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Top-Managers of Foreign Multinational
Enterprises in Mexico

Socialization, Leadership Style and Impact

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Eike Heinze

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Gutachter:

Prof. Dr. Sarianna M. Lundan, University of Bremen

Chair in International Management and Governance

Prof. Dr. Jean-Pascal Daloz, University of Strasbourg

Directeur de Recherche au CNRS, UMR SAGE

Berichterstatter:

Prof. Dr. Tilo Halaszovich,
Jakobs University Bremen

Prof. Dr. André W. Heinemann,
University of Bremen

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0. Résumé de la thèse en français

Les dirigeants d'entreprises multinationales étrangères au Mexique : Socialisation, style de direction, pratiques de distinction et impact sur la société

Cette étude porte sur les dirigeants de filiales d'entreprises multinationales au Mexique. Certains sont des autochtones, d'autres des ressortissants du pays respectif des maisons mères. La thèse s'emploie à étudier et à comparer la socialisation, les visions, les valeurs, les identités ainsi que les pratiques de distinction sociale de ces managers au sommet. L'accent se trouve mis sur les interactions, les conflits, les querelles identitaires entre dirigeants locaux et expatriés. Par ailleurs, les rapports, les incompréhensions entre managers étrangers et travailleurs mexicains sont également pris en considération. Enfin, l'impact de ces compagnies multinationales et de leurs élites expatriées sur les subalternes locaux, mais aussi sur leurs familles, leurs communautés d'appartenance et la société mexicaine dans son ensemble se voient abordés. La problématique retenue s'articule surtout autour de la question suivante : Les entreprises multinationales étrangères et leurs élites constituent-elles un facteur d'évolution sur le plan institutionnel et, le cas échéant, quelle est leur impact sur la société et la culture mexicaines ?

0.1. Introduction

Dans ce résumé de l'introduction, nous passons en revue les théories ou approches mobilisées, en sciences du management comme en sociologie, et présentons certains éléments importants s'agissant du cas mexicain.

Réflexions préalables sur la théorisation et les cultures

Les théories clairement articulées peuvent être séduisantes en ceci qu'elles offrent des réponses toutes-faites à des questions difficiles. Elles promettent de résoudre rapidement des problèmes complexes et en quelques formules. Toutefois, lorsque l'objet de la recherche est quelque chose d'aussi complexe que la culture d'une société, ces théories sont au mieux des vœux pieux, elles expriment ce que le chercheur souhaite voir et ce

que certains lecteurs et institutions académiques attendent. Mais les cultures ne sont pas aussi clairement structurées que les théories scientifiques sont censées l'être. Les cultures se révèlent souvent contradictoires : elles sont hybrides et traversées par des courants, des flux et des conflits. Parfois, un groupe de personnes issues d'un certain milieu social prennent le contrôle d'une société, et d'autres fois, d'autres groupes représentant des valeurs, des habitudes, des visions du monde différentes prennent le dessus. Ceci devient encore plus complexe lorsque des individus de cultures différentes sont amenés à interagir les uns avec les autres et lorsque leurs cultures tendent à s'influencer les unes les autres. En outre, les cultures ont des couches différentes, semblables aux strates géologiques et bien qu'il soit facile de décrire la couche immédiatement visible, ce qui importe le plus, c'est de comprendre les couches qui sont cachées plus profondément dans le sol, où la base de la culture est située, c'est-à-dire : où les croyances fondamentales, les valeurs et les suppositions sur la vie et le monde demeurent. C'est seulement si l'on comprend ces structures profondes d'une culture, que l'on pourra saisir les attitudes, les expressions, la vision du monde, le sens des mots, les actions et les non-actions des personnes socialisées dans cette culture. Certaines théories simplistes laissent croire qu'après s'être investi quelques minutes dans la lecture d'un court paragraphe et avoir comparé quelques chiffres, on est en mesure d'appréhender une culture différente, ce qui amène les lecteurs à s'endormir dans un faux sentiment de certitude. Mais faire siennes de mauvaises théories est beaucoup plus dangereux que d'être conscient de ses propres limites en matière de connaissance, car lorsqu'on sait qu'il y a beaucoup de choses que l'on ne comprend pas, on est plus alerte, vigilant, attentif, et par conséquent on peut mieux percevoir, observer et comprendre les problèmes, les phénomènes et les différences culturelles que l'on n'aurait même ni remarqués ni compris autrement. Donc, nous pouvons dire que des théories simples mais fausses peuvent être contre-productives parce qu'elles peuvent rendre aveugle face aux réalités. Savoir qu'il y a beaucoup de choses que l'on ne comprend pas encore, est déjà un progrès. Au cours de la recherche, il est ainsi devenu évident que les théories bien structurées et séduisantes de Hofstede (2001 ; Hofstede et al., 2010) et d'autres auteurs étaient peu utiles pour comprendre la culture mexicaine. Et au sortir de ce projet de recherche nous nous demandons parfois si les analyses et descriptions de la culture mexicaine (latino-américaine plus généralement) les plus pertinentes ne se trouvaient pas chez les lauréats du prix Nobel qui sont Octavio Paz et Gabriel García Márquez. Certes, eux n'offrent pas de théories clairement structurées, mais des œuvres de fiction ; elles n'en sont pas moins des descriptions autrement plus pénétrantes des réalités observables que de nombreuses théories « scientifiques ».

Tout en écrivant notre thèse et en livrant les résultats de la recherche, nous avons essayé de faire précisément cela : trouver des images afin de décrire la culture mexicaine et les interactions entre les employés mexicains et les managers étrangers de manière vivante dans le but de « faire voir » parce que nous croyons que c'est seulement quand on peut imaginer quelque chose qu'on peut vraiment le comprendre.

Les théories des conflits

La recherche sur les conflits au sein des EMN (entreprises multinationales) étrangères a souvent été entravée par les concepts plutôt rationalistes, en présupposant que la plupart du temps les êtres humains agissent de façon « rationaliste ». L'énorme importance des causes identitaires des conflits (par exemple la quête des individus et des groupes pour être reconnu socialement et défendre, protéger leur identité vis-à-vis des catégories dominantes) et les risques de malentendus lorsque la diversité et les différences culturelles sont grandes, n'ont pas toujours été pleinement compris. Et comme le nationalisme et la religiosité sont de plus en plus en vogue en raison de l'incertitude croissante générée par les crises et du chaos total dans de nombreuses régions du monde, de plus en plus d'individus et de groupes commencent à reconstruire leur identité désorientée et inquiète sur des bases nationalistes et/ou sur les religions. Comme ces identités ne sont ni ouvertes, ni négociables, ni libérales, mais complètement clôturées et délimitées, nous devons nous attendre à une augmentation probable de conflits identitaires au sein de la société, tout particulièrement dans les entreprises multinationales où se côtoient des gens de pays, religions et cultures différents.

Un autre facteur que la recherche se doit de prendre en compte est que si les salaires (et autres biens matériels) sont aisément négociables et distribuables, c'est-à-dire que les conflits matériels peuvent être résolus ou du moins atténués par la compromission et la conclusion d'accords, en revanche, les conflits d'identité ne peuvent être résolus de cette façon, car ils revendiquent souvent de détenir « la vérité absolue et universelle » et n'acceptent généralement pas de point de vue, d'interprétation ou de style de vie différents.

Perspective micro-sociologique et prise en compte de l'acteur individuel

Cette étude met l'accent sur le niveau « micro » afin d'examiner si les actions des individus, dans ce cas les élites gestionnaires, peuvent avoir des impacts significatifs et susciter des changements. En outre, elle examine dans quelle mesure les entreprises multinationales et leurs dirigeants influent sur la société mexicaine non seulement sur le plan micro, mais aussi au niveau macro.

En conséquence, les questions de recherche sont les suivantes : Peut-on considérer que les managers jouent un rôle déterminant car ils agissent non seulement en fonction des règles et des objectifs de l'organisation qu'ils dirigent, mais aussi eu égard à leurs propres valeurs et orientations personnelles ? D'un point de vue plus général et abstrait, les leaders sont-ils vraiment importants ? Et le cas échéant à travers quels aspects, circonstances et situations principalement ?

Des recherches approfondies ont été menées sur la question de savoir si les managers comptent vraiment en matière de performance économique de l'entreprise qu'ils dirigent (Barker et Mueller, 2002, Chatterjee et Hambrick, 2007, Halebian et Finkelstein, 1993, Jaw et Lin, 2009, Lewin et Stephens, 1994, Papadakis et Barwise, 2002, Rajagopalan et Datta, 1996).

Mais quid de la performance sociale voire écologique de l'organisation ? Moins d'études ont abordé cette question tout aussi importante : (Campbell, 2007, Chen et Delmas, 2011, Duarte, 2010, Hemingway, 2005, Klossner, 2014, Manner, 2010). Plusieurs (Carruthers, 2007, Grineski et Juárez-Carrillo, 2012, Rohy, 2003, Weiner, 2002) ont conclu que l'impact social et environnemental d'entreprises structurellement similaires pouvait être significativement différent. Bien que les multinationales puissent relever du même pays d'origine, qu'elles soient de taille similaire, relèvent de la même industrie et elles produisent pour le même marché, leur impact social et écologique sur la société mexicaine peut s'avérer fondamentalement différent.

Cette étude vise à rendre compte de ces différences et de leurs causes profondes en essayant de voir dans quelle mesure elles sont dues (au moins en partie) aux valeurs respectives des managers au sommet en charge de ces entreprises.

Les centrales électriques de Sempra Energy Group et Inter-Gen, appartenant à Shell et à la Bechtel Corporation (Rohy, 2003 : 160-161, Weiner, 2002) en constituent un bon exemple. Les deux produisent pour le marché californien ; leurs usines sont situées au Mexique près de la frontière américaine ; elles ont été construites à un moment similaire. Mais alors que l'usine de Sempra s'est volontairement engagée à respecter les normes de pollution californiennes plus strictes, l'usine d'InterGen ne respecte que la réglementation mexicaine beaucoup moins sévère en matière de protection de l'environnement.

Au cours d'une interview, on a demandé à Don Felsing, le président de Sempra Energy Group Enterprises, pourquoi ils se conformaient aux plus rigoureuses normes californiennes de prévention de la pollution bien qu'ils n'aient pas été forcés de le faire puisque l'usine est située au Mexique. Il a répondu à cette question : « Nous avons pensé que c'était une bonne affaire et que cela avait un sens environnemental » (Weiner, 2002).

L'idée que le respect des normes californiennes plus strictes en matière de pollution puisse avoir un sens environnemental semble être une raison et une motivation de la décision de Sempras de réduire davantage la pollution, même si cela entraîne des coûts légèrement plus élevés. En revanche, InterGen concède ouvertement que l'usine ne répond pas aux normes de pollution de la Californie et ne serait pas autorisée au-delà de la frontière (Weiner, 2002).

Pourquoi ces deux entreprises multinationales similaires ont-elles pris des décisions différentes concernant leurs normes de protection de l'environnement ?

Une hypothèse est que certaines des causes profondes qui expliquent les différentes décisions et impacts d'entreprises structurellement similaires peuvent être trouvées au niveau micro : dans les différentes orientations de valeur, buts personnels, mentalités, attitudes, styles de gestion et habitudes des élites entrepreneuriales, des cadres supérieurs. En d'autres termes, en raison de leur socialisation et des valeurs qu'ils intègrent, certains managers peuvent se préoccuper davantage de la performance sociale et environnementale que d'autres et agir en conséquence, conduisant à des résultats et impacts différents sur l'environnement social et écologique. Afin d'explorer ces différences, nous avons mené des interviews qualitatives approfondies avec les managers, leurs employés et leurs familles au Mexique.

Sur les théories relatives aux élites

Selon Camp, « les dirigeants [élites] sont fréquemment responsables de changements importants dans l'opinion publique, changements qui ont des conséquences remarquables pour réorienter la société dans de nombreux domaines politiques [. . .]. Pour avoir une influence significative sur la société et sur le comportement de l'Etat, les normes doivent prendre racine au sein la communauté des élites ». (Camp, 2002, notre traduction)..

Les élites jouent souvent le rôle de modèles et de transmettrices de valeurs, de normes, d'attitudes mais encore de pratiques dominantes de distinction sociale. De plus, les décisions prises par les élites peuvent aller bien au-delà de leur propre existence. Elles peuvent avoir un impact sur le développement d'organisations entières qui sont évidemment cruciales pour la vie des employés de l'organisation ainsi que pour leur famille et leur communauté. Certains chercheurs soutiennent même que les élites peuvent influencer le développement d'une société dans son ensemble (Hertz et Imber, 1995 : viii).

La recherche sur les élites est pertinente pour plusieurs sous-disciplines et domaines de recherche. Par exemple, la recherche sur les élites entrepreneuriales peut être digne d'intérêt pour les études organisationnelles, selon Hambric *et al.* (2007). Les élites d'affaires influencent le développement, la performance et la culture des organisations pour lesquelles

elles travaillent. Par conséquent, pour comprendre les organisations, il faut étudier non seulement les structures et leur environnement, mais aussi les dirigeants les plus puissants et les plus influents, dont les décisions, valeurs, pratiques de distinction et attitudes influencent l'organisation dans son ensemble. Dans l'une de leurs études récemment publiées, Cannella, Finkelstein et Hambrick résument leur hypothèse centrale et définissent ce qu'ils considèrent comme la véritable élite entrepreneuriale :

« Le principe de base est que pour comprendre pourquoi les organisations font ce qu'elles font ou font comme elles le font, nous devons comprendre profondément les personnes au sommet, [les élites], leurs expériences, leurs capacités, leurs valeurs, leurs liens sociaux, leurs aspirations et autres caractéristiques humaines. Les actions ou les inactions, d'un nombre relativement restreint de personnes-clés au sommet d'une organisation peuvent affecter considérablement les résultats organisationnels. La portée du leadership stratégique comprend les cadres individuels, en particulier les directeurs généraux (PDG), les groupes de cadres supérieurs (équipes dirigeantes ou TMT) [Top Management Teams]; et les organes directeurs (en particulier les conseils d'administration) » (Cannella et al., 2008).

Bien que l'importance d'étudier les élites soit claire, relativement peu de recherches ont été menées à ce jour. En fait, beaucoup plus ont été réalisées sur les pauvres et les sans-grades que sur les riches et les puissants (Hertz et Imber, 1995 : viii).

L'une des raisons est peut être qu'il faut beaucoup de temps pour avoir accès aux élites et pour mener des interviews approfondies avec elles, car celles-ci vivent et travaillent habituellement dans des lieux et des milieux hermétiquement clos et se méfient des étrangers. Elles peuvent estimer qu'il est potentiellement dangereux de donner des informations sensibles et de parler ouvertement de leurs expériences personnelles, de leur socialisation, de leurs attitudes et de leurs opinions. Et tandis que les élites politiques, judiciaires et scientifiques sont un peu plus accessibles, plusieurs chercheurs ont rapporté que dans la plupart des pays, l'élite des affaires est la plus fermée et la plus difficile d'accès (Hertz et Imber, 1995). Une autre difficulté est qu'il n'est pas facile d'offrir des raisons convaincantes pour motiver l'élite à participer à une étude. Bien que l'offre de petites sommes d'argent puisse être un moyen plutôt efficace de motiver d'autres groupes de personnes plus pauvres à participer à une étude, ce genre d'incitation ne fonctionne évidemment pas avec les élites. Par conséquent, l'élite entrepreneuriale est l'une des élites les moins étudiées jusqu'à présent.

Plusieurs termes différents sont utilisés dans la littérature académique pour aborder l'élite des affaires. Les termes « élite des affaires », « élite économique », « élite ma-

nagériale », « top-executives » et « business elite » en anglais, « Wirtschaftselite » en allemand et « élite empresarial » ainsi que « altos-directivos » en espagnol désignent habituellement le même groupe de personnes et peuvent être utilisés comme synonymes.

Beaucoup de théories sur les élites différentes existent. Deux des principaux courants théoriques et conceptuels de la sociologie des élites sont les théories des élites du pouvoir (due principalement à C. Wright Mills, 2000) et les élites de la performance / fonctionnelles (entre autres influencées par Suzanne Keller, 1963 qui parle d'élites stratégiques).

La théorie de l'élite du pouvoir

Les théoriciens de l'élite du pouvoir définissent les élites comme les individus les plus puissants dans un domaine social. Par exemple, dans celui de l'économie, les PDG et autres dirigeants ou propriétaires des plus grandes entreprises sont définis comme l'élite économique ou l'élite commerciale. Dans le domaine politique, les politiciens les plus puissants et les plus influents sont définis comme l'élite politique. Dans le domaine de la science, les scientifiques les plus influents et les plus puissants sont définis comme l'élite scientifique ou académique, etc. Les théoriciens de l'élite du pouvoir se concentrent souvent sur des questions telles que « Quelle est la puissance de l'élite économique et dans quelle mesure les élites économiques influencent-elles la politique et les élites politiques ? Dans quelle mesure les liens et les alliances entre les élites économiques, politiques, militaires, académiques et judiciaires sont-ils puissants et solides ? » (Domhof, 1990 ; Useem, 1986). L'une des faiblesses des théories des élites du pouvoir est qu'elles ne tiennent généralement pas compte des conflits, des pratiques de distinction et des différends au sein même des élites. Dans leurs théories, les élites semblent toujours constituer un groupe homogène, fermé, extrêmement puissant et solide comme un roc. En général, elles n'étudient pas les membres individuels de l'élite avec leurs objectifs personnels, leurs motivations, leur vanité, leurs envies de reconnaissance, leurs inadéquations, leurs conflits, leurs problèmes et leurs rivalités avec d'autres membres d'élite ou d'autres groupes d'élite. De plus, elles ne considèrent pas la culture comme une variable potentiellement indépendante. En outre, elles attendent trop souvent des élites qu'elles agissent d'une manière purement « rationnelle » et calculatrice, ce qui n'est pourtant pas toujours le cas. Les élites peuvent agir aussi irrationnellement et émotionnellement que d'autres personnes (Kahneman, 2012). Il est clair que les dynamiques culturelles ont souvent une cause économique (ou socio-économique) qu'il faut prendre en compte, mais les perspectives des sciences sociales seraient trop limitées si la culture n'était considérée que comme une variable dépendante de l'évolution économique. La culture est plus qu'un attachement, une

annexe ou un complément à la « base socio-économique ». Les développements culturels peuvent influencer l'évolution dans d'autres domaines de la société. C'est pourquoi ils ne peuvent pas être entièrement déduits des développements économiques.

Les théoriciens de l'élite du pouvoir supposent généralement que la plupart des membres d'élite ont accédé à des postes d'élite (par exemple, sont devenus les PDG des plus grandes entreprises) parce qu'ils ont été socialisés dans les milieux supérieurs de la société dont ils sont issus et où ils ont développé leur habitus.

Les théoriciens de l'élite du pouvoir soutiennent que les élites ont tendance à promouvoir et employer des candidats ayant une formation d'habitus similaire à la leur (Domhof, 1990, Hartmann, 2002, Mills, 2000). Sur la base de cette hypothèse, les théoriciens de l'élite du pouvoir identifient des cercles fermés de reproduction des élites sur plusieurs générations. Les positions d'élite se transmettent des membres de la classe supérieure à la génération suivante de la même classe non pas parce que la progéniture de la classe supérieure est plus apte et habile à faire le travail ou parce qu'ils travaillent plus dur que la même génération au sein des classes moyennes ou inférieures, mais parce que la progéniture de la classe supérieure dispose du même habitus et des mêmes pratiques de distinction que les élites actuelles qui décident qui seront leurs successeurs. Les formations d'habitus similaires sont censées faciliter la communication et le développement de relations de confiance, étant donné que les mêmes symboles sont utilisés et que les actions sont interprétées de la même manière ou d'une manière similaire. Les élites veulent que leurs successeurs soient comme elles-mêmes parce qu'elles se considèrent comme les meilleures personnes pour faire le travail. Les théoriciens de l'élite ne croient guère à la méritocratie. Ils comparent souvent le système de reproduction de l'élite aux systèmes de parenté et à l'héritage (Domhof, 2009).

Les termes élite économique et classe capitaliste sont souvent utilisés comme des synonymes. Par exemple, le sociologue Gilbert utilise une définition typique de l'élite du pouvoir pour ses enquêtes sur la structure de la classe américaine :

« Les membres de la petite classe capitaliste au sommet de la hiérarchie ont une influence sur l'économie et la société bien au-delà de leur nombre. Ils prennent des décisions d'investissement qui ouvrent ou ferment des opportunités d'emploi pour des millions d'autres. Ils apportent de l'argent aux partis politiques et possèdent souvent des entreprises médiatiques qui leur permettent d'influencer la pensée des autres classes. [. . .] La classe capitaliste s'efforce de se perpétuer : les biens, les modes de vie, les valeurs et les réseaux sociaux [...] passent tous d'une génération à l'autre. » (Gilbert, 2010 : 286).

La théorie de l'élite fonctionnelle

Il est intéressant de noter que la plupart des théoriciens de l'élite du pouvoir et des élites fonctionnelles sont d'accord pour dire qui sont les membres de l'élite, mais ils ne le sont pas au sujet de la façon dont ils y sont arrivés et pourquoi. Les théoriciens de l'élite du pouvoir supposent qu'ils sont devenus des élites principalement en raison de leur origine sociale de classe supérieure. En revanche, les théoriciens de l'élite fonctionnelle supposent que la plupart des membres de l'élite sont devenus des élites parce qu'ils sont les individus les plus qualifiés et les plus travailleurs. Ils ont été choisis pour devenir des élites parce que personne ne saurait exécuter le travail mieux qu'eux. Les théoriciens de l'élite fonctionnelles soutiennent que dans les sociétés complexes et modernes, il est nécessaire que les personnes les plus compétentes assument les puissantes positions de l'élite afin de maintenir le fonctionnement du système. Faire autrement signifierait le déclin de toute la société. Et ce n'est pas seulement le cas au niveau macro, relatif à la société dans son ensemble, mais aussi au niveau des organisations et des individus : une organisation moderne gérée par des personnes non qualifiées s'effondrera tôt ou tard. Dans un système de concurrence et de marché libre, une entreprise qui n'accorde pas les emplois très qualifiés aux meilleurs candidats aura un désavantage lorsqu'elle sera en concurrence avec des entreprises qui donnent effectivement des emplois d'élite aux candidats les plus performants. La concurrence oblige les entreprises à agir de manière méritocratique et à offrir les emplois les plus puissants aux employés les plus performants.

Les entreprises qui n'adopteront pas ce principe méritocratique devront faire face à des inconvénients et se verront condamnées soit à adopter ce principe, soit à faire faillite et à cesser leurs activités. Bien que ces arguments soient convaincants, les théories de l'élite fonctionnelle n'ont pas pu prouver empiriquement que les détenteurs actuels des postes d'élite étaient vraiment les individus les plus performants et les mieux préparés à effectuer le travail. Comment la performance des élites peut-elle être mesurée et comparée à la performance d'autres personnes ayant postulé pour le même travail mais qui n'ont pas été sélectionnées pour devenir des élites ? Comment peut-on vérifier que les élites d'une entreprise sont vraiment plus qualifiées et compétentes que les candidats ayant postulé pour le même poste mais qui ont été rejetés ?

Les hauts dirigeants prennent-ils réellement des décisions stratégiques mieux adaptées à la future performance de l'entreprise que les décisions prises par les cadres intermédiaires ou les travailleurs de base ? On n'a pas encore vraiment répondu à cette question. Ici, les tenants d'une approche en termes d'élites fonctionnelles ont un déficit de recherche empirique. Un autre problème des théories d'élite de la performance est qu'elles sont aveugles

quand il s'agit de relations de pouvoir et de luttes. Elles ne tiennent pas compte du fait que le but principal des détenteurs actuels de positions d'élite peut être d'augmenter leur pouvoir personnel et leur salaire au lieu de faire ce qui est le mieux pour l'entreprise. Par conséquent, les élites peuvent employer des individus qui ne sont pas très qualifiés, mais qui leur sont fidèles. Un employé loyal et dépendant peut contribuer à augmenter le pouvoir de l'élite, tandis qu'un employé hautement qualifié et indépendant peut constituer une menace. L'employé hautement qualifié et indépendant est en mesure de critiquer l'élite, de montrer en quoi une décision incorrecte ou inefficace a été prise, et finalement apparaître comme un rival. En outre, il est difficile de nier qu'il existe des coteries (par exemple les « Old Boys Clubs » et leurs réseaux) qui aident certains candidats à occuper des postes d'élite, et empêchent les autres (ceux qui ne sont pas membres du réseau) d'obtenir ces postes.

En outre, de nombreuses études ont montré qu'il existe effectivement un effet de regroupement (Feld et Grofman, 2009, Makela et al., 2007 ; McPherson et al., 2001) : les dirigeants préférant interagir, communiquer, partager des connaissances et travailler avec des personnes qui leur sont semblables : qui ont été élevées dans une culture similaire et ont donc intériorisé des valeurs et des attitudes semblables.

De plus, le simple fait qu'ils utilisent le même genre de langue, les mêmes symboles de communication non verbale (par exemple des gestes ou des expressions faciales) et attachent le même sens et les mêmes interprétations à ces symboles, rend la communication plus facile et plus fluide. Le risque de mauvaise communication est réduit car ils pensent et expriment leurs pensées de manière très similaire.

Et ils se rejoignent même dans leur rejet des autres groupes car ils partagent les mêmes pratiques de distinction. A vrai dire, cet effet de regroupement (« clustering-effect, homophily ») peut être observé dans de nombreuses classes et milieux sociaux et englobe aussi les milieux d'élite (Neville, 2015). Et puis, bien sûr, les marchés parfaits avec une concurrence totalement ouverte n'existent guère que sur le plan théorique.

Les renforcements par les États et toute une série de faveurs supplémentaires permettent aux élites commerciales insuffisamment performantes de conserver leur poste (ou de rester dans le business). Quand elles ruinent une entreprise en raison de leur mauvaise gestion, elles peuvent compter sur l'État pour payer leur dette et pour sauver l'entreprise, car celle-ci est considérée comme trop grosse pour échouer. De plus, il n'est possible d'évaluer la véritable performance à long terme des élites d'affaires qu'après plusieurs années. Ont-elles pris les meilleures décisions stratégiques pendant qu'elles dirigeaient l'entreprise ? On ne saurait répondre à ce genre de question qu'après que leurs décisions aient résisté

à l'épreuve du temps. Il est facile de réduire les coûts et d'augmenter les profits à court terme en réduisant les dépenses pour la recherche et le développement, mais est-ce la meilleure décision durable pour le succès à long terme de l'entreprise ?

Connecter et intégrer les deux traditions théoriques

Nous partons de l'hypothèse qu'il y a une part de vérité dans chacune de ces traditions théoriques relatives aux élites. Les théoriciens de l'élite du pouvoir ont probablement raison quand ils soutiennent qu'au lieu de faire ce qui est bon pour la société dans son ensemble ou pour une organisation en particulier, le principal objectif poursuivi par la plupart des élites est d'accroître leur pouvoir personnel. Les élites peuvent préférer promouvoir des employés fidèles et choisir des successeurs qui leur ressemblent. Les études quantitatives de Hartmann (2002) ont montré que la plupart des membres des élites d'affaires provenaient de familles de la classe supérieure. Hartmann a comparé l'origine sociale et la carrière professionnelle de plus de 5.000 docteurs en économie, en droit et en ingénierie. Le résultat démontre clairement que les docteurs (PhD) issus de la classe supérieure réussissent bien mieux à obtenir une position de direction dans les affaires et l'économie, la politique, les sciences et le système judiciaire que les docteurs issus de familles des classes moyenne et populaire (Hartmann, 2002).

Mais ce qui manque à la perspective de Hartmann, est de prendre en compte que ce qui rend un candidat particulièrement apte à œuvrer comme membre de l'élite managériale n'est pas seulement son éducation universitaire. Pour devenir un excellent cadre supérieur, il faut beaucoup plus qu'un simple doctorat en économie, en droit ou en ingénierie. Hartmann n'a pas comparé d'autres compétences des candidats. Il a seulement pris en considération les titres éducatifs formels, en laissant de côté d'autres compétences tout aussi importantes, comme la confiance en soi, la créativité, l'éloquence et la capacité de communiquer, de motiver efficacement les employés. Le fait d'avoir obtenu un doctorat ne signifie pas automatiquement que quelqu'un fera un excellent « top manager ».

Bien qu'il y ait certainement une part de vérité dans l'étude de Hartmann, il est également vrai que les entreprises (ainsi que les gouvernements, les universités et les autres organisations) s'en sortent bien mieux lorsque les employés hautement qualifiés occupent les postes importants et prennent les décisions stratégiques. Il est rare que les élites soient complètement non qualifiées. Elles peuvent ne pas être les meilleures, mais elles bénéficient d'une sorte de préparation. En effet, la socialisation et la formation que les élites ont reçues lorsqu'elles ont grandi dans les milieux de classe supérieure peuvent les aider plus tard dans leur vie à bien faire leur travail : elles se sentent à l'aise dans les milieux de la haute société, comprennent les attentes, les préférences et même les

codes vestimentaires. Elles savent interagir facilement avec d'autres élites qui ont aussi un « background » de classe supérieure, comme elles l'ont observé et pratiqué depuis l'enfance en voyant comment leurs pères agissaient avec leurs collègues et amis.

Ces compétences, habitudes et connaissances peuvent se traduire par une meilleure performance au sein de l'entreprise. Par conséquent, il peut être logique, même d'un point de vue commercial, d'embaucher des candidats ayant ce genre d'expérience, même s'ils ne sont pas les plus qualifiés.

Nous définissons les élites comme les personnes les plus puissantes dans un domaine social, mais nous laissons ouverte la question de savoir si elles ont réussi à devenir des élites en raison de leurs performances personnelles et de leurs compétences ou eu égard à leur origine sociale ou tout autre raison. Probablement différents facteurs jouent-ils un rôle. Le système de reproduction de l'élite n'est ni un club complètement fermé de membres de la classe supérieure ni un système complètement ouvert et méritocratique. Le degré d'ouverture dépend aussi du domaine social. Par exemple, Hartmann a montré que si l'élite des affaires allemandes est un club fermé, de sexe masculin et de classe supérieure, les élites politiques et scientifiques allemandes sont relativement ouvertes. De nombreux politiciens et professeurs de grandes institutions de recherche sont issus de familles de la classe moyenne. L'ouverture varie également d'un pays à l'autre. Selon Hartmann, les élites en Finlande, en Suède, en Norvège et au Danemark ont des origines sociales relativement hétérogènes. Dans ces pays, il est plus fréquent que les membres de la classe moyenne réussissent à intégrer le monde des élites. En revanche, l'élite des affaires allemande, française et américaine reste un club relativement fermé, masculin, de classe supérieure, difficilement accessible aux candidats des classes moyennes et subalternes (Hartmann, 2007).

