
Prepared for *At the Frontier of Managing Diversity: Integrating Practice and Research*,
AIMD Global Conference on Managing Diversity, University of Georgia, Athens, GA,
September 7-9, 1995.

CROSSING BORDERS AT A MAQUILADORA: LESSONS LEARNED FROM AN HR MANAGER'S EXPERIENCES

Bernardo M. Ferdman, Ph.D.

California School of Organizational Studies – Alliant International University – San Diego¹

Plácida I. Gallegos, Ph.D.

Southwest Communication Resources, Inc.² &
The Kaleel Jamison Consulting Group, Inc.

Angelica Garza (a pseudonym), a Mexican-American woman, served for ten years as a human resources manager for a medical products manufacturing plant in Tijuana, Mexico, near the U.S. border. Angelica was assigned to the maquiladora in Tijuana in part because her Midwestern-oriented company thought she could function well as a cultural bridge. Yet she found that she was quite different than the Mexican nationals reporting to her. Over time, she found that she was required to deal with and find solutions for a variety of human resource issues and problems stemming from the interface of a firm rooted in male, Midwestern, Anglo American culture with a young, largely female, transitional, poor, Mexican border town workforce. What are the implications of Angelica's story for the development and application of more effective HR strategies for managing global diversity? How can/should organizations develop more complex and optimized approaches to "crossing borders"?

In this era of multinational business, one often hears the argument that U.S.-based companies would benefit greatly by leveraging their diversity so as to gain advantages in the international arena. The premise of this idea is that the cultural heterogeneity of the U.S. represents a unique and vital resource for organizations that seek to venture beyond the nation's boundaries. Such firms should incorporate and endeavor to fully utilize a range of employees

¹ 6160 Cornerstone Court East, San Diego, CA 92121 U.S.A. Tel. (858) 623-2777 x362; Fax (858) 642-0283; email: bferdman@alliant.edu

² Southwest Communication Resources, Inc., 5015 Westminster Terrace, San Diego, CA 92116; Tel. (619) 281-4673; Fax (619) 281-0236.

representative of the country's rich and varied population and then deploy some of them as "cultural bridges" abroad. Because so many people in the U.S. trace their ancestry and are culturally linked to other places in the world, presumably the ideal company representatives are often individuals culturally connected to the place to which they are being posted. In this view, then, Irish-Americans are especially well suited to manage a plant in Ireland effectively, Chinese-Americans are particularly competent in developing joint Sino-American ventures in a culturally appropriate manner, Vietnamese immigrants are the ideal representatives to open new markets in Southeast Asia, and U.S. Latinos and Latinas are naturally prepared to forge constructive and therefore productive relationships with the workers in Latin American operations.

While we believe in the general premise of this idea—that is, that cultural diversity can be a critical organizational resource not only domestically but internationally—in our practice and experience we have seen this principle oversimplified and distorted in ways that can have deleterious effects both on organizations and their employees. In this paper, to illustrate and to explore this in more detail, we analyze the case of Angelica Garza, a Mexican-American woman who served for ten years as the human resources manager for a medical products manufacturing plant in Tijuana, Mexico, near the U.S. border. Our goal is to highlight both the pitfalls and the opportunities that arise when the principle described above is applied as an organization "crosses the border." "Crossing the border" in this context can mean not only the physical act of traversing an international boundary, but also the symbolic activity of relating across cultural, ethnic, and other intergroup lines.

In a previous paper³, we presented Angelica's experiences in detail, primarily in her own words. Here, we draw from those incidents to present our own views of what transpired and what can and should be learned from Angelica's story. [The boxes present excerpts from Angelica's story in her own words.]

³ Ferdman, B. M. & Gallegos, P. I. (in press). Crossing borders: The experience of a Mexican American human resource manager in a maquiladora. In E. E. Kossek & S. Lobel (Eds.), *Human resource strategies for managing diversity*. Cambridge, MA: Blackwell.

CROSS-CULTURAL AND MULTICULTURAL COMPETENCY

... the company is from the Midwest and what they put in for the management [in Tijuana] was very Midwestern. So it was a bigger shock for somebody from the Midwest to go to Tijuana than it was for me. At least I had some language. It was never perfect Spanish, but I was able to communicate with the people that I interacted with on a daily basis and supervised.

And the more Americans we got in there the more problems we had. . .

