"Leadership and Multicultural Environments in Mexico: The need for International Leaders".

BRENDA ISABEL XOCHIPA GUTIÉRREZ

Abstract — **Mexico needs leaders that understand the multiculturalism of international relationships and that are able to apply innovative strategies, which help them to cope, respond and adapt to global challenges, in order to become a more competitive country and to boost local development. To have a general overview of what leadership means, this document will review the main concepts associated with leadership, the differences between managers and leaders and will present a leadership model for Mexicans that want to become International Leaders. Other concepts of high relevance considering the need for International Leaders in Mexico are the effects of globalization and internationalization since they are two of the main drivers that promote the development of International Leaders. The focus of this paper is on Mexican society, which is why it will be critical to understand the Mexican culture, in order to analyze some key characteristics of the Mexican population and gain an insight into the current situation of Mexico. This research presents the results of a survey about the perception of leaders in multicultural environments in Mexico, from the Mexican point of view. It identifies the main challenges when working with foreigners, the type of communication that is used, the main differences that exist, who are the leaders that the Mexicans admire and their sectors of development. Finally, a model for International Leaders will be presented, this model was constructed with the information obtained from the survey and the real needs of Mexico in order to propose a solution to the problem.**

I. INTRODUCTION

The leadership development in Mexico is scarce; the leadership style that is used in the Mexican business environment generally does not correspond to the real challenges of this century where constant changes, technology and globalization have reduced borders concerning communication and commerce.

Mexico needs leaders that understand the multiculturalism in international relationships, and are able to apply innovative strategies, which help them to cope, respond and adapt to global challenges in order to become a more competitive player in the international economy and to boost local development.

While it is true that some people are born with natural leadership skills, it is also true that leadership can be developed through perseverance and will. This is why in this

Brenda Isabel Xochipa Gutiérrez pertenece a la Maestría en Administración de Negocios Internacionales / MIEX de la Dirección de Posgrado e Investigación y realizó esta investigación dentro del Proyecto Final (Email: b_brendax@yahoo.com.mx).

El proyecto fue asesorado por la Mtra. Arq. María del Rocío Martínez Barrera.

world there are many techniques, books and tools on the topic of leadership which are intended to help people improve their leadership skills.

This paper will identify the needs and problems of people working with foreigners through the Hofstede Model, a study conducted by Professor Geert Hofstede, on how values in the workplace are influenced by culture and the application of a survey to 120 Mexicans that work with foreigners.

II. RESEARCH QUESTIONS

- What is the leadership style of the Mexicans that work in multinational companies?
- How big is the gap between working with foreigners and working with locals in Mexico?
- Which are the main problems when working with foreigners in Mexico?
- What model should Mexicans follow in order to reduce the problems identified?

III. KEY CONCEPTS

The concept of leadership is very diverse and has been evaluated through many theories, philosophies and disciplines such as psychology, sociology, organizational development and even history. Here are some key concepts related to it.

Manager Concept

According to the (OED 2001)[1] the origin of this word comes from the "Italian maneggiare, "to handle," especially "to control a horse," ultimately from Latin noun manus "hand"" and for the (Oxford Dictionary)[2] a Manager is "An individual who is in charge of a certain group of tasks, or a certain subset of a company. A manager often has a staff of people who report to him or her."

According to (Reh 2015)[3] "A Manager is the person responsible for planning and directing the work of a group of individuals, monitoring their work, and taking corrective action when necessary".

This concept is intimately related with the business environment because is associated with the administration of resources that can be human, technological, informational and financial. A manager is usually required to operate and control the day to day operation of a system. This could be a team, an area, a department, an organization or a company.

Leader Concept

The word "leader" comes from the Saxon etymology, according to (LC 2010)[4] its origin was in the "Middle English leden, from Old English lǣdan; akin to Old High German leiten to lead, Old English līthan to go" A very

interesting definition of leader given by (Kezar 2008) [5] "I like demonstrating how leadership is affected by context, culture and situational elements. It really feels authentic to me to help people carefully observed and interpret their environment and the people with in to be successful leaders." For (VT AIDE)[6] a leader is "a person who influences a group of people towards the achievement of a goal". Here we can clearly see that you do not need a given title to become a leader.

According to (K. Blanchard 2007)[7] Leadership is "The ability to influence others by unleashing the power and potential of individuals and organizations in order to obtain greater good".