Sur l'identification des élites

Si l'on définit les élites comme les individus les plus puissants et les plus influents dans au moins un domaine (par exemple la politique, les affaires, la science, le droit, les arts, etc.), une manière de les identifier consiste à prendre en considération celles et ceux qui occupent les positions officielles au sommet (Harvey, 2011 : 433). Cependant un problème pouvant classiquement surgir avec les approches positionnelles est que le pouvoir formel et officiel ne correspond pas nécessairement au pouvoir réel en pratique. Les personnes les plus puissantes formellement et *de jure* ne sont pas forcément les individus les plus puissants *de facto*. Dans certains cas, deux groupes d'élites peuvent exister : les élites en apparence et les élites tirant les ficelles en coulisses.

Les « maîtres de marionnettes » ne détenant aucun titre officiel et ne semblant pas même attachés à une certaine entreprise, peuvent se révéler plus puissants que le patron de ladite entreprise. Ces élites de l'ombre sont très difficiles à identifier car elles n'agissent pas publiquement et n'apparaissent habituellement dans aucun des annuaires de la compagnie. Néanmoins, elles peuvent exercer un pouvoir considérable. Les décisions et comportements du directeur et de ses cadres ne peuvent pas être compris entièrement sans tenir compte des intérêts, des intentions et de l'influence d'éventuelles élites agissant en coulisses. D'après Harvey :

« Dans bien des cas, ce ne sont pas nécessairement les figures de proue ou les dirigeants d'organisations et d'institutions qui revendiquent le statut d'élite, mais ceux qui détiennent d'importants réseaux sociaux, un capital social et des positions stratégiques au sein des structures sociales. » Harvey, 2011 : 433).

Ce problème d'identification des véritables élites ne peut être résolu qu'en explorant profondément l'organisation et surtout son environnement. Il faut une observation attentive, des enquêtes approfondies et des méthodes de détective pour découvrir comment fonctionne réellement une organisation, quels réseaux existent, quels objectifs ils poursuivent, comment ils exercent le pouvoir et qui sont ceux qui ont le dernier mot.

Mikecz en donne un exemple dans son étude sur les élites en Estonie. Les individus qu'il a définis comme élites ont personnellement influencé les décisions qui ont affecté la vie et le bien-être de toute la population du pays (Mikecz, 2012 : 485). Les personnes qu'il a interrogées étaient soit des décideurs clés soit avaient eu une influence majeure sur les choix politiques ou étaient les témoins directs de la prise de décision dans les premières années de la transition économique de l'Estonie à la fin des années 1980 et au début des années 90 (Mikecz, 2012 : 485). D'après Mikecz :

« Ce qui distingue les élites des non-élites, ce ne sont pas les titres officiels et les positions de pouvoir, mais la capacité d'exercer une influence à travers les réseaux sociaux, le capital social et la position stratégique au sein des structures sociales (Harvey, 2011). Les élites sont également « regroupées dans différentes parties du réseau sociétal ; ainsi, dans un contexte donné, il peut y avoir plus d'une élite (Woods, 1998, p. 2105) » (Mikecz, 2012 : 485).

Élites mexicaines

Alors que bien des recherches ont été menées sur les élites aux États-Unis et en Europe, les élites mexicaines demeurent largement sous-étudiées. Seules quelques travaux approfondis ont été publiés à ce jour et plutôt par des chercheurs étrangers. Les rares études approfondies sur les élites au Mexique ont été publiées par Roderic A. Camp (2011, 2002,

1980), Carlos Alba Vega (Alba Vega, 2001, 2010, 2006, 2003) et Nutini (Nutini, 2010). D'autres ont été menées par Tirado (Puga et Tirado, 1992 ; Tirado, 1987) et Bervera (2004). L'approche la plus complète sur les élites mexicaines a été menée par Camp sans aucun doute. Depuis plus de 30 ans, il a recueilli des données biographiques sur chaque personne qu'il considère comme faisant partie de l'élite mexicaine (Camp, 2011). Il a identifié 398 personnalités :hommes politiques, hauts gradés de l'armée, membres du clergé, des intellectuels et membres de l'élite économique de 1970 à 2000 (Camp, 2002 : 7). Il a étudié les élites en profondeur à partir de comptes rendus biographiques, de correspondances et d'interviews personnelles (Camp, 2002 : 7). En utilisant cette méthodologie, Camp a été en mesure de préciser les clivages et les relations entre les différents groupes d'élites et de dépasser la pure spéculation. En outre, les entretiens et les mises à jour de l'information biographique lui donnent une vision assez précise des élites mexicaines. Selon Camp, comprendre celles-ci peut également aider à comprendre les élites dans d'autres contextes du tiers monde (Camp, 2002 : 3) car elles partagent de nombreuses caractéristiques. Cependant, il s'intéresse principalement aux élites politiques et ne prend pas en considération les nombreux expatriés pourtant à la tête des plus grandes entreprises en activité du pays. De plus, il n'a pas exploré notre sujet : soit la relation entre élites d'affaires mexicaines indigènes et élites d'autres pays dirigeant les filiales d'entreprises multinationales étrangères au Mexique.

L'environnement institutionnel des élites mexicaines

Par définition, les élites « sont plus puissantes et ont plus de possibilités que le grand public d'influencer sur le futur type de régime d'un pays » (Camp, 2002 : 4).

Mais le degré de pouvoir varie selon l'environnement institutionnel et culturel dans lequel agissent les élites. Dans les pays profondément démocratiques qui ont des institutions fortes (branches législatives et judiciaires indépendantes, médias libres, société civile active, et surtout un public alerte, vigilant qui scrute et contrôle les élites) ainsi qu'une culture marquée par une moindre distance de la part des gens de pouvoir (low power-distance), les élites sont plus restreintes et contrôlées dans leurs actions ; elles ont moins de marge de manoeuvre que dans les pays faiblement institutionnalisés avec un fort niveau de corruption et une culture autoritaire se caractérisant par beaucoup distance de la part des détenteurs du pouvoir (high power-distance). Dans ce cas, les populations sont habituées à accepter tout ce que les élites font sans réagir ni oser les critiquer. Elles acceptent les mauvaises actions des élites, ne se sentant pas assez puissantes pour les éliminer ou ne sont peut-être même pas conscientes de la possibilité que la société puisse en aller différemment. Au lieu de cela, elles acceptent comme allant de soi le fait que les

élites se servent elles-mêmes, leurs familles et leurs amis au lieu de servir la société. Elles ne peuvent imaginer que les élites puissent oeuvrersans abuser de leur pouvoir, en exerçant la corruption et en volant l'argent des contribuables.

Dans le premier cas, les élites doivent peu ou prou suivre les règles de la société, comme le reste de la population, ce qui limite évidemment leurs possibilités d'abuser du pouvoir et de faire ce qu'elles veulent. Par exemple, elles ne peuvent pas violer la loi sans craindre d'être punies par le pouvoir judiciaire indépendant et il est difficile pour elles de gouverner contre la volonté et la résistance du pouvoir législatif, des organisations de la société civile, de la presse libre et des autres partis qui, dans un système compétitif et véritablement démocratique, vaincront le parti au pouvoir si la majorité des gens ne sont pas contents du gouvernement.

Dans le deuxième cas, les élites peuvent se permettre tout ce qu'elles veulent, tout ce qui serait impensable ou très difficile dans le premier type de contexte. Elles peuvent ignorer la loi, corrompre des juges, tuer des journalistes, réprimer ou ignorer la société civile, voler de grandes quantités d'argent et installer des monopoles de pouvoir sans redouter de sérieuses conséquences. Dans ces conditions, la société civile et la population en général ont démissionné et se sont repliées dans le privé ou tentent d'obtenir leur part de pouvoir et d'argent en participant à un système clientéliste dans lequel elles vendent leur loyauté à un groupe d'élites et à leur pouvoir respectif (espérant recevoir un emploi bien rémunéré dans la bureaucratie de l'Etat, de l'argent, de la nourriture, de la tôle ondulée pour les toitures de leurs maisons, etc.).

Bref, « Le leadership revêt une importance accrue dans les sociétés où les caractéristiques institutionnelles et organisationnelles sont faibles » (Camp, 2002 : 4). Le Mexique semble se situer quelque part entre ces deux extrêmes. Les institutions du pays sont évidemment beaucoup moins développées que celles de la Suède, mais beaucoup plus que celles d'Haïti disons. On peut supposer que plus les institutions sont faibles et corruptrices, plus les élites sont puissantes. *Transparency International* place le Mexique à propos de son indice de perception de la corruption à la 103^{ème} place sur 174 (*Transparency International*, 2014). Selon Camp : « Le Mexique dispose d'institutions importantes, comme la présidence, mais la plupart des observateurs caractérisent son développement institutionnel comme étant clairsemé et sa structure décisionnelle fortement tributaire de liens informels, centralisés entre les mains de quelques individus. [. . .] La question de savoir dans quelle mesure les agents informels ont un plus grand impact que les conditions institutionnelles et structurelles est ce qu'il convient d'étudier. [. . .] Le cadre institutionnel

général du Mexique [. . .] pourrait être décrit comme semi-autoritaire » (Camp, 2002 : 4-5, notre traduction).

Le Mexique a abandonné la dictature avec les élections libres en l'an 2000 à la suite desquelles le parti PRI a perdu son emprise sur le pouvoir après avoir gouverné le pays pendant plus de 70 ans. Mais le PRI a maintenu bon nombre de ses structures organisationnelles et, lors des élections présidentielles nationales contestées de 2012, il a retrouvé le pouvoir. Il existe une presse libre au Mexique (par ex. les journaux *La Jornada* et l'hebdomadaire *Proceso*), mais l'organisation « Journalistes sans frontières » classe le Mexique parmi les pays les plus dangereux au monde pour les journalistes, car beaucoup d'entre eux ont été intimidés ou tués (Journalistes sans frontières, 2015). Les cartels de la drogue ont renversé et ébranlé des pans entiers de l'Etat, du secteur économique et de la police, et pendant les années de guerre en Irak, plus de personnes ont été fusillées au Mexique qu'en Irak et en Afghanistan au total. Bien qu'une commission nationale des droits de l'homme ait été créée et qu'une réforme judiciaire ait été mise en œuvre, la plupart des observateurs notent que le pouvoir judiciaire mexicain est très corrompu et non indépendant, ce qui permet aux élites qui en ont les moyens de corrompre les juges et d'ignorer la loi. Un professeur de droit, avocat avec qui nous nous sommes entretenu a déclaré qu'« au Mexique, la prison est pour les pauvres, pas pour les criminels ». Il y a des mouvements de protestation sociale importants et actifs et d'autres formes d'activités de la société civile citoyenne, mais ils sont généralement ignorés par les partis au pouvoir ou réprimés ; et surtout dans les zones rurales, une grande partie de la population continue de participer au système clientéliste, échangeant sa loyauté et échangeant son vote contre un peu de tôle ondulée et de nourriture (Camp, 2013). Le Mexique possède certes un système politique pluraliste avec plusieurs partis (PRI, PAN, PRD, etc.), mais la fraude électorale est d'usage et manifeste, bloquant le développement d'un système politique réellement libre et compétitif (Weisbrot, 2012).

Ce sont là quelques-uns des aspects les plus importants de l'environnement institutionnel dans lequel les élites et les entreprises multinationales évoluent au Mexique.

Autopsie de l'élite mexicaine

D'après Camp : « Cinq groupes d'élites de pouvoir – les politiciens, les intellectuels, le clergé, les officiers militaires et les capitalistes – ont été les acteurs les plus influents au Mexique au cours des trois dernières décennies. Ce sont les groupes qui doivent être étudiés afin de comprendre les contributions de l'élite à la transformation de la société mexicaine et en tant que protagonistes essentiels s'agissant des orientations que prendra le Mexique au XXI^e siècle » (Camp, 2002 : 17 notre traduction).

Comme les institutions sont généralement faibles et que le Mexique privilégie le pouvoir personnel, on voit les décisions et les accords se prendre en tête-à-tête : « Une grande partie du fonctionnement réel de la prise de décision au sommet est informelle et sans trace, limitant ainsi l'accès des observateurs extérieurs » (Camp, 2002 : 12). Les élites mexicaines (et les autres) comptent davantage sur des relations personnelles de confiance que sur des contrats formels, la loi et les institutions :

« L'absence traditionnelle de règles établies, de systèmes de mérite et d'une culture du droit, conjuguée à l'effondrement de la stabilité politique tout juste avant 1920, a fait en sorte que l'on se fie aux liens personnels pour atteindre les objectifs de carrière et mettre en œuvre des ententes » (Camp, 2002 : 27).

Ces pratiques culturelles sont toujours d'actualité dans le Mexique contemporain. Les accords sont davantage conclus entre des hommes qu'entre organisations. Les organisations sont plutôt considérées comme des phénomènes abstraits et peu fiables. Par conséquent, les Mexicains font confiance aux relations personnelles pour atteindre leurs objectifs et leur modèle d'organisation préféré, qu'ils appliquent à la fois dans la vie privée et professionnelle, reste la famille. Cela rend la recherche plus difficile parce que les décisions ne sont guère prises lors de réunions officielles au sein des organisations, mais au cours de conversations informelles. Un autre problème est qu'il semble y avoir une grande différence entre les élites de façade et les vraies élites. Ceux qui peuvent officiellement occuper des postes de pouvoir ne sont peut-être pas ceux qui exercent réellement le pouvoir. Les élites mexicaines n'occupent habituellement que des positions officielles dans un seul domaine (par exemple la politique, celui des affaires, le système judiciaire, le clergé, le milieu universitaire, etc.) mais il existe de solides liens familiaux et d'amitié entre élites de différents secteurs. Ils ont un accès informel les uns aux autres et peuvent ainsi s'influencer mutuellement (Camp, 2002 : 12).

De plus, les fils des élites succèdent souvent à leurs pères, perpétuant une certaine domination dans un même domaine sociétal. Selon Camp, ces familles de l'élite sont des acteurs puissants qui influencent de manière significative le développement du Mexique (Camp, 2002 : 12).

Comme c'est le cas dans presque tous les pays de la planète, les dirigeants économiques sont des hommes, mais leurs femmes semblent parfois jouer un rôle assez puissant également. Il semble que plus d'un membre de l'élite masculine dépende émotionnellement de leurs épouses. Par conséquent, il est difficile de dire que le patriarcat règne sans partage au Mexique. Il est possible qu'une partie significative des élites masculines dans la plupart des domaines sociaux (politique, affaires, commerce de la drogue, etc.) soient

de simples hommes de paille derrière lesquels des femmes agissent et prennent les vraies décisions importantes.

Camp a cherché à savoir si une élite de pouvoir unifiée existe au Mexique et a conclu que la plupart des élites ne forment pas un groupe social complètement homogène. Au lieu de cela, coexistent de nombreux groupes. En outre, il existe des différences régionales. La différence entre les villes et la campagne est plutôt prononcée. De plus, il y a des luttes de pouvoir continues entre différents membres de l'élite et de fragiles alliances.

Réseaux familiaux des élites

Au sein de la culture mexicaine, la famille est omniprésente. Elle constitue une unité fondamentale pour la plupart des individus. Les emplois, l'information, divers services sont fréquemment obtenus via les réseaux familiaux. Les élites mexicaines et leurs pairs dans de nombreux pays du tiers monde comptent beaucoup sur la famille pour atteindre des objectifs professionnels et personnels (Camp, 2002 : 79).

« La raison de l'importance de la famille peut être due au fait que dans les sociétés où les conditions politiques et économiques sont imprévisibles, les réseaux familiaux sont d'autant plus stratégiques dans l'accomplissement de nombreuses fonctions, comme c'est le cas en Chine et au Moyen-Orient depuis des générations » (Camp, 2002 : 79).

La définition et les théories sur la distinction sociale

Cette thèse met en outre l'accent sur les pratiques de distinction. Celles-ci ne se limitent pas à porter des vêtements d'une marque particulière ou à conduire une voiture onéreuse. Le désir de vivre selon un certain style de vie, d'exercer un certain métier, de parler une certaine langue avec un certain accent, de vivre dans un quartier particulier, de développer et de maintenir certaines relations sociales (amitiés, mariages, etc.), de posséder des œuvres d'art, de participer à certains loisirs (par exemple, le yachting, le golf, etc.) et de faire partie de certains clubs, salons et sociétés est souvent basé sur une volonté de se distinguer d'autres personnes et groupes. Mais la distinction ne consiste pas seulement à se différencier et à créer une distance et des barrières entre soi-même et les autres individus et groupes sociaux. Elle est également motivée par le dessein d'appartenir à certains groupes sociaux. Les pratiques de distinction d'un individu montrent à quels groupes l'individu veut appartenir et de quels groupes il entend se distinguer. Les pratiques de distinction créent des sous-groupes à l'intérieur et à l'extérieur des groupes ; elles constituent – ou pour le moins renforcent – la construction sociale du « nous » et des « autres » et elles contribuent à la construction identitaire des individus et des groupes. Les pratiques de distinction et les pratiques d'affiliation de groupe sont les deux faces de la même médaille. L'une ne peut guère exister sans l'autre. Par exemple, certaines personnes tentent de se distinguer des personnes qu'elles considèrent comme « paresseuses » tout en affirmant qu'elles (et généralement leur propre famille et amis) sont « travailleuses ». Ou bien se plaignent-elles des « masses sans instruction » et se distinguent en mentionnant leur propre niveau d'éducation, leur intelligence et le nom prestigieux de leur Alma Mater, l'université où elles ont étudié. Ainsi, peut-on résumer que les pratiques de distinction sociale ne sont pensables et réalisables qu'en opposition

aux groupes dont vous ne relevez pas : Vous dites qui vous êtes, en disant qui vous n'êtes pas.

Alors que le sens originel du terme « distinction » est similaire à celui de « séparation » sans aucun jugement de valeur concernant la supériorité, l'infériorité ou la légitimité d'un mode de vie qui lui est attaché, il a lentement changé de signification au cours des siècles (Daloz, 2012 : 1). Aujourd'hui, la distinction est généralement comprise comme une « distinction sociale hiérarchique ». Les pratiques de distinction visent actuellement à démontrer que son propre style de vie est en quelque sorte supérieur à celui d'autres individus ou groupes. Les pratiques de distinction sont des expressions symboliques de la position sociale et de la supériorité. La distinction élitiste « se réfère au besoin des groupes dominants d'afficher des signes de supériorité qui signalent leur position sociale supérieure » (Daloz, 2012 : 5). Les luttes symboliques entre les groupes sociaux sur le mode de vie le plus supérieur et le plus légitime et sur la valeur et la signification des symboles se déroulent en permanence dans le monde entier – avec des différences régionales intéressantes, des effets de contagion interculturelle et des mélanges entre couches d'une même société et relevant parfois d'une même culture.

La recherche sur la distinction sociale a une longue histoire qui ne peut pas être retracée en détail ici. Parmi les avancées et les chercheurs de premier plan, mentionnons Veblen, qui a mené des études pionnières sur la consommation ostentatoire dans la classe supérieure américaine (Veblen, 2009). Veblen était le fils d'un immigrant norvégien et a grandi dans une modeste ferme isolée bâtie par ses parents. Par la suite, il a été envoyé au Carleton College puis à l'université de Yale. Certains critiques ont soutenu que la différence culturelle entre le lieu modeste et rural de son éducation et les lieux urbains et élitistes au cours de ces études l'a d'abord choqué mais lui a ensuite permis d'être beaucoup plus conscient des structures sociales et du style de vie admis dans ces universités et les milieux sociaux d'où provenaient les étudiants. Les luttes pour la distinction sociale, ouvertement et visiblement pratiquées, ont dû lui paraître étranges, embarrassantes, lui faisant penser à la nature du système sous-jacent et à son sens profond. Tandis que pour quelqu'un qui avait grandi dans le milieu de la classe supérieure américaine, les mêmes pratiques étaient considérées comme tout à fait normales, allant de soi, Veblen les a critiquées, les voyant comme extravagantes. Il s'est dit d'accord avec Marx sur la question éthique de la justice et de la distribution. Mais il y avait aussi des désaccords. Alors que Marx prédisait que le prolétariat se révolterait contre la classe dirigeante, Veblen prédisait que le prolétariat viserait à imiter et copier le style de vie de la classe dirigeante, en essayant d'être comme elle. Il comprenait fort bien le pouvoir per-

fide des symboles statutaires, leur côté attrayant et séducteur, pour croire que la classe ouvrière serait immunisée contre de telles tentations. Il a fait valoir que cette dernière était susceptible de travailler plus dur et de faire tout ce qu'elle pouvait pour obtenir les mêmes symboles de statut que la classe supérieure dans le contexte américain. Il a été l'un des premiers à détecter et à analyser l'effet de « ruissellement » (trickle-down) dans les pratiques de distinction sociale.

Cela dit, il faut aussi mentionner que Marx avait déjà une idée de ce qu'il appelait « Der Fetischcharakter der Ware » ce qui signifie que les gens ne perçoivent pas les biens, y compris les symboles de statut, comme ce qu'ils sont ou ce dont ils sont réellement faits, par exemple l'or comme un métal rare et les diamants comme une forme solide du carbone. Ils les perçoivent plutôt comme une chose « divine », qui possède des effets spéciaux, qui augmente la valeur, la position et le pouvoir du détenteur du symbole de statut et de sa personnalité. Cet effet ne peut se produire que lorsque le symbole de statut est reconnu et vénéré par d'autres personnes qui renforcent alors vraiment la position et le pouvoir du propriétaire et du porteur, ce qui rend réel l'effet spécial d'apparence divine du symbole de statut. C'est un cas typique d'auto-prophétie : au moment où suffisamment de gens commencent à croire que le symbole du statut a des effets quasi-« divins » conférant la supériorité et plus de pouvoir à son propriétaire et porteur, l'effet devient vrai parce que les gens agissent selon la prophétie. Le moment où les gens commencent à être impressionnés par les symboles de statut et acceptent d'être gouvernés par leur détenteur est celui où les symboles de statut commencent vraiment à avoir un effet quasi religieux sur les gens qui y croient (c'est la fameuse thèse du fétichisme). Selon Veblen, ce qui motive les gens à pratiquer la distinction sociale, est souvent le désir d'impressionner, d'exhiber, de s'élever socialement, de répondre aux attentes vaguement et subjectivement perçues des autres, la vanité et la peur de la honte sociale, même si tout cela ne contribue pas à augmenter leur bonheur et leur bien-être. Ainsi, il interprète l'être humain comme agissant de façon très irrationnelle la plupart du temps, recherchant des symboles de statut et de reconnaissance sociale au lieu de son propre bonheur (Schipper, 2014).

Comme Veblen, Bourdieu a grandi loin des grandes cités, dans le petit village de Denain au sud de la France. Ce fils de postier et connu une ascension sociale fulgurante qui devait le conduire au Collège de France, l'un des plus prestigieux établissements d'enseignement supérieur et de recherche français (Fröhlich et Rehbein, 2014). Il ne s'est jamais senti complètement à l'aise dans ce milieu élitiste car son habitus (pour utiliser son propre vocabulaire) était fort différent de celui de ses collègues. Un séjour prolongé en

Algérie l'avait aussi profondément influencé car il s'est alors trouvé exposé à une culture complètement différente. Il s'aperçut plus tard qu'il ne s'intégrait « pas encore » dans le milieu social dans lequel il travaillait et « plus maintenant » dans celui dans lequel il avait grandi, parce qu'il avait été changé par ses études et ses expériences qui créaient un habitus se trouvant « entre les milieux ». C'est ce qui l'a motivé à s'intéresser au réseau complexe et étendu des pratiques de distinction présentes dans les milieux sociaux et les classes de la société française (Bourdieu, 1979). Parmi de nombreux autres intérêts de recherche, il s'est penché sur la signification des pratiques de distinction sociale, des batailles symboliques et autres luttes de au sein de la société française et sur les formes de violence et de répression utilisées ainsi que sur leur efficacité (Bourdieu, 2015 ; Bourdieu et Wacquant, 2004). Nous aurons recours entre autres aux cadres théoriques de Veblen et Bourdieu pour interpréter les logiques de distinction sociale au Mexique.

Pratiques de distinction intentionnelles et non intentionnelles

La question de savoir si les pratiques de distinction non intentionnelles sont aussi des pratiques de distinction est débattue et demeure très controversée. Selon J.P. Daloz, différencier les dimensions utilitariste et symbolique ou les motifs intentionnels et les motifs moins conscients de distinction sociale, n'est jamais une tâche facile (Daloz, 2013 : 6).

Prenons l'exemple d'un professeur d'université qui s'adresse à une personne peu instruite lors d'un cocktail. Il peut utiliser intentionnellement et consciemment de nombreux termes scientifiques inconnus de son interlocuteur pour se démarquer de lui, mais il peut aussi utiliser ces termes parce qu'il saurait difficilement s'exprimer autrement et qu'il suppose que son interlocuteur connaît un tant soit peu ces termes. Le professeur d'université s'entretient probablement la plupart du temps avec des scientifiques et n'est pas conscient du fait qu'en dehors de son milieu, les termes qu'il utilise ne sont pas largement connus et compris. Ces pratiques, intentionnelles ou non, créent une séparation, une distinction et une distance entre les individus participant à l'interaction sociale.

Une autre question abondamment étudiée par J.P. Daloz est de savoir si, dans la définition des pratiques de distinction, on peut inclure à la fois les pratiques ostentatoires et les pratiques non ostentatoires. Certains chercheurs définissent les pratiques de distinction comme étant essentiellement des pratiques ostentatoires, d'autres au contraire des signalisations très subtiles et discrètes. Dans cette thèse, nous tenterons de prendre en considération les différentes facettes possibles de la distinction.

Lorsque l'on effectue des recherches sur les pratiques de distinction, l'un des plus grands dangers est que le chercheur commence à interpréter quasiment tout sous l'angle de la

distinction.. Le problème est semblable à celui de certains marxistes qui ramènent tout type de conflit à la lutte des classes, même quand on en est très éloigné. Il s'agit aussi de prendre en compte ce qui fait sens ou non. Daloz prend l'exemple d'une couverture mexicaine qui peut être utilisée localement par telle personne d'un point de vue pratique ou pour des raisons symboliques (éventuellement liées à la distinction) quand elle se trouve accrochée au mur dans un salon aux États-Unis. Il montre par ailleurs qu'une accumulation de tapis ne doit pas automatiquement être comprise dans un sens baudrillardien comme un désir de souligner ce qu'on possède ou selon un mode bourdieusien comme visant à donner une impression de culture et de goût distingué. Il peut simplement s'agir de d'adoucir une surface dure, d'étouffer les bruits avec une intention plus ou moins consciente d'affecter les sens du toucher et de la vue. (Daloz, 2013 : 6).

On peut soutenir avec Daloz que « pratiques utilitaires » et « pratiques de distinction symbolique » peuvent être placées sur un continuum. Il est rare que les pratiques et les objets soient purement « utilitaires » ou du purs signes. Par exemple, l'acquisition et l'utilisation d'un smartphone haut de gamme et très coûteux a évidemment une dimension symbolique, mais on ne peut pas nier qu'il a aussi une dimension utilitaire, car il est utilisé pour passer des appels, lire et écrire des e-mails, organiser des réunions, enregistrer des interviews, planifier le meilleur itinéraire possible en utilisant le système de navigation GPS intégré pour conduire un véhicule, etc. Le smartphone est un objet à la fois pratique et symbolique. Le rapport entre les aspects utilitaires et symboliques dépend du type (et du prix) du smartphone et de son interprétation par l'utilisateur et son entourage.

Nous aurons également recours au cadre théorique, s'efforçant de dépasser Veblen et Bourdieu, offert par J.P. Daloz dans ses ouvrages théoriques sur la distinction.

0.2. Methodologie

Dans cette partie de la thèse, les méthodes appliquées pour explorer notre objet et répondre aux questions de recherche se trouvent exposées et discutées. L'objectif est de développer une perspective qui prenne en compte les raisons pour lesquelles les acteurs agissent comme ils le font : leurs motivations et finalités profondes, les malentendus, les rivalités et les conflits avec d'autres acteurs et le sens donné à leurs actions. En outre, il s'agit de montrer que différents acteurs peuvent interpréter une même situation et des problèmes similaires de manière très différente, aboutissant donc à des conclusions

dissemblables sur ce qui doit être fait, ce qui est susceptible de provoquer de nouveaux conflits. Par conséquent, l'accent se trouve mis sur la façon dont les acteurs se perçoivent et interprètent leurs actions, comment ils perçoivent le monde autour d'eux et ce qu'ils considèrent comme problématique ou approprié.

Méthodes de recherche qualitative

Pour étudier les élites d'affaires autochtones et expatriées au Mexique, il est particulièrement utile d'appliquer des méthodes qualitatives pour quatre raisons. Premièrement, les méthodes qualitatives semi-structurées d'interview en profondeur (« in-depth interview ») et les techniques d'observation participantes sont plus aptes à extraire et à révéler les caractéristiques subtiles des différences culturelles, des habitus, des pratiques de distinction et des valeurs des cadres supérieurs issus de différents pays d'origine et de différents milieux sociaux ainsi que des conflits qui se produisent entre eux (Conti et O'Neil, 2007, Goldman et Swayze, 2012).

Deuxièmement, comme l'ont montré les études antérieures sur les élites, la plupart des membres de l'élite des affaires n'est guère disposée à être interrogée sur des questions sensibles (Harvey, 2011 ; Hertz et Imber, 1995). Par conséquent, il est préférable d'extraire autant d'informations que possible des élites qui souhaitent être interviewées, en utilisant des techniques d'entretien en profondeur au lieu de recourir à des méthodes quantitatives alors que très peu d'élites sont disposées à répondre à des enquêtes. Il est en effet très improbable qu'un échantillon représentatif puisse être obtenu, rendant ainsi les approches quantitatives peu opératoires.

