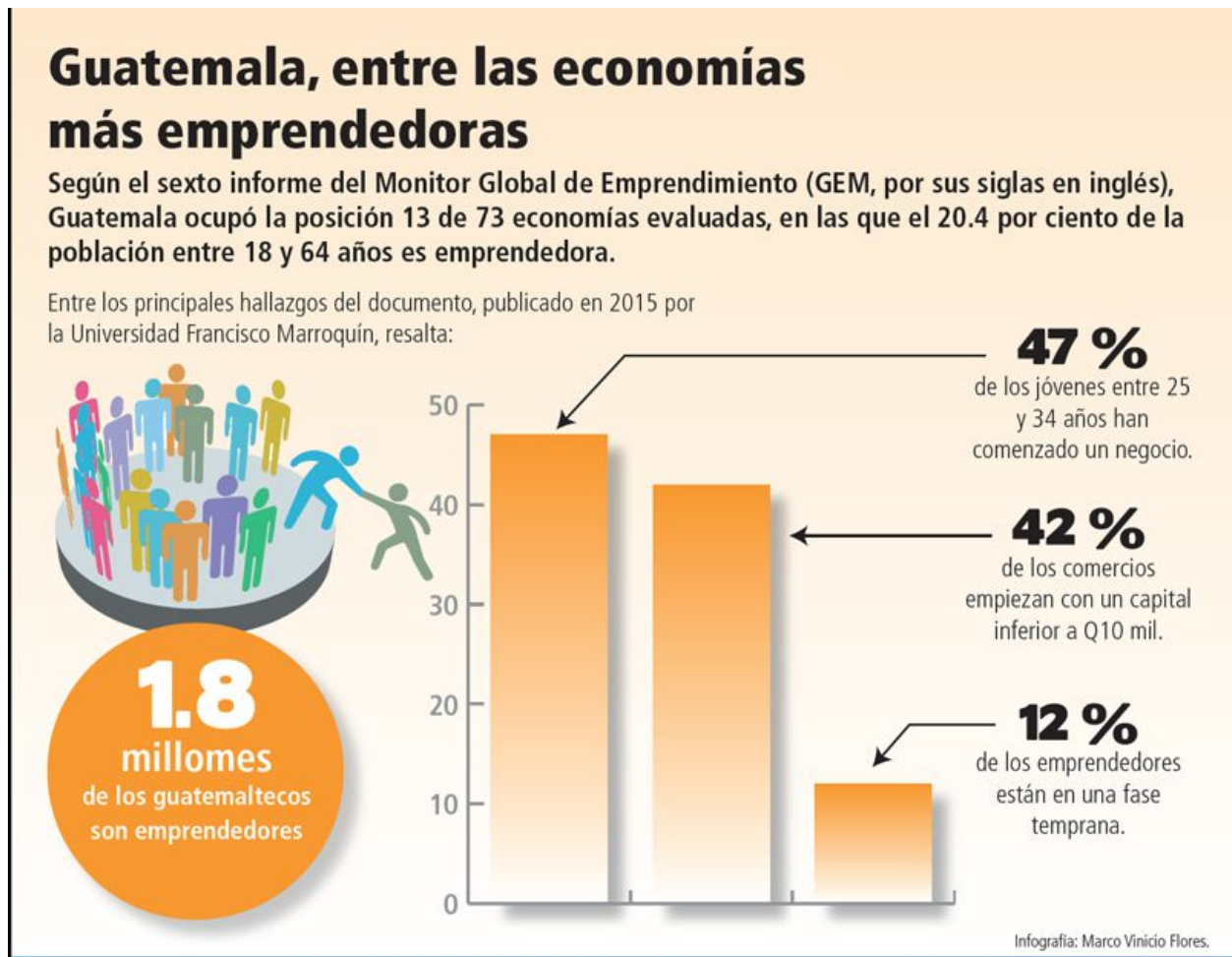
Guatemala is the largest country of Central America. With a population of around 16 million, it boasts a rich, diverse and ancient mix of cultures, languages and ethnicities. Within our small territory, 24 different Mayan ethnicities coexist alongside an important group of mixed ancestry (Mayan and Spanish), as well as a small community of “garifuna” -afro-caribbean- people. While Spanish is our main language, ancient Mayan languages are still spoken, handed down and taught to this day. This rich diversity has made for an incredibly rich culture, steeped in ancient Mayan, Roman Catholic and Spanish tradition that shapes our worldview, our attitudes towards family, life, work, and how we engage with daily challenges and our hopes for the future. As in many Latin American countries, Guatemala is no stranger to the challenges of poverty, malnutrition, lack of schooling and corruption -public and private- at all levels of society.