Leaders can be born, but they can also be developed, and they can show their abilities at any age, level and sector in which they are performing. It is just a matter of choice. In order to become a leader a person needs to have a high level of domain of certain internal soft skills, this term cannot just be assigned, it must be earned because, the type of resources that a leader focus on are one hundred percent human.

Differences between Managers and Leaders

(The Project Management Pad)[8], offers an interesting differentiation between a manager and a leader: "While the manager's vocabulary usually includes words such as administering, authority, duties or objectives, the leader talks to people's minds and leverage on their aspirations, needs and abilities more than on company's procedures".

Not all managers are leaders, not all leaders managers, but for managers in this century, it is of vital importance to develop leadership skills that help them to grow and to achieve their company's goals in an efficient way.

A leader not only focusses on results, he knows that the results are a dependent variable of the human factor, that is why he focuses on the strategic development of people, using the human approach in the implementation of vision, communication style, attitude toward change and performance. As a consequence he obtains excellent results.

Globalization

The International Monetary Fund (IMF, 2008)[9] defines globalization as "A historical process, the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders. The term can also refer to the movement of people (labor) and knowledge (technology) across international borders. There are also broader cultural, political, and environmental dimensions of globalization."

Using the previous definition it could be said that globalization is a process of global integration in which every day the exchange of labor, knowledge and goods increases due to the establishment of worldwide standards.

Internationalization

The Entrepreneurial Strategy School (EEE, 2014) [10] defined Internationalization as "a long-term process, with key steps in a detailed plan. Its main objective is not to have presence in a single point of some other country, but to be fully seated in the economy of it".

The main idea of this concept is to customize either a product or a service to the local needs of a specific market taking into consideration the cultural, regulatory, environmental and technological domains.

Culture in Mexico

Understanding culture is key for International Leaders, because it can be the reason behind great success or great failure in the achievement of objectives, but first it is important to define this key concept. (Schein, 1992) [11] said that culture is "The basic tacit assumptions about how the world should be, shared by a group of people and this is what determines their opinions, thoughts, feelings, and behavior expressed"

The Hofstede Model is a study conducted by (Geert Hofstede, 2010) [12] on how values in the workplace are influenced by culture. He analyzed a large database of employee value scores collected within IBM between 1967 and 1973. This will be used in order to present the main characteristics of the Mexican culture and also to compare them with 2 of the leading countries of the world: Germany and United States.

The model has six dimensions:
1. Power Distance Index (PDI)
2. Individualism versus Collectivism (IDV)
3. Masculinity versus Femininity (MAS)
4. Uncertainty Avoidance Index (UAI)
5. Long Term Orientation (LTO)
6. Indulgence versus Restraint (IND)

The values of the 6 dimensions of the Hofstede Model for Mexico are the following:
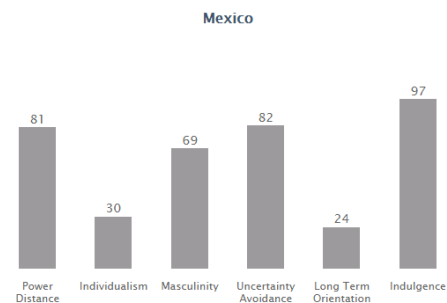
Graph I: Hofstede Model for Mexico Geert Hofstede, G. J. (2010)

IV. METHODOLOGY

This research will use a multidisciplinary point of view and scientific method with an inductive and deductive perspective though the study of specific leaders working in international companies and a survey targeted at 120 Mexicans that work with foreigners in multinational companies in order to determine general parameters that affect their performance.

V. RESULTS

How many times have you heard the sentence "Treat others as you want to be treated"? Is perhaps the basic rule of social behavior, a quote that gets more than ninety seven thousands results in Google.

Almost every person in Mexico knows it and they usually try to apply it in their everyday relationships in order to make people comfortable. It is a golden rule for ethics and a basic principle of many religions, however not many people have really stopped to question it.

It is quite possible that this sentence does not apply at an international level, because in an environment with huge differences in the habits, customs, communication, culture and a world full of diversity it will be interesting to stop treating others as we want to be treated.

It will be curious to start considering their perceptions, culture and needs in order to break this paradigm and after that we can start treating them as they may want or like to be treated.