La troisième raison de préférer les interviews qualitatives approfondies aux méthodes quantitatives est que par l'approche basée sur l'interview « nous pouvons découvrir directement les raisons des décisions des managers plutôt que simplement déduire la causalité des statistiques ». (Healey et Rawlinson, 1993 : 342). Dans le même sens, Scherger (2012) soutient que les interviews qualitatives sont particulièrement aptes à répondre aux « questions pourquoi » (« why-questions ») alors que les méthodes quantitatives sont mieux adaptées pour réaliser des mesures précises et découvrir des corrélations statistiques.

Un autre avantage des interviews qualitatives semi-structurées est que, quand les personnes interrogées répondent aux questions, elles sont enclines à réfléchir au système social dans lequel elles agissent, à leur propre rôle dans ce système, ainsi qu'aux raisons pour lesquelles elles agissent et pensent comme elles le font, ce qui peut conduire à de nouvelles perspectives concernant leur socialisation et leur formation d'habitus. Comme la plupart des individus ne sont généralement pas conscients des causes profondes de leurs

propres attitudes et points de vue, ils peuvent développer une meilleure compréhension et devenir plus conscients d'eux-mêmes, de leur propre attitude et de leur histoire personnelle. En bref : l'approche qualitative peut amener des prises de conscience au cours du processus d'interview qui n'auraient pas été possibles autrement.

Ce processus de réflexion profonde, notamment sur les processus de socialisation façonnant ses propres attitudes et sa façon d'interpréter le monde, comme les gens autour de soi, est peu probable lorsque les enquêtes à choix multiples sont utilisées comme méthode de recherche principale. Plusieurs fois au cours de nos interviews, les hauts managers ont soudainement déclaré : « Personne ne m'a jamais demandé ça auparavant ! Je n'ai jamais songé à ça ! » Et alors ils ont commencé à réfléchir profondément sur la façon dont ils sont devenus les personnes qu'ils sont aujourd'hui. De plus, comme le souligne Duarte : « La recherche qualitative permet de mieux comprendre les phénomènes sociaux car les méthodes qualitatives de collecte de données encouragent les participants à réfléchir plus librement et plus profondément à leur expérience personnelle. Ceci suscite à son tour des réponses plus spontanées et plus riches qui incitent le chercheur à s'engager plus intensivement dans un « travail de réflexion », en réfléchissant aussi bien sur les impressions que sur les souvenirs et dossiers de leurs recherches » (Duarte 2010 : 358).

Au cours de la phase d'analyse du projet de recherche, lorsque le chercheur écoute, transcrit, lit et compare les interviews, la complexité de l'objet de la recherche devient évidente, ce qui force le chercheur à tenter de saisir l'ensemble et l'empêche de tirer des conclusions trop superficielles et trop simplistes.

Tenter de saisir les cultures des élites

Un problème rencontré lorsqu'on catégorise différentes formations d'habitus, attitudes, styles de leadership et pratiques de distinction d'une culture différente en un ensemble de catégories préfabriquées est que le même terme peut avoir des significations différentes selon les cultures. Interrogés sur le même concept, les répondants issus de différentes cultures peuvent concevoir une même notion très différemment. Par exemple, alors que des styles de leadership classés sous la même rubrique (charismatique, etc.) sont repérables dans de nombreux pays et cultures, ils s'avèrent en fait très différents quand ils sont étudiés de près. Le terme existe dans de nombreuses langues mais la signification peut varier considérablement. Par conséquent, il est nécessaire de développer une compréhension profonde de la culture de base des élites d'affaires afin de comprendre le sens des mots qu'ils utilisent et la signification que leurs actions ont dans leur culture, pour eux-mêmes et pour leurs disciples. Des méthodes de « description approfondie » (la « thick description » de Geertz, 1973) seront utilisées pour comprendre comment les

concepts centraux, essentiels à la compréhension de l'objet de la recherche, sont interprétés dans la culture des personnes interrogées. Nous partageons l'avis de Martinez et Dorfmann selon lesquels : « Le problème [. . .] est que, sans une connaissance approfondie de la culture (« emic ») des membres autochtones de chaque culture étudiée, la compréhension d'un type de leadership particulier ne se rapporte pas suffisamment à la culture et peut aisément être trop superficielle pour obtenir les informations recherchées. Ainsi, l'étude comparative (et « etic ») de l'impact d'un comportement de leadership spécifique sans une compréhension approfondie de la culture devient extrêmement problématique. [. . .] la recherche de « lois de comportement » générales pourrait être tempérée en reconnaissant dans le cadre des conceptions et des méthodes de recherche que des connaissances plus approfondies et une meilleure compréhension de nombreux systèmes émiques sont nécessaires. Dans les études sur le business, nous en sommes encore à un point où nous nous efforçons d'utiliser des méthodes appropriées qui reflètent le sens complexe des systèmes culturels (Chapman, 1996-97) » (Martinez et Dorfman, 1998 : 104, notre traduction).

Plaidoyer pour les entretiens semi-directifs

Bien que les entretiens complètement structurés (« fully structured interviews ») garantissent que la conversation se concentre précisément sur l'objet de la recherche, ils ne permettent pas une réflexion approfondie et des aspects inattendus. Une structure rigide peut contraindre et retenir la personne interrogée au point que la conversation se trouve constamment interrompue par de nouvelles questions qui ne se rattachent pas nécessairement bien aux pensées actuelles de la personne interrogée, ce qui rend la conversation peu naturelle. La conversation ne trouve pas son rythme car l'ordre strict des questions perturbe le flux de paroles de l'interlocuteur et empêche les réponses et des idées spontanées et inattendues. En bref, la personne interrogée n'a pas assez de place et de liberté pour développer et expliquer sa propre interprétation.

En revanche, les entretiens non structurés peuvent présenter le problème inverse : la conversation risque de devenir aléatoire car il n'y a pas de direction claire dans l'interview. De plus, les entretiens seront difficiles à comparer lorsqu'ils sont analysés à un stade ultérieur du projet de recherche. C'est pourquoi les entretiens semi-structurés semblent constituer une bonne solution intermédiaire car ils garantissent une direction claire dans l'interview et assurent que tous les domaines et aspects du problème de recherche seront couverts et récupérés tout en permettant qu'il y ait assez de place pour une réflexion profonde, des idées imprévues et des informations inattendues mais potentiellement importantes, ainsi que des questions de relance pour des explorations plus approfondies

de l'objet de la recherche. En outre, nous avons opté pour des questions ouvertes pour les mêmes raisons que celles données par Martinez dans son excellente étude sur les entrepreneurs mexicains :

« Les entretiens ont été semi-structurés, un ensemble similaire de sujets ayant été abordé avec chaque personne interrogée [. . .]. Les questions étaient ouvertes et visaient à encourager les informateurs à explorer et à expliquer dans leur propre langue leur comportement, leurs idées et leurs interactions sociales dans le contexte de leur organisation et leur position au sein de la société mexicaine. » (Martinez et Dorfman, 1998 : 105).

Précisions sur les méthodes de recherche

Entretiens en tête-à-tête

Les entretiens en tête-à-tête au lieu de conversations téléphoniques ont été préférés parce qu'ils peuvent être plus riches en informations et que davantage d'aspects peuvent être pris en compte (par exemple le langage corporel, les expressions faciales et d'autres formes de communication non verbale). En outre, les entretiens en tête-à-tête offrent la possibilité d'observer le contexte, le mode de vie et le comportement de la personne interrogée, comme l'a bien montré Buß dans son étude sur les cadres supérieurs allemands (Buß, 2007). Par exemple, le bureau, les vêtements et la manière dont le manager interviewé se présente et interagit avec ses employés peuvent être observés et ces sources d'information sont en mesure d'être utilisées pour développer une compréhension plus complète de son attitude, de son style de leadership et de ses valeurs.

Discussions de groupe

En plus des entrevues, la méthode des discussions de groupe a été jugée très efficace et a livré de nouvelles idées précieuses. Une discussion de groupe a été menée avec des cadres supérieurs et quatre autres avec des employés. Au fur et à mesure que la discussion prenait de l'ampleur, la dynamique qui s'est développée entre les participants a conduit à de nouvelles perspectives et interprétations multiformes de l'objet de recherche. Deux caractéristiques essentielles de la méthode de discussion de groupe transparaissent : tout d'abord, idéalement, les participants peuvent rassembler leurs connaissances en une mosaïque beaucoup plus complète, nuancée, précise que des interviewés isolés auraient pu le faire. Deuxièmement, au cours de la discussion, les participants ont eu la possibilité de développer, vérifier et corriger les points de vue des uns et des autres en interagissant avec les autres participants. En outre, les différences d'opinion et les désaccords ont amené les participants à expliquer leur propre point de vue plus en détail et de manière précise, en devant fournir des exemples et des preuves pour soutenir leurs positions et clarifier leurs interprétations ou opinions (Lamnek et Krell, 2010, 381).

Recours à la photographie

Quand la personne interviewée était d'accord, nous avons pris des photos et plus tard, lors de l'analyse des données, nous avons comparé la façon dont les personnes interviewées étaient habillées, se tenaient, se présentaient, etc. Il s'agit d'une source d'information complémentaire susceptible de procurer des indices sur leur habitus, leur image de soi et leur présentation, ainsi que l'impression que ces top managers cherchent à donner. Le lecteur de cette étude aura l'occasion de vérifier les interprétations du chercheur et de parvenir à ses propres conclusions en considérant les photos lui-même. Étant donné

que la pièce dans laquelle les entretiens ont été menés était également visible sur les photos, nous avons également pu comparer la façon dont leurs bureaux étaient meublés, aménagés et décorés avec des peintures ou d'autres objets.

Observations

Nous avons appliqué la méthode de l'observation participante (Girtler, 2001) afin de découvrir les aspects cachés et non-verbalisés de l'objet de la recherche. Les cadres supérieurs et les travailleurs des EMN étrangères sont observés dans leur environnement naturel : les lieux où ils travaillent, où ils passent leur temps libre, où ils vivent voire où ils ont reçu leur éducation. De plus, nous avons exploré les différents milieux sociaux qui ont concouru à façonner les valeurs, la vision du monde et les attitudes des personnes interrogées et influencent leur façon de penser, leurs actions et leurs décisions. Alors que le but ultime de ce projet de recherche consistait à contribuer à une meilleure compréhension de ce que l'on peut appeler la « réalité objective », son ambition première était de saisir et de traduire les réalités subjectives des personnes interviewées, c'est-à-dire comment les interviewés (top managers et employés) voient et comprennent le monde dans lequel ils vivent et agissent. La façon dont les personnes interrogées perçoivent, interprètent et construisent la réalité sociale est subjective, mais parce que leur compréhension subjective du monde est hautement pertinente pour leurs décisions et leurs actions, elle a finalement un impact sur le « monde objectif ». Même si leurs vues subjectives et leurs interprétations du monde sont complètement inexacts et détachées de la réalité empirique, elles doivent être enregistrées car c'est là le seul moyen de donner un sens à leurs actions. Par exemple, leurs peurs peuvent être irrationnelles, mais c'est seulement en comprenant ces peurs irrationnelles que nous pouvons saisir pourquoi ils s'engagent dans des actions irrationnelles. Un exemple servira à éclaircir ce que nous entendons par là :

Les observateurs européens se demandent souvent pourquoi les élites commerciales au Mexique sont si strictement contre les syndicats indépendants et toute autre forme d'auto-organisation des travailleurs. Le concept de la cogestion (« décider ensemble »), qui est courant dans l'industrie allemande, est inimaginable pour les élites commerciales mexicaines. Elles se demandent comment ce concept saurait fonctionner. La raison est qu'elles craignent constamment les révolutions, les soulèvements sociaux et l'avènement d'un régime communiste. Cette crainte peut être considérée comme irrationnelle parce que la menace n'est pas réelle, mais elle a des conséquences très concrètes en raison de l'attitude intransigeante et de la position d'une très grande partie de l'élite mexicaine des affaires contre les syndicats indépendants. Il y a une crainte constante que les rares organisations de travailleurs indépendantes et les partis de gauche (par exemple le PRD)

transforment le Mexique en un nouveau Cuba ou un nouveau Venezuela. Bien que la plupart des élites commerciales soient mécontentes de la politique du PRI et du PAN (les deux partis qui ont remporté les élections présidentielles depuis la fin de la dictature) en raison de la corruption massive et des politiques inefficaces, elles voteront toujours pour ces partis craignant qu'une victoire du PRD ou de tout autre parti de gauche ne conduise à un renversement gauchiste qui menacerait leur propre base de pouvoir économique (aboutissant à d'éventuelles expropriations, à l'élargissement des droits des travailleurs, à des impôts plus élevés, etc.).

Lieux d'observation

A titre complémentaire, nous avons mené des observations dans plusieurs quartiers résidentiels à Mexico et à Chihuahua et nous y avons été invité à visiter deux « communautés fermées » (« gatecommunities »). Nous avons constaté l'énorme distance symbolique de ces lieux vis-à-vis du monde extérieur et combien certaines résidentes passaient le plus clair de leur temps dans ces lieux protégés. Lorsqu'elles quittent ces endroits pour se rendre dans un centre commercial, elles ne le font que dans de gros véhicules 4X4. Les centres commerciaux sont également protégés par des vigiles et policiers privéslourdement armés. Il n'en reste pas moins que certaines personnes interviewées ont évoqué des incidents tels que des agressions au cours desquelles des femmes de cadres supérieurs ont été braquées et extirpées de leur SUV. Ce genre d'incident n'a pas été sansconséquences, car il a amené plusieurs hauts dirigeants, étrangers et mexicains, à démissionner brusquement et à quitter le pays avec leurs familles. Il en a résultédes répercussions sur le leadership des filiales dirigées par d'autres hauts dirigeants avec d'autres valeurs et qui appliquaient des styles de leadership différents.

Enquêtes complémentaires sur les écoles de commerce

Bien que la plupart desentrevues ait concerné les managers au sein de leur entreprise, nous avonsdécidé de mener également des recherches auprèsdes écoles de commerce les plus huppéeset des filièresau sein de sein des universités où les élites managériales ont été éduquées et où une partie importante de leur socialisation a eu lieu. Les curriculumvitae donnent des indications sur l'endroit où elles ont étudié. Dans ces écoles de commerce d'élite, nous avons interviewé des professeurs qui ont enseigné à l'élite économique en poste actuellementet ont pu influencerleur pensée ; elles instruisent aujourd'hui, la prochaine génération de cadres supérieurs. De plus, nous avons interviewé plusieurs étudiants en économie et assisté à quelques cours des écoles de commerceafin d'ensavoir plus sur les visions, les valeurs et les idées du monde qui sont transmises pendant les cours. Il s'est avéré que les universités privées mexicaines ont une culture, une

identité et une conception de soi assez uniques qui n'ont pas d'équivalent dans le système éducatif allemand. Alors que la plupart des cadres supérieurs allemands ont étudié dans des écoles publiques et des universités (Hartmann, 2002 ; Pohlmann et al., 2013), nombre des cadres supérieurs mexicains ont étudié dans des écoles privées et des universités très chères. En effet, toute leur éducation, de la maternelle à l'université, a souvent eu lieu dans des institutions d'élite privées où les contacts avec d'autres classes sociales sont rares. La plupart des étudiants de ces universités se rendent sur leur campus en 4x4 ; ils se révèlent extrêmement au courant des marques et attachent grande importance à l'expression de leur supériorité par rapport aux autres couches de la société mexicaine.

Clubs d'élite

Toujours dans une perspective complémentaire et sur les conseils de M. Daloz, nous avons également essayé de mener des observations au sein des clubs d'élites de Mexico et de Chihuahua où les élites du Mexique passent une partie de leurs loisirs et se retrouvent. En effet, ces clubs sont des lieux où une partie très importante de la communication d'entreprise a lieu et où des accords sont conclus. Comme la culture mexicaine privilégie les contacts personnalisés et les relations informelles où se tissent des liens de confiance (qui comptent souvent plus que les institutions et les contrats formels), les clubs occupent une place stratégiquement importante. Il n'est pas rare d'y manger, d'y boire, d'y fumer, d'y écouter de la musique et de participer à des spectacles jusque tard dans la nuit, avant de sceller un accord.

Regards croisés sur les élites

L'impact des styles de leadership, des valeurs et des attitudes des cadres supérieurs à l'égard de leurs employés subalternes, des familles, des communautés de ses derniers et l'organisation dans son ensemble a été délibérément abordée des deux côtés. Tout d'abord, les élites managériales ont été interrogées sur leurs propres perceptions à cet égard. Ensuite, on a demandé aux travailleurs subalternes et à leurs familles comment ils percevaient et considéraient les attitudes, les styles de leadership et les valeurs des dirigeants. De cette façon, les deux perspectives, celle d'en bas et celle d'en haut ont été prises en compte et comparées. Suivant en cela les conseils de Healey et Rawlinson, les perspectives ont donc été combinées et intégrées afin d'appréhender ces questions de manière équilibrée s'agissant de l'impact des élites sur leurs subordonnés et l'organisation qu'ils mènent. De plus, la relation entre les élites et leurs subordonnés ainsi que la manière dont ils se perçoivent s'est ainsi trouvée éclairée (Healey et Rawlinson, 1993 : 3).

Méthode dite de la « boule de neige »

Nous avons procédé de la manière suivante à cet égard. Tout d'abord, les demandes d'entretiens ont été envoyées par courriel aux 100 plus grandes filiales d'entreprises étrangères au Mexique en partant de la liste Expansion CNN des 500 plus grandes entreprises actives au Mexique (CNN Expansión, 2011), mais comme cette méthode n'a guère rencontré de succès, l'échantillonnage raisonné et la méthode de boule de neige ont finalement été appliqués, à l'instar du travail de Duarte.

« Comme le but de l'étude n'était pas de l'ordre de la généralisation prenant en compte l'ensemble des populations, mais d'explorer l'expérience de [. . .] managers, l'échantillonnage raisonné a été utilisé. Cela signifie que le choix des participants a été délibérément décidé par le chercheur en raison de leur pertinence pour l'étude et de leur potentiel à développer des explications pour le phénomène étudié (Mason, 1996) ; en raison de leur potentiel à produire des « exemples éclairants » (de Vaus, 2001, p. 240) pour illustrer différents aspects de ce phénomène. La principale technique de collecte de données a relevé d'entretiens semi-structurés, en tête-à-tête» (Duarte, 2010 : 358).

Après avoir obtenu quelques contacts et réalisé les premiers entretiens, l'étape suivante a consisté à appliquer la méthode d'échantillonnage par boule de neige (Biernacki et Waldorf, 1981, Browne, 2005) afin d'avoir accès à davantage d'élites commerciales désireuses de participer au projet de recherche. Les premiers stop managers interviewés se sont portés garants de notre sérieux et nous ont recommandé à certains de leurs homologues. Cette méthode et l'expérience furent similaires à celles rapportées par Martinez :

« Une procédure d'échantillonnage boule de neige » (Bernard, 1994) a été utilisée. Dans cette procédure, le chercheur localise un ou plusieurs informateurs et leur demande d'en nommer d'autres qui seraient appropriés pour l'étude. La procédure de boule de neige est utile lors de la recherche d'une population dans laquelle les réseaux sociaux sont importants, comme dans les groupes d'élite à savoir les imprésarios mexicains. Nos informateurs ont occupé des positions sociales et professionnelles qui les ont rendus particulièrement bien informés sur les pratiques managériales et capables de fournir les connaissances culturelles requises pour notre étude. En outre, en raison de l'introduction de l'auteur par un autre membre du groupe d'élite, l'informateur était disposé à être interpellé et à partager des connaissances intimes et utiles qui n'auraient pas été accessibles autrement. » (Martinez et Dorfman, 1998 : 105).

Guides d'entretien

Par ailleurs, trois guides d'entretien différents ont été utilisés. Le premier pour interviewer les élites d'affaires, le deuxième pour leurs employés et le troisième pour les familles, les amis et les connaissances de ces derniers.

Afin d'augmenter la probabilité de recevoir des réponses honnêtes et d'obtenir une compréhension approfondie des vues des dirigeants et des employés interviewés, l'une des tâches les plus importantes était de renforcer la confiance avant, pendant et même après l'entrevue. Par conséquent, les entretiens ont délibérément débuté par des questions à faible risque et auxquelles les interviewés ont eu beaucoup de plaisir à répondre, puis, lorsque la confiance et l'intérêt des managers interviewés étaient établis, s'ensuivaient des questions plus personnelles et plus sensibles. Toutes les entrevues ont été anonymisées et toutes les personnes interrogées ont été assurées d'un anonymat absolu. Tous les entretiens se sont déroulés dans des lieux faisant partie de la vie quotidienne des personnes interrogées afin de les rendre plus à l'aise et plus confiantes pour raconter leurs expériences. Le questionnaire a été testé au Mexique dans des conditions réalistes. Lorsque des problèmes sont apparus au cours du pré-test ou lorsque d'autres questions importantes de l'objet de recherche ont été découvertes, le questionnaire a été révisé et amélioré.

Analyse des données empiriques collectées

L'approche fondée sur la théorie dite de la « Grounded Theory » a été développée entre autres par Glaser et Strauss (2009). Cette méthode ne part pas d'une théorie a priori, d'hypothèses qui seront ensuite testées pour valider ou non la théorie. Au lieu de cela, il s'agit de recueillir des données, de découvrir éventuellement des structures cachées, des mécanismes, des règles sous-jacents aux données recueillies. Cette méthode vise à comprendre pourquoi la réalité empirique est ce qu'elle est et de produire des analyses a posteriori à partir des données empiriques recueillies, plutôt que de faire entrer à tout prix les données dans des moules préexistants. Les catégories et les théories sont créées lors de l'analyse des données empiriques. En d'autres termes, l'une des idées centrales de cette approche est de partir des données empiriques avant de développer des théorisations et des catégorisations. La théorie créée correspond étroitement aux données empiriques et respecte la singularité du monde empirique au lieu de se fonder a priori sur des catégories et des théories, puis de voir comment, dans une certaine mesure, adapter les données empiriques aux catégories et théories préexistantes. Cette méthode conduit à des théories moins formatées et sans doute plus justes compte tenu de leur ancrage dans des réalités empiriques. Donner la priorité au monde empirique, c'est aller sur le terrain et mener le travail d'enquête selon une attitude à la fois humble et ouverte. Il est crucial de mener les entretiens et les observations sans trop de présupposés et une volonté d'accepter et de reconnaître les réalités empiriques auxquelles on ne s'attendait pas forcément. Quand le chercheur se rend sur le terrain avec des théories trop rigides et fixes dans son esprit, il ne peut pas être capable de remarquer et de réaliser que la réalité empirique est

réellement différente des attentes, des théories et des catégories qu'il a en tête et qu'il a établies avant de commencer la recherche. Ceci est à même de produire des résultats plus précis et des progrès plus importants en termes de connaissances.. De cette façon, il est possible de réduire le risque que l'esprit du chercheur soit trop biaisé par les études, théories et catégories antérieures qu'il a lues avant d'aller sur le terrain. Ceci dit, il faut également être conscient du fait que personne n'a un esprit complètement impartial et que le chercheur ne saurait se défaire complètement de certains présupposés. En outre, convient-il d'avoir une vue d'ensemble de l'état de la recherche lors de la préparation du travail de terrain, mais l'accent mis sur les données empiriques, sur les catégories et les théories précédemment établies est un atout évident de la « Grounded Theory » et la raison d'être principale de ce projet de recherche.

Codage

À la suite de Gibbs (2008), une combinaison de techniques de codage prédéfinis et émergents a été appliquée. Avant le travail sur le terrain, des catégories de codage prédéfinies ont été élaborées, qui découlent des questions de recherche initiales. Cependant, compte tenu de la priorité donnée à une démarche inductive, à une phase ultérieure de la recherche, des codes émergents, plus proches et plus conformes aux données empiriques, ont été créés lors de l'analyse des données collectées et ont permis d'analyser plus précisément les priorités des personnes interrogées. C'est là une expérience commune que les entretiens qualitatifs semi-structurés ne se déroulent pas toujours comme on l'attendait au stade de développement du questionnaire. Pourtant, cela ne pose pas nécessairement de sérieux problèmes car les personnes interrogées peuvent avoir de bonnes raisons de donner des réponses inattendues, d'expliquer en détail les aspects cachés de l'objet de recherche qui n'étaient pas visibles au chercheur et de fournir des informations de base sur les développements historiques et les institutions ainsi que sur les mécanismes sociaux concernés. Ces informations peuvent être décisives et même cruciales pour une compréhension fondamentale et globale des couches plus profondes de l'objet de recherche. Afin de pouvoir prendre en compte et valoriser ces informations inattendues, tournures et aspects inexplorés, le codage émergent a été appliqué au stade de l'analyse du projet de recherche.

En d'autres termes, on peut dire que d'une certaine façon, la question peut s'avérer erronée mais la réponse néanmoins correcte. C'est-à-dire qu'elle contient des informations précieuses parce que les personnes interrogées peuvent comprendre ce que recherche l'enquêteur et ce qu'il essaie de comprendre. Elles réalisent qu'en répondant trop succinctement à la question, elles n'aideront pas ce dernier à traiter de son objet de la recherche ;

elles se doivent donc d'aller plus loin pour expliquer les relations et les liens qui sont essentiels pour comprendre la situation actuelle, les événements et les développements futurs. Rien n'est perdu, le chercheur doit simplement ajuster son cadre théorique aux données empiriques collectées. Cette souplesse d'esprit, admettant ses propres erreurs et sa compréhension insuffisante, la volonté de changer son interprétation et son point de vue, peuvent sauver le projet de recherche même dans des situations plutôt inattendues et contradictoires, lorsque surviennent des développements difficiles qui peuvent s'apparenter à des impasses dont le chercheur peut penser qu'il est délicat de sortir.

Raffinement de la codification et création de sous-codes

A une seconde étape de l'analyse, des sous-codes ont été créés pour affiner, organiser et ordonner les données empiriques collectées et révéler les structures fines de l'objet de recherche. S'agissant des questions de socialisation, par exemple, les sous-codes « socialisation familiale », « socialisation par les pairs » et « socialisation éducative », « socialisation du travail » et « macrostructure et événements qui ont eu un impact sur la socialisation individuelle » ont été créés afin d'étudier dans quel cadre se sont déroulées les expériences de socialisation des personnes interrogées. En outre des comparaisons ont été menées afin de révéler s'il existe des similitudes entre les expériences de socialisation des différentes personnes interrogées pouvant avoir conduit ou non à des formations d'habitus, des orientations de valeurs, des parcours de vie, des styles et des visions du monde.

Les entretiens

42 entretiens ont été réalisés. Nous avons décidé de mettre l'accent particulièrement sur les 18 d'entre eux nous ayant fourni les informations les plus précieuses et les plus complètes par rapport à l'objet de la recherche. Les autres entretiens ont également été pris en compte mais ne sont pas inclus dans l'analyse approfondie (c'est-à-dire qu'ils n'ont pas été transcrits) car ils ne contiennent que très peu d'informations pertinentes pour ce projet. Par exemple, au lieu de répondre à l'enquêteur, un manager a évoqué Jésus-Christ et le christianisme pendant plus de deux heures. Il s'est plaint des catholiques et des indigènes qu'il accusait de manquer d'éthique de travail et de paresse ; plus tard, en rentrant à l'hôtel, il a presque causé deux accidents en discutant avec sa fille au téléphone alors qu'apparemment il était en état d'ivresse. Bien que cette entrevue ait été instructive en ce qui concerne la vision du monde et le mode de vie d'un manager très impliqué dans le christianisme au Mexique, elle n'a guère contribué à répondre aux questions de recherche de ce projet.

0.3. Présentation synthétique des résultats obtenus

Il s'agit ici de résumer les résultats les plus importants obtenus sans prétendre être exhaustif. Nous nous permettons de renvoyer à la version longue en anglais pour un compte rendu évidemment beaucoup plus complet et détaillé. En revanche, sont reprises ici les conclusions tirées et des implications importantes tant pour les « International Business Studies » que sur le plan sociologique et autres traditions académiques .

Identification de trois styles de leadership

Nous avons dégagé trois styles de leadership correspondant à types de dirigeants au Mexique.

1. Le style de leadership empathique

Ce style rejoint celui qui a parfois été qualifié de paternaliste dans certaines études antérieures sur les élites du monde des affaires au Mexique. Cependant, nous en sommes venu à la conclusion que parler de style de leadership empathique, ou de soutien, décrivait ce type de manière plus précise parce que la culture et la société mexicaines ont évolué au cours des dernières années et sont maintenant moins autoritaires et machistes qu'il y a encore quelques années. En outre, les managers interrogés ont eux-mêmes utilisé le terme « empathique » ou « prodiguant des encouragements » pour décrire leur style de leadership. C'est un style qui en appelle à l'intelligence sociale selon la littérature récente sur la gestion et le leadership. Il s'agit d'une façon de sentir ce dont les employés ont besoin pour tirer le meilleur parti de leurs compétences et talents. Cela signifie comprendre l'employé comme un système humain complexe avec différents besoins et souhaits, auxquels il convient de répondre afin de lui permettre de donner tout son potentiel. En outre, l'attention se concentre sur la manière dont le système social dans lequel les employés se trouvent intégrés non seulement au niveau du travail, mais aussi au sein de leurs familles et de leurs communautés, est soutenu et/ou conçu par les managers d'une manière qui est bénéfique pour leur développement personnel et leur motivation au travail. Ici, la question centrale est : que peut faire le manager pour créer un environnement et une atmosphère de travail inspirants, innovateurs et motivants ?

2. Le style de leadership agressif et « macho » :

Au lieu de se concentrer sur la meilleure façon de délivrer aux employés le soutien dont ils ont besoin pour atteindre leur meilleur rendement, ce style de leadership utilise principalement l'intimidation agressive et la pression pour que les employés travaillent davantage et plus vite. La question de savoir comment atteindre cet objectif, c'est-à-dire

comment améliorer la performance des employés, est entièrement déléguée aux employés eux-mêmes. Les managers ne pensent qu'à augmenter le rendement de leur employés et ne s'intéressent pas aux modalités pour y parvenir, pas plus qu'ils ne prennent en considération l'environnement et les systèmes dans lesquels ces derniers évoluent, comment ils peuvent être soutenus et améliorés. Ce style de leadership se retrouve souvent dans les industries traditionnelles, anciennes et bien implantées où il n'y a guère d'innovations perturbatrices (la production de ciment, par exemple).

