

THE IMPACT OF CULTURAL DIFFERENCES BETWEEN THE UNITED STATES AND MEXICO: DO BIRDS OF A FEATHER FLOCK TOGETHER?

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Although NAFTA is generally expected to produce positive results, it has been proposed that Mexicans and Americans are often wary and unaccepting of each other due to cultural differences. This study empirically examines the nature of these cultural differences. The study finds that acceptance of foreign nationals by Americans is directly related to the individualistic nature of the culture of the home country from which the foreign nationals come; the more individualistic the culture, the more Americans accept them. Through a recognition of the precise nature of the cultural differences, steps can be taken to develop lasting social acceptance and economic prosperity between the United States and Mexico.

On January 1, 1993 the North American Free Trade Agreement (NAFTA) took effect and created the world's largest trading block. The purpose of NAFTA is to reduce many tariff and non-tariff trade barriers between the United States, Canada, and Mexico. As a result, a market of 370 million people with a combined annual economic output of \$6.5 trillion has been formed (NAFTA, 1993). While trade between the U.S. and Canada is substantial (being the world's two largest trading partners), this paper specifically focuses on the increased relations between Americans¹ and Mexicans resulting from NAFTA.

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Manuscript received January, 1996, revised, April, 1996.

JOURNAL OF BUSINESS AND MANAGEMENT

Contact between Mexicans and Americans is increasing. As a result of Mexican economic liberalization in the late 1980s, Mexico has become the United States' second largest market for manufactured goods (NAFTA, 1993). Since the late 1980s, total U.S. exports to Mexico have more than doubled. Between 1988 and 1993, 47 of the 50 states increased exports to Mexico, 27 of these states experienced increases of more than 100 percent, and New Mexico, alone, saw its trade with Mexico increase by 380 percent (MISER, 1995). The largest dollar volume increases came from three of the four border states, Texas, California, and Arizona, which together comprised almost 70 percent of total U.S. exports to Mexico in 1993 (MISER, 1995). Trade between the two countries is expected to continue or even accelerate due the further reduction of trade barriers under NAFTA's provisions (Jacobs, 1993).

As this trade information attests, the United States and Mexico have an important and growing economic relationship. Free trade between the U.S. and Mexico is rapidly binding both nations together in a web of economic self-interest. The extent of trade between the U.S. and Mexico means that neither nation can afford to abandon trade with the other without seriously damaging its own economy.

While NAFTA is generally viewed as providing positive economic benefits for both the U.S. and Mexico, cultural dissimilarity has been cited as a possible impediment to the realization of NAFTA's potential (de Forest, 1994; Zamora, 1993). Successful participation in the global economy requires the recognition and understanding of cultural differences between people of different national backgrounds. However, recent polls show that Americans feel threatened by the cultural diversity associated with increased contact with people from different countries (Moore, 1993), and policies such as NAFTA will only further increase such contact.

This study answers a call for empirical work addressing the impact of social variables, such as culture, on U.S./Mexican trade (Nicholson, Lust, Manzanera & Rico, 1994). Although Mexico is our neighbor and an increasingly significant trading partner, it has been proposed that Mexicans and Americans are often wary and unaccepting of each other due, in part, to cultural differences (Zamora, 1993). Through an understanding of the nature of cultural differences between the people of the United States and Mexico, some of the barriers to the NAFTA trade block may be reduced.

CULTURAL SIMILARITY AND SOCIAL ACCEPTANCE

Similarity-attraction theory, a well-established principle in social psychology, states that people are attracted to others whom are perceived as being similar to themselves. The more people share similar beliefs and attitudes the more highly they think of each other. In general, people tend to like other people with whom they share a majority of views and values (Byrne & Nelson, 1965).

Similarity-attraction theory has been tested on individuals in many different contexts, from men living together in a boardinghouse (Newcomb, 1961) to married couples (Byrne, 1971). Demographic characteristics such as age, religion, sex, race, height, intelligence, economic status, and education are found to be related to attraction. The typical finding is that homogeneity prevails; people prefer to associate with others who are similar to themselves (Buss, 1985; Byrne, Clore & Worchel, 1966; Kandel, 1978; Tsui, Egan & O'Reilly, 1992). The theory has been extended to the relationship between groups of people, such as members of political organizations (Rosenbaum, 1986). Additionally, some researchers propose that differences among national cultures are factors affecting attraction (Jones, 1972; Myers, 1993). For example, Mendenhall and Wiley (1994) argue that using impression management techniques in which expatriates adopt the normative behavioral requirements of the host country's culture can result in more accepting treatment by the host nationals. To date, however, no empirical studies of cultural attraction have been conducted.