In order to break this paradigm and understand how the multicultural topic in Mexico is perceived a survey was developed in April 2015.This survey was applied to a sample of 120 Mexicans that work in multinational companies. The survey was structured with open and closed question that cover the following blocks:

- *Statistic parameters:* This block includes closed questions about their gender, industry, confirming the requirement of having working experiences with foreigners and their nationality that must be Mexican.
- *Perception about leadership in Mexico:* This block was an open question asking them about 3 Mexican leaders that they admire and a description of their main characteristic.
- *Main challenges of working with foreigners:* this block includes open questions about the perceived differences, challenges, attitude for changing the past, languages used for the communication and working interactions. It also includes a closed question in order to define through a scale from one to five the significance of the differences while working with foreigners.

The results of this survey were standardized and will be presented in the following pages.

The 120 people surveyed were asked to mention 3 Mexican leaders next to their main characteristic, considering that the survey was given to 120 persons the expected amount of leaders obtained was 360 (120 multiplied by 3).

The detailed distribution of leaders mentioned per person can be seen in the following graph, this classification is important in order to understand where the gap of leaders is:

Graph II: Number of leaders mentioned per person (BIXG, 2015)

As it can be seen the majority of people were able to name three leaders as requested. However it is important to not lose sight of the 42% of people who could not complete the task due a lack of representative leaders in Mexico. This result confirms the ideas in the introduction of this work where the development of leaders was not a top priority in Mexico and the gap of qualified people grew bigger and bigger.

In a deeper analysis of this question, the leaders mentioned were categorized by sex, with the objective of identifying the balance of gender. The results can be seen in the following graph:
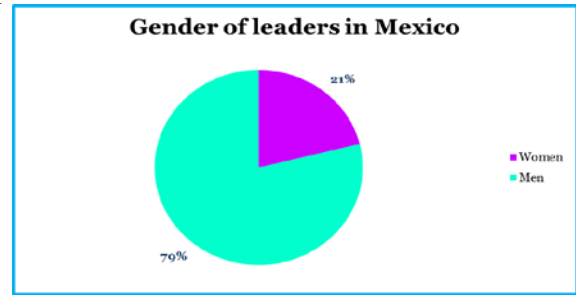

Graph III: Gender of leaders in Mexico (BIXG, 2015)

In the graph, it can be seen how the culture described in the Hofstede Model and the evolution through the Mexican history are still affecting the leadership and culture nowadays, because, there are not enough leaders in Mexico and consequently the number of women leaders is even fewer.

Mexico faces an important challenge concerning gender balance, because there is a significant gender gap in leadership.

In order to verify if the results for the previous answer were skewed as a result of the gender of respondents, in the following graph it can be seen the gender of the people surveyed:
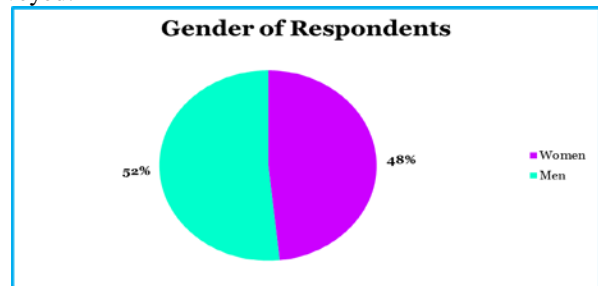
Graph IV: Gender of Respondents (BIXG, 2015)

The gender of the people surveyed was partially balanced with a + 4% of difference and therefore the sex of the respondents should not have affected the results. Consequently, it can be assumed that the lack of female leaders identified is probably a result of the lack of development of women leaders.

Going deeper with the gender analysis, in the following graph it can be seen the number of mentions for women and men leaders per person:
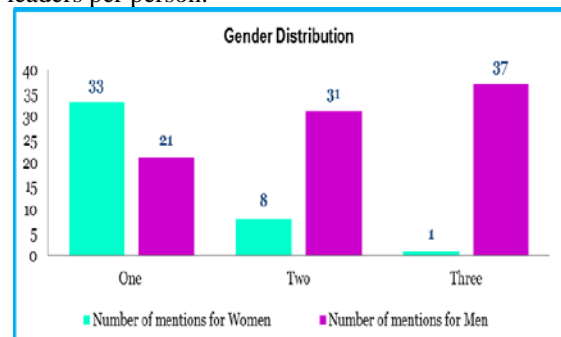

Graph V: Gender Distribution (BIXG, 2015)

The distribution of answers is very interesting. While in one series they had a growing trend, in the other they had a declining trend. Here it can be seen that even when in Mexico there is a huge advance in the women rights, and the participation of women in the society has evolved through the time, there is still a lot of things to do in order to overcome the big cultural challenge concerning the gender balance and equality.

If the amount of leaders needs to be fostered it should be on an equal basis, so that all segments of the population can have the same development opportunities. This will also promote the diversity of people and therefore the diversity of ideas.