An issue that immediately arises for U.S. firms in Mexico or other countries is that of multicultural competency. Angelica was transferred to Tijuana from Arizona, where she had been born and raised. Her company assumed that her background as a Mexican American would make her an effective “cultural bridge” for the Mexican operations. While from Angelica’s perspective this was not always true, she did have an easier time than her Anglo colleagues. Angelica discovered that her Anglo colleagues often were not effective in relating to the Mexican employees, even in situations where they meant well.

Many of the managers born, raised and trained in the U.S. (including Angelica) used their own cultural values and cultural blinders to interpret the Mexican organization and its employees. While some Anglo managers, together with Angelica, were open to learning new approaches and respecting the culture of the host country, they were clearly in the minority. Most managers approached situations with the assumption that their way was the right way and the only way for the organization to operate. When they observed events that occurred in the plant, they were quick to make over generalizations about “those Mexicans.” These managers were neither curious nor open to learning the complexities of the way business is conducted in Mexico. Their unawareness went so far as to preclude them from examining their own cultural values, so that they remained blind to the impact of U.S. thinking and training on their own behavior.

In our experience inside U.S. companies, many White/Anglo employees and managers often do not see themselves as having values or beliefs that influence their behavior. In

discussing cultural diversity, the comment we often hear from them is "I'm White, I don't have a culture." This unawareness of their orientation makes it difficult to consider or own their side of a cross-cultural encounter. Any problems that arise in interactions are viewed as originating in the other's culture rather than in the interface between the other and one's own cultural orientation.

. . . I found myself having to come up with benefits that would be different than what you'd come up with in the United States. . . . It sure was a lot of frustration, but I thought it was my responsibility to make [my colleagues and superiors] understand that if they wanted to go any further, then they were going to have to do some of this. I said, you know, this is surprising for me, but it's the norm here. It's not something I am accustomed to, but it is the norm here and this is what we have to do.

In Angelica's experience, the Anglo managers from the U.S. viewed the Mexican culture as inherently flawed and the Mexicans' ways of doing things as less efficient. Little effort was made to understand other ways of approaching the same task or inquiring as to the rationale for doing things in a Mexican way. Because they did not acknowledge their own lenses, the U.S. management found it difficult to consider changing their approach and adopting alternative approaches appropriate to the maquiladora.

For example, Angelica told of the need to provide laundry services to maintain required standards of hygiene given the fact that many employees did not have washing machines or in some cases, access to running water in their homes. While this was relatively easy to institute, it fit with and reinforced stereotypes held by some Anglo managers. The need for a viable transportation program was another example of employee needs that had to be addressed to continue operating the plant. Since these types of things were not necessary in U.S.-based plants, their validity in Mexico was consistently questioned by U.S. management. When conflicts arose, there was little question of who was right or wrong. Judgements were based on assumptions of legitimacy that were rarely questioned or modified.

Before they put people into an environment like that they should give them some sort of cultural training, and demand that an effort be made to learn the language. Because, even if you just say, "Buenos Dias" or show some effort to learn the language, you get a lot more respect from the workforce.

I don't think you should take a problem employee from the U.S. and put him in an international company, because I think it just exacerbates whatever is going on anyway.

An obvious and important area of competency often overlooked had to do with language skill. Most of the managers had no bilingual abilities and took little interest in acquiring such facility. There seemed to be no penalty for such ignorance and if Angelica's experience is an indication, job security was not insured by the ability or willingness to communicate with the Mexican workers in their own language. In fact, she was paid considerably less than her White male monolingual counterparts. Moreover, the company apparently used the Mexican operation as a place to put people who were not being effective in U.S. plants.

Other aspects of skill that are often underrated have to do with motivating and disciplining employees. Many theories of motivation make the false assumption that what motivates one person will also motivate another. Managers are taught and trained in standard motivational techniques that ignore cultural, ethnic or national differences. In maquiladoras, the employees are young and largely female, with different views and philosophies guiding their "career development" progression. Coming from lower socioeconomic levels than most U.S. employees with little hope of achieving high levels inside the organization, few feel loyal or committed to their U.S. employers. The employers make little or no effort to modify or alter the work experiences of Mexican employees or to give them even faint hopes that they could have career development opportunities within the Company. Without understanding their orientation, U.S. managers passively take note of the high absenteeism and turnover rates without any sense that they could effect changes in the patterns exhibited by workers.

In general, the issue of competency might better be framed at the organizational level: How prepared is the firm, as an integrated system, to effectively "cross borders?" Being competent as an organization in this regard includes having some degree of internal diversity and multiculturally proficient employees, but goes beyond this to areas such as how employees are treated, how their skills are valued, and so on.