3. Le style de leadership participatif :

Ce style de leadership se retrouve souvent dans les multinationales les plus modernes qui évoluent dans des secteurs en mutation rapide où les innovations perturbatrices sont courantes et où la survie sur les marchés exige des réactions rapides des acteurs et des entreprises. Ici, les managers forment et éduquent les employés à utiliser toute leur intelligence et leurs capacités d'observation afin de détecter ces changements, les problèmes et pour créer et appliquer des solutions, des améliorations le plus rapidement possible. L'autorisation de la direction générale n'est nécessaire que lorsque les décisions et les changements revêtent une importance fondamentale. Le but de ce style de leadership est de rapprocher le plus possible les points de décision (c'est-à-dire les réunions où les décisions cruciales sont discutées et prises) des points d'action (c'est-à-dire les lignes de production et les ventes) afin que l'entreprise devienne une structure d'apprentissage, un système quasiment biologique au sein duquel la communication se fait le plus rapidement possible. Les décisions sont prises et mises en œuvre le plus rapidement possible en fonction des nouvelles informations, de l'évolution de l'environnement et des circonstances afin que l'entreprise puisse s'adapter et survivre dans un monde en mutation technologique, culturelle et politique, sans disparaître « comme des dinosaures ». D'une certaine manière, on peut résumer ce style en disant qu'il forme et éduque y compris les employés. Ces derniers disposent parfois des informations, des observations et des expériences que les cadres supérieurs n'ont pas ou qu'ils reçoivent avec un temps de retard alors que les subordonnés peuvent parfois se révéler plus rapides pour prendre certaines décisions, mais évidemment pas toutes. Cette approche croit aux avantages et aux opportunités d'une structure hiérarchique peu marquée.

Les élites économiques au prisme du système de distinction sociale dans la société mexicaine

Bien qu'il existe quelques travaux sur les pratiques de distinction au Mexique, notamment les excellentes études de Nutini et Isaac (Nutini, 2004, 2009 ; Nutini et Isaac, 2010), aucune recherche comparative n'a été effectuée à ce jour sur les pratiques de distinction des hauts dirigeants « autochtones » et « étrangers » d'entreprises multinationales au Mexique. A cet égard, ce travail est vraiment exploratoire. Quand cela a été possible, nous avons essayé d'appliquer une perspective comparative. Nous avons comparé les résultats obtenus au Mexique avec les résultats publiés sur les élites économiques d'autres pays.

Observations

Un vice-président de la filiale d'une grande multinationale américaine nous a invité à le suivre tout au long de ses journées de travail pendant une semaine. Nous avons appris à connaître ses nombreux bureaux, comment il négociait, ce qu'il faisait réellement pendant la journée, avec ses assistants, sa famille. Il nous a invité à manger dans son restaurant préféré et nous a conduit dans sa voiture à plusieurs endroits. Il voulait même nous faire écouter ses appels téléphoniques et comment se déroulaient les interactions avec les cadres supérieurs de son entreprise et comment ces derniers travaillaient. Pour un observateur européen, il est surprenant que derrière toute la courtoisie mise en avant par les managers au cours des conversations, n'en transparaît pas moins toute une stratégie pour atteindre leurs objectifs y compris à l'égard de responsables ayant des buts et des styles opposés. Il s'agit souvent d'une approche très tactique et calculatrice – dissimulé derrière un masque de courtoisie et d'émotions feintes.

Après que ce manager a réalisé que nous logions dans l'un des hôtels les moins chers de la ville, il a tenu à ce que nous déménagions dans l'un des meilleurs. Son entreprise avait un contrat avec cet hôtel et a réglé les frais. Cela nous a permis de mieux comprendre le « Lebenswelt » (le monde perçu subjectivement dans lequel ils vivent) des managers. Pendant un certain temps, il a été difficile de savoir comment agir dans cet environnement, car ce milieu social nous était très étranger. A l'hôtel, nous avons rencontré des amis du Gouverneur de l'Etat qui y étaient descendu « parce que la lumière ne fonctionnait pas » dans leurs maisons. Ceci signifie probablement que le séjour des amis du Gouverneur dans l'un des hôtels les plus luxueux de la ville a été réglé par les contribuables mexicains.

Pour comprendre le sens des pratiques de distinction et les modes de vie qui en découlent pour les élites du monde des affaires au Mexique, il faut savoir par rapport à quoi elles essaient réellement de se distinguer. Il ne suffit pas d'étudier les joueurs, il faut aussi comprendre les règles jeu afin de saisir pourquoi ils agissent comme ils le font. Nous

avons donc pris en compte le système social hiérarchique dans lequel les différents acteurs concernés, en l'occurrence les élites économiques, tentent d'atteindre, de maintenir ou de défendre leurs positions et leur statut, en appliquant différentes méthodes de distinction et d'affiliation de groupe.

Il était difficile de classer les résultats empiriques, parce que nous sommes parti de données empiriques. En d'autres termes, nous avons appliqué une approche clairement inductive. Nous avons toutefois finalement retenu les catégories retenues par notre co-directeur de thèse, J.P. Daloz, dans son ouvrage *The Sociology of Elite Distinction* : à savoir les signes de distinction incorporés, les signes extérieurs et l'affichage de la supériorité sociale par l'intermédiaire de l'entourage. Cependant, comme un certain nombre d'éléments s'intégraient difficilement dans ce schéma, nous avons dû également avoir recours à une catégorie « divers ».

En outre, nous discutons des ruptures et des contradictions du système de distinction qui se produisent lors de certains événements, par exemple lors d'importantes fêtes traditionnelles mexicaines où les hiérarchies sociales sont mises entre parenthèses l'espace d'une nuit (les hiérarchies alors « dansent » comme disent les Mexicains) ; ou encore l'impact du niveau croissant de violence de ces dernières années qui a conduit parfois les cadres supérieurs des zones les plus affectées à se tenir à l'écart, et ne pas ostensiblement mettre leur richesse en avant et à acquérir de petites voitures pour attirer moins l'attention, espérant ainsi pouvoir réduire le risque de devenir la cible des cartels et autres organisations du crime organisé.

Par ailleurs, nous analysons et discutons comment l'arrivée massive d'entreprises multinationales étrangères et de cadres supérieurs étrangers a influencé les hiérarchies sociales et le système de distinctions au sein de la société mexicaine.

Le contexte culturel au sens large

Dans les pays d'Europe du Nord où l'égalité sociale et le fait de « faire partie du groupe et ne pas s'en démarquer » sont très appréciés (on peut même dire qu'ils sont devenus une pratique de distinction en soi), les symboles de statut sont souvent arborés prudemment, lorsqu'ils ne demeurent pas discrets et « cachés » et ne sont en tout cas guère reconnus comme tels. Par exemple, un style linguistique élaboré peut seulement être considéré comme symbole de statut social élevé dans des milieux sociaux très instruits alors qu'en dehors de ces milieux, il peut simplement être considéré comme « bizarre » ou « insuffisamment viril ». Mais ce genre de réaction ne se retrouve pas partout. Souvent les membres des catégories supérieures considèrent leur supériorité comme allant de soi et ne cherchent pas à l'afficher. Ou encore, tentent-ils parfois de dissimuler leur

statut et leur richesse parce qu'ils craignent que le fait de le montrer publiquement ne conduise à l'indignation du grand public et, finalement, à des politiques qui réduiraient les inégalités sociales et leurs avantages en termes de richesse. Ils valorisent avant tout la reconnaissance sociale au sein de leur propre milieu au sein de la classe supérieure. Leurs symboles de statut matériel sont souvent cachés dans leurs maisons (par exemple, les pianos à queue de concert). Comme le dit J.P. Daloz (notre traduction) : « Dans certaines sociétés (y compris les sociétés contemporaines), il existe incontestablement une tendance profonde à l'invisibilité. Dans les pays nordiques, par exemple, l'observateur étranger ne peut qu'être frappé par le fait que, le plus souvent, les différenciations sociales sont peu affichées alors que la similitude est fortement mise en avant. Cette similitude n'équivaut pas à l'égalitarisme ou à la ressemblance, puisque les sociétés nordiques attachent beaucoup d'importance à l'individualité à côté de celle du collectif. Elle ne peut être réduite ni à la notion d'égalité des chances, ni à une simple insistance sur l'égalité civique. Pour ce qui nous concerne, il s'agit plutôt d'une question de similitude, d'éviter de se distinguer de ses pairs – ce qui peut aller jusqu'à prétendre être « ordinaire ». Il s'agit évidemment d'une mentalité profondément ancrée et irréductible aux facteurs sociologiques et politiques présentés précédemment » (Daloz, 2013 : 39).¹

Les élites du Mexique et de nombreux autres pays d'Amérique latine, se situent aux antipodes de l'attitude nordique. En effet, non seulement les élites, mais la plupart des gens – à travers toutes les classes sociales et les milieux sociaux – attachent une importance considérable aux pratiques de distinction et aux symboles de statut qui peuvent immédiatement être reconnus comme tels par tous (à l'exception des communautés indigènes et de certains milieux très instruits). La plupart des gens veulent montrer leurs « status symbols » à tout le monde et si quelqu'un ne les reconnaît pas immédiatement, ils expliquent volontiers que le bien qu'ils viennent d'acquérir est très cher ou prestigieux. Tout doit être suffisamment évident pour que chacun comprenne qu'un certain symbole est destiné à signaler un statut social élevé (par exemple, il est courant de montrer ostensiblement son nouveau smartphone en prétendant qu'il est « le meilleur au monde »). C'est peut-être là l'une des raisons pour lesquelles la classe moyenne mexicaine dépense souvent plus pour ses voitures que pour sa maison. La voiture peut être vue par des

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Pour la clarté de l'argument, je n'ai pas inclus la contradiction de la modestie dans les pays du Nord dans le texte principal, mais il sera mentionné ici en note de bas de page. Daloz écrit : « Un paradoxe concernant ce que j'appelle délibérément la « modestie ostensible » dans ces pays est que les gens n'hésitent pas parfois à se vanter de leur manque de prétention ! Par exemple, les Norvégiens se déclarent souvent fiers d'être considérés comme « encore plus modestes » et « moins formels » que leurs voisins (Daloz, 2013 : 39).

centaines, voire des milliers de personnes tous les jours lorsqu'on la conduit alors que la maison ne le sera que par ceux qui s'en approchent. De plus, les membres de la classe moyenne mexicaine dépensent encore moins d'argent pour l'aménagement intérieur de leur maison. C'est tout à fait cohérent avec cette logique inhérente aux pratiques de distinction au Mexique, car l'intérieur de la maison est vu par encore moins de personnes que l'extérieur. Par conséquent, moins d'argent sera investi dans la décoration intérieure et le mobilier.

Dimensions globales des pratiques de distinction dans la culture mexicaine

Nous avons donc rencontré des dimensions et des pratiques distinctives qui sauraient difficilement être rattachées aux catégories : signes de distinction incorporés, signes extérieurs de distinction et distinction par l'entourage. D'une certaine manière, elles chevauchent parfois ces différents types. La société mexicaine est en est imprégnée. Dans ce résumé, nous en reprenons quelques exemples.

« Abstrait » versus « Concret »

Dans la plupart des bureaux des élites commerciales mexicaines, de très grandes peintures abstraites peuvent être vues par les visiteurs. En fait, il est impossible de les ignorer parce qu'elles sont étonnamment grandes et situées à des endroits si stratégiques qu'elles attirent inévitablement l'attention du visiteur. Les peintures sont censées transmettre l'idée que le propriétaire du bureau a une connaissance profonde de l'art, d'autant plus qu'elles ne sont pas auto-explicatives mais très abstraites. Plus tard, nous avons appris que les managers choisissaient rarement ces tableaux. Les décorateurs les font réaliser ou acheter pour eux. Les œuvres d'art abstraites, uniques et très coûteuses sont souvent utilisées pour la présentation de soi des membres de l'élite économique. L'expression la plus extrême de cette pratique de distinction est la collection d'art de Carlos Slim Helú, qui est l'une des plus grandes au monde, présentée dans son propre musée, le « Museo Soumaya ». L'architecture du musée est elle-même extravagante et a coûté 34 millions de dollars. La collection comprend des œuvres de Pablo Picasso, Joan Miró, Salvador Dalí, Camille Pissarro, Claude Monet, Edgar Degas, Paul Cézanne, Paul Signac, Pierre-Auguste Renoir et Vincent van Gogh, parmi de nombreux autres artistes de renommée mondiale (Kremp, 2011 ; Tuckman, 2011).

En revanche, les classes moyennes et inférieures préfèrent généralement des peintures moins abstraites, plus explicites et plus concrètes dans leur lieu de travail et leur maison : communément des peintures représentant « La virgen de Guadalupe » ou « Jesus Christ », accompagnées de quelques photos, généralement plutôt « kitch » et retouchées

digitalement, de leur mariage ou de la célébration du quinzième anniversaire des filles de la famille.

D'une manière plus générale, la classe supérieure semble souvent se distinguer en signalant qu'elle pense d'une manière plus abstraite et rationnelle et qu'elle a des objectifs à long terme concernant ses projets de vie, sa carrière et ses investissements financiers. Ses membres soutiennent volontiers que les classes moyennes et inférieures dépensent tout leur argent immédiatement et « vivent au jour le jour » au lieu de faire des plans d'avenir, de s'y tenir. Par conséquent, selon la plupart des membres de la classe supérieure, « les pauvres sont pauvres parce qu'ils dépensent tout leur argent immédiatement sans rien investir ».

Les élites préfèrent l'abstrait au concret non seulement en ce qui concerne l'art, mais aussi au niveau du style linguistique, laissant souvent leurs auditeurs se demander ce qu'ils veulent dire exactement lorsqu'ils utilisent des termes abstraits ou poétiques et parlent de manière délibérément énigmatique.

Investissement tous azimuts versus « Synecdochisme » et remarques générales sur la distinction au Mexique

J.P. Daloz (2013) a recours au terme « synecdochisme » pour faire référence à une stratégie de distinction visant à utiliser toutes ses ressources pour acquérir un, ou nombre limité de « status symbols » tout en négligeant ce qui peut concerner d'autres secteurs. En cachant tous les autres aspects de leur existence, les individus appliquant cette stratégie de distinction espèrent que les gens qui les croisent pourront les interpréter et les classer comme membres de la classe supérieure, sur la base de cette apparence, même lorsqu'ils appartiennent à la classe moyenne. En montrant un ou deux symboles de statut prestigieux, par exemple un smartphone onéreux et une voiture très chère, ils espèrent convaincre tout le monde qu'ils appartiennent à la classe supérieure et que tous les autres aspects de leur vie (leur maison, leur travail, leur épargne, etc.) sont à l'avenant même si ce n'est pas le cas en réalité.

Au sein de culture mexicaine, le quartier est généralement considéré comme un symbole de statut plus important que la maison même. Nous avons souvent observé que beaucoup de Mexicains préféreraient vivre dans une petite maison dans un quartier de huppé plutôt que dans une grande maison dans un quartier moins réputé. Dans une annonce immobilière de la ville de Puebla, le slogan était « No es guapo, pero vive en Lomas » ! (« Il n'est pas beau, mais il vit à Lomas ») [sur la colline, un quartier bourgeois de Puebla]), ce qui signifie que même si vous n'êtes pas bel homme, vous pourrez être attirant auprès des femmes si vous possédez une maison dans ce quartier bourgeois, car les

femmes seront impressionnées par l'adresse renvoyant à la richesse et reprendront à leur compte ce genre de slogan.

Pour les familles de la classe moyenne, la voiture est donc souvent plus cruciale que la maison et pour les pauvres, posséder le dernier smartphone semble parfois presque plus important que la nourriture. En effet, aussi incroyable que cela puisse paraître, nous avons observé, et cela a été expliqué lorsque nous avons abordé le sujet au cours des discussions, qu'il est courant que les Mexicains pauvres acquièrent le plus récent smartphone quitte à se priver de manger. Après avoir acheté le smartphone, ils doivent limiter leurs dépenses alimentaires au strict minimum pendant de longues périodes parce qu'ils doivent rembourser le crédit qu'ils ont contracté. Ainsi en voyageant dans la région (y compris au Guatemala) avec les « chicken-bus » les moyens de transport les moins chers qui n'ont même pas de lumière à l'intérieur du bus, on remarque les nombreux écrans lumineux des smartphones que la plupart des passagers tiennent dans leurs mains. Cela devient encore plus extrême lorsqu'ils ont des enfants, mais décident d'utiliser le peu d'argent dont ils disposent pour acheter un smartphone au lieu ou d'investir un tant soit peu dans l'éducation de leurs garçons et filles.

En général, les Mexicains penchent fortement vers le synecdochisme. Tout est considéré comme préférable à une apparence « normale » ou « ennuyeuse ». Fréquemment, ils vont chercher à se démarquer, à être « spéciaux » et à tenter de laisser transparaître un style de vie « excitant », parfois même théâtral, semblable à ce qui est montré dans les telenovelas très populaires sur Televisa et d'autres chaînes de télévision. Pour tenter d'expliquer les raisons de cet individualisme, on invoque souvent les États-Unis et l'influence culturelle qui va de pair. Mais selon Camp, c'est le contraire qui serait vrai :

« L'Espagne a légué au Mexique une mentalité individualiste et culturelle. Les Nord-Américains, bien que caractérisés par l'initiative personnelle et l'indépendance, ont fait preuve d'un sens aigu de la communauté. En d'autres termes, tout au long de l'expansion vers l'Ouest, les colons américains considéraient que survivre ensemble était dans l'intérêt du groupe ainsi que dans l'intérêt de ses membres. Les Mexicains, quant à eux, ont fait preuve d'un fort sentiment identitaire. Cette situation, conjuguée à des divisions sociales de classe plus marquées et à l'inégalité sociale, a conduit à une prééminence de la préservation individuelle ou familiale, non associée à la protection de groupes plus importants. L'absence de liens communautaires a renforcé la primauté des liens personnels » (Camp, 2007 : 33).

Bien sûr, les communautés indigènes avec leur forte culture communautaire et leurs propres langues et modes de vie rentrent difficilement dans ce cadre.

En général, il semble que la classe supérieure s'oppose aux pratiques de distinction de la classe moyenne en investissant tous azimuts, n'ayant pas de choix à effectuer. Ce sont surtout les élites du monde des affaires qui possèdent généralement la plupart des symboles de statut valorisés dans la société mexicaine, ce qui se traduit souvent par une « course très coûteuse pour tout avoir ». Et la classe supérieure ne manque pas de se moquer fréquemment des pratiques de distinction de la classe moyenne qui sont si manifestement structurées par la stratégie de distinction que Daloz a qualifiée de « synecdochisme » (2013).

« Ancien » versus « Nouveau »

J.P. Daloz a également insisté dans ses écrits sur le fait que la distinction sociale pouvait reposer sur la possession d'éléments anciens, avec une certaine patine, ou au contraire sur l'acquisition des dernières nouveautés. Les élites mexicaines semblent parfois préférer les vieux meubles, les vieilles peintures à l'huile et les vieux bâtiments. Lorsque nous avons accédé à la zone d'accès restreint au deuxième étage du siège de l'une des plus grandes banques du Mexique, nous avons été stupéfait de voir tant de vieilles peintures à l'huile représentant des présidents mexicains et même de l'empereur Maximilien. De plus, on estime et apprécie beaucoup les traditions et les rituels anciens sous forme de rassemblements plutôt « à huis clos » dans des clubs ayant une longue tradition et une certaine signification dans l'histoire mexicaine, comme le « Club de Industriales » à Mexico City. Certains slogans comme « Tradición y Vanguardia », « Intelecto y Paladar », « Sofisticación y Elegancia » signalent leurs priorités et le type de supériorité mis en avant. Mais cela ne veut pas dire que ces élites ne soient pas modernes. Elles utilisent toutes les derniers smartphones (des Samsung Galaxy S3, 4 ou 5 ou des Iphone 5 ou 6, au moment de la rédaction), des tablettes, des ordinateurs portables de grande marque, etc.; elles ont étudié aux États-Unis ou en Europe, parlent souvent plusieurs langues couramment et conduisent une nouvelle Audi, le fameux Hummer, une Mercedes ou d'autres voitures de luxe moderne. Néanmoins, lorsqu'il s'agit de meubles, de peintures, d'habitudes, de traditions et de noms de famille, le caractère unique de l'ancien sera souvent préféré.

« Plus c'est imposant, mieux c'est »

J.P. Daloz a également beaucoup insisté sur une distinction de nature quantitative par opposition à des stratégies plus qualitatives. Nous aurions plutôt tendance à noter dans le cas mexicain l'importance de la grosseur. Dans les milieux sociaux les moins instruits (riches et pauvres), les symboles de statut semblent suivre la logique du « plus c'est imposant, mieux c'est ». Par exemple, une plus grosse voiture, une plus grande maison, un

plus grand smartphone, une plus grande télévision, voire des muscles saillants, de plus grosses portions de viande et de nourriture en général, une femme avec de plus gros seins et de grosses bottes dans le nord du Mexique. Les boucles de ceinture énormes étaient autrefois un symbole de statut en cette partie, mais elles sont devenues démodées il y a quelques années. Aujourd'hui, le port d'une énorme boucle de ceinture est généralement considéré comme renvoyant au « *naco* » (ce qu'on peut traduire par racaille ou délinquant).

Avec l'augmentation de la réussite scolaire, la plupart des gens semblent abandonner cette logique du « plus c'est gros, mieux c'est » et se tourner vers une certaine qualité, lorsqu'ils choisissent les symboles de statut. La stratégie « plus c'est gros, mieux c'est » demeurent prédominantes dans les milieux sociaux peu instruits car ils ont plus de chance d'attirer l'attention. En revanche, dans les milieux sociaux éduqués, les symboles de statut n'ont pas besoin d'être aussi grands et évidents que possible, car de différences légères et subtiles différences sont susceptibles d'être remarquées et reconnues par l'environnement social. Un très bon exemple est la taille du logo qui est imprimé sur des vêtements de marque. Alors que dans les milieux non éduqués, les clients soucieux de la marque tiennent à ce que le logo (par exemple « Nike », « Ralph Lauren », etc.) soit imprimé aussi gros que possible sur les tissus afin que tout le monde puisse la voir immédiatement, les gens des milieux plus éduqués préfèrent les tissus dont le nom est imprimé en lettres beaucoup plus petites. Les gens de leur milieu reconnaîtront la marque de toute façon. Parfois, ils renoncent même à laisser toute étiquette imprimée sur l'extérieur de leurs vêtements. Au sein des élites économiques que nous avons étudiées au Mexique, il semble y avoir une nette évolution vers des logiques qualitatives.

L'accent mis sur la forme plutôt que sur la fonctionnalité

J.P. Daloz, dans ses écrits, a également insisté, nous l'avons rappelé plus haut, sur le continuum allant de « purs signes » de distinction à des objets utiles, montrant qu'en fait la plupart des biens des prestiges se situent entre ces deux logiques. Dans les pays scandinaves, la fonctionnalité et la simplicité sont souvent considérées comme étant attirantes. En revanche, au Mexique, une apparence prétentieuse et ostentatoire est beaucoup plus importante que la fonctionnalité. Nous avons observé cette orientation dans toutes les classes sociales et tous les milieux au Mexique, y compris les élites économiques et politiques.

On peut remarquer en général que lorsque les Mexicains veulent dire que quelque chose est mauvais ou incorrect, ils utilisent souvent le mot « *feo* » qui se traduit par « laid ». Ceci est logique, parce que dans la culture mexicaine, la « beauté » est d'une grande

importance et quand quelque chose est laid, cela pose un grand problème. « Bonito » qui se traduit littéralement par « beau » est souvent utilisé pour dire « bon ». Le raisonnement derrière l'utilisation de ces mots semble être « quand quelque chose n'est pas beau, il ne peut pas être bon, et vice-versa ». Lorsque nous avons demandé pourquoi la plupart des femmes consacraient autant de temps et d'argent au maquillage, aux vêtements, aux chaussures et parfois même décident de subir une chirurgie plastique, la plupart a répondu : « como te ven, te tratan » (« Ils te traitent comme ils te voient »). Les femmes doivent bien s'habiller et se maquiller pour être respectées par leur entourage. Encore une fois, c'est l'apparence superficielle qui décide de la façon dont une personne est traitée par les gens qui l'entourent. Quelle peut être l'origine symbolique et historique de la préférence du symbole sur le fonctionnel dans la culture mexicaine ? Selon Octavio Paz :

« Cette prédominance du fermé sur l'ouvert se manifeste non seulement par l'impassibilité et la méfiance, l'ironie et la suspicion, mais aussi par l'amour de la forme. La forme entoure et délimite notre intimité, en limitant ses excès, en freinant ses explosions, en l'isolant et en la préservant. Nos héritages espagnol et indien ont influencé notre goût pour les cérémonies, les formules et l'ordre. Un examen superficiel de notre histoire pourrait suggérer le contraire, mais en fait, le Mexicain aspire à créer un monde ordonné, régi par des principes clairement énoncés. Les turbulences et la rancune de nos luttes politiques prouvent que les idées juridiques jouent un rôle important dans notre vie publique. Le Mexicain s'efforce aussi d'être formel dans sa vie quotidienne, et ses formalités sont très susceptibles de devenir des formules. Ce n'est pas difficile à comprendre. L'ordre – juridique, social, religieux ou artistique – apporte sécurité et stabilité, et une personne n'a qu'à s'adapter aux modèles et principes qui régissent la vie ; elle peut s'exprimer sans recourir à l'inventivité perpétuelle exigée par une société libre. Peut-être notre traditionalisme, qui est une des constantes de notre caractère national, donnant cohérence à notre peuple et à notre histoire, résulte-t-il de notre amour professé pour la forme.

Les complications rituelles de notre courtoisie, la persistance de l'humanisme classique, notre goût pour les formes poétiques fermées (le sonnet et le décima, par exemple), notre amour pour la géométrie dans les arts décoratifs et pour le design et la composition en peinture, la pauvreté de notre art romantique face à l'excellence de notre art baroque, le formalisme de nos institutions politiques et, enfin, notre dangereux penchant au formalisme, social, moral ou administratif, sont les autres manifestations de cette tendance dans notre caractère. Non seulement le Mexicain ne s'ouvre pas au monde extérieur, mais il refuse aussi de sortir de lui-même, de « se laisser aller » (Paz, 1985 : 31-32).

Les Mexicains sont connus pour arriver toujours en retard aux rendez-vous ou pour oublier les réunions, pour multiplier les arrangements et les accords qui changent constamment de plan, mais en même temps ils peuvent se montrer très stricts en matière de traditions et de rituels. Les fêtes de village ont toujours lieu le même jour de l'année après une cérémonie inmanquablement réglée de la même manière. Ce genre de tradition semble donner aux Mexicains un sentiment de certitude et clairement structurer leur vie, quelque chose à quoi se raccrocher. Nous développons ce genre de sujet pour montrer des tensions et des contradictions au sein de la culture mexicaine. Il nous semble important aussi de mettre en lumière des dynamiques.

Ruptures, contradictions et changements du système de distinction

Les pratiques de distinction utilisées par une famille peuvent conduire à un conflit identitaire et idéologique lorsqu'elles commencent à exclure une partie de celle-ci. Comme les familles mexicaines (ou plus précisément le nombre de personnes considérées comme membres de la famille) sont généralement très nombreuses au Mexique, comprenant parfois plusieurs centaines de personnes, il peut arriver que certains membres connaissent un déclin social, ce qui les place dans une classe sociale inférieure dont le reste de la famille essaie habituellement de se distinguer nettement et avec grands efforts. Le même effet se produit lorsqu'une partie de la famille s'élève socialement et modifie ses pratiques de distinction, se distinguant soudainement de la classe sociale dont fait partie le reste de la famille. Par exemple, lorsqu'un segment de la famille s'élève socialement et, comme c'est typique pour certains milieux bourgeois, commence à se distinguer des classes populaires indigènes en les accusant d'être « paresseux, sales et stupides », cela peut poser un problème idéologique si leur propre grand-mère, la « fondatrice » de la famille est d'origine autochtone, pauvre et populaire.

Dans le cas d'une famille d'élite, telle que celle étudiée par Lomnitz et Lizaur, au sein de laquelle certains membres de la famille sont passés de la noblesse terrienne à la nouvelle bourgeoisie, changeant non seulement de profession, mais aussi de style de vie, d'idéologie et de pratiques de distinction, des conflits identitaires sont survenus au sein de la famille : « En fin de compte, ces valeurs entrent en conflit et se confondent avec les valeurs bourgeoises, par exemple, chez le self-made man qui avance dans le monde de par ses propres efforts et en faisant des économies. Les préjugés ethniques de la vieille noblesse sont tempérés par l'acceptation de « bons » Indiens qui sont propres, travailleurs et justes comme l'ancêtre de la famille, Mamá Inés » (Lomnitz et Lizaur, 1987 : 10).

Ce genre de conflit de distinction et d'identité est généralement couvert, dissimulé et obscurci par la construction de mythes offrant une « explication » et une légitimation,

ce qui explique pourquoi les membres de leur propre famille de statut inférieur ne sont pas comme les autres personnes de statut social inférieur. En outre, comme au cours des siècles les familles peuvent monter et descendre dans la hiérarchie et changer de profession et de milieu social auquel elles se sentent affiliées, par exemple en passant de la noblesse terrienne à la bourgeoisie, la famille rassemble et mélange différentes pratiques de distinction qu'elle a acquises au cours de son histoire. Comme Lomnitz et Lizaur l'ont montré dans leur étude sur le développement d'une famille d'élite mexicaine des affaires de 1820 à 1980 :

« L'idéologie familiale est un mélange d'éléments originaux et empruntés. Certains se rapportent à l'histoire du Mexique interprétée à partir d'une position de classe spécifique ; d'autres découlent des valeurs de la noblesse terrienne qui était autrefois la classe dominante au Mexique. Ces valeurs sont classées et unies avec « l'éthique protestante » de la nouvelle bourgeoisie : l'économie contre la consommation ostentatoire, le travail acharné contre les loisirs de gentleman, et ainsi de suite. Un autre domaine de tension idéologique concerne l'ethnicité : la supériorité attribuée à la peau blanche, aux yeux bleus et aux cheveux blonds est confrontée au fait que l'ancêtre féminin le plus vénéré de la famille était une Indienne » (Lomnitz et Lizaur, 1987 : 6).