Different countries have different cultures. Culture represents human behavioral patterns which are communicated from one generation to the next. Culture is reflected in the institutions of a society, in its businesses, schools, churches, and family life; culture is exemplified in all of the forces that impact upon a person's mental development. From the moment people are born, society's culture is at work shaping their personality and the ways in which they interact with one another (Berger & Luckmann, 1966).

The culture of a society is defined as "the shared knowledge, beliefs, values, behaviors, and ways of thinking among members of a society" (Daft, 1994: 90). Culture can also be thought of as the "collective mental programming of the people in an environment" (Hofstede, 1980: 43). It is made up of the collective norms shared by people living within a society.

Culture is a multifaceted concept and can be studied and measured along many dimensions. For this study, we use Hofstede's (1980; 1983a; 1983b) four dimensions of national culture: power distance, uncertainty avoidance, individualism, and masculinity. The dimensions represent a framework for developing hypotheses in cross-cultural studies and to aid in the understanding of the different issues people and organizations face within multi-cultural contexts (Hofstede, 1983a; Hofstede, 1983b).

Generally, we test the idea that Americans are less accepting of people from countries whose cultures are dissimilar to the United States than they are of those from similar cultures. To the extent that foreign nationals are from a country with cultural scores along each of Hofstede's dimensions that are markedly different from the scores of the United States, we expect Americans to be less accepting of them. Conversely, to the extent that foreign nationals are from a country with cultural scores along each of Hofstede's dimensions that are similar to the scores of the United States, we expect Americans to be more accepting of them.

JOURNAL OF BUSINESS AND MANAGEMENT

Specifically, we test the impact of each of Hofstede's four dimensions of national culture upon social acceptance.

Power distance (PDI) reflects the extent to which the people within a society accept the uneven distribution of power throughout organizations. People living in countries with a high PDI generally expect there to be inequalities in the status enjoyed among people everywhere; one of the functions of society is to protect and maintain these inequities. For example, superiors and subordinates consider themselves to be different from each other, and power-holders are entitled to special privileges. People from low PDI countries generally stress equality among all people. Subordinates and superiors are all considered to be very similar and, thus, enjoy equal rights.

The U.S. scores for power distance are relatively low (U.S. PDI=40) compared to that of the average of the countries surveyed (median PDI=54). Based on the concepts of similarity-attraction discussed earlier, we expect Americans to be more accepting of people from countries with relatively low scores on power distance.

Hypothesis 1: Americans will be more accepting of people from countries characterized by relatively low power distance than they will be of people from countries characterized by relatively high power distance.

Uncertainty avoidance (UAI) represents a the general aversion by people within a society to ambiguous situations. People from high UAI countries typically believe uncertainty to be a constant threat that must be fought. The result is a system of formal and informal rules governing conduct. Anxiety and stress tend to run high, nationalism is strong, and there is a desire for regulation. Low UAI countries readily accept uncertainty as a part of life. Stress levels, nationalism, and the desire for rules all tend to be low.

The U.S. is relatively low on uncertainty avoidance (U.S. UAI=46; median UAI=64). Therefore, we expect Americans to be more accepting of people from countries with relatively low uncertainty avoidance.

Hypothesis 2: Americans will be more accepting of people from countries characterized by relatively low uncertainty avoidance than they will be of people from countries characterized by relatively high uncertainty avoidance.

Individualism (IDV) shows the emphasis placed by members of a society on the rights of the individual over those of the larger social group. In high IDV countries, people are responsible for themselves and their immediate families, identity is based on the individual, and everyone has a right to a private life. In low IDV countries, the clan or extended family protects

its members in exchange for the members' loyalties. Identity is based on the group, and one's private life is subordinate to the desires of the collective.

The U.S. score on individualism is very high (U.S. IDV=91, median IDV=48). Thus, we expect Americans to be more accepting of people from countries with relatively high individualism scores.

Hypothesis 3: Americans will be more accepting of people from countries characterized by relatively high individualism than they will be of people from countries characterized by relatively low individualism.

Masculinity (MAS) is a measure of the extent to which a society emphasizes traditionally masculine values over feminine values. People from high MAS countries typically reflect characteristics such as the acquisition of money and possessions, the admiration of success, high performance, and assertiveness. People from low MAS countries typically reflect a value of service, the importance of quality of life, and place little emphasis on advancement and recognition.