Another analysis that was made to answers of this question was concerning the sector diversity of the leaders, this means, that the leaders mentioned were classified according to their sector of performance.

The leaders were classified in 17 categories which can be seen in the following graph:
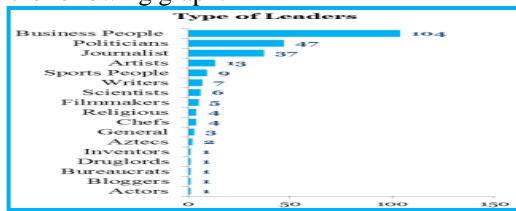
Graph VI: Classification of Mexican Leaders (BIXG, 2015)

As it can be seen most of the leaders are business people, politicians and journalists. However this could be due to Mexicans not having a clear understanding of the meaning of leader and are therefore confusing the concept with successful business people. It can also be said that there are many sectors in the Mexican society that are important but in need of leaders who are recognized by the society.

**Main Challenges in the Mexican Environment**

After understanding the general perceptions of the leadership in Mexico, it is also important to understand the key variables of the multinational environments in Mexico. This is crucial since the leadership and the multicultural dimension are the basis of the development of International Leaders.

In order to understand the main challenges in the Mexican environment, a block of questions was made to the 120 respondents of the survey, these questions focused on the following aspects: Type of contact, language, perceived levels of differences, main differences, main challenges and the idea of having a second chance.

Main Differences

In order to have a better understanding about the difference of working with foreigners vs working with locals, the people surveyed were asked to rate them in a scale of 1 to 5 were 1 mean "There is no difference at all" and 5 stands for "It is completely different".

The aim of this measure was to validate that the differences have a significant impact in the performance of diverse working activities. The distribution of answers can be seen in the following graph:
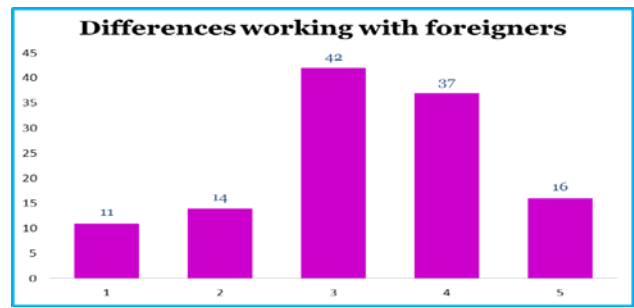
Graph VII: Differences working with foreigners (BIXG, 2015)

The average of the answers was 3.3 and the percentage of answers in numbers 3, 4 and 5 was of 77% which indicates that Mexicans perceive a significant difference between working with locals and foreigners.

This table shows the importance of understanding a multicultural environment because; as it can be seen, the requirements and demands of working with different cultures are significant, if a company wants to overcome these differences it must count on leaders that can understand them and transform them into opportunities that help them to develop competitive advantages at a global level.

Considering the similarities in the way we work:

15% of the respondents answered that there are NO similarities at all.

This is a segment of the population that has a strong resistance to change because they could not find any common points with a foreign culture. This could end in making the work between locals and foreigners harder and slower.

Considering the differences in the way we work:

13% of the respondents answered that there are NO differences at all.

This segment of the population has a high level of flexibility and adaptability. For them it is normal to work with people from other countries and cultures because they think the differences between them are so small that they represent no barriers for the working environment.

Unfortunately the amount of people that said that there are no similarities at all is bigger than the amount of people who considered that there are no differences. If Mexico wants to have a better performance in the activities at the international level it will be of extreme importance to focus efforts in trying to reduce the percentage of people that has strong resistance to work with foreigners.

Challenges of working with foreigners

All the answers were classified in 11 different groups according to their nature.

The frequency and the order of importance order of the answers obtained are represented in the following table:
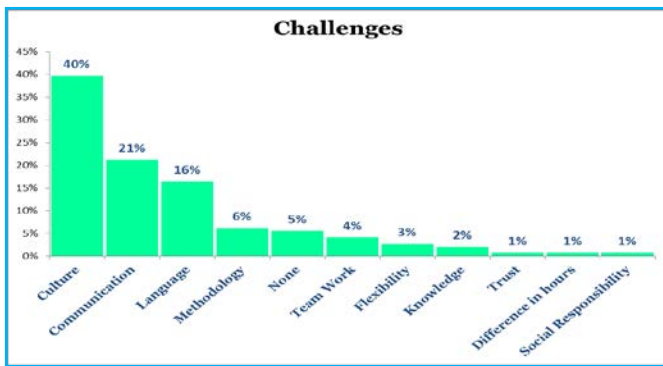
Graph VIII: Challenges (BIXG, 2015)

As it can be seen in the previous table, is important to mention that the challenges in "Culture, Communication and Language" represent 77% of all the answers.