Résumé des attitudes de distinction sociale au sein du monde managérial

Dans ce qui précède, nous avons essayé d'élargir la réflexion sur la distinction à l'ensemble de la société mexicaine, à replacer les élites économiques que nous étudions dans un cadre plus large. Si l'on s'en tient à l'univers des managers, les stratégies et les pratiques centrales des élites mexicaines du monde des affaires concernent par exemple les points qui suivent :

1. Elles veulent souvent apparaître comme « européennes » ou « américaines » (les élites économiques d'origine libanaise étant une exception). Les élites commerciales blanches se considèrent comme du côté des Européens et comme n'ayant rien à voir avec la population métisse et indigène mexicaine. Lorsqu'on les interroge sur les origines indigènes de la culture locale, elles disent que ce genre de sujet ne les intéresse pas et préfèrent l'ignorer. Lorsqu'on leur a demandé ce qu'elles pensaient de l'inégalité sociale et de la pauvreté au Mexique, la plupart des élites du monde des affaires interrogées ont généralement répondu « Je n'ai rien à voir avec cela. C'est leur problème, pas le mien. La seule façon de réduire les inégalités sociales et la pauvreté est de créer des emplois et non de redistribuer la richesse ». Ils se disent contre la redistribution de la richesse parce qu'ils sont convaincus que les classes moyennes et inférieures dépenseraient de toute façon l'argent immédiatement et resteraient donc pauvres. La raison pour laquelle les pauvres

sont pauvres est qu'ils ont « une mauvaise attitude » aux yeux des élites économiques. En résumé : Les élites économiques pensent qu'elles sont fondamentalement différentes des classes moyennes métisses et des classes inférieures indigènes.

2. Elles souhaitent que leurs enfants étudient en Europe ou aux États-Unis et sont fières quand elles évoquent des membres de leur famille résidant dans ce genre de pays, ou leur propres séjours de vacances. Alors qu'auparavant, les États-Unis étaient la destination préférée, l'un des apports de notre travail est de souligner que la situation a changé au cours de ces dernières années en raison d'un racisme croissant qui n'épargne pas les élites économiques mexicaines. Bien que beaucoup d'entre elles aient un permis de séjour permanent ou même la nationalité américaine, ils ne veulent plus y vivre et ne veulent plus que leurs enfants y grandissent, comme on nous l'a clairement indiqué lors des entretiens. Elles se sont donc réorientées vers l'Espagne, la France, l'Allemagne voire les pays scandinaves, ainsi que vers les régions relativement sûres du Mexique : principalement Puebla, Mexico et Guadalajara. Alors que Monterrey était autrefois un centre d'affaires, la plupart des élites ont fui la ville en raison d'une violence massive et incontrôlée.

3. Les managers font presque tout pour que leurs enfants occupent des postes clés. Cependant, ceux-ci participent souvent aux activités dites « Junior » des fêtes et des jeux, au lieu d'étudier et de travailler. De nombreux managers se sont plaints de leurs propres enfants, mais leur accordent néanmoins des postes importants au sein de leur entreprise. Et ils continuent de payer pour tout ce que leurs enfants veulent avoir. Il n'y a pas de contrainte. Ils veulent que leurs enfants aient « une bonne vie » et disent leur verser de grosses sommes d'argent. Même si les enfants n'ont pas terminé leur licence à l'âge de 30 ans, leur père appartenant à l'élite économique les placera à un poste de responsabilité au sein de leur entreprise. Comme nous l'a dit un cadre supérieur ayant plutôt bien réussi : « Mes enfants ont eu l'occasion de tout devenir et ils ne sont rien devenus. » Il avait payé à ses enfants tous les cours universitaires qu'ils voulaient faire aux États-Unis et en Europe et ils n'en ont terminé aucun.

4. Conduire d'énormes SUV comme le Hummer H2 reste un symbole de statut et de distinction majeur, comme nous le développons à propos des signes extérieurs. Cependant, il est intéressant de souligner que dans les régions extrêmement violentes où les enlèvements sont devenus plus fréquents, de nombreuses élites du business ont changé de voiture et conduisent maintenant des véhicules plus modestes qui ne signalent plus si nettement leur richesse et attirent moins l'attention.

5. Vivre dans de grandes communautés clôturées (*gated communities*) favorisant l'entre-soi élitaires et la sécurité est plus que jamais devenu crucial. Nous essayons dans la thèse de montrer la dynamique de ce genre de quartier : on commence par décider de fermer une rue, de construire des clôtures et des murs et d'employer une société de sécurité pour garder l'entrée. Puis on entre dans une véritable logique de privatisation de l'espace public, sans payer pour cela. Ceci est similaire à un accaparement illégal de terres.

6. Les élites économiques estiment souvent avoir « la bonne attitude » et souvent elles soutiennent que les métis et les indigènes manquent d'éthique de travail et ne savent pas comment diriger une entreprise. Dans leur vision du monde et leur image de soi, « faire partie de l'élite est d'abord et avant tout une attitude. La richesse et le pouvoir accumulés ne sont que la conséquence logique de cette attitude. ».

7. Certaines élites du monde des affaires, surtout celles qui sont influencées par les religions évangéliques largement répandues dans le nord du Mexique, croient qu'elles sont les élues (« Je suis un fils de Dieu »), se sentent en conséquence supérieures et peuvent se montrer très agressives quand elles évoquent les catholiques, les athées et les peuples autochtones.

8. Les diplômes sont moins importants. La plupart de nos interlocuteurs considèrent qu'un diplôme de « Licenciatura » (l'équivalent mexicain d'un baccalauréat) est parfaitement suffisant. En revanche, environ 50 % des PDG des plus grandes entreprises allemandes (Unternehmen cotées au DAX) sont titulaires d'un doctorat et la plupart de l'autre moitié d'un « Diplom » ou d'un « Magister » (les anciens équivalents allemands d'un Master). Les élites allemandes auraient l'impression de manquer de quelque chose sans ces titres, tandis que les élites mexicaines ont souvent tendance à considérer l'acquisition de tels diplômes comme une « perte de temps » car elles accordent davantage de valeur à l'expérience pratique qu'à l'éducation formelle. Il est intéressant de noter qu'en espagnol mexicain, le sens du mot « educación » est plus proche de « bonnes manières » que de « l'instruction », que l'on appelle généralement « nivel de estudios » (« niveau d'études »). Ainsi, quand quelqu'un dit : « Él es muy educado » (« Il est très éduqué »), cela fait généralement référence à ses bonnes manières et à sa présentation impeccable, ce qui peut faire allusion à l'importance énorme des apparences dans la culture mexicaine, par opposition à celle moindre du contenu « invisible » de l'éducation qui ne se voit pas de manière immédiate. Il ne contribue pas à une apparence plus brillante et est donc d'importance secondaire.

Le « sens de l'existence »

Si l'on pose des questions, à propos du « sens de l'existence », alors que dans les pays nordiques, l'orientation vers des valeurs post-matérialistes est plus courante et guide la pensée et les actions d'une grande partie de la société, y compris de certaines élites, au Mexique et dans d'autres pays du Sud, l'orientation vers des valeurs matérialistes est plus présente et pratiquée d'une manière plus évidente (bien que chez les jeunes Mexicains cela semble changer lentement actuellement : un changement de valeur est en cours, similaire à celui que l'Europe a connu dans les années 1960). En conséquence, ils donnent des réponses différentes lorsqu'on leur demande quel est le sens de la vie.

Dans les pays d'Europe du Nord, il semble que de plus en plus de personnes (y compris les élites) aient tendance à croire que la réponse est de « faire quelque chose de significatif avec sa vie et de conserver ma bonne réputation dans la société ». Elles s'orientent vers la reconnaissance par la société en général. La société est ce envers quoi elles se sentent responsables et redevables. Elles souhaitent pouvoir se promener dans les rues la tête haute et avec la bonne conscience d'avoir vécu une vie « correcte ». Plus de gens, par exemple, considèrent qu'il est important d'arrêter la pollution environnementale et le changement climatique et beaucoup décident de devenir végétariens ou au moins de manger moins de viande. Ils veulent être reconnus par ce groupe autant (ou peut-être même plus) qu'ils veulent être reconnus et respectés par leur propre famille. Ainsi, un nombre considérable de milliardaires en Europe et aux États-Unis ont décidé de donner la plupart de leur fortune à la société au lieu de la léguer à leur famille. C'est là une option qu'aucun milliardaire mexicain n'a jamais envisagé de choisir au moment de la rédaction de ces lignes. Elle n'est pas compatible avec leur mentalité et habitus, qui ne mettent pas l'accent sur la société en tant que groupe auquel on serait redevable, mais sur la famille. Ceci n'est pas sans rappeler le dicton mexicain « Tout le monde prend soin de sa famille et personne ne prend soin de la société ». Carlos Slim Helú, milliardaire mexicain et l'une des personnes les plus riches du monde, s'est ainsi moqué des décisions de Bill Gates et de W. Buffett de donner la plupart de leurs fortunes à la société, disant qu'ils ne devraient pas « jouer au Père Noël » (Serrano, 2007).

Au Mexique, le principal groupe social envers lequel les élites se sentent responsables n'est donc pas la société, mais leur propre famille. De plus, en parlant du sens de la vie, la plupart des élites que nous avons interviewées ont répondu : « Être heureux, profiter de la vie et aider ma famille ». La conséquence logique de cette conviction fondamentale est que les élites essaient d'évoquer ces sentiments de bonheur et d'aider leur propre famille par tous les moyens qu'elles jugent utiles – peu importe ce que le public et la société en pensent ou quelles peuvent en être les conséquences environnementales par

exemple. Ce principe de base « aider la famille » (par opposition à la société et à la communauté) peut mener à des formes extrêmes de corruption lorsqu'ils impliquent un certain népotisme. Le groupe social qui compte vraiment pour eux est assurément leur famille – et non la communauté ou la population entière du pays, et encore moins l'humanité dans son ensemble. Ils ne semblent pas avoir mauvaise conscience lorsqu'ils licencient des employés hautement qualifiés qui travaillent dur pour donner leurs postes à leurs propres parents et connaissances ou lorsqu'ils volent des milliards de pesos pour les redistribuer à leur famille bien au contraire : pour eux, le sens de la vie consiste à s'occuper en premier de son propre « clan ». Ils nous ont expliqué « qu'en aidant ma famille j'aide mon pays », et cette explication paraît pouvoir justifier la corruption.

L'idée que « profiter de la vie et être heureux » est le sens de la vie conduit à un style de vie plutôt « ostentatoire » : il est assez courant que les élites utilisent les fonds publics pour payer des prostituées, régler des repas onéreux, des fêtes somptueuses, acquérir une flotte de 4x4, les plus luxueuses habitations ou gadgets électroniques. Pour elles, ce style de vie leur procure du plaisir et leur permet « d'apprécier l'existence ». Ils jouissent de l'admiration, de la reconnaissance sociale et de l'envie qu'ils suscitent dans l'esprit des autres en présentant et en consommant de manière visible leurs biens et services de luxe – c'est là leur interprétation du sens de la vie : jouir et évoquer autant de bons sentiments que possible. Même si ces pratiques peuvent être observées dans la plupart des régions du monde – la prostitution et la corruption sont présentes dans la plupart des pays – il semble qu'elles soient plus courantes au Mexique que dans les pays scandinaves, par exemple. De même, le désir de reconnaissance et d'attention sociale existe certes dans toutes les cultures et sociétés, mais au Mexique, il semble particulièrement évident et plus prononcé que dans les pays d'Europe du Nord.

Interaction entre managers de différentes cultures

Une des interrogations centrales de ce projet de recherche consistait à étudier dans une perspective comparative comment les cadres supérieurs de différentes cultures interagissent lorsqu'ils se rencontrent au Mexique. Les problèmes, les conflits et les malentendus qui se posent le plus souvent lors de l'interaction entre cadres supérieurs autochtones et étrangers au Mexique ont été analysés de manière approfondie. Bien que de nombreuses anecdotes existent et que certaines études aient abordé le sujet de manière incidente (Davila, 2004 ; Davila et Elvira, 2005 ; Pieper, 1990), la présente étude visait à approfondir cet objet de recherche et à le réactualiser. Ce à quoi il faut ajouter que certains chercheurs ont abordé le cas mexicain sans jamais s'y être rendu. Tandis qu'il est possible d'étudier le Mexique en analysant de grandes quantités de données dans un

bureau en Europe, un vaste travail de terrain qualitatif sur place est à même de produire des impressions, des observations et d'autres types de données beaucoup plus riches et plus complets à divers niveaux.

Nous avons longuement abordé ce qui constitue notre principale question de recherche avec de nombreux dirigeants nationaux et étrangers ainsi qu'avec leurs employés, ce qui nous a permis de mieux comprendre les interactions interculturelles complexes, les conflits, les différents points de vue et interprétations des autres se présentant lorsque des multinationales étrangères créent des filiales au Mexique.

L'une des principales conclusions à mettre en avant dans ce résumé sur ce point est que les problèmes auxquels les cadres supérieurs étrangers se trouvent confrontés au Mexique dépendent dans une large mesure de la réputation de leur pays d'origine. Bien que les Mexicains accueillent chaleureusement les expatriés de certains pays, voire se révèlent désireux d'apprendre et d'adopter leurs pratiques, attitudes et valeurs, ils en rejettent souvent fortement d'autres, sabotent leur travail de gestion, ne sont pas disposés à coopérer et n'échangent les informations qu'à contrecœur. Ils entrent alors en résistance, s'allient secrètement contre les dirigeants étrangers de certains pays qui sont considérés comme des intrus. D'une certaine manière, il s'agit là d'une sorte de revanche contre le racisme subi par les Mexicains (cadres et travailleurs) lorsqu'ils travaillent à l'étranger, surtout aux États-Unis. Les Mexicains rejettent ce qu'ils perçoivent comme des styles managériaux américains. Pendant les interviews, les Mexicains ont souvent déclaré que les Américains n'étaient pas prêts à apprendre la langue espagnole même s'ils sont amenés à travailler au Mexique pendant plusieurs années. En outre, les Mexicains se plaignent que les Américains manquent de sensibilité interculturelle. Le style de gestion à l'américaine est considéré comme une domination étrangère humiliante.

En revanche, ils apprécient et s'adaptent bien à d'autres cultures, par exemple la culture organisationnelle et les styles de gestion japonais ou allemand. Une des raisons peut être l'excellente réputation du Japon et de l'Allemagne, car ces pays n'ont jamais conquis le Mexique. C'est une forme de « puissance douce » (« softpower ») :

« ... la capacité d'un pays à exercer son influence internationale non pas en brandissant un pouvoir (militaire), mais en faisant en sorte que les autres veuillent ce qu'il veut. C'est la valeur d'être attrayant culturellement, commercialement, gastronomiquement, idéologiquement ou même linguistiquement » (Economist, 2015).

Appliqué au domaine du commerce international, il s'ensuit que lorsqu'une nation et sa culture sont relativement appréciées dans les pays d'accueil, il est plus facile pour les multinationales de mettre en place des opérations efficaces car les travailleurs, les cadres,

les fonctionnaires de l'Etat, les journalistes et les communautés sont plus disposés à coopérer, à accepter voire à adopter les styles de gestion, les formes organisationnelles et d'autres expressions de la culture du pays d'origine de l'entreprise étrangère. Dès le début, les citoyens des pays d'accueil ont une attitude accueillante et optimiste à l'égard de l'entreprise multinationale étrangère car le pays d'origine de la multinationale et sa culture sont très appréciés et admirés comme un exemple à suivre. Les ressortissants du pays hôte sont disposés à apprendre et à s'adapter aux pratiques des EMN étrangères car ils admirent la culture du pays d'origine. Et bien sûr, il s'agit là d'une prophétie qui se confirme car l'accueil chaleureux que les expatriés reçoivent des ressortissants des pays d'accueil a souvent pour conséquence une relation tout aussi chaleureuse de la part des managers expatriés. C'est souvent le début d'un rapport de confiance qui constitue la base d'un travail d'équipe efficace.

Ces résultats sont cohérents avec les résultats des recherches de Sargent et Matthews qui ont étudié, entre autres, les filiales japonaises et la mise en œuvre des techniques de gestion japonaises au Mexique, alors que tel n'est pas du tout le cas s'agissant des Américains :

« Dans l'ensemble, nous avons constaté qu'il y avait un conflit considérable entre les ressortissants mexicains et les cadres expatriés dans les entreprises que nous étudions. Les responsables mexicains ont fréquemment déclaré que ce conflit était dû au manque de compétences en langue espagnole de la part des expatriés et à l'imposition d'un style de gestion nord-américain aux subordonnés mexicains. En raison de ce conflit, les multinationales américaines ont remplacé en partie leurs employés expatriés par des ressortissants du pays d'accueil. Parallèlement, pendant que les cadres mexicains résistaient à l'imposition culturelle des expatriés américains, ils s'efforçaient de changer la culture de l'entreprise pour soutenir leurs efforts d'adoption des JMT [Techniques de gestion japonaises] » (Sargent et Matthews, 1998 : 75).

Ces tensions et conflits entre dirigeants américains d'une part et dirigeants et travailleurs mexicains d'autre part risquent d'augmenter et de s'aggraver au cours de la présidence de Donald Trump, car il a blessé la fierté et l'identité mexicaines. Cela augmentera les difficultés des multinationales américaines pour mettre en place des opérations efficaces au Mexique et faciliter le bon fonctionnement des filiales. Il deviendra plus délicat de coopérer avec les cadres et les travailleurs mexicains car les insultes renforcent la méfiance et détériorent la confiance entre les uns et les autres.

Avec ses insultes, le président américain ne rend pas service aux entreprises américaines car beaucoup d'entre elles ont déjà implanté de grandes filiales au Mexique et doivent donc inter-

agir avec les Mexicains. Il y a des preuves que les insultes de Trump, ayant blessé la fierté mexicaine, provoquent déjà une réaction nationaliste des Mexicains qui risque de s'intensifier dans les années à suivre (Camín, 2017). Ces nouveaux développements sont particulièrement tragiques car la réputation des États-Unis s'était considérablement améliorée au cours des 20 dernières années en raison de nombreuses opportunités d'affaires offertes aux jeunes mexicains par des multinationales américaines en créant des filiales au Mexique et en offrant des emplois attrayants (Economist, 2017, Guajardo, 2017).

Conflits entre dirigeants et employés au sein des filiales d'EMN étrangères au Mexique

Une autre des questions de recherche de la thèse concernait les rapports entre managers et personnel subalterne au sein des filiales des multinationales. De nos enquêtes sur ce point il ressort clairement que la principale source de mécontentement parmi les travailleurs locaux du pays d'accueil n'était pas leur salaire mais un manque de reconnaissance sociale. Les travailleurs interrogés se plaignent fréquemment de ne pas être reconnus comme des individus par leurs supérieurs hiérarchiques expatriés. La culture mexicaine est très émotionnelle et personnelle. Il n'y a aucune séparation entre vie professionnelle et vie privée. La notion centrale, la plus omniprésente dans la culture mexicaine, est celle de famille et ils paraissent l'appliquer intuitivement à l'entreprise au sein de laquelle ils travaillent et essaient d'établir des liens de proximité avec leurs supérieurs. C'est là la façon prédominante d'organiser le travail dans cet environnement culturel. Or, cette approche mexicaine et l'interprétation d'une relation de travail, la façon dont ils construisent la confiance (qui est la base de la formation d'une équipe performante) est à l'opposé par exemple de la tradition allemande consistant à clairement séparer vie professionnelle et vie privée, telle qu'elle apparaît dans l'ancien dicton « Le devoir c'est le devoir, et l'alcool c'est l'alcool » (« Dienst ist Dienst und Schnaps ist Schnaps »). Il signifie grosso modo qu'il ne faut pas mélanger les affaires et le plaisir, car la vie professionnelle et la vie privée sont deux paires de manches différentes. Elles ne devraient rien avoir à faire l'une avec l'autre et elles ne devraient pas être mélangées. Vous pouvez être en désaccord avec l'un de vos collègues au niveau professionnel, tout en entretenant en même temps une excellente relation amicale avec lui sur un plan privé. Inversement, d'un point de vue allemand vous pouvez tout à fait travailler en étroite collaboration avec un collègue, sans que cela soit censé rejaillir le moins du monde sur la vie privée : pas

d'activités communes, pas d'amitié ni d'appartenance aux mêmes organismes sociaux. En ce qui concerne les relations de travail, les Allemands suivent souvent la règle : « Ne laissez pas entrer les émotions, laissez-les en-dehors ! ». Ils sont persuadés que la rationalité doit régner pendant le travail et en aucun cas l'émotion. En effet, « être professionnel » signifie « être rationnel » dans la culture allemande.

En revanche, lorsqu'il n'y a pas d'émotions dans la culture mexicaine, il y a difficilement relation sociale. Ne pas montrer d'émotions est comparable à ne pas parler et ne pas écouter dans la culture mexicaine. Cela ne contribue pas à une relation de confiance. Par conséquent, quand les expatriés allemands vont au Mexique, ils doivent s'adapter à la façon mexicaine de concevoir les relations de travail, s'ils veulent réussir – même si cela peut sembler gênant, long et moins efficace pour les Allemands. En arrivant au Mexique, un grand nombre d'Allemands ont des problèmes d'adaptation au style mexicain, ce qui provoque conflits et malentendus. Plusieurs employés mexicains de filiales allemandes se sont plaints d'un manque d'empathie. Ils ont raconté qu'ils ressentaient que leurs supérieurs allemands ne les considéraient pas comme des êtres humains. Ils traitent leurs employés mexicains plutôt comme un outil ou une machine dans le processus de production.

L'une des raisons pour lesquelles les Mexicains ressentent beaucoup plus souvent que les Européens du Nord le besoin de réaffirmer l'harmonie dans les relations sociales est probablement due à une autre caractéristique de la culture mexicaine : les conflits et les désagréments ne sont généralement pas abordés et discutés ouvertement ; au contraire, les Mexicains restent simplement silencieux. Les Mexicains sont des gens très susceptibles. Exprimer ouvertement un désaccord de façon calme est un grand signe de confiance car cela signifie que la personne subalterne exprimant un désaccord croit que son patron ne la réprimera pas pour avoir dit ce qu'elle pense vraiment. Sur la base de ce trait de la culture mexicaine, nous pouvons développer une recommandation pratique pour les top managers étrangers qui ont pour mission de gérer une filiale mexicaine : pour que les employés mexicains coopèrent avec vous, il faut tout d'abord gagner leur confiance. Vous devez savoir ce qui les dérange parce qu'ils ne le diront probablement pas eux-mêmes, redoutant que vous ne les compreniez pas et que vous les punissiez. Par conséquent, vous devez d'abord prendre le temps nécessaire pour gagner leur confiance et ensuite, dans une deuxième étape, demander prudemment ce qui les dérange. Souvent, ils ne se sentent pas assez appréciés et aimeraient être invités à des moments de convivialité. Ou bien ils ont peur que leurs supérieurs ne les estiment pas parce que les top managers ne sourient jamais et ne leur demandent pas comment ils se sentent. Selon un haut

dirigeant mexicain : si vous n'êtes pas prêt à investir le temps et les efforts nécessaires pour explorer les émotions et les besoins de vos collègues et employés mexicains, vous ne serez jamais en mesure de former une équipe performante avec eux. On peut en conclure que dans la culture mexicaine, la communication non verbale joue un rôle beaucoup plus important dans les relations de travail interpersonnelles que dans les pays d'Europe du Nord ou aux États-Unis. C'est une culture à contexte élevé (« high-context culture ») (Chua et Gudykunst, 1987, Gudykunst, 1983, Hall, 1976).

Le plus important n'est pas tant ce que vous dites, mais comment vous le dites. Si vous le faites sans sourire, les Mexicains l'interpréteront comme une attaque agressive. Si le ton de votre voix n'est pas détendu, les Mexicains peuvent en conclure que vous êtes en colère contre eux. Si vous évoquez quelqu'un sans enthousiasme dans votre voix (une note aigüe doit être audible dans la voix afin de montrer que les mots ont une grande importance), les Mexicains penseront généralement que vous ne le pensez pas vraiment. Ils peuvent supposer que vous ne ressentez pas sérieusement ce que vous dites. Il suffit d'un signal ou d'un symbole très subliminal pour que les Mexicains pensent que la relation sociale est endommagée et qu'il y a conflit. C'est surtout sous cet angle que nous traitons de ces questions dans le passage concerné.

Champ d'action et marge de manœuvre des principaux dirigeants des entreprises multinationales étrangères

En ce qui concerne la performance sociale et environnementale, le champ d'action et la marge de manœuvre des dirigeants des entreprises multinationales étrangères semblent être très grands, car ces aspects de leur travail sont moins strictement définis et contrôlés que les objectifs économiques.

Étant donné que ces aspects sont moins surveillés et contrôlés par le conseil d'administration, les actionnaires et moins étroitement réglementés et contrôlés par l'État mexicain (si tant est qu'il y ait le moindre contrôle), la performance écologique et sociale des entreprises dépend effectivement des valeurs et objectifs des top managers.

Les cadres supérieurs ne remplissant pas les objectifs économiques et n'atteignant pas les buts lucratifs sont davantage susceptibles d'être rapidement remplacés par d'autres. En revanche, au niveau de la performance sociale et environnementale, les cadres supérieurs peuvent avoir un comportement excellent ou mauvais, mais dans les deux cas, ils vont probablement conserver leur emploi car les objectifs sociaux et environnementaux ne sont pas souvent clairement définis et les résultats ne sont ni entièrement surveillés ni vérifiés. Il s'agit donc d'un domaine qui dépend vraiment des valeurs profondes que les top managers ont intégrées au cours de leur socialisation et qui dirigent

et orientent leurs décisions et le travail de gestion en général. En appliquant la théorie interactionnelle de la « prise de rôle » (« role-taking ») et de la « création de rôle » (« role-making ») (Blumer, 1986 ; Mead, 2015), on peut dire que les aspects économiques du rôle des dirigeants sont plus dominés par le « role-taking » (impliquant des restrictions) que par le « role-making » (impliquant une certaine marge de manœuvre), car les règles et les contrats leur prescrivent exactement ce qu'ils sont censés faire et ce qu'il se passe s'ils ne répondent pas aux attentes.

En revanche, au niveau des aspects sociaux et environnementaux, il y a beaucoup plus de « role-making » : les dirigeants eux-mêmes définissant leur propre rôle, car il n'y a pas d'objectifs précis, d'attentes et de règles aussi strictes et aussi clairement définis comme c'est le cas pour les aspects économiques. Par conséquent, les dirigeants sont ici davantage susceptibles de montrer qui ils sont vraiment et quelles sont leurs valeurs dans la gestion des aspects sociaux et environnementaux de la filiale.

L'exemple le plus clair de l'impact des top managers sur leur filiale est peut-être le cas suivant. Dans la filiale d'une multinationale allemande située à Monterrey au Nord du Mexique, les ouvriers travaillaient généralement huit heures par jour, ce qui est typique pour une entreprise allemande. Les processus de travail ont été organisés de manière si efficace que la filiale allemande était compétitive par rapport à des entreprises locales où les employés travaillaient beaucoup plus, en général 12 heures par jour et qu'ils n'aient qu'un seul jour de congé par semaine.

Ensuite, Monterrey a traversé une période très difficile eu égard à l'augmentation considérable du crime organisé et de la violence liée aux activités des cartels de la drogue. La femme du PDG de l'équipe dirigeante s'est fait attaquer dans la rue et par la suite la plupart des top managers allemands et leurs familles ont décidé de quitter le Mexique car ils jugeaient le pays trop dangereux. Ils ont été remplacés par des cadres supérieurs mexicains qui ont commencé à diriger la filiale à la mexicaine : soudainement les employés devaient travailler 12 et parfois 14 heures par jour bien que les contrats n'aient pas été modifiés. Toutes les règles formelles demeuraient inchangées, mais les travailleurs devaient rester dans la filiale tant que les directeurs voulaient qu'ils y restent.

En outre, un employé a signalé que la culture du travail et l'environnement ont évolué vers des structures plus hiérarchisées et que la distance entre les dirigeants et les travailleurs a énormément augmenté. En conséquence, l'atmosphère a changé. Il y a eu des discussions moins ouvertes à travers les différents niveaux hiérarchiques organisationnels sur la façon d'améliorer le processus de production. Cet exemple montre l'ampleur et l'importance de l'impact des top managers sur la filiale qu'ils dirigent. Il est ainsi évident que les

cadres supérieurs peuvent avoir une influence considérable sur la culture d'entreprise et les processus de travail, mais cet effet est souvent négligé ou au moins sous-estimé car la performance économique (et les résultats) peuvent rester inchangés. C'est à partir de ce genre d'illustration que nous proposons une réflexion interculturelle sur les rapports dirigeants-employés.

Liens entre socialisation, valeurs et méthode de management

S'agissant de ce thème, nous devons reconnaître que croiser les types de socialisation que les cadres supérieurs ont connus et intériorisés au cours de leur vie avec les valeurs et styles de gestion qu'ils appliquent aujourd'hui au travail s'est avéré comme étant trop compliqué à analyser car trop de facteurs devraient être pris en considération, d'une manière ou d'une autre et à des degrés différents influençant ce processus profondément complexe.

On peut développer avec prudence l'hypothèse que plus les cadres dirigeants sont bien intégrés au sein de la communauté dans laquelle la filiale se trouve située, plus ils connaissent les besoins de leurs employés, de leurs familles, plus ils seront susceptibles de développer de l'empathie à leur égard et de rechercher activement des solutions durables qui seront bénéfiques à tous. Ainsi, ces top managers seront-ils davantage susceptibles de mettre en œuvre une véritable responsabilité sociale et environnementale basées sur des valeurs profondément enracinées.

