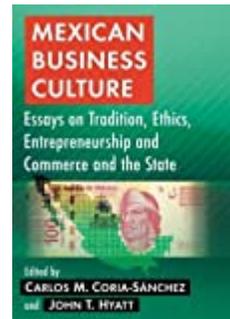




**Carlos M. Coria-Sánchez, John T. Hyatt, eds.** *Mexican Business Culture: Essays on Tradition, Ethics, Entrepreneurship and Commerce and the State.* Jefferson: McFarland, 2016. 196 pp. \$29.95 (paper), ISBN 978-1-4766-6308-1.



**Reviewed by** Stephen Morris (Middle Tennessee State University)

**Published on** H-LatAm (January, 2017)

**Commissioned by** Andrae Marak (Governors State University)

## Understanding Mexico's Business Culture

Mexico's economic importance to the United States, coupled with the cultural and historic distance and misunderstandings between the neighbors, makes it all the more important for US business leaders and students to understand the nature, dynamics, and nuances of Mexico's business culture. This well-researched and highly readable collection by Carlos M. Coria-Sánchez and John T. Hyatt aids in this task by providing a useful overview of important aspects of Mexico's business culture in the twenty-first century and a review of the current state of the literature. But rather than an exposition of Mexican culture through a US lens, the book, as highlighted in the preface, offers "Mexicans and scholars with deep research in Mexico the opportunity to explain themselves, their own culture, their behavior, and especially their own knowledge and thoughts about why Mexico is the way it is" (p. 1). The collection covers a wide range of topics. Each chapter is grounded in the latest research with some presenting original research findings. It positions Mexico's business culture within its social and historical context.

The opening chapter by Coria-Sánchez, "Mexican Business Culture in Trade Books: Past and Present," reviews prior works on Mexico's business culture. Questioning their treatment of such standard traits as fatalism, corruption, and nepotism, Coria-Sánchez largely dismisses these works as playing in and perpetuating simple stereotypes and being largely outdated. He stresses how the subsequent essays go much further by taking into account the voices of Mexican businessmen and people involved in the everyday commercial life of Mexico through personal interviews, by incorporating current historical and psychological data, and by highlighting the dramatic changes in Mexico's business culture over the past decades of economic transformation.

Moving through the pages, in "Traditional and Modern Aspects of Mexican Corporate Culture," Anabella Dávila and Andreas Hartmann describe key characteristics of the corporate culture in Mexico, highlighting the marriage of two traditional traits, family businesses and paternalistic-benevolent leadership, with the more modern characteristics of participatory manage-

ment, competitiveness in manufacturing, managerial capability, innovation, and social responsibility. Jorge Olmos-Arrayales, in turn, in "Entrepreneurship in Mexico," focuses on small business, laying out the unique situation and challenges they face and the nature of startups. Indeed, Mexican businesses are often a tale of two cultures, with small businesses that are focused on the domestic market and the fundamentally different larger corporations that are integrated into international markets. Olmos-Arrayales also highlights key opportunities by sectors within each state and offers advice for US investors seeking to work with smaller businesses in Mexico. In "Reconfiguration of Major Companies and Entrepreneur Subjects," Marcela Hernández-Romo analyzes the organization of business interests and their relationship to the state and particularly the reconfiguration of large companies in Mexico in recent years. Building on her prior work *Business Culture in Mexico* (2004), Hernández-Romo underscores the cultural codes and the reconfigurations of two main patterns of Mexican corporations: state patrimonial family businesses exemplified by the Monterrey Group and subordination to the state pattern represented by Televisa and Telmex. Highlighting these important examples helps the reader understand the challenges and opportunities Mexican businesses faced during times of deep economic and political crises and the mechanisms they used to adapt to the challenges.

In "Human Capital Development in Mexico," Pramila Rao describes the transformation in Mexico owing to these economic changes and globalization, going from informal training and development initiatives to far more developed, professional training programs today, many comparable to those found in the United States. Miguel Olivas-Luján, in "Perceptions of Ethical Decision Making in Mexican Business," subsequently reviews some of the few studies on ethics in Mexico and presents results from an empirical study about business ethics in the country. The results highlight the importance of the ethical environment crafted by top management. The next two chapters by coeditor Hyatt, and Olivia Hernández-Pozas and Sergio Madero-Gómez discuss two key attributes of the Mexican culture: the nature of communication and the Mexican conceptualization of time. Building on prior works and even traditional stereotypes, Hyatt goes beyond description to explain how Mexico's indirect nature of communication reflects high levels of power distance and the role of hierarchy. The authors also indicate how communication patterns are influenced by and differ based on socioeconomic status, educa-

tion, and hierarchy. In "Looking at Time and Business with the Mexican Lens," Hernández-Pozas and Madero-Gómez similarly examine a major cultural component through a historical and cultural perspective, helping readers understand the rationale behind differences in behavior.

The final three chapters focus on business-state relations, Mexico's online shopping environment, and women in the workplace. Juan Antonio Enciso-González, in "Mexican Government in Business," assesses the impact of government on business in Mexico. Using an institutional analysis model, Enciso-González presents comparative data showing the weak institutional setting for Mexican businesses. This includes weak regulatory quality, poor government effectiveness, weak rule of law, high levels of corruption, low levels of political stability, and high levels of violence. The presentation of survey data from Mexican businesses on their perceptions of the Mexican government, corruption, and the weak rule of law is, what I consider, one of the more useful analyses (perhaps because I am a political scientist). The author also draws on interviews to round out this overview of business perceptions of the legal and political environment and even provides useful background data in the appendix. In turn, Teresa Treviño and Flor Morton offer a thorough overview of Internet shopping in Mexico. Perhaps more than other chapters, "Online Shopping in Mexico" highlights the dramatic changes in Mexico over a short period of time, with online shopping growing at a sharp pace in a few years with the potential for more growth. In many ways, the online market, with the growth in the use of credit cards and confidence in the overall process, seems to be converging with the pattern in the United States. Indeed, the authors conclude that the future of e-commerce in Mexico is promising. Finally, in "Advancement of Mexican Women in the Workplace," the two coeditors explore the clash between a more traditional, macho culture that still largely determines behavior in most major companies and the economic changes that have pushed women more into the formal workforce and opened more opportunities. Though women face significant challenges in moving into management positions, they now represent a majority of college students and a larger share of the workforce, and are finding opportunities as entrepreneurs.