Pertenencia étnica	Total	% del total
Ladino (Mixed Spanish/Mayan)	8 346 120	56,0
Maya	6 207 503	41,7
Xinca	264 167	1,8
Afrodescendet/Creole	27 647	0,2
Garifuna	19 529	0,1
Foreigner	36 320	0,2

Guatemala is also a young country. With around 65% of its population under 30 years of age, Guatemala is also a highly entrepreneurial country. Much of this is because many people find in the “informal sector” of the economy, their only opportunities for work. Educational levels do not help either. Around 35% of adolescents are not enrolled in secondary education, which

leads to very few entering college and even less obtaining an undergraduate degree. In spite of that, because of illegal immigration to the United States, many young people that are deported back to Guatemala, bring skills that have been useful in the growing BPO business in the country, which has become a key nearshoring opportunity country for US based companies.

Date	0-14 years %	15-64 years %
2019	34,03%	61,21%
2018	34,56%	60,79%
2017	35,08%	60,36%
2016	35,62%	59,90%



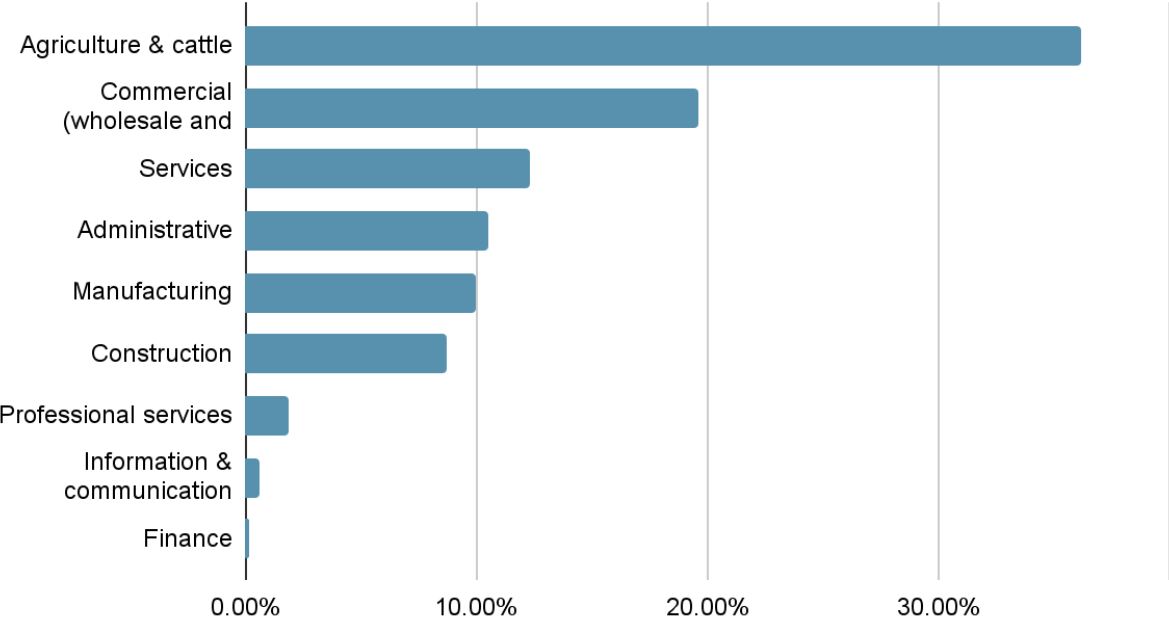
Because of the high levels of economic inequality in the country, society is very hierarchical. This translates to our business environment being very traditional, conservative and centered

usually on the owner or high executives of firms. Management is usually of the “command and control” sort, where people are hired not with a view to develop them and help them grow through organizations, but more as expendable resources. In addition, our highly centralized economy, with much of the higher paying jobs being in Guatemala City, has led to much migration to the city or nearby suburbs, which has impacted traffic in unprecedented ways (for example I live 10 minutes away from my office, and it takes me 90 minutes every night to drive back home). This impacts quality of life for employees, which in turn, hurts their family life (many families begin their day at 3am, driving kids to school and trying to get away from rush hour traffic to get to work), which also impacts their performance.