Mais il est aussi des cadres supérieurs ayant grandi dans ces communautés et qui cherchent au contraire à se distinguer de leur milieu d'origine. Ceux-ci appliquent volontiers un style de gestion agressif, très conservateur et purement axé sur le profit en utilisant la force brute pour obtenir des résultats sans protéger ni les employés ni l'environnement. Ces top managers ont intériorisé la philosophie « devenir riche ou mourir en essayant de le devenir » et rêvent souvent de quitter le Mexique qu'ils considèrent comme un sale trou et de devenir des citoyens américains ayant réussi en épousant une femme blonde à la peau blanche. Ce mariage offre « un avantage supplémentaire » puisque leurs enfants auront un teint plus clair qu'eux-mêmes – soi-dit en passant un indicateur crucial du statut social dans les milieux conservateurs de la société mexicaine (Nutini, 2004, 2009, Nutini et Isaac, 2010).

Au lieu de développer de l'empathie, nos observations nous montrent qu'ils tendent à détester leurs communautés mexicaines d'origine. Leur haine et leur rage sont très présentes dans leurs actions et leurs décisions de gestion. Ajoutons que ces dirigeants locaux se révèlent particulièrement fascinés par les « status symbols » européens et américains.

Cependant, il serait nécessaire d'effectuer davantage de recherches pour comprendre comment la socialisation influence les valeurs et les styles de gestion des top managers. Bien qu'il y ait sûrement une corrélation, nous concluons en la matière qu'il n'y a pas de lien simple et direct entre un certain type de socialisation des cadres supérieurs et les valeurs qui formeront plus tard la base de leurs styles de gestion, de leurs priorités et de leurs décisions.

Comparaison à propos du respect des lois par les entreprises nationales et étrangères au Mexique

Au cours des enquêtes, notamment auprès des employés mexicains ayant travaillé dans des filiales de multinationales étrangères, le thème d'un rapport différent aux normes a émergé. Particulièrement instructives ont été les rencontres avec des personnes ayant connu ce genre d'organisme et des entreprises purement mexicaines. La plupart d'entre elles ont indiqué avoir l'impression que les multinationales étrangères actives au Mexique et dirigées par des cadres étrangers sont beaucoup plus respectueuses de la loi que les entreprises mexicaines. Selon leurs dires, la violation de la loi semble être très répandue parmi les entreprises mexicaines. Les infractions sont souvent masquées de façon très sophistiquée, mais comme les personnes interrogées travaillaient dans ces entreprises pendant des années, elles les ont peu à peu découvertes. Il en a été question lors des entretiens mais aussi lorsque nous avons mené des discussions complémentaires en phase d'analyse des données. Ils ont expliqué cette différence comme suit : lorsqu'une multinationale étrangère enfreint la loi au Mexique, ce fait est considéré comme une « infraction nationale » et l'Etat, les médias et la société s'emparent volontiers du dossier et réagissent très fortement parce que c'est là une question de « fierté nationale et d'indépendance ». Mais quand une entreprise mexicaine enfreint la loi, c'est considéré comme quelque chose de quasiment « normal », qui se passe quotidiennement et ne vaut pas la peine d'être mentionné. Il est considéré comme « antipatriotique » de dire publiquement qu'il y a un problème. En outre, les entrepreneurs et les dirigeants mexicains sont souvent en contact avec les juges, les journalistes, les politiciens et les bureaucrates. Souvent même, on nous a raconté qu'ils avaient des liens familiaux étroits avec tel ou tel, directement ou à la suite du mariage de leurs enfants.

De plus, il y a des cas de « compadres » qui s'engagent à des « compadrazos », ce qui signifie qu'ils s'entraident pour enfreindre la loi, couvrir l'infraction pénale et partager le butin. En revanche, la plupart des dirigeants étrangers ne disposent pas de ce type de capital social, ces liens qui rendent possible la corruption sans punition. Ils tendent à raisonner par rapport à leur environnement institutionnel étranger et concluent généra-

lement qu'ils ne comprennent guère les « règles de ce jeu » et que ce serait trop risqué et qu'il y aurait trop d'incertitude pour s'engager dans ce genre d'infractions criminelles. En outre, ils peuvent être rendus responsables par la direction de leur entreprise ainsi que par le système judiciaire de leur pays d'origine. De plus, en fonction de la culture des pays d'origine des cadres expatriés et de leur parcours de vie individuel et du milieu social dans lequel ils ont grandi, ils peuvent avoir reçu une socialisation différente. Ils développent ainsi des valeurs et des mentalités différentes qui se traduisent finalement dans différentes décisions, actions et styles de travail.

L'interaction entre les multinationales étrangères et les cartels de la drogue mexicains

Dans leur excellente étude quantitative, Ashby et Ramos (2013) ont montré empiriquement qu'il existe une corrélation entre la hausse des investissements étrangers directs (IDE) dans l'industrie de l'extraction des ressources naturelles et l'augmentation des activités des cartels de la drogue. Pourtant les auteurs n'ont pas pu expliquer la raison de cette corrélation et comment elle fonctionne exactement sur le terrain – au niveau micro. Nous avons essayé de traiter de cette question et ce qui semble transparaître (surtout dans les entreprises minières de métaux précieux) est que les cartels de la drogue font du chantage aux multinationales étrangères : elles les rackettent souvent et les fonds obtenus sont ensuite réinvestis. Ceci nous explique-t-on permet à ces derniers de développer leurs opérations en employant toujours davantage de tueurs à gages (sicarios), d'acheter plus d'armes et de corrompre plus de policiers, de soldats, de juges et de politiciens. Plus les multinationales dans le secteur des ressources naturelles établissent des filiales dans les régions du Mexique où l'État est largement absent et où les cartels de la drogue ont pris le contrôle exigeant le paiement de taxes, plus ces cartels de la drogue ont de possibilités de faire du chantage et de pratiquer l'extorsion, ce qui se traduit finalement par une augmentation de leurs activités.

Positionnement par rapport à l'étude de Hofstede

Le grand spécialiste de l'approche culturelle comparative des entreprises, Hofstede, a publié sur le Mexique et il était important de se positionner par rapport à ses résultats. Hofstede *et al.* (1997), Hofstede (2001), Hofstede *et al.* (2010) sont les principales études menées par Hofstede et ses équipes concernant le pays. Nous avançons que certaines parties de l'étude de Hofstede contribuent effectivement à une meilleure compréhension de la culture mexicaine et permettent des comparaisons interculturelles : la dimension distance de puissance (« power-distance »), apparaît utile ; d'autres sont plus contestables de notre point de vue. Des développements sont proposés notamment à propos du

concept d'évitement de l'incertitude (« uncertainty avoidance ») et des raisonnements en termes d'individualisme/collectivisme, de masculinité, sur lesquels nous nous attardons.

Évitement d'incertitude (Uncertainty avoidance)

Selon Hofstede, le Mexique et l'Allemagne obtiennent des résultats relativement élevés en matière d'évitement de l'incertitude (82 et 65 respectivement), ce qui suggère que ces deux cultures sont similaires pour le moins s'agissant de cette dimension, mais ceci nous paraît incorrect. Nous proposons une argumentation liée au rapport à la tradition (très fort au Mexique, moindre en Allemagne) mais aussi aux nouvelles technologies (souvent abordées prudemment en Allemagne, mais avec enthousiasme au Mexique). Nous trouvons que même dans leur vie quotidienne, les Mexicains ont un rapport au risque très différent des Allemands (beaucoup plus soucieux de garde-fous) : refusant symboliquement de mettre leur ceinture de sécurité, d'installer des rampes dans les escaliers. Ce que la recherche souligne par ailleurs est l'existence de divergences d'une partie du Mexique à l'autre : allant du nord du pays, fortement influencé par la culture américaine, au Mexique central avec sa culture « mestizo » particulière, aux communautés indigènes du sud qui possèdent une culture complètement différente avec leur propre langue, religion, leurs codes vestimentaires et leur histoire propre, etc. Selon Hofstede, « Le Mexique est au niveau 82 s'agissant de cette dimension d'évitement de l'incertitude soit un niveau très élevé. Les pays qui présentent un degré élevé sur ce point maintiennent des codes rigides de croyance et de comportement et sont intolérants à l'égard des comportements et des idées peu orthodoxes. Dans ces cultures, il y a un besoin émotionnel de règles (même si les règles ne semblent jamais fonctionner), le temps c'est de l'argent, les gens ont envie d'être occupés et travaillent dur, la précision et la ponctualité sont la norme, l'innovation peut être combattue, la sécurité est un élément important dans la motivation individuelle » (Hofstede, 2015, notre traduction de l'anglais).

Or tous ceux qui ont vécu au Mexique savent que la précision et la ponctualité ne sont pas des vertus locales. Rien ne saurait être plus éloigné de la vérité que d'écrire que « la précision et la ponctualité sont la norme [. . .] la sécurité est un élément important de la motivation individuelle dans la culture mexicaine ». De plus, l'idée que le temps est de l'argent n'est présente que dans très peu de milieux au Mexique. La plupart des Mexicains s'en tiendraient plutôt à une vision cyclique du monde (Lewis, 2005) en termes de générations, de continuité familiale. Il s'agit d'accomplir sa tâche puis de laisser sa descendance poursuivre.

Individualisme

Selon Hofstede, le Mexique avec un score de 30 est considéré comme une société « collectiviste » (Hofstede, 2015). Les études de Nutini (2010) et de Camp (2002) ont montré que la majorité de la population est en fait plutôt individualiste, visant toujours à apparaître singulière en s'habillant ou en agissant d'une manière différente des autres. Ceci semble confirmé à l'ère des sites Web des médias sociaux comme Facebook, où la mise en scène de soi est omniprésente à travers les photos. Les Mexicains font de grands efforts pour se démarquer d'autrui. En outre, comme l'a montré Nutini dans sa vaste étude sur la stratification sociale au Mexique, les pratiques de distinction dans la société mexicaine sont beaucoup plus marquées que dans les sociétés véritablement collectivistes où les gens s'appliquent à faire partie du groupe et ne cherchent guère à s'en démarquer (Nutini et Isaac, 2010). Le Japon est également considéré comme une société collectiviste par Hofstede (score de 46), suggérant que ce pays est semblable au Mexique à ce niveau, mais les deux cultures nous semblent profondément divergentes sur ce plan (et bien d'autres). Les Japonais excellent dans le travail d'équipe en mettant les priorités et les objectifs collectifs au-dessus de ceux des individus. La socialisation au Japon va très nettement dans ce sens. Les Japonais ont un profond sentiment collectiviste d'appartenance (Eisenstadt, 1996 ; Varley, 2000). En revanche, même si la plupart des Mexicains s'identifient avant tout à leur famille, ils sont beaucoup trop individualistes pour se soumettre aux objectifs d'un groupe plus large et s'identifier à ce groupe – et encore moins à l'ensemble de la nation (Camp 2002). Ils essaient constamment de se distinguer de toutes les façons et beaucoup se considèrent (ou essaient de paraître) comme des Européens. Comme l'a dit un haut dirigeant mexicain, qui avait déjà travaillé dans le nord de l'Europe, lors d'une interview :

« La solution aux problèmes du Mexique serait la collaboration, les Mexicains ne savent pas comment collaborer, travailler ensemble en équipe. Nous sommes très égoïstes, nous voyons nos propres avantages et ne nous soucions pas des autres. Si l'esprit de coopération commençait à prospérer au Mexique, le pays changerait radicalement. Nous sommes un pays potentiellement très riche, mais nous ne savons pas comment tirer profit de nos ressources. Nous ne savons pas comment collaborer. Je veux passer le reste de ma vie à trouver comment faire en sorte que les Mexicains collaborent et travaillent ensemble. Le titre de mon livre sera : « Apprendre à collaborer ». Au Mexique, vous ne collaborez avec les gens que si vous le voulez. Dans un pays du Nord : pas de question ! Vous collaborez parce que vous le devez ! Point barre ! C'est votre travail et votre responsabilité. Si ici [au Mexique] vous n'aimez pas quelqu'un, vous ne coopérez plus avec cette personne et vous ne vous souciez plus du groupe. » (Informateur 1).

Il ne s'agit pas de généraliser excessivement sur la seule base de ce genre de déclaration, qui laisse transparaître une certaine frustration, mais la tendance à ressentir et à croire constamment que l'on mérite toujours un traitement spécial et des droits particuliers parce qu'on se croit unique est effectivement présente dans tous les milieux sociaux de la société mexicaine (à l'exception peut-être des communautés indigènes). Cette image de soi que de nombreux Mexicains ont d'eux-mêmes est probablement produite au cours de leur prime éducation lors de laquelle ils sont volontiers appelés « mi rey » (mon roi) ou « mi princesita » (ma princesse) par leurs parents. En la matière, on pense plutôt à certaines similitudes avec la culture américaine mettant l'accent sur l'individualisme et l'enfant roi. De plus, comme ils se sentent uniques, certains ont tendance à croire que les règles ne devraient pas s'appliquer à eux de la même manière qu'elles s'appliquent aux autres.

De plus, au lieu de s'identifier et de se soumettre à leur propre famille, de nombreux jeunes mexicains ont aujourd'hui une relation plutôt froide et calculatrice à l'égard de leur famille élargie (composée souvent, nous l'avons dit, de plusieurs centaines de personnes) : ils en tirent quelque profit et c'est pourquoi ils s'y investissent un peu. Ils ont besoin de la famille pour obtenir des emplois, une certaine protection et pour satisfaire d'autres besoins ; et c'est pourquoi ils jouent selon les règles de la famille, mais cela est très différent d'une identification réelle et profonde à la famille sur le plan émotionnel. Cela nous paraît plutôt un choix rationnel pour maintenir de bonnes relations avec la famille. Les sentiments exprimés et mis en valeur lors d'événements familiaux sont souvent de simples représentations théâtrales pratiquées pour répondre aux attentes des personnes âgées, pour éviter les conflits ouverts et pour servir de façade, le tout couvrant et occultant les conflits intérieurs familiaux. Avoir une relation harmonieuse avec sa famille est un symbole de statut très important dans la société mexicaine ; exprimer à haute voix (ou l'afficher sur les réseaux sociaux) pour que tout le monde puisse l'entendre, une phrase comme « J'aime mon père et ma mère ! J'aime ma famille ! » est un message adressé autant au public qu'à sa propre famille. L'intention de la phrase est de se vanter, de fanfaronner et de montrer que l'on a une relation harmonieuse avec sa famille qui donne accès à certaines ressources. C'est comme entretenir un réseau d'affaires pour augmenter le capital social et ainsi augmenter les chances d'obtenir des informations et un soutien importants, ce qui peut conduire à un meilleur travail, à une ascension sociale, etc.

En effet, comme de nombreuses entreprises sont des entreprises familiales, il n'y a souvent pas de distinction claire entre famille et entreprise. De plus, les jeunes ont fréquemment un niveau d'éducation beaucoup plus élevé que leurs parents et ont connu une socialisa-

tion différente, dans laquelle facebook, youtube, twitter, instagram, etc. ont joué un rôle important dans la promotion des valeurs individualistes. De nombreux jeunes Mexicains rêvent effectivement de devenir des stars sur youtube ou une célébrité similaire. Par conséquent, ils estiment que la famille restreint en quelque sorte leur liberté et ils ne veulent donc plus jouer les anciens rôles. Ils ne les remplissent qu'en certaines occasions afin de répondre aux attentes et d'éviter les conflits ouverts. Bien sûr, il y a aussi un certain attachement affectif dans ces relations, mais ce n'est sûrement pas plus important que dans les cultures individualistes. Selon les personnes interrogées, il est assez courant que les pères ne s'occupent ni de leurs enfants ni de leurs femmes parce qu'ils sont trop occupés à inviter leurs maîtresses dans des restaurants et des hôtels huppés. De plus, dans la société mexicaine, profiter de la vie (« disfrutar la vida ») est une valeur fortement mise en avant et débouche sur un état d'esprit, un mode de vie plutôt individualistes.

L'attachement émotionnel au sein d'une grande famille mexicaine typique avec ses différentes branches est semblable à celui d'une entreprise de taille moyenne : les membres se connaissent, ont quelque chose en commun (c'est-à-dire qu'ils sont membres de la même famille ou de la même compagnie, ou les deux à la fois, ce qui est souvent le cas au Mexique) et ils admettent qu'on peut augmenter ses chances personnelles de succès si tout le monde travaille en équipe. Mais cela ne veut pas dire qu'il y ait une véritable et profonde synergie entre les membres, bien au contraire : il y a plutôt de l'envie, des ragots, des intrigues, de la trahison, de la méchanceté. Des sous-groupes se développent pour essayer de tromper d'autres sous-groupes. Tous entendent généralement être proches des segments les plus riches de la famille, mais les membres de ces derniers peuvent aussi chercher à se distinguer de fractions familiales ayant moins bien réussi. Inutile de dire que lorsque les grands-parents meurent, les luttes et les batailles pour le patrimoine commencent et certains membres utilisent tous les outils possible et inimaginables pour mettre la main sur la maison et autres biens précieux des aïeux disparus. Détail intéressant : comme de nombreux Mexicains sont très superstitieux, ils vont au « marché des sorcières » et achètent des ustensiles pour influencer et manipuler les autres afin qu'ils puissent hériter de tout sans avoir à partager avec d'autres membres de la famille. Tout ceci se passe peu de temps après la mort des grands-parents. En temps normaux, quand il n'y a pas d'héritage en vue, ceux-ci ne reçoivent presque jamais de visite de la part de leurs enfants et petits-enfants. Bien qu'ils aient donné naissance à de nombreux enfants et aient élevé beaucoup d'entre eux, ils vivent souvent seuls dans un quartier pauvre lorsque leurs enfants ont quitté la maison. C'est la réalité surprenante

de la société mexicaine actuelle qui se trouve en quelque sorte écartelée entre modernité et tradition. La catégorie « collectivisme » de Hofstede implique de donner une priorité autrement plus élevée aux buts et à la survie du groupe qu'aux objectifs personnels et individualistes. A la limite met-on sa vie au service du groupe. Les mentalités nous apparaissent tout autres au Mexique : semblant plutôt être de l'ordre du : « Pues yo no soy pendejo ! » (Attendez, je ne suis pas un idiot !). De ce point de vue, les actions « collectivistes » ne semblent guère avoir de sens car elles peuvent impliquer des efforts et ne conduire ni à la joie ni au plaisir.

On ne peut guère constater que les Mexicains seraient en quelque sorte plus « collectivistes » que leurs pairs dans les pays et les cultures classés comme individualistes, tels les États-Unis ou les pays d'Europe occidentale. En outre, il n'est pas rare que les parents mexicains, comme leurs homologues dans d'autres pays, s'attendent à recevoir de l'argent et des cadeaux de leurs enfants dès que ceux-ci commencent à gagner leur vie. Nous avons ainsi noté des propos tels que : « Después de todo lo que yo hecho por ti, tú deberías ayudarme a mi ahora », c'est-à-dire, « après tout ce que j'ai fait pour vous, vous devriez maintenant me rembourser et m'aider ». Ceci n'est pas sans laisser sous-entendre que même les parents ont une approche plutôt calculatrice et réciproque de la famille : ils investissent en quelque sorte sur leurs enfants, espérant un retour sur investissement plus tard dans leur vie. Tout en dissimulant leurs revendications avec des arguments moraux, en essayant de donner mauvaise conscience aux enfants, on peut soutenir que ce qu'ils font relève d'une rationalité quasi économique qui n'a pas grand chose de collectiviste. A travers ces développements de la thèse, on voit en quoi nous avons essayé, au-delà de la seule prise en compte des rapports au sein des entreprises, tenté de comprendre plus largement l'arrière-plan sociétal de ce pays.

La dimension « masculinité »

L'aspect « masculinité » mis en avant par Hofstede nous apparaît également discutable. Bien que certains aspects puissent s'appliquer au nord du Mexique, il ne décrit pas la culture du centre et du sud avec précision : « l'indice du Mexique s'élève à 69 sur ce plan et est donc une société masculine. Dans les pays masculins, 'les gens vivent pour travailler', les managers sont censés imposer leurs décisions, s'affirmer, l'accent est mis sur l'équité, la concurrence et la performance et les conflits sont résolus en les combattant. » (Hofstede, 2015). A la lumière des entretiens que nous avons réalisés, nous aboutissons à une vision plus nuancée d'un point de vue culturel. Les Mexicains nous paraissent entretenir un rapport sensuel à l'existence : bonne chère, goût pour la musique, la danse, la fiesta, l'amour, le luxe et le confort qui viennent tempérer l'impression de

virilité triomphante. Ceci est lié à une conception assez fataliste de la vie. Les risques de décès sont si élevés au Mexique que les habitants paraissent toujours jouir autant que possible du moment présent. De plus, la fréquentation des managers ne nous permet pas de conclure à un machisme tout-puissant, même chez les locaux..

Au bilan, hormis la dimension « puissance-distance », l'étude de Hofstede ne nous paraît pas convaincante et allant plutôt dans le sens de stéréotypes. Nous ne pouvons lui opposer que des contre-intuitions, corroborées par ce que nous tirons des entretiens avec les expatriés, et qui mériteraient d'être interrogées plus en profondeur.

L'impact des multinationales étrangères sur la société et la culture mexicaines

Nous l'avons souligné, l'objet principal de cette thèse était d'étudier l'impact des multinationales étrangères et de leurs cadres supérieurs sur la société mexicaine en partant d'une perspective micro-sociologique qui se concentre sur la façon dont les top managers influencent leur environnement et dans quelle mesure la vie des employés mexicains ainsi que celle de leurs familles et de leurs communautés changent éventuellement lorsqu'ils commencent à travailler pour une multinationale étrangère. L'étude montre que dans une ville comme Puebla, où plusieurs multinationales allemandes se sont installées, même les familles qui n'ont pas de contacts directs ou indirects avec ces entreprises incitent leurs enfants à apprendre l'allemand et l'ingénierie. Ils ont observé dans leur voisinage que c'était là le moyen de faire carrière, le chemin vers une vie meilleure et l'ascension sociale. Dans le cas du Mexique, nous pouvons conclure que les attitudes évoluent lorsque certains individus adoptent de nouvelles valeurs qu'ils ont observées et expérimentées au cours de leur travail dans les filiales étrangères car elles sont symboles de réussite. Leurs familles et leurs voisins finissent parfois par les adopter également. Donc ces employés enseignent souvent activement à leurs propres familles ces nouvelles valeurs et attitudes qui gagnent parfois un périmètre plus large de la société alentour. Les Mexicains s'observent énormément et copient volontiers de nouvelles stratégies si elles semblent être vectrices d'ascension sociale. Pour recourir à une métaphore, on peut dire que les nouvelles valeurs et attitudes sont comme un terreau différent produisant de nouvelles plantes, c'est-à-dire de nouvelles institutions et formes organisationnelles, plus susceptibles de s'épanouir. Ce processus est même susceptible de s'étendre au-delà du lieu concerné. Bien sûr, des conflits avec ceux qui s'en tiennent aux anciennes valeurs, attitudes, institutions et formes organisationnelles ne peuvent souvent pas être évités.

Un autre impact des multinationales étrangères sur la société mexicaine est qu'elles changent la structure sociale et le système de stratification parce que les dirigeants expatriés qui sélectionnent et recrutent les employés mexicains le font selon des critères qui

ne correspondent pas forcément aux complexes hiérarchies sociales de la société mexicaine. Les expatriés se concentrent principalement sur la performance et les compétences et n'ont pas de famille au Mexique, donc ils attribuent les emplois aux candidats qui leur semblent être les mieux préparés et les plus motivés pour effectuer leur tâche. Ceci ouvre des opportunités remarquables pour les Mexicains de la classe moyenne suffisamment instruits, qui n'auraient guère de chance d'obtenir des emplois bien rémunérés dans une entreprise mexicaine car ils n'ont pas le capital social nécessaire, c'est-à-dire des liens familiaux ni des accointances avec des entrepreneurs mexicains ou des politiciens influents. Les multinationales étrangères semblent plus méritocratiques que les entreprises mexicaines qui sont souvent des entreprises familiales préférant employer des membres de la famille et des amis car ils se méfient des outsiders. On retrouve un peu ce que Caprar (2008) a décrit en détail à propos de la Roumanie. La question du népotisme demeure insuffisamment étudiée au Mexique.

Un autre effet des multinationales étrangères observé à Puebla et à Wolfsburg (Allemagne) est qu'une communauté germano-mexicaine s'est développée car les ingénieurs allemands envoyés dans les filiales de Puebla se marient parfois et ont des enfants avec des Mexicaines. Certains d'entre eux s'installent à Wolfsburg, où se trouve le siège de VW, tandis que d'autres restent à Puebla. Dans les deux villes, il existe de petits quartiers de ville germano-mexicains. Une nouvelle population mixte s'est développée, qui reste certes très minoritaire par rapport à l'ensemble de la population, mais il s'agit là d'un phénomène qui n'a guère reçu d'attention à ce jour et qui nous semble digne d'intérêt. On peut supposer que dans d'autres villes où de nombreuses multinationales, nord-américaines notamment, se sont installées, des évolutions similaires sont notables. Dans certaines régions du nord du Mexique (Chihuahua, Monterrey, etc.), une très grande partie de la population a travaillé au moins une fois dans des EMN étrangères, entraînant un changement culturel et de nombreux couples américains-mexicains se sont formés au cours de ce processus, faisant du Nord du Mexique une région très différente du reste du pays.

Habitus

Dans la thèse, nous avons également tenté une réflexion en termes d'habitus : nous demandant notamment dans quelle mesure celui-ci est susceptible d'évoluer au contact des entreprises multinationales. Les entretiens nous conduisent à deux constations. Primo, il y a effectivement des changements notables en termes de perceptions et de valeurs. La cause réside probablement dans le fait que les travailleurs mexicains locaux sont dans une position dominée et doivent s'adapter sur le plan des comportements, des représenta-

tions. En revanche, les cadres expatriés ne semblent guère modifier leur visions du monde et leurs attitudes au contact du monde mexicains. Les deux parties doivent s'adapter les unes aux autres afin de coopérer avec succès, mais pas au même degré, et ceci constitue une différence décisive. Bien que des employés et des dirigeants aient mentionné au cours des entretiens que la culture des filiales était un mélange de culture mexicaine et de culture étrangère, on n'est pas dans un ratio 50-50 : la culture prédominante demeurant à l'évidence celle de la multinationale étrangère. La part mexicaine semble souvent superficielle, donnant un petit peu de couleur locale mais point trop n'en faut. Ceci implique que ce sont surtout les employés subalternes mexicains qui doivent fournir un effort d'adaptation. Et toute notre thèse va dans le sens que ceci n'est pas sans conséquence au niveau de leur famille, de leurs voisins et de la société environnante plus largement.

Limites de ce travail et implications pour d'autres recherches

Nous avons bien conscience que notre problématique associait des questions de nature sensiblement différente ; elles n'en étaient pas moins complémentaires. L'avantage de notre démarche est d'aboutir à une perspective relativement large, mais nous avons conscience que ceci s'est révélé au détriment d'approches plus approfondies des divers aspects traités ici. Creuser davantage tel ou tel point dépassait les possibilités d'un chercheur isolé et aurait nécessité plus de temps que celui imparti pour la réalisation d'une thèse de doctorat, de ressources aussi. A posteriori, nous avons tendance à estimer que se concentrer sur un des sous-thèmes abordés ici et le traiter en profondeur aurait sans doute été plus aisé et aurait peut-être conduit à des résultats plus probants pour le lecteur. Mais il convient de bien saisir que notre intention était de partir d'attitudes, de représentations observables pour aboutir à des conclusions en termes d'impact sur la société. Autrement dit, il s'agissait de réfléchir sur des connexions, des corrélations. A cela, il convient d'ajouter que l'approche large délibérément retenue (même si elle s'appuie sur des enquêtes micro-sociologiques) réclamait de s'appuyer sur un grand nombre de traditions académiques et de traditions de recherche au carrefour de la sociologie des élites économiques, des business studies, des études culturelles, voire de l'anthropologie et de l'histoire. La prise en compte d'une littérature très large a d'un côté été très stimulante mais s'est révélée difficile à manier tout en prenant beaucoup de temps, eu égard à tout ce qui se publie en anglais, en espagnol et en allemand, sans parler du français et du portugais. Ce qui a compliqué la démarche est que ces traditions académiques envisagent parfois le même genre d'objet selon des perspectives assez différentes. Même au sein d'une même discipline les approches sont souvent divergentes.

Bien que les chercheurs américains, mexicains et allemands aient tous fait des recherches sur les élites mexicaines, ils appliquent des approches différentes et partent de points de vue dissemblables qui soulignent certains aspects en négligeant ou ignorant les autres. Cela rend le travail interdisciplinaire difficile. Un autre problème rencontré aura été qu'il a fallu beaucoup plus de temps que prévu pour avoir accès aux managers au sommet et quand certains ont finalement accepté d'être interviewés, beaucoup n'ont pas répondu en détail à toutes les questions prévues. Nous avons dit dans la partie méthodologique que nous entendions faire preuve d'une certaine souplesse de ce point de vue mais il est possible que des lecteurs aient l'impression parfois de résultats un peu impressionnistes. Quoiqu'il en soit, le parti pris aura été d'utiliser essentiellement les interviews les plus intéressantes, ce dont ce résumé de 10% de la thèse ne saurait donner qu'une vague idée (c'est pourquoi nous nous permettons de renvoyer bien sûr à la version longue en anglais).

Nous sommes conscient de certaines limites mais espérons que la lecture de cette thèse pourra être de quelque utilité à des personnes qui seraient amenées à aller travailler au Mexique. Un des problèmes principaux auxquels nous avons été confronté est celui de la généralisation. D'une part, la société mexicaine, au regard de ce que nous en avons vu et de ce que nous avons lu nous paraît en pleine mutation. D'autre part, le pays nous a semblé assez hétérogène. Une démarche qualitative telle que celle que nous avons adoptée produit des résultats mais nous nous demandons toujours dans quelle mesure ils peuvent aboutir à des affirmations solides. Nous avons tenu à mettre l'accent sur la culture car cela nous paraît un facteur d'explication clé. Mais immédiatement se pose la question de l'homogénéité de cette culture, dès que l'on prend en compte les générations et les disparités régionales. A plus forte raison, quand on travaille sur les interactions entre expatriés et locaux, cette question devient plus complexe. Comme on l'a vu, les fameux travaux comparatifs de Hofstede, envisagés ici sous leur aspect mexicain, ont constitué un point de référence majeur. Nous aboutissons à des passages qui tendent à les nuancer très fortement.