Overall, Coria-Sánchez and Hyatt's collection accomplishes its task. It is a useful and necessary work that will benefit business students and current business owners and managers interested in doing business in Mexico. Indeed, understanding Mexico generally and the business

culture specifically is important to succeed in business in Mexico. As with all edited volumes, the chapters vary in their quality and contributions, but they all do a good job of placing culture within a broader sociohistorical context, thereby helping to explain the major cultural attributes and particularly to show how recent political and economic changes have transformed Mexican business and business culture in recent years. The book also succeeds in presenting the reader with the latest research on the topics—and even some original research—so that readers recognize that culture is not static but dynamic and always subject to new interpretations. Along these same lines, the book is commendable in that it goes beyond a simplistic view of Mexican culture to recognize important differences based on the size of the company, the nature of the business organization, and socioeconomic and even geographic factors. In this sense, the chapters highlight that there is no one, solitary, monolithic, and static Mexican culture, but rather different and dynamic cultures depending on a range of factors. Reading a dated trade book describing Mexican business culture misses these nuances and consequently can potentially do more harm than good by spreading misunderstandings.

Despite these positive assessments, there are a couple of problematic areas. First, the overview seems to present a straw man argument to reject the traditional, stereotypical aspects of Mexican culture. Certainly these views are simplistic and dated, as noted, but many of the chapters actually draw on and build on these traditional traits, suggesting their continued usefulness. The chapter by Enciso-González, for instance, shows how Mexican perceptions align with many of the stereotypical views with Mexicans continuing to embrace a different perspective on time, employ a different form of communication that is more indirect, and nurture and rely on family and particularly personal relationships. There are nuances, to be sure, but many of those traits remain just as true today as in the past. Within this context, Coria-Sánchez's discussion of corruption in the first chapter seems to dismiss corruption as largely overblown and irrelevant, and does so by highlighting corruption in the United States, going so far as to ask "Would it be fair to turn the tables and say that bribery and corruption are an intrinsic part of American life and business culture?" (p. 19). While I agree that corruption in the United States is a major problem and that indeed the question is quite interesting (why do people tend to associate corruption with Mexico but not with the United States?), this comparative approach mentioning the United States is largely irrelevant to our understanding of Mexican business culture.

It is more important to look at the level of corruption as presented in key indicators and the actual perception of corruption among Mexicans, both of which are presented in the chapter by Olivas-Luján. Here, in contrast to the view offered by Coria-Sánchez, both the World Governance indicators and Mexican business surveys point to high levels of corruption and weak rule of law, presenting major challenges to Mexican business. Indeed, the quotes from the businessmen provided by Olivas-Luján point to corruption as a pivotal factor shaping the way business is done in Mexico with one interviewee concluding that corruption is still a central issue in Mexico.

A second criticism worth noting relates to what I would consider the lack of detailed attention to two largely interrelated themes. At various points, the authors note how foreign investors invest and even succeed in Mexico or how Mexican businesses thrive or adapt despite Mexico's cultural attributes. The chapter on online shopping, for instance, highlights how it happens almost despite the lack of confidence consumers have. Overall, this theme seems to raise questions related to the remarkable adaptability of Mexican businesses (despite the stereotypical view of being rather static and traditional) and to foreign investors's successful work in alliance with their Mexican counterparts despite the problems and misunderstandings. If corruption lowers investment, for instance, then why and how do foreigners invest in Mexico despite these challenges? The second related theme that in my view could have enjoyed more attention centers on how the views and culture of Mexican businessmen are a reflection of the weak institutional environment nicely described by Olivas-Luján. While the book does a good job of situating the traditional culture within a historical context and even the changes and adaptations within the context of recent economic and political crises, it largely leaves open the question of how Mexican businesses continue to respond to and even operate within an environment marked by weak institutional capacity, weak rule of law, high corruption, often arbitrary political decision making, and crony capitalism. In many ways, these represent the political, institutional, and even structural underpinnings of the need to develop trust in business dealings (since you cannot trust the legal system to protect your interests), or to utilize familial connections in management and expansion, or the connections and devices used to seek "favours" from government officials.

Despite these shortcomings, *Mexican Business Culture: Essays on Tradition, Ethics, Entrepreneurship and Commerce and the State* stands as an important addition

to the literature and part of a new generation of works that go beyond the older trade books on doing business in Mexico. The book is useful for business owners and managers already doing business in Mexico, for those exploring that possibility, and particularly for undergraduate and graduate business students focusing on interna-

tional business. While a concluding chapter weaving the threads together and highlighting key research questions would have been nice, the use of summaries and discussion questions and extensive bibliographies at the end of each chapter greatly enhance the text's overall usefulness in the classroom.

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**Citation:** Stephen Morris. Review of Coria-Sánchez, Carlos M.; Hyatt, John T., eds., *Mexican Business Culture: Essays on Tradition, Ethics, Entrepreneurship and Commerce and the State*. H-LatAm, H-Net Reviews. January, 2017.

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