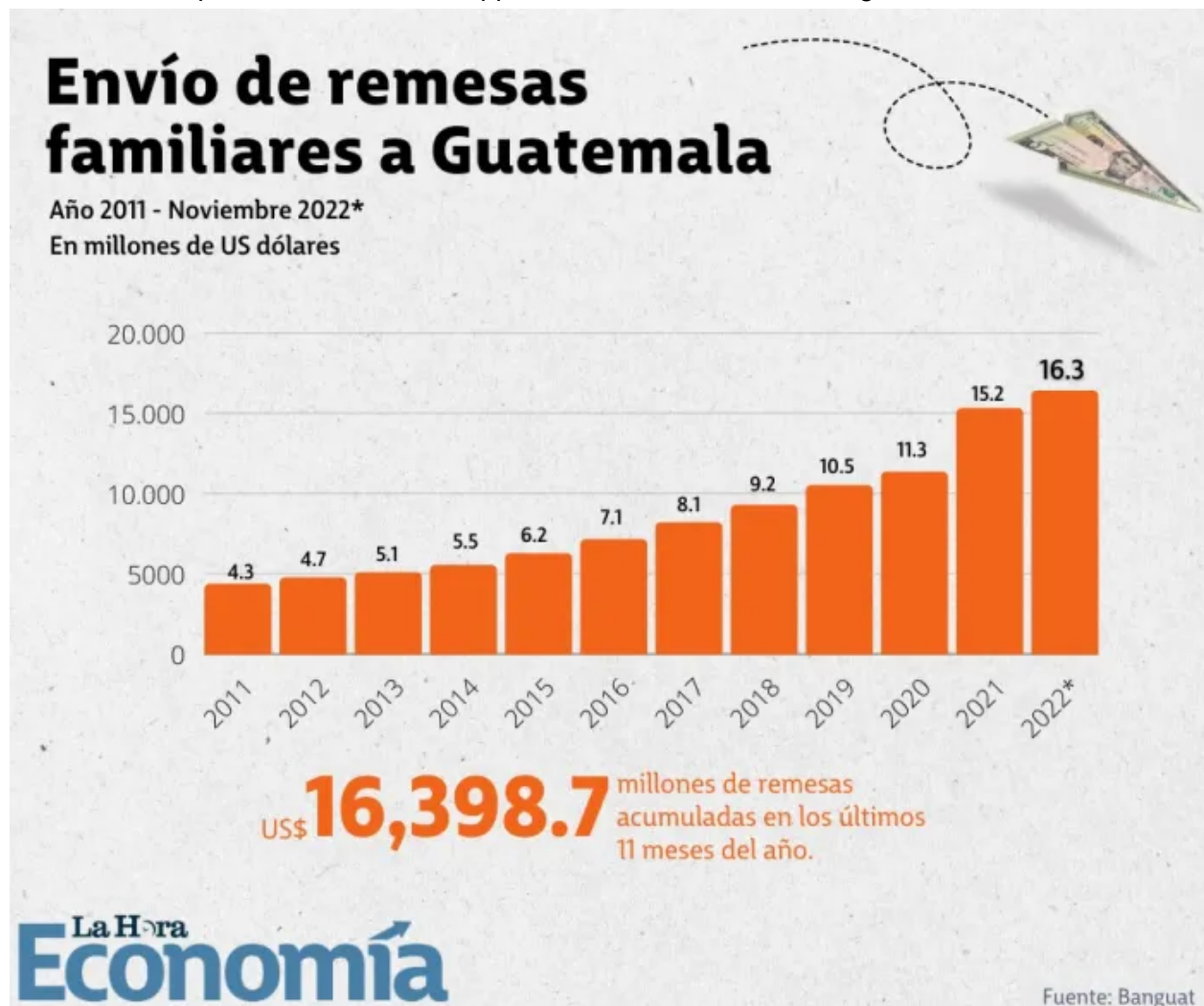
Corporate culture is highly influenced by US culture, mainly due to the many multinational companies that operate or have operated in the country: Colgate-Palmolive, P&G, Whirlpool Corporation, PEPSICO, AMBEV, Nestle, Kellogg’s, etc. Also, there is a small, but growing elite group of young men and women that have had the opportunity to study abroad and bring back that knowledge to our local reality. This has begun to have a positive impact in many organizations through cross-pollination and imitation of best practices. Many larger organizations are beginning to develop healthier, values-based cultures that look to take better care of employees and invest in their development. Many companies are also highly committed to CSR and ESG initiatives (albeit many of them out of obligations), which provide employees to have more engagement with the communities they serve. This slow shift has also opened up opportunities for development and a broader range of product and service offerings at better prices for more people.

Most of the people employed in Guatemala work for the agricultural sector.

% Population Employed



Most of the population employed in agricultural activities is detached from more formal, corporate work environments and from “formal” employment. This limits our capacity to develop a strong human capital pipeline that can transform agricultural activities from primary, raw material focused businesses, into more value added manufacturing. This can only come through capital investment in tools and methods to improve production and add value, but also through commitment to human capital investment, beginning with the most basic needs for proper nutrition and elementary education and literacy, vocational and technical training, and access to capital and markets. Many rural families are now more dependant on remittances sent by their loved ones that have emmigrated -most illegally- to the United States, and so much of their consumption and investment opportunities are financed through these resources.



While this is good news, it also has its darker side. The incentives to leave Guatemala for many young men, are great and this also means that we are losing young talent at their prime due to lack of opportunities in the country, insecurity, poverty, and may other unfortunate situations that force them to leave.

There is much to be done in Guatemala. Investment is beginning to look to secondary cities to bring new development, train talent and help slow down immigration and family breakdown. We

have had some recent investments in border cities with Mexico that have helped curb some of this, but there is still much to be done. Access to formal employment, bank accounts and training, hinder many people to join the workforce, especially in jobs that require technology and other important skills needed to succeed.

More companies are beginning to take better care of their teams, invest in training and in developing to only employees but better leaders, especially in towns and cities outside the capital city. As these corporate cultures and practices permeate areas of the country that have been previously overlooked, I am confident that businesses, people, families and communities will have a greater opportunity to grow and flourish.