Ajoutons que nous avons dû faire preuve de pragmatisme. A l'origine l'intention était de mettre l'accent sur les multinationales allemandes dans le secteur de l'automobile. Mais n'ayant pu réaliser que deux entretiens, il nous a fallu élargir notre perspective à d'autres secteurs et à des multinationales d'autres origines. Ceci a constitué un challenge intéressant mais a aussi contribué à une certaine dissémination.

Ensuite, saisir les ressorts culturels d'une société en pleine mutation (allant dans le sens d'une relative démocratisation et du passage à un libéralisme économique marqué)

n'est pas aisé et nous ne savons pas dans quelle mesure l'image du pays à laquelle nous aboutissons est éphémère.

En conclusion, à propos des limites de cette thèse, avouons que nous avons un sentiment assez partagé. D'un côté, nous avons passé beaucoup de temps dans ce pays, rencontré beaucoup de monde et il nous a souvent semblé que nous avons une compréhension plus approfondie que bien des études qu'il nous a été donné de lire. De l'autre, toutefois, nous avons souvent des doutes à propos de la validité durable de certaines des affirmations auxquelles nous sommes parvenu.

Ensuite et enfin, l'agencement de la thèse peut donner l'impression d'une suite de thématiques qui sont certes liées mais donnent peut-être un sentiment de traitement plus énumératif qu'analytique (ceci se trouvant encore sans doute accentué dans ce résumé).

Le chaînon manquant entre la socialisation et les valeurs des top managers

Ajoutons honnêtement que lier le type de socialisation que les cadres supérieurs ont connu et intériorisé au cours de leur parcours avec les valeurs et les types de styles de gestion actuellement appliqués au cours de leur travail s'est avéré trop compliqué à mettre en œuvre car, comme nous l'avons expliqué plus haut, trop de facteurs devraient être pris en considération nous amenant (suivant en cela bien des auteurs contemporains), à mettre en doute les approches en termes de variables indépendantes et dépendantes.

À vrai dire, la plupart des cadres supérieurs ne sont même pas complètement conscients de la façon dont ils ont développé certaines attitudes, valeurs, visions du monde et, partant, styles de gestion, si bien qu'on n'a pu les interroger que partiellement sur ces points. Il serait nécessaire d'effectuer davantage de recherches pour approfondir la compréhension de la façon dont la socialisation affecte les valeurs et les styles de gestion des top managers. Quoi qu'il y ait sûrement bien des corrélations possibles, nous nous devons de conclure qu'il n'y a pas de lien simple et direct entre la socialisation des top managers et les valeurs qui formeront plus tard la base de leurs styles de gestion, de leurs priorités et de leurs décisions.

La difficile mise en œuvre d'une perspective historique

Enfin, nous avons envisagé de procéder à une étude de la culture mexicaine, à travers ce prisme des multinationales et du rapport au locaux, qui s'appuie sur des réflexions dans la longue durée. Plusieurs chercheurs expliquent certains aspects de la culture mexicaine actuelle en soulignant des attitudes, des visions du monde et des orientations de valeurs qui remonteraient jusqu'à l'époque précoloniale. Par exemple, la signification et l'importance que les Mexicains attachent à la beauté et à l'aspect esthétique d'un peu tout sont expliquées en soulignant que les couleurs vives, les formes et les œuvres

soigneusement travaillées étaient déjà très appréciées et développées dans les sociétés pré-hispaniques qui existaient dans la région appelée aujourd'hui le Mexique (Russell, 2010). Les Mexicains eux-mêmes se montrent souvent réceptifs à ce genre d'explication lorsqu'ils parlent des particularités de leur culture (Martinez et Dorfman, 1998). Mais il conviendrait sans doute de creuser ce genre de questions bien davantage que ce qui se fait en général. Ce serait là une démarche à part entière (Guldi et Armitage, 2014 ; Jordan, 2013 ; Kolmer, 2008). Si on prend l'histoire au sérieux, il faudrait expliquer pourquoi certaines continuités et certaines caractéristiques de la culture précoloniale ont survécu et d'autres non. Beaucoup étant d'ailleurs complètement oubliées aujourd'hui. N'étant pas historien et n'ayant eu ni le temps ni les ressources nécessaires pour travailler dans cette direction, nous avons décidé de ne pas trop nous aventurer dans cette direction. Mais nous sommes bien conscient qu'il s'agit là d'une démarche fondamentale pour qui entend mettre l'accent sur la culture, les mentalités, les attitudes profondément enracinées susceptibles de perdurer pendant des siècles sans que la plupart des acteurs sociaux en aient conscience. Ils ont des attitudes, reprennent des représentations parce qu'elles semblent être naturelles pour eux. Beaucoup des gens que nous avons interviewés ne paraissent guère avoir conscience que ce qu'ils perçoivent comme allant de soi pourraient en aller autrement.

Cette thèse aura avant tout reposé sur une problématique très large, une approche pluridisciplinaire et sur des recherches de terrain. C'est sans doute en multipliant les investigations empiriques que l'on parviendra à une connaissance plus fine de la société concernée.

Foreword

Simple and clearly structured theories are very seductive because they offer easy answers to difficult questions. They promise to explain a complex issue in a very short period of time and with very few words. The problem is that when the research object is something as complex as the culture and institutions of a society, these theories are wishful thinking at best, they express what the researcher wishes to see and perhaps what the academic institutions and organizations expect him or her to write. But cultures are not as clearly structured as scientific theories are expected to be. Cultures are contradictory in themselves: they are hybrid and different streams, flows and factors constantly clash and sometimes one current, e.g. one group of people from a certain social milieu or a school of thought takes over control in a society, while in other moments groups that represent different values, habits and power groups come into play and prevail. It becomes even more complex when individuals from different cultures start interacting with each other and when their cultures start influencing each other. Furthermore, cultures have different layers, similar to rock layers of the earth, and while it is easy to describe the one layer that is immediately visible, what matters most, is understanding the layers which are hidden deeper in the ground. That is where the basis of the culture is located, where the basic belief systems, values and assumptions about life and the world are hidden. Only by understanding these deep structures of a culture, one can understand the attitudes, expressions, world-view, words, actions and non-actions of the people who were socialized in that culture.

Some simple theories make the readers believe that after investing just a few minutes into reading a short paragraph and comparing a few figures they do understand a different culture, which leads the readers to be lulled into a false sense of certainty and understanding. But believing in a wrong theory is much more dangerous than being aware of one's own boundaries of knowledge, because when one knows that there is a lot that one does not understand, one is more alert, vigilant, attentive and observant, which may actually lead one to perceive and understand issues and phenomena which one would not even have noted nor understood otherwise. So, in conclusion we may say

that simple but wrong theories may be counterproductive because they can make one blind. In these cases, knowing that there is a lot that you still do not understand, is a big advancement in knowledge.

During the research, it became rather clear that the nicely structured and seductive theories of Hofstede (Hofstede, 2001; Hofstede et al., 2010) and others were of little use when trying to understand Mexican culture. And by the end of the research project, I concluded that the best analysis, explanations and descriptions of Mexican and Latin American culture were published by the noble prize laureates Octavio Paz and Gabriel García Márquez. Revealingly, they do not offer clearly structured theories, but fictional works, which are much more accurate descriptions of the empirical reality, than many 'scientific' theories.

Interestingly, the business and economics magazine *The Economist* came to a similar conclusion: "Business leaders would benefit from studying great writers [...] You will learn far more about leadership from reading Thucydides's hymn to Pericles than you will from a thousand leadership experts. You will learn far more about doing business in China from reading Confucius than by listening to 'culture consultants'. Peter Drucker remained top dog among management gurus for 50 years not because he attended more conferences but because he marinated his mind in great books: for example, he wrote about business alliances with reference to marriage alliances in Jane Austen." (Economist, 2014).

While writing down the research results, I tried to do exactly that: to find comparisons in order to depict Mexican culture and the interaction between Mexican employees and foreign managers in a vivid and lively way with the aim of creating a graphic image in the mind of the reader, because I believe that only when you can image something, you can really understand it. Following Delios: "Clearly, there is much in the world that IB research can inform. But IB scholars need to be on the ground [...]. They need to learn by going to places they would not normally go. Once research is contextualized, it requires rich writing. Evocative descriptions of the world packaged with the mainstays of tight reporting of theory and rigorous methods create fantastic opportunities for new learning" (Delios, 2017: 397).

1. Introduction

The aim of this research project is to investigate how top managers who lead the subsidiaries of foreign multinational enterprises (MNEs) in Mexico interact with Mexican managers and workers and how this interaction influences the development of both, the Mexican employees, communities, society and culture on the one hand, and the foreign top managers as well as their enterprises on the other hand. Furthermore, in order to comprehend the deeper causes for their way of interacting with each other, an extensive and profound understanding of the cultures in which they experienced their socialization and which formed their habitus, that is, their basic attitude, their way of thinking and acting, must be developed and taken into account.

A problem encountered when conducting interviews and surveys in which different habitus formations, attitudes, leadership styles and distinction practices of different cultures are categorized into one set of prefabricated categories is that the same term – although it may have been thoroughly defined previously – can have different meanings in different cultures. When asked about the same concept, respondents in different cultures may interpret the concept very differently, e.g. while directive (or charismatic leadership styles, etc.) exist in many countries and cultures, they turn out to be very different indeed when they are studied closely. The term exists in every language, but the meaning may vary greatly. Therefore, it is necessary to develop a deep understanding of the background culture of the business elites in order to understand the meaning of the words they use and the significance their actions have in their culture, for themselves and for their followers. Thick description methods (Cyrenne, 2006; Geertz, 1973) were applied to reach this aim of understanding how the central concepts, which are crucial for understanding the object of research, are interpreted within the background culture of the interviewees. I followed Martinez and Dorfman on this issue:

“The problem [...] is that, without in-depth culture-specific (emic) knowledge secured from native members of each culture under study, the researcher’s understanding of a particular leadership behavior may not necessarily relate meaningfully to the culture and can easily be too superficial to capture the information sought. Thus, the com-

parative study (etic) of the impact of specific leadership behavior without an in-depth understanding of the culture becomes extremely problematic. [...] a search for general 'laws of behavior' might best be tempered by a recognition within research designs and methods that more in-depth knowledge and a greater understanding of many emic systems is necessary. In business studies, we are still at the point where we are struggling to employ appropriate methods that reflect the complex meaning embedded in cultural systems (Chapman, 1996-97)" (Martinez and Dorfman, 1998: 104).

1.1. The Case of Mexico

Mexico is a particularly well-suited case to study the impact of foreign MNEs and top managers on local workers, their communities and society because it is the country that has signed more bilateral free-trade agreements than any other country in the world (Ehringfeld, 2016; Villareal, 2009). Furthermore, according to UNCTAD:

"Mexico is one of the emerging countries most open to foreign direct investment, the world's fifteenth largest FDI recipient. FDI flows to the country fluctuate strongly depending on the arrival and departure of large international groups. After reaching USD 26 billion in 2016, FDI flows to Mexico slightly increased to USD 29 billion in 2017" (UNCTAD, 2018).

Moreover, it is the direct neighbor of the world's largest economy. Many US-American, but also European and Asian MNEs have been active in Mexico for several decades. Mexico is arguably one of the countries that have been influenced most profoundly by the activity of foreign MNEs (Blomstrom and Wolff, 1989; Twomey, 2001).

This area of research is relevant for International Business Studies and Sociology; as both disciplines can contribute to the understanding of the interaction and co-evolution between the actors and organizations from different cultures and home countries, an interdisciplinary approach is particularly promising.

When investigating the impact of foreign MNEs on Mexican workers, communities and society, as well as the role, scope of action and room for maneuver managers have in this process, the structure versus agency problem arises and will be taken into account. In other words, the question is: who or what determines the actions, impact and performance of organizations such as multinational enterprises? Is it mainly determined by 'outside structures' (market structures, laws, traditions, politics, competitors, cultural environments, etc.), by 'inside structures' (organizational forms and practices of the enterprise) or rather by the personal values, attitudes, mindsets, personalities, decisions

and 'free will' or 'agency' of its powerful elites (CEOs, etc.)? And what is the mixing ratio between the different factors that influence the impact and performance of the enterprise?

On a more abstract level, the question is: to what extent do structures determine the value orientation, thinking, attitude, behavior and actions of individuals and to what extent do individuals create, influence and change structures? What is the mixture ratio of these two factors?

Here, a central hypothesis is that the social and cultural impact of foreign MNEs does not only depend on their home country and the industry in which they are active, but also on the individual socialization and the resulting values, aims and attitudes of the leading top managers. They take the crucial decisions, because they act as role models and the subordinated employees look up to them and try to emulate their attitude, values and style. Moreover, the managers are likely to promote those employees who have similar values, attitudes and habitus formations, thus strengthening even more their own way of working, managing and steering the enterprise in a certain way and in a certain direction. Furthermore, we can assume that during the interaction between the foreign managers and the Mexican workers, both sides and actors influence each other. Not only the Mexican workers will adapt and adjust to the culture of the foreign MNE, but the foreign managers will most probably adapt and adjust to the culture of the Mexican workers, too, in order to make the interaction and communication become smoother and more efficient. Therefore, we may assume that there is a process of co-evolution taking place.

A central part of this research project is to study from a comparative perspective how top managers from different cultures interact when they meet in Mexico. The problems, conflicts and misunderstandings that arise most frequently when "native" and "foreign" top managers interact will be explored and analyzed extensively. While many anecdotes exist and some studies have touched this issue incidentally (Davila, 2004; Davila and Elvira, 2005; Pieper, 1990), the present study has investigated this research object more extensively and in more depth.

Furthermore, as Mexican society has been changing rapidly, previously published, older studies concerning this issue describe a culture which has changed so much that the old descriptions are not precise, accurate and adequate enough anymore when the aim is to understand present-day Mexico. In addition, some scholars have studied Mexico without ever having been there. While it is possible to study Mexico by analyzing large quantities of data in an office in Europe, extensive qualitative fieldwork in Mexico is

likely to produce much richer, more comprehensive and multi-layered impressions, observations and insights which are much closer to what is happening ‘on the ground’. Discussing the issue extensively with many different native and foreign top managers, as well as with their employees has created a deeper understanding of complex intercultural interactions, different views and interpretations of “the others”, which arise and sometimes clash when foreign MNEs set up subsidiaries in Mexico. During this process, the enormous importance of identity-related conflicts became apparent. In a time of rapid technological, economic and societal changes, there seems to be a subjectively perceived increase in uncertainty and “unknown dangers approaching” as it is unclear where these changes are leading and in which direction society is steering.

More people feel unsure and are afraid of losing their jobs, their status and their culture and, therefore, start to defend their identities fiercely. Most employees of foreign MNEs were not primarily complaining about their wages during the interviews, but about not being recognized by their superior managers as a human being with a unique identity. It seems that just a few years ago the same people were not even thinking about the question “Who am I?” because they subconsciously felt so sure of who they were so that there was no need to think about it and raise the question. It was perceived as obvious and self-explaining, a “no-brainer” as Americans would say.

Now, they feel irritated and unsure about who they are and how to live their lives in the right way, which is obviously closely connected with the identity question. Some of them react to this feeling of being culturally unsettled and shaken to the grounds by drawing lines which did not exist or did not matter just a few years ago, by bordering and fencing their identities strictly and reacting much more aggressively when they feel that somebody is threatening their already shaken and unsure identities.

It seems that the question to which they suddenly feel they do not find a satisfying answer anymore, is “What is the right way to live?” This feeling is not only present among Mexican workers, but also among foreign managers. Suddenly, US-American managers feel the need to defend their American identity much more fiercely than before when they are in Mexico, emphasizing the differences, and are met by the fierce resistance of Mexican managers and workers who defend their Mexican identity and pride against the “US-American invaders and oppressors”. Furthermore, German managers start talking about what is particularly “German” while they used to prefer to say that they are “just normal”. They usually avoided talking about this topic as they tried to circumvent possible conflicts and minefields because of Germany’s difficult history. As these issues seem to increase, not only in Mexico, but in many different parts of the world, and may

develop into serious problems, the identity-related conflict sources have been studied extensively and given more room.

1.2. Methodology

The aim is to develop a more comprehensive understanding of the managers and workers taking into account why the actors act the way they do – their deeper motivations and aims, as well the misunderstandings, rivalries and conflicts between the actors, which need to be understood in order to be able to make sense of their actions.

Against this background, it is particularly promising to apply qualitative methods because of four reasons: first, qualitative semi-structured in-depth interview methods and participant observation techniques are more capable to extract and reveal the subtle characteristics of the cultural differences, habitus formations, distinction practices and values of top managers from different home countries and social backgrounds as well as the conflicts which occur among them (Conti and O’Neil, 2007; Goldman and Swayze, 2012). Second, as previous elite studies have shown, most members of the business elite are not willing to be interviewed about sensitive issues (Harvey, 2011; Hertz and Imber, 1995). Therefore, it makes more sense to extract as much information as possible from the elites who are willing to be interviewed, using in-depth interview techniques, instead of trying to use quantitative methods.

The third reason to prefer in-depth qualitative interviews over quantitative methods is that “the interview-based approach means that we can find out directly about the reasons for managers’ decisions rather than merely infer causation from statistics” (Healey and Rawlinson, 1993: 342). Going into a similar direction, Scherger (2012) argues that qualitative interviews are particularly capable of answering “Why questions” and discovering causal relations, while quantitative methods are better suited to achieve precise measurements and discovering statistical correlations. A further advantage of qualitative semi-structured interviews is that while the interviewees are replying to the questions, they start reflecting about the social system in which they act, about their own role in that system, as well as why they act and think the way they do. This may lead to new insights concerning their socialization and habitus formation. As most individuals are usually not aware of the deeper causes of their own attitudes and viewpoints, during the interview they may develop a better understanding and become more conscious of themselves, their own attitude and personal history. In short: the qualitative approach may create new knowledge during the interview process which would not have been ac-

cessible otherwise. This process of deep reflection, realization and becoming aware of how one's socialization has shaped one's own attitude and way of interpreting the world and the people around oneself, is unlikely to happen when multiply choice surveys are used as the central research method, as they are too superficial. Several times during the interviews, the top managers suddenly said "Nobody has ever asked me that before! And I have never thought about that!" and then they started reflecting deeply about how they have become the persons they are today. Furthermore, as Duarte points out: "qualitative research creates a deeper understanding of social phenomena, as qualitative methods of data collection encourage the participants to reflect more freely and deeply on their personal experience. This in turn prompts more spontaneous and richer responses which stimulate the researcher to engage in more intensive reflective 'brainwork', as they 'ponder the impressions and deliberate on recollections and records' of their research" (Duarte, 2010: 358).

During the analysis stage of the research project, when the researcher listens, transcribes, reads and compares the interviews, the sheer complexity of the research object becomes apparent which forces the researcher to make an effort to comprehensively understand the whole and it keeps him or her from drawing too superficial and too simplistic conclusions.

1.3. The Main Research Questions

The main research questions are:

1. What kind of socialization, habitus, management style, value orientation and distinction practices do the top managers of Mexican subsidiaries of foreign MNEs have and practice?
2. How do these managers from different cultures and home countries interact? Do conflicts and misunderstandings occur between them, as well as between them and the Mexican workers?
3. Are foreign MNEs agents of societal and cultural change? And how large and significant is the scope of action and room for maneuver managers have in this process?

1.4. Structure of the Thesis

After the introduction in **chapter 1**, the literature on business elites in general as well as business elites in Mexico, in particular, will be reviewed in **chapter 2**. Definitions and theories will be compared and theoretical choices will be made. I will discuss the power elite theories developed by Mills, Domhoff and Hartmann and functional elite theories created by Keller, among others, and integrate them into one framework to be applied throughout this thesis. In the subsequent section of this chapter, the relevant studies on Mexican elites in general and business elites in particular as well as the institutional environments in which they act will be reviewed and the findings from previous studies that may be useful for this research project will be summarized. A special focus is set on the works published by the leading researchers on elites in Mexico: Camp, Vega and Nutini. At the end of the chapter, an overview of the historical development of elites in Mexico is given, which helps to understand the enormous changes Mexican business elites have gone through and how their composition has changed due to the massive arrival and impact of foreign MNEs that have set up subsidiaries in Mexico in the last 40 years.

In **chapter 3**, theories which are relevant for understanding elite distinction and group-affiliation practices are discussed and theoretical choices are made. The questions what social distinction practices are, why humans engage in practicing social distinction, in which situations and contexts these practices can be observed and how they can be

categorized, will be addressed. Furthermore, the impact on social distinction practices on identity construction and vice-versa is discussed. Moreover, the question how the massive arrival of large foreign multinational Enterprises and foreign top-managers may influence the social hierarchies and distinction practices within Mexican society is addressed.

Chapter 4 deals with the literature focusing on the impact of elites on the organizations they lead. In this context, the Population Ecology Approach, the Industrial Organization Theories and the relation between structure and agency will be discussed. Furthermore, I draw on the studies by Dunning and Lundan as well as Rugman and Collinson. I conclude that the relation between structures (e.g. MNEs) and agency (e.g. top managers who pursue certain aims) is not well explored and, above all, when changes occur, it is not sufficiently clear what or who causes these changes and how the mixing ratio between the different impacting factors (that is: structural factors and agency factors) can be investigated so that the changes can be explained in a comprehensive way. This is why in the next section of this chapter, a more in-depth look at the structure versus agency problem is taken, which every researcher inevitably encounters when he or she is investigating the impact of individuals (top managers) on organizations (MNEs) and social macro structures (Mexican society and culture). Here, I refer to the categories and definitions developed by Barker (2011). I explore the following questions: What is agency? What is a social structure, how does social change take place and under which circumstances can individual agents (e.g. top managers) change (or at least have the biggest impact on) the organization they lead (e.g. an MNE) and the environment which surrounds them and in which they act?

In order to gain a more detailed view on how this occurs “on the ground”, in the empirical reality, I draw on the studies by Cannella, Finkelstein, and Hambrick who explore the problem empirically on a macro, meso and micro level. I investigate how this model can be applied to the Mexican case in a way that allows for further advancement of understanding.

Chapter 5 explains different theories of action that need to be integrated into the theoretical model because the Homo Oeconomicus theoretical model alone is not sufficient to comprehensively understand and explain all relevant actions of foreign and native business elites and those of the Mexican workers. Here, I argue that several theories of action – the Homo Sociologicus, the Emotional Man and the Identity Defender theories, among others – need to be applied in order to understand and make sense of the actions of individual top managers and workers. The question to which degree and how far these theories can be connected and integrated is discussed at the end of the chapter.

In **chapter 6**, the literature concerning the interaction and relation between the subsidiaries and the MNE headquarters will be explored. The sociological and the international business perspectives will be reviewed and compared with the aim of integrating them into a new framework. A special focus is set on how to understand power and changes in these social relations and interactions. In other words: who is the agent of change and why do these relations change? In order to answer this question, I review the historical development of the applicable theories and of the academic discussion and then take a closer look at three current theories which are relevant in IB studies today: agency theory, resource dependency theory and the multiple embeddedness perspective. In the next section of this chapter, I switch to the sociological perspective and identify five factors that seem to be crucial for understanding these interactions and relations as well as the reasons why they change and where the agency comes from. Here, I focus on the following factors:

1. The enormous importance of individual and group identities for understanding why individuals interact with others in a way that can sometimes appear to be highly irrational and counter-productive. In this context, identity construction and distinction practices play a crucial role.
2. The surprisingly common occurrence of miscommunication and misinterpretations of “the others”, which can be understood as the opposite part of identities: there is often a wide gap between how individuals and groups see themselves and their interests and how they are seen and interpreted by other individuals and groups. This gap seems to widen when the cultural distance between these individuals and groups widens.
3. Furthermore, the role of trust as the lubricant of social relations is examined.
4. The variable and changing willingness to cooperate and to share knowledge, resources and power within these social relations and interactions which take place within the MNE are taken into account.
5. The role of exceptional charismatic leadership skills for changing these organizational relations and interactions will be discussed.

All these factors influence each other and can be only be understood when they are recognized as an interconnected system.

In the next section of this chapter, the following organizational theories will be reviewed in terms of how they can contribute to a better understanding of the complex social relation and interaction between subsidiaries and MNE headquarters. I will discuss which theories are most promising within the context of this research project and should, therefore, be applied during the fieldwork and the analysis of the collected empirical data:

- OLI paradigm
- Local responsiveness – global integration framework
- Heterarchy theory
- Institutional approaches

In **chapter 7**, the theoretical approaches towards conflicts within MNEs will be explored. It will be discussed which approaches are best suited and should be applied to investigate and understand the conflicts within the subsidiaries of foreign MNEs in Mexico and well as between the subsidiary and the headquarters. First, I examine the different conflict definitions and assess which definition is the most promising for this research project. In the next section, the different approaches to conflict analysis and exploration, the “process” and the “source model” are reviewed and, where possible, connected and integrated into a more comprehensive research approach, which allows to detect and observe not only the obvious, visible and manifest conflicts, but also the latent and subliminal ones.

In the next section of this chapter, I will analyze what the different IB theories contribute to the understanding and explanation of conflicts within MNEs: the global integration – local adaptation theory, agency theory, institutional perspective and the post-colonial theory. In the subsequent section, the different conflict tactics applied by the subsidiaries’ managers vis-à-vis the headquarters’ top managers are reviewed in detail. Here, I draw on the excellent studies by Schotter and Beamish. During their empirical studies, they have identified five common conflict tactics: Ignoring, Shifting Emphasis, Ceremonial Adoption, Obstruction and Attacking. They investigated under which circumstances, in which cultural environment and social situations which tactic is most likely to be used.

At the end of the chapter, I explore the other side of the coin, the counterpart of conflicts: why and how – in spite of the many different conflict sources and opposing interests – social cohesion within the MNE and between the subsidiaries and headquarters can and

has been established and maintained. At the end, I will identify five factors that may increase or decrease social cohesion within MNEs.

chapter 8 reviews the co-evolutionary theory by Cantwell, Dunning and Lundan. The authors argue that foreign MNEs have different possible ways to interact with institutions and actors they encounter in the host countries: institutional adaptation, avoidance or co-evolution. I apply this theory to the case of the interaction between foreign MNEs and Mexican institutions and develop the counterpart to this theory: how institutions and actors from the host country react to the arrival of foreign MNEs and which possible ways of interacting with them they may choose to apply: rejection, indifference or warmly embracing the foreign MNE.

chapter 9 deals with the methods applied in this research project and explains methodological choices. I argue that a “reformed” version of the grounded theory approach is most promising, while conceding that a “pure” grounded theory approach is neither possible nor desirable as we cannot do fieldwork with a completely free, open and unbiased mind. We have all been socialized on this planet in a certain culture and, moreover, it would be stupid to go into the field without having reviewed and taken into account all relevant studies that have already been published on the research object and may contribute significant insights and findings, helping to answer the question of this research project. I believe that progress is more likely to be made if we build our own research on top of the findings other researchers have already made in previous investigations. Nonetheless, I insist that we need to put the newly collected empirical data in the middle of our attention. We need to respect the unique characteristics of the collected empirical data even if they do not fit nicely into our beloved theories and categories. Even if the observations and transcribed interviews lead to contradicting answers to the research questions, we need to be open about it and write exactly what the interview partners actually said, even if this means that the research project does not lead to an elegant and harmonious theory that would constitute a completely finished theoretical building able to explain everything with certainty. Being close to and respecting the empirical data is more important than confirming an elegant, popular and well-established theory.

Chapter 10 explores the different ways to gain access to the business elites and discusses the most promising and efficient methods. Business elites usually form a rather closed social group, which makes in-depth studies difficult as they may not be willing to participate in thorough interviews and provide the relevant empirical data. In this context, I draw on the studies, reflections and experiences published by Welch, Marschan-Piekkari, Penttinen and Tahvanainen, as well as Healey and Rawlinson, Kin-

caid and Bright. Furthermore, I review in detail how Zuckerman managed to get access to Nobel Prize laureates in order to learn from her example.

In the next section of this chapter, I will investigate and discuss how the interviewer should act before, during and after the interview, as top managers are used to lead interviews, conversations and groups. This is why you need to be prepared to direct and manage the interview and interaction in a way that is best for answering the research questions. Furthermore, trust needs to be build up and the conversation needs to flow in a natural way, so that the elites feel comfortable enough to talk extensively about the issues that are relevant for a deeper understanding of the research object. Here, I draw on the findings of McDowell, Herod, Aberbach and Rockman.

In chapters 11 to 15, the collected empirical data is analyzed and discussed.

In **chapter 11**, the top managers' countries of origin as well as their socialization, habitus formations and personal careers are analyzed. It becomes apparent that those who have grown up in different cultures, social classes and/or milieus have developed different attitudes, approaches and ways of seeing the world, which will be explored and described in detail. Furthermore, the effects and consequences of these differences will be investigated and discussed.

In **chapter 12**, the management and leadership styles of the interviewed managers are analyzed with a special focus on how they take decisions and how they lead and treat their subordinates. Here, the following categories for different styles will be defined and described. Furthermore, in this chapter I will describe what top managers actually do during their work day, which can differ significantly from what one expects them to do. Moreover, the political viewpoints of the interviewed top managers are taken into account. In a short excursus, the different ways top managers deal with drug cartels that interfere and threaten the MNEs will additionally be explored. Several ways of managing this threat and cause of uncertainty will be identified.

In **chapter 13** I will analyze the empirical findings concerning the social distinction practices and identify the practices and symbols which used to signal and/or claim a certain position in the social hierarchy in Mexican society and observe how the top managers of foreign MNEs react and interact with the symbolic system they find in Mexico when they arrive to set up their subsidiaries.