U.S.-BASED MANAGEMENT / LEADERSHIP

GPE was very structured and a very controlling company. [For example] any [wage] increase or decrease or any hiring of anybody above the direct and indirect hourly workforce . . . had to go to New York. If you changed salaries at all, even within approved ranges, [or] if you wanted to promote somebody, that had to be approved in New York. So it had to be approved locally, it had to be approved by the middle company, USMed, and then it had to be approved by the parent company, GPE . . .

The devaluation forced the compensation to be adjusted four times a year. That had to go all the way to New York. Many times employees didn't understand why they had to wait for their increases [since] the government mandated an increase.

. . . GPE had this mind block that you were not getting anymore in [Headquarters], you will not get any more than a 10% increase, and that's for exceptional performance. And so we'd go in and we'd ask for 65% and 50%, but that was how fast devaluation was just chewing up pesos.

And I think I learned. I made maybe two trips to [Headquarters] in all the time I was there. [From Headquarters] Tijuana seems far, far away. I mean it's just like it's non-existent. You don't think about it.

The U.S.-based top management team and the organizational practices it fostered played a role in the ineffectiveness and productivity problems at the maquiladora described by Angelica. The apparent approach of U.S. management toward the Mexican plant could best be described as *laissez faire*. They saw no significant difference between any field office and the plant across the border. They expected the plant to operate under the same policies and procedures as if on

automatic pilot with no special intervention or attention. This parochial view of international operations, while much criticized in theory, is still all-too-often a common assumption.

At the same time, U.S. management was overly structured and rigid in its dealings with the maquiladora, insisting that hiring decisions go through multiple chains of command back in the U.S. Local management was not trusted to make even routine personnel decisions above a certain level without a great deal of supervision. When wage increases were mandated by the Mexican government because of currency devaluation, this was ignored or delayed in implementation because of resistance on the U.S. side and because of inflexibility in procedures.

The problems encountered by Angelica and the rest of the management team in Mexico were not common issues faced by their U.S. counterparts. The solutions to deal with those problems could not be found in standard personnel policies or manuals generated from very different contexts. When Angelica raised issues to her superiors in the plant or on the U.S. side she met with derision and criticism. Rather than encourage her to bring problems to their attention, management made her feel incompetent for raising the issues and gave her no support in resolving them. Moreover, the systems that were in place made it less likely that such problems could be resolved effectively.

[Headquarters] tried to say that Mexico was no different than any of the other operations. You know, it was a medical device manufacturing facility; it was no different than Belgium, no different than Ireland, (chuckle) no different than any of those others. But there were [differences]. . . .

The lack of multicultural competency of Angelica's company had a business cost attached. Had the U.S. leadership approached the plant in Mexico with greater openness to differences and appreciation of varying cultural values, they would have had much to gain. While greater attention to the maquiladora employees, including Angelica, would seem like the "right" thing to do, there exist valid business reasons for attending to the cultural and national factors present in the plant.

It is an accepted fact of life inside these plants that high turnover and absenteeism are common costs of doing business in Mexico. Because of this well-documented reality, managers often assume that they are powerless to effect change on these outcomes. Their lack of attention to employee motivation and commitment results in a self-fulfilling prophecy. They expect employees to leave the company without warning, and do little to encourage workers to change their patterns. Without an understanding of the employees' philosophy of work, managers are powerless to modify their behavior.

Employers in the region who are able to treat workers with dignity and cultural sensitivity are more likely to become "employers of choice." Different companies develop well known reputations among employees. Those that provide workers with a positive and motivating work environment are better able to attract and retain a more experienced, well-motivated workforce.

A concrete example of the company's shortsightedness is their handling of the 1992 floods in Tijuana described by Angelica. While other maquiladoras responded with outreach to victims and donations for flood relief, Angelica's company refused even to pay employees who were sent home by company representatives. When employees complained, they were met with detachment and derision rather than empathy and creative problem solving. Such insensitive treatment increased turnover, hiring and retraining costs as well as seriously damaging the company's reputation as a "corporate citizen" in Tijuana. It also created a difficult position for Angelica, by putting her in the middle, between the rest of management and the Mexican employees.

THE ROLE OF HR MANAGEMENT IN THE U.S. AND ABROAD

... I don't think there is ever anything in the books that can prepare a person in HR ...