While the answer for "There is no challenge" got 5% of the total.

Having a second chance:

This was an open question which objective was to understand the level of willingness to improve from the Mexican population. The respondents were asked if they had the chance to change something in the past concerning their experience with foreigners, would they do something different. The first classification for this answer was in yes and no as it can be seen in the following graph:
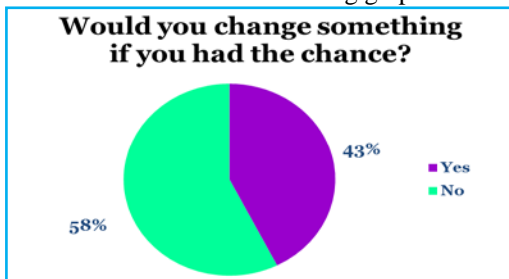
Graph IX: Change of something (BIXG, 2015)

Even though many people said that there are significant differences while working with foreigners and that they represented a cultural, communicational and language challenge, most of them would do nothing to change it. This was a surprising result because here it can be seen that the learning, preparation and proactivity may not be characteristics of the Mexican culture.

Some of the people that answered yes to this question did specify their answer:
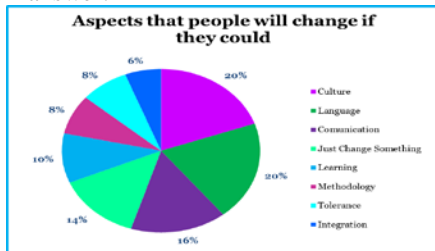
Graph X: Aspects that people will change (BIXG, 2015)

In this table is clear how aspects related to the culture, language and communications are the three variables that are again at the top of the minds of the people who answer the survey. These aspects represent an opportunity area that can be improved.

VI. LEADERSHIP MODEL

According to the answers and the theoretical framework previously presented a model for International Leaders was developed.

This model considers three dimensions that are:

1. The capability dimension
2. The leadership style dimension
3. The cultural dimension

Capability Dimension

This dimension considers tree levels and inside each level there are four capabilities, accompanied with a short description of their meaning, the levels go from local implementation to an international performance.

The bottom level considers characteristics that can be applied in local environments but with perseverance, these capabilities can be developed into the next levels of domain, these capabilities are to be flexible, communicator, respectful and learner.

The second level represents a transition between the local and international environments where the capabilities are expanded with an international content. In this level the capabilities are to be empathic, a multi-language communicator, open minded and to possess an international understanding.

The top level represents the capabilities in a one hundred percent of international environments, where they evolved into change agent, connector, innovator and global visionary. At this level a leader is not only capable of having a good performance in a multicultural environment but also of developing solutions derived from his experience and management.

In this model, it is easy to identify the evolution of the capabilities required to become an international leader, because their progression is linked with the type of use; at the bottom level they will be used in a personal baseline, in the middle level they will be used in order to help others, but at the top level they will be implemented in order to make significant changes.

This model is focused on the general requirements needed to become an international leader, it also considers the main capabilities that Mexicans need in order to overcome the problems, challenges, differences and barriers that are presented in a multicultural environment.

It is important because it represents a guide for Mexican leaders of what are the capabilities required if they want to become International Leaders. It can help them to identify their current situation and to understand what are the following requirements needed in order to grow and increase their capabilities.

The capability dimension of the model proposed is represented in the following image:

Figure1: Capability Dimension (BIXG, 2015)

Leadership Style Dimension

The leadership style dimension takes into consideration the same levels of domain but it applies the two selected theories of leadership styles that were previously presented.

The Situational Leadership Theory developed by (Blanchard, K. 1985)[13] will be used in the bottom and middle level because is a style that allows flexibility and considers the levels of competence and commitment of the employees by using 4 styles that are Directing, Coaching, Supporting and Delegating. It is used at this level because here we can find employees that are under development with low and moderate levels of competence.

The Transformational Theory that was developed by (Bass 1994)[14] will be used for the top level; because this theory focused on higher levels of management, like directors and CEO's due to the idealized influence and inspirational motivation, which are concepts that do not focus on telling the employee what to do, which will be common in lower levels of the organization.