The U.S. masculinity score is high compared to the median score of all nations (U.S. MAS=62; median MAS=52). As a result, we expect Americans to be more accepting of people from countries with relatively high masculinity scores.

Hypothesis 4: Americans will be more accepting of people from countries characterized by relatively high masculinity than they will be of people from countries characterized by relatively low masculinity.

METHODS

The data used for this study cover cultural measures and perceived social standing by Americans of people from 17 countries (see Table 1). The dependent variable, social standing, represents the level of acceptance that various groups of foreign national have achieved within American society. Social standing is measured using the results of two surveys conducted by the National Opinion Research Center (Reddy, 1993). In polls taken in 1964 and 1989, 1,537 American adults were asked to rate the social standing of several groups of foreign national in the United States. The survey samples are representative of the adult population in the United States, which consists of 75 percent non-Hispanic white, 12 percent black, nine percent Hispanic, and four percent other ethnic backgrounds².

Hofstede (1983b) describes culture as being relatively stable over time. In his original data set, he finds that the values and beliefs of societies change at a very slow pace. For this reason,

JOURNAL OF BUSINESS AND MANAGEMENT

we suspect that social standings ascribed to various groups of foreign national by Americans will also exhibit little change in the time between the two surveys. A Spearman rank order correlation test reveals that the rankings of social standing in 1964 and 1989 are indeed significantly correlated with one another ($r_s = .8775$, $p < .0001$). As a result, the values from the two polls are averaged to arrive at a single measure of the social acceptance by Americans of each group of foreign national during the twenty-five years from the mid-1960s to the end of the 1980s.

The independent variables represent measures of the culture of each foreign national group's home nation. National culture is operationalized using the scores for the four dimensions of culture from Hofstede's (1980) study: power distance, uncertainty avoidance, individualism, and masculinity.

RESULTS

Multiple regression confirms that the four dimensions of culture do statistically significantly predict social standing ($R^2 = .856$, $F = 17.826$, $p = .0001$). Due to the relatively small sample size, a series of nonparametric Wilcoxon rank-sum tests are used (Cody & Smity, 1991). To test the four hypotheses, a median split is used to divide the countries into two groups along each cultural dimension. The results, shown in Table 2, provide mixed support for the hypotheses.

As Table 2 shows, of the hypotheses relating to the four dimensions of culture, only Hypothesis 3 is supported. Individualism is the only dimension of national culture that significantly impacts social standing.

DISCUSSION

This study finds that individualism is the only cultural variable to impact social standing. However, individualism has an extremely significant impact, accounting for nearly 80 percent of the variance in social standing. People from countries with collectively-oriented cultures are ranked significantly lower on social standing by Americans.

This difference has implications for the working relations between members of various cultures, particularly between members of societies characterized by markedly different levels of individualism. Due to the individualistic nature of the culture of the United States and the collective nature of the culture of Mexico, the findings of this study are especially relevant in light of the increase in contact between the U.S and Mexico resulting from the North American Free Trade Agreement.

Table 1
Countries Used in this Study

Austria	Japan
Denmark	Mexico
Finland	Netherlands
France	Norway
Germany	Spain
Great Britain	Sweden
Greece	Switzerland
Ireland	United States
Italy	

The primary cultural difference between U.S. and Mexican society lies in the cooperative and collective nature of Mexican society and the competitive and individualistic character of U.S. society. The "doctrine of individualism" is a core belief of American culture. This doctrine asserts that the basic purpose of U.S. society is the promotion of the individual (Nash et al., 1986: 288). American society is characterized by a relatively high degree of socio-economic and geographic mobility. This has helped to obviate the need for an extensive network of personal contacts to ensure success; an individual possessed of the requisite skills and energy can advance within society without substantial help from others.

Table 2
Results of Wilcoxon Rank-Sum Tests

Variable	Mean Social Standing		Z-score
	Upper Half	Lower Half	
PDI	8.60	9.57	0.3416
UAI	7.11	11.13	1.5877
IDV	11.78	5.88	-2.3575*
MAS	10.00	7.88	-0.8179

* $p < .05$

JOURNAL OF BUSINESS AND MANAGEMENT

Mexican society, on the other hand, stresses the primacy of the group over the individual. The primary building block of Mexican society is the extended family. The importance of the family extends to the makeup of the Mexican economy, which has traditionally been controlled through a system of family and personal alliances. Mexico's paternalistic and protective political, economic, and legal systems reflect its cultural bias towards community and emphasis on cooperation (Zamora, 1993).