These concepts are represented in the following image:

Figure 1: Leadership Style Dimension (Bass, 1994) (Blanchard, 1985) (BIXG, 2015)

The Cultural Dimension

Finally the third dimension is associated with the understanding of culture. Three levels go from the national understanding at the bottom level, passing through the regional understanding and end in the global understanding.

At the last level the opening of new points of view comes from a real immersion in the global environment, tolerating ambiguity and developing an open mind which means perceiving widely without discrimination paradigms,

stereotypes, filters and fears. This can be seen in the following chart:

Figure 2: Cultural Dimension (BIXG, 2015)

VII. CONCLUSIONS

Throughout this work the main challenges and differences that faced the Mexicans in a multicultural working environment were identified. These were: culture, communication and languages. International Leaders should focus on developing capabilities that prepare them to overcome these challenges.

The main results derived from the application of the survey were that Mexicans perceive a leadership gap in Mexico; the most admired leaders are business people, politicians and journalist and their main characteristics are associated with the masculinity dimension of the Hofstede model.

They also perceive a significant difference while working with locals and foreigners. These differences are the result of three key variables, which are culture, communication and languages.

Mexico faces the challenge of developing more women leaders that are able to be recognized by the society, capable of understanding the global needs and cultural differences in order to apply them at the local level, generating competitive advantages for the national economy.

The main challenges that International Leaders face in their daily activities are culture shocks, communicational barriers and lack of knowledge concerning different languages. In order to overcome these challenges the people must be committed to get better results, research and prepare in a proactive way.

With the results obtained, it was developed a Leadership Model for Mexicans that work in multinational companies. The proposal of these elements came from the analysis of theoretical frameworks and the identification of diverse challenges and differences that Mexicans have while working with people from different countries and cultures.

It is true that all the individuals are different. However there are some characteristics that they share due to the fact that they were raised in a given culture, this is why people should not assume that everyone should be treated in the same way.

It will be interesting to develop a deep research on cultural differences, by country, in order to get more specific data that could be used by International Leaders in order to have a better understanding of foreign cultures.

REFERENCES

[1]   OED.   *Online   Etymology   Dictionary.*   2001. http://www.etymonline.com/index.php?term=manage (accessed April 29, 2015).

[2]   Oxford   Dictionary.   *Manager   Definition.*   n.d.

http://www.oxforddictionaries.com/es/definicion/ingles_americano/manager (accessed January 26, 2015).

[3]   Reh,   Jhon.   *Manager.*   2015. http://management.about.com/od/policiesandprocedures/g/manager1.htm (accessed April 20, 2015).

[4]   LC.   *Leadership   Central.*   2010.   http://www.leadership-central.com/etymology-of-lead.html#axzz3lvsfe4pK   (accessed   April 29, 2015).

[5]   Kezar, Adrianna J. *Rethinking leadership in a complex, multicultural, and global environment: new concepts and models for higher education.* Sterling, Va: Stylus Pub., 2008.

[6]   VT   AIDE.   *Definition   of   a   leader.*   n.d. http://www.vtaide.com/gleanings/leader.htm (accessed February 17, 2015).

[7]   Blanchard, Kenneth. *Leading at a higher level: Blanchard on leadership and creating high performing organizations.* Upper Saddle River, N.J: Pearson/Prentice Hall., 2007.

[8]   The Project Management Pad. *Project manager, leader or manager.* n.d.   http://www.projectmanagerpad.com/2012/12/project-manager-leader-or-manager.html (accessed February 17, 2015).

[9]   IMF.   *Globalization: A   Brief   Overview.*   2008. http://www.imf.org/external/np/exr/ib/2008/053008.htm   (accessed May 02, 2015).

[10]   EEE. *¿Qué es la Internacionalización de Empresas?* September 10, 2014.   http://www.escueladeestrategia.com/que-es-la-internacionalizacion-de-empresas/ (accessed April 20, 2015).

[11]   Schein, E. *Cultura Organizacional y Liderazgo.* Barcelona: Plaza y Janés, 1992.

[12]   Geert Hofstede, Gert Jan Hofstede, Michael Minkov. *Cultures and Organizations: Software of the Mind.* New York: McGraw-Hill USA, 2010.

[13]   Blanchard, Kenneth. *Leadership and the one minute manager.* New York: William Morrow and Company, 1985.

[14]   Bass, B. *Improving Organizational Effectiveness Through Transformational Leadership.* London: Sage Publications, 1994.