Examples of how the differences in the individualistic nature of the two cultures manifest themselves can be found in all aspects of social life. However, for the purposes of highlighting the impact of these differences, we briefly discuss four key areas affecting business and trade relations: the legal system in general, employer/employee cooperation, the employee selection process, and the handling of employee grievances.

The Mexican system of public law is generally non-adversarial and is characterized by administrative action rather than direct legal confrontation. To voice a legal complaint successfully, it is necessary to enlist the help of others through the use of coalitions and/or cooperative group endeavors (Zamora, 1993); whereas the U.S. preference is for individualistic, confrontational remedies to legal disputes.

The primacy of the group in Mexican society is embodied in the relationship of the Mexican worker with the employing organization. Worker/management relations are characterized by interdependence, mutual obligations and allegiance between boss and worker, collectivism and continuity, and belongingness and cooperation. For example, it is not uncommon for executives departing for another company in the same town to take many other employees with them (Flynn, 1994). The ideal work place design is reminiscent of the Mexican family, emphasizing teamwork and cooperation (de Forest, 1994). In contrast, the model American work place focuses on individual achievement, change, and competition.

The Mexican focus on cooperation and collectivism can also be seen in the employee selection procedure. Typically, job applicants are selected for employment based on factors, such as a work history, that demonstrate their ability to meet social obligations and work harmoniously and cooperatively with others (de Forest, 1994). By comparison, U.S. selection procedures focus on prior achievement, individual motivation, and distinctive competency.

Another example of how cultural differences manifest themselves can be found in an examination of systems designed to manage employee grievances. A formal grievance system reduces labor tensions in the United States, but such a system often does not have the same effect with Mexican workers. For instance, an American manager in a Mexican factory installed an elaborate grievance system to forestall serious labor problems at the plant. Though no grievances were ever filed, the workers went on strike (de Forest, 1994). One of the reasons

the grievance system did not work is because confronting one's supervisors with complaints is viewed by Mexican workers as destructive to social harmony in the work place.

The need for maintaining work place social harmony is an important factor designed into Mexican compensation systems (Flynn, 1994). For instance, many U.S. manufacturing facilities are implementing pay-for-performance compensation systems that promote and reward individual achievement. However, such systems are often unsuccessful in Mexico because those workers receiving higher pay are sometimes viewed by their peers as being favored by upper management, thus creating distance and disharmony among workers. In several cases, Mexican workers who received additional pay for work place achievements left their companies because they felt ostracized by their co-workers (Flynn, 1994).

The preceding examples serve to illustrate some of the ways that differences in the individualistic orientations of the U.S. and Mexican cultures manifest themselves. Failure to recognize the nature of differences between the U.S. and Mexico is likely to lead to misunderstandings which could impede the development of trade relationships encouraged by NAFTA. Cultural differences should not be seen as presenting weaknesses to be overcome; instead, cultural differences should be seen as assets. The emphasis on group relations within Mexican culture can lead to the development of social networks among workers, which, when allowed to flourish, have been found to lead to improved work place productivity and efficiency (Ruffier & Villavicencio, 1994).

While this study has examined some of the possible impacts of cultural dissimilarity on social acceptance, it is not without limitations. We do not examine individual and cultural differences not captured in Hofstede's four dimensions of culture. For example, differences in economic development, temporal orientation, language, and religious beliefs may also impact acceptance and the social standing of ethnic group members. Additionally, Americans may simply rate the social standing of an ethnic group lower due to prejudices based on incomplete information and misunderstanding (Aronson, 1976). However, despite its limitations, we feel that this study does shed light on the importance of one very significant difference between the United States' and Mexican cultures: individualism.

CONCLUSION

This study finds that acceptance of foreign nationals by Americans is directly related to the individualistic nature of their home country's culture; the more individualistic their culture, the more American's accept them. These findings are particularly relevant for those companies located in the border states. Because of the significant economic impact of NAFTA for this region, an understanding of the interactions between Mexican and American people is crucial. In short, the future of trade relations between the two peoples promises to be exciting and

JOURNAL OF BUSINESS AND MANAGEMENT

productive as long as the nature of cultural differences are fully understood and disseminated, rather than being merely overlooked, over simplified, or naively assumed to be nonexistent.

ENDNOTES

1. We recognize that Mexicans are also Americans in the sense that they live on the North American continent. However, to be consistent with common usage we employ the term "American" in the limited sense of denoting citizens of the United States of America.
2. The terms used to identify these ethnic groups conform to the wording used by the U.S. Bureau of the Census.

JOURNAL OF BUSINESS AND MANAGEMENT

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