Chapter 14 will focus on intercultural conflicts and misunderstandings between foreign top managers on the one hand and local, Mexican managers and workers on the other hand. Here, six cultural differences between Mexican and Northern European or US-American attitudes that may lead to misunderstandings and conflicts are identified and

the cultural assumptions and traditions which cause these differences are explored in an in-depth way:

1. The Mexican habit and approach of constantly sending signals to reaffirm a harmonious social relationship at work versus the Northern European approach that prioritizes functionality and rationality over emotionality in a work relationship, which is often considered “frío” (“cold”) by Mexicans.
2. The unstructured, spontaneous and multi-task Mexican work method versus the rigidly structured and uni-task Northern European work method.
3. The importance put on sensory perception and aesthetic sensibility present in almost all parts and aspects of life and work in Mexican culture, opposed to the analytical approach of Northern European top managers. While many Mexicans implicitly believe that “When something is not beautiful, it cannot be good”, many Northern European managers are convinced that “When something is not functional and efficient, it cannot be good.”
4. The Mexican attitude of putting top priority on the present versus the Northern European attitude of prioritizing the future.
5. The attitude and value orientation to see hierarchies as an end in itself, a value of its own, versus the value orientation to see hierarchies as a means to achieve the best possible performance, that is, to subjugate hierarchies under the aims of the organization, to use them as tools to achieve something in the most efficient way.
6. The different approaches to interpret conflict-management methods: interpreting the willingness to compromise as a sign of strength and confident leadership versus interpreting it as a sign of weakness, lack of self-confidence and as a doubtful and hesitating leadership style.

In **chapter 15**, the power relation between the subsidiaries’ and headquarters’ managers is explored in several cases and the factors which influence the power balance between them and the bargaining power of the subsidiaries are identified and discussed. While the headquarters is formally superior and clearly more powerful, the information asymmetry can create considerable opportunities to gain and increase the power of the subsidiary’s managers. For the subsidiary’s managers, exclusive knowledge is power. In addition, unity and social cohesion of the subsidiary’s managers vis-à-vis the headquarters can

create further opportunities to increase their power and scope of action. Furthermore, the headquarters' managers are always aware of the fact that the overall success of the MNEs depends on the success of their subsidiaries and they have invested large amounts of capital into the subsidiary which cannot be easily recovered if they close the subsidiary. A focus is set on the different personal as well as collective interests and aims which the top managers from the subsidiaries and from the headquarters have and how that may lead to different decisions, actions and conflicts.

In **chapter 16**, the impact of foreign MNEs on Mexican society and culture will be investigated. Here, a central finding is that while Mexicans are usually very receptive and warmly embrace MNEs from some foreign cultures and countries that are highly valued, appreciated and admired in Mexican culture, they reject and close themselves to other MNEs from countries with a bad reputation in Mexico. While Korean and US-American MNEs often meet with mistrust, avoidance and rejection, Japanese and German MNEs are usually warmly greeted and invited with hospitality. In the next section of this chapter, the role-model function of foreign top managers for the Mexican employees is investigated. Here, a central finding is that the impact of foreign MNEs on their Mexican employees depends greatly on the personal values, attitudes and decisions of the individual managers at the top of the subsidiaries. They do not only act as role models, but also have considerable freedom and room for maneuver when interacting with the Mexican employees and communities where the subsidiary is located and to decide whether and how to get involved in community development as well as how to deal with the waste which is produced by the subsidiary. Several examples for this impact and the role of top managers are described and analyzed in detail. At the end of the chapter, Coleman's "Macro-Micro-Macro" theory is extended and applied to the case of large foreign MNEs arriving and setting up subsidiaries in Mexico, which will have many small impacts and consequences on the micro level of society that will lead and build up to impacts and consequences affecting the macro level of society and culture in the long run.

In **chapter 17**, conclusions will be drawn and research results will be summarized. Moreover, the limitation of this investigation and the implications for further research projects are discussed.

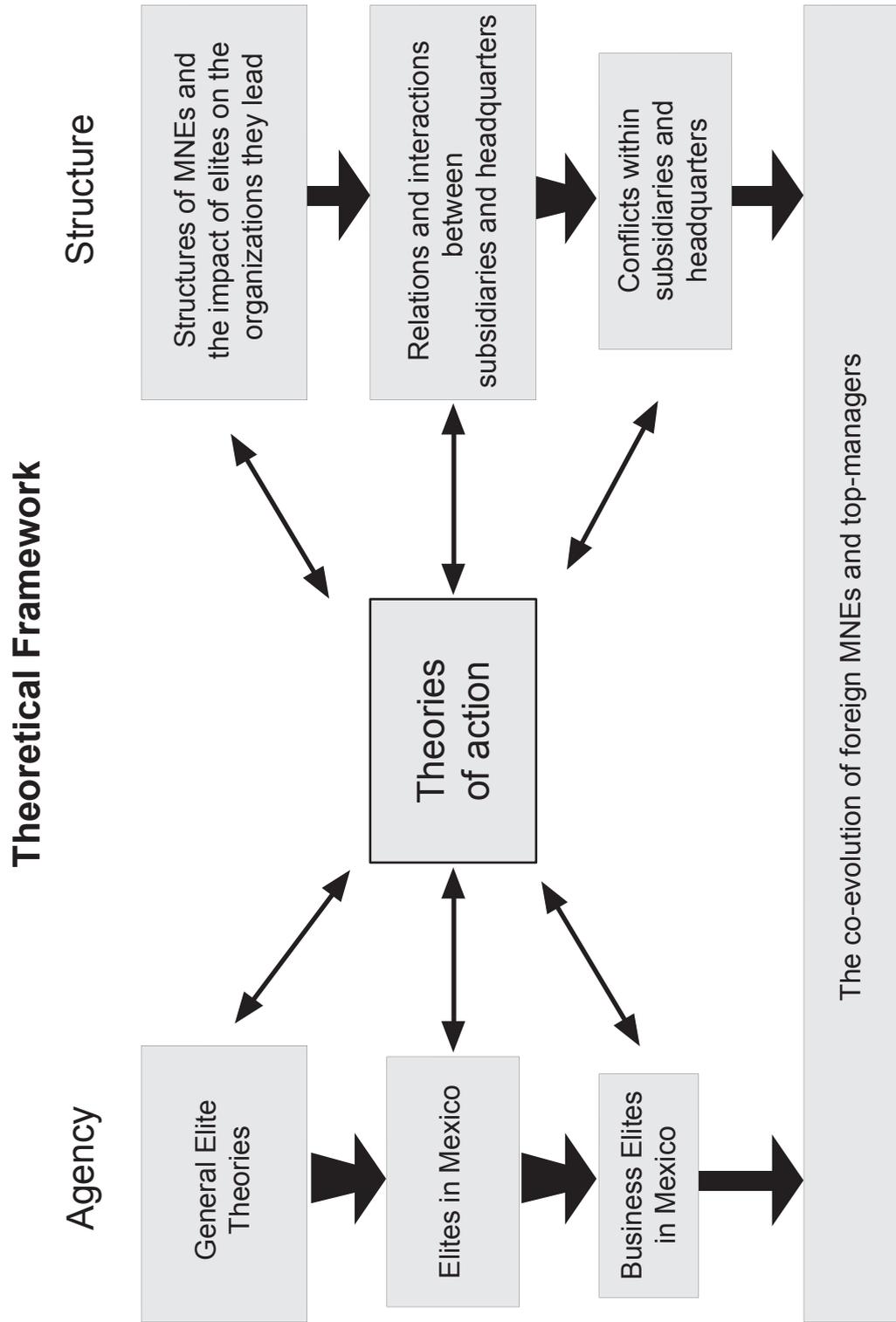


Figure 1.1.: Theoretical Framework

Empirical Findings

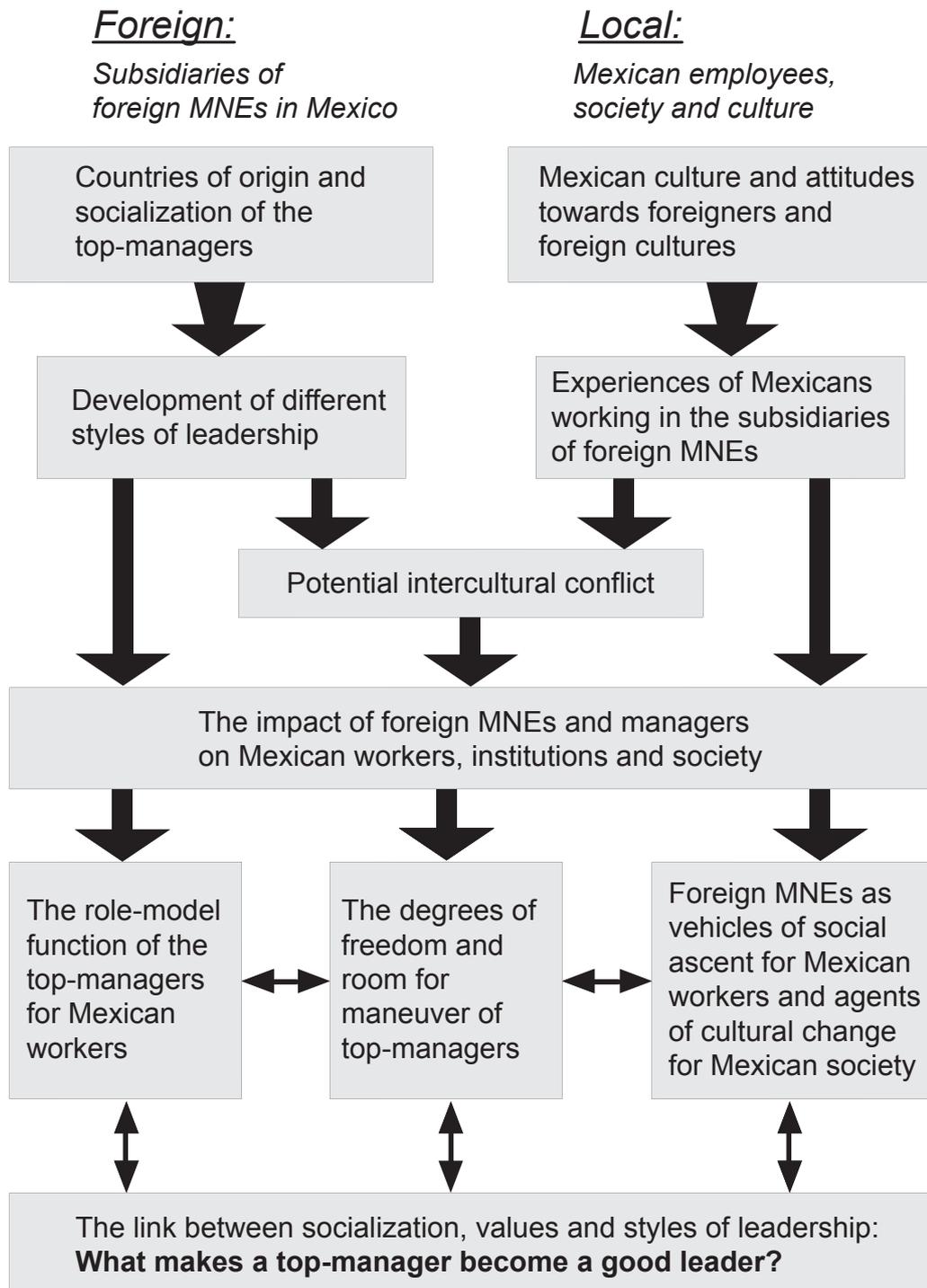


Figure 1.2.: Empirical Findings

1.5. Research Propositions

The previous discussion of the state of research and literature review leads to the following research propositions and exploratory aims:

Research Proposition 1

Conflicts and power struggles between local “native” managers and workers on the one hand and expatriate managers from the home countries of the MNEs on the other hand, which take place within the subsidiaries in the host country are much more common than usually assumed. The deeper causes of these conflicts are not only the ones which were expected and found in most previous studies, e.g. bargaining struggles for money and power, but do also include and are caused by the pursuit of the involved individual and group actors to gain social recognition and to defend and maintain their identities.

Research Proposition 2

The high degree of cultural heterogeneity and differences among the members of multinational enterprises and the resulting habitus, identity and communication differences, increase the risk of miscommunication and identity conflicts, especially when expatriate managers from countries which used to be colonial powers interact with employees from countries which used to be colonies of the home country of the expatriates.

Research Proposition 3

The experience local employees who work at a subsidiary of a foreign MNE make can be understood as a socializational experience which influences their mindsets, habitus and lifestyles as well as the ones’ of their families, friends and communities, which will eventually impact the culture of the host country as a whole, not only on the micro level, but also on the meso and macro level.

Research Proposition 4

There is a link between the socialization of a manager and his or her values, management style, decisions and impact on the employees and organization he or she leads. Depending on this socialization, the experience the local employees make during their work in the

subsidiary of the foreign MNE can vary substantially. The impact of the MNE on the host country is significantly influenced and shaped by this micro-level factor.

Part I.
Literature Review

2. Elites

According to Camp “leadership is often responsible for significant shifts in public opinion, shifts that have remarkable consequences for redirecting society in many policy areas [...]. For norms to have a consequential effect on state behavior, they must take root within the elite community.” (Camp, 2002).

Elites often act as role models and multipliers of values, norms, attitudes and distinction practices. Moreover, the decisions which elites take may have impacts that extend far beyond their own lives. They may impact the development of entire organizations, which are obviously crucial for the lives of the employees of the organization as well as for their families and communities. Some researchers even argue that elites may influence the development of society as a whole (Hertz and Imber, 1995: viii), however, not much is known about them.

Elite research is relevant for several sub-disciplines and research fields. Research on business elites, for example, may be relevant for organizational studies as according to Hambric et al. (2007), business elites influence the development, performance and culture of the organizations they work for to a significant degree. Therefore, in order to understand organizations, not only structures and environments have to be studied, but also the most powerful and influential leaders at the top of the organization whose decisions, values, distinction practices and attitudes influence the organization as a whole. In one of their recently published studies, Cannella, Finkelstein and Hambric summarize their central hypothesis and define whom they see as the true business elite:

“The basic premise is that in order to understand why organizations do the things they do, or perform the way they do, we need to deeply comprehend the people at the top – their experiences, abilities, values, social connections, aspirations, and other human features. The actions – or inactions – of a relatively small number of key people at the apex of an organization can dramatically affect organizational outcomes.

The scope of strategic leadership includes individual executives, especially chief executive officers (CEOs), groups of executives (top management teams, or TMTs); and governing bodies (particularly boards of directors)” (Cannella et al., 2008). Although

the importance of the study of elites is clear, relatively little research has been done on them to date. In fact, much more research has been done on the poor and powerless than on the rich and powerful (Hertz and Imber, 1995: viii).

One reason may be that it is extremely time-consuming to get access to elites and to conduct in-depth interviews with them as they usually live and work in hermetically sealed places and milieus and are mistrustful towards outsiders. They may consider it to be potentially dangerous to give away sensitive information and to talk openly about their personal experiences, socialization, attitudes and opinions. And while the political, judicial and scientific elites are a bit easier to access, several researchers reported that in most countries, the business elite is the most closed and most difficult to access (Hertz and Imber, 1995) elite group. A further difficulty is that it is not easy to offer effective incentives to motivate the elite to take part in a study. While offering small amounts of money may be rather effective to motivate other, poorer groups of people to take part in a study, this incentive obviously does not work with elites. Therefore, this is one of the least investigated elites so far.

2.1. Elite Definitions and Elite Theories

Several different terms are used in the academic literature to address the business elite. The terms “business elite”, “economic elite”, “corporate elite”, “managerial elite”, “top executives”, “Wirtschaftselite” (in the German literature) and “élite empresarial” as well as “altos-directivos” (in the Spanish literature) usually refer to the same group of persons and can be used synonymously.

Many different elite theories exist. Two of the main theoretical and conceptual currents within elite sociology are the theories of “Power elites” (among others, strongly influenced by C.W. Mills (2000) and “Performance / Functional elites” (among others, influenced by Suzanne Keller (1963) who also uses the term “strategic elites”).¹

2.1.1. Power Elite Theories

The “power elite” theorists define elites as the most powerful individuals in one social field. In the social field of the economy, for example, the CEOs and other powerful top managers and owners of the largest enterprises are defined as the “economic elite” or “business elite”. In the field of politics, the most powerful and influential politicians are

¹In the German literature, the term “Leistungselite” is commonly used to describe the performance / functional elite.

defined as the “political elite”. In the field of science, the most influential and powerful scientists are defined as the “scientific” or “academic” elite. Power elite theorists often focus on investigating and answering questions like “How powerful is the economic elite and to what extent do the economic elites influence politics and the political elites?” or does a “ruling class” exist? How strong and tight are the connections and alliances between the economic, political, military, academic and judicial elites (Domhoff, 1990; Useem, 1986)?

One weakness of the power elite theories is that they usually do not take into account the conflicts, distinction practices and different social milieus within and between the elites. In their theories, the elites often appear to be one homogeneous, closed, extremely powerful, ruling group which stands united like a rock. They usually do not study the individual members of the elite with their personal aims, motivations, vanity, cravings for recognition, inadequacies, conflicts, problems and competitions with other elite members or other elite groups from other social fields. Furthermore, they often do not consider culture to be a potentially independent variable. In addition, they all too often assume and expect elites to act in a purely ‘rational’ and calculating way which is, indeed, only sometimes the case. Elites may act as irrationally and emotionally as other persons (Kahneman, 2012). While cultural developments often have an economic (or socio-economic) base which has to be taken into account and researched thoroughly, it would constrain and narrow the view and perspective of social science too much if culture was only considered a dependent variable of economic development. Culture is more than an attachment, appendix or supplement to the ‘socio-economic base’. Cultural developments can gain momentum and influence developments in other fields of society and, therefore, cannot be deduced completely from economic developments.

Power elite theorists usually assume that most elite members got into elite positions (e.g. became CEOs of the largest enterprises) because they have been socialized in upper-class/elite milieus where they have developed an elite habitus, which is extremely helpful when trying to access the highest levels of social hierarchies. Power elite theorists argue that elites tend to promote and employ applicants with similar habitus formation as they themselves have (Domhoff, 1990; Hartmann, 2002; Mills, 2000), that is: the offspring of the upper class. Based on this assumption, power elite theorists identify a closed reproduction circle of elites over several generations. Elite positions are passed on from members of the upper class to the offspring of the same upper class, not because the offspring of the upper class is more capable and skilled to do the job or because they work harder than the offspring of the middle or lower classes, but because the offspring

of the upper class has the same (or a similar) habitus and distinction practices as the current elites who decide who will be their successors. The similar habitus formations make communication and the development of trustful relations easier, as similar or the same symbols are used and actions are interpreted in the same or similar way. The elites want their successors to be just like themselves because they consider themselves to be just the right persons for the job. Power elite theorists do not believe in meritocracy. They often compare the elite reproduction system with kinship systems and inheritance (Domhoff, 2009). The terms “economic elite” and “capitalist class” are often used synonymously. The sociologist Gilbert, for example, uses a typical power elite definition for his investigations on the US American class structure:

“The members of the tiny capitalist class at the top of the hierarchy have an influence on economy and society far beyond their numbers. They make investment decisions that open or close employment opportunities for millions of others. They contribute money to political parties, and they often own media enterprises that allow them influence over the thinking of other classes. [...] The capitalist class strives to perpetuate itself: Assets, lifestyles, values and social networks [...] are all passed from one generation to the next.” (Gilbert, 2010: 286).

2.1.2. Performance/Functional Elite Theories

Interestingly, most power elite and functional elite theorists do agree on who are members of the elites, but they do not agree on how and why they got there. Power elite theorists assume that they have become elites mainly because of their upper-class social origin. In contrast, performance / functional elite theorists assume that most elite members have become elites because they are the most skilled and hardest working individuals. They have been selected to become elites because nobody can do the job better than they do. Performance/ functional elite theorists argue that in modern complex societies it is necessary that the most capable and skilled persons take over the powerful elite positions in order to keep the system running. Doing otherwise, would make the whole society fall apart. And this is not only the case on the macro level which focuses on society as a whole, but also on the organizational level, which focuses on single organizations: e.g. a modern organization which is managed by unskilled persons will break down sooner or later. In a free-market competition system an enterprise that does not give the important elite jobs to the best applicants will have a disadvantage when competing with enterprises that do actually give the elite jobs to the best performing applicants. The competition forces the enterprises to act in a meritocratic way and to give the most

powerful jobs to the best performing employees. Enterprises not following this principle will have to face disadvantages and will either adopt the meritocratic principle or go bankrupt and out of business.

While these arguments sound convincing, one problem of the performance/ functional elite theories is that they have not been able to prove empirically that the current holders of the elite positions are really the best performing and best prepared individuals to do the job. How could you prove this hypothesis empirically? How can the performance of the elites be measured and compared with the performance and skills of other individuals who have applied for the same job, but have not been selected to become elites? How can one investigate whether the top managers of a company are really more skilled and capable than the candidates who applied for the same job but were rejected? Do the top managers really make strategic decisions that are better for the future performance of the company than the decisions which the middle managers or rank-and-file workers would make? This question has not been answered empirically yet and here, the functional elite scholars have an empirical research problem.

Another problem of the performance elite theories is that they are blind when it comes to power relations and struggles. They do not take into account that the main aim of the current holders of elite positions may be to increase their personal power and salary, instead of doing what is best for the company.² Therefore, elites may employ individuals that are not very skilled, but loyal to them. A loyal and dependent employee may increase the elite's power, while a highly skilled and independent employee may become a dangerous threat to the power of the elite. The highly skilled and independent employee may criticize the elite, show where they have taken incorrect or sub-optimal decisions, and finally compete for the elite's job. Moreover, it is difficult to deny that there are power networks, which help some applicants into elite positions, while keeping others (who are not members of the network) out of those positions. Furthermore, many studies have shown that there is indeed a clustering effect (Feld and Grofman, 2009; Makela et al., 2007; McPherson et al., 2001): people tend to prefer to interact, communicate, share knowledge and work together with persons who are similar to themselves: who grew up in a similar culture and have, therefore, internalized similar values and attitudes.

Moreover, the simple fact, that they use the same linguistic style, the same non-verbal communication symbols (e.g. gestures or facial expressions) and attach the same mean-

²Several observers and researchers, for instance, stated that the bankruptcy of Enron, once one of the largest US American corporations, was mainly caused by the selfish behavior of their top managers, including accounting fraud. Enron's top -managers aimed to and succeeded in maximizing their personal wealth - albeit at the cost of Enron's economic collapse (McLean and Elkind, 2004; Swartz and Watkins, 2004).

ing and interpretations to these symbols, makes communication easier and smoother. The risk of miscommunication is reduced, because they think and express their thoughts in very similar ways. And they even agree in their rejection of other groups when they share the same distinction practices.

This clustering effect can be observed in many classes and milieus of society and it includes the elite milieus and recruitment practices (Neville, 2015). And, of course, perfect markets with 100% free competition do rather exist in theories than in the empirical reality. Bail-outs by states and a whole range of further political favors and connections make it possible for under-performing business elites to stay in business. When they wreck a business, they may rely on the state to pay their debt and to rescue the enterprise, as it is considered “too big to fail”. Furthermore, it is only possible after a several years to assess the true long-term performance of business elites. Have they taken the best strategic decisions during the time they led the enterprise? One can only answer this question with clarity after the years have passed and their decisions have passed the test of time. It is easy to decrease costs and increase profits in the short run by reducing the amount of money spent on research and development, but is this the best sustainable decision for the long-term success of the enterprise?

2.1.3. Connecting and Integrating the Theories

I assume that there is some truth in both elite theories. The power elite theorists are probably right when they argue that, instead of doing what is good for society as a whole or for an organization in particular, one important aim of many elites, among others, may be to increase personal power. The elites may prefer to promote employees that are loyal and select successors that are similar to themselves. The quantitative studies by Hartmann (2002) have indeed shown that most members of the business elites derive from upper-class families. Hartmann compared the social origin and professional career of more than 5000 doctors of economics, law and engineering. The result showed clearly that the doctors with upper-class background were far more successful in obtaining elite position in business, politics, science and in the judicial system than the doctors from middle- and lower-class families (Hartmann, 2002).³

³What Hartmann misses is that what makes a candidate particularly suitable to work as a top manager is not only his or her university education. In order to become an excellent top manager much more is needed than just a doctoral title in economics, law or engineering. Hartmann did not compare further important skills of the applicants. He only compared formal educational titles, leaving aside other, equally important skills, such as self-confidence, creativity, eloquence, and the ability to communicate and motivate employees effectively. Just having a PhD does not automatically make one become an excellent top manager.

While there is definitely some truth in Hartmann's study, it is also true that enterprises (as well as governments, universities and other organizations) fare a lot better, when highly skilled employees do the important jobs and take the strategic decisions. It is uncommon that elites are completely unskilled. They may not be the best, but they do have some kind of preparation. Indeed, the socialization and preparation elites received when they grew up in upper-class milieus may help them later in life to do their job well: they feel comfortable and confident in upper-class milieus, know the expectations, preferences, distinction practices and dress codes. They know how to interact smoothly with other elites who also have an upper-class background, as they have observed and practiced it since childhood when they saw how their fathers acted with colleagues and friends. These skills, habits and knowledge may translate in a better business performance. Therefore, it may make sense even from a business point of view to employ candidates with this kind of background, even if they are not the formally best qualified ones.

I define elites as the most powerful persons within one social field, but I leave open whether they have achieved to become elites because of their personal performance and skills or because of the social origin or some other factor. Probably, both factors play a role. The elite reproduction system is neither a completely closed club of upper-class members nor is it a completely open and meritocratic system. The degree of openness depends on the social field, too. Hartmann has shown, for instance, that while the German business elite is a closed, male, upper-class club, the German political and scientific elites are relatively open. Many top politicians and professors of leading research institutions derive from middle-class families. The openness also varies from country to country. According to Hartmann, elites in Finland, Sweden, Norway and Denmark have relatively heterogeneous social origins. In these countries, it is more common that members of the middle class successfully manage to become elites. In contrast, the German, French and US American business elite is a relatively closed, male, upper-class club that is hardly accessible to applicants from the middle and lower classes (Hartmann, 2007).

2.1.4. Identifying and Targeting Elites

When defining elites as the most powerful and influential individuals in at least one social field (e.g. politics, business, science, law, arts, etc.), a very practical and useful further precision is to focus on "those who occupy senior management and Board level positions" (Harvey, 2011: 433).

Mikecz gives an example of how he defined elites in his study on business elites in Estonia. The individuals he defined as elites “personally made or greatly influenced decisions, which have affected the life and well-being of the whole population of Estonia” (Mikecz, 2012: 485). The persons he interviewed “were those individuals who were either key decision makers and/or had a major influence on policy choices and/or were firsthand witnesses to decision making in the early years of Estonia’s economic transition in the late 1980s and early 1990s.”(Mikecz, 2012: 485).

One problem that may arise when defining and identifying elites by primarily focusing on their job titles, is that official, formal power is not always the same as real, practiced power. The formally and de jure most powerful persons may not be the de facto most powerful individuals in practice. In some countries and/or social fields, two different elite groups may exist: de jure elites and de facto elites. According to Mikecz:

“What distinguishes elites from non-elites is not job titles and powerful positions but the ‘ability to exert influence’ through ‘social networks, social capital and strategic position within social structures’ (Harvey, 2011, p. 433). Elites are also ‘clustered in different parts of the societal network’; thus, in any given context ‘there may be more than one elite’ (Woods, 1998, p. 2105)” (Mikecz, 2012: 485).

Unknown power brokers, string-pullers or puppet masters not holding any title and not appearing to be attached in any way to a certain company can be more powerful than the company’s CEO. These obscure elites are very difficult to identify as they do not act publicly and usually do not appear in any of the company’s directories. Nonetheless, these grey eminences (“*éminence grise*”) may exercise a considerable amount of power. The decisions and behavior of the CEO and other business elites may not be fully understood without taking into account the interests, intentions and influence of possible obscure elites who act behind the scenes. According to Harvey: “In many cases, it is not necessarily the figureheads or leaders of organizations and institutions who have greatest claim to elite status, but those who hold important social networks, social capital and strategic positions within social structures because they are better able to exert influence” (Harvey, 2011: 433).

This problem of identifying the true elites can only be solved by deeply exploring the organization and institutional environment of the research object which one is studying. It requires attentive observation, deep inquiries and detective-style research methods to find out how an organization really works, which networks exist, which aims they pursue, how they exercise power and who are the ones who have the last word. In

Mexican organizations (including drug cartels), for example, the person who has the last word may often not be the owner or the CEO but his wife.

2.2. Elites in Mexico

While some research has been conducted on elites in the USA and Europe, Mexican elites are largely unexplored and under-investigated. Only few extensive studies on elites in Mexico have been published to date. One reason may be that most research worldwide which focuses on these issues is still conducted by European and US American scholars and they usually focus their research projects on their own societies. It is the Western world trying to understand itself. In contrast, most Latin American states and universities have less research capacities. The few extensive studies on elites in Mexico have been published by Camp (2011, 2002, 1980), Alba Vega (Alba Vega, 2001; Vega, 2010, 2006, 2003) and Nutini (Nutini, 2009, 2004; Nutini and Isaac, 2010). Some further studies were conducted by Tirado (Puga and Tirado, 1992; Tirado, 1987) and Bervera (Bervera, 2004). Therefore, large parts of this chapter which reviews the existing findings and literature on elites in Mexico necessarily rely on studies of these scholars.

The most thorough and extensive quantitative research approach on Mexican elites has been conducted by Camp. For more than 30 years, he has collected biographical data on every person he considers to be part of the Mexican elite (Camp, 2011). He identified “398 figures who represent its most notable politicians, military officers, clergy, intellectuals, and capitalists from 1970 through 2000” (Camp, 2002: 7). He has studied the elites by examining them “in depth through published biographical accounts, correspondence, and personal interviews.” (Camp, 2002: 7).

Using this methodology Camp, is able to quantify the differences and relations between different elite groups and go beyond pure speculation. In addition, the interviews and the review of the biographical information give him a qualitative in-depth view and understanding of Mexican elites. According to Camp, understanding the Mexican elites can also help to understand elites in other “Third World settings” (Camp, 2002: 3) as they share many characteristics. But he is primarily interested in political elites and does not take into account the vast amount of expatriate elites who lead some of the largest enterprises active in Mexico and he has not explored the relation between the “native” Mexican business elites and the expatriate elites from other home countries who lead the subsidiaries of foreign MNEs in Mexico.

2.2.1. The Institutional Environment in Which the Mexican Elites Act

Elites – already by definition – are more powerful and “have greater opportunity and ability than the general public to influence the kind of regime a country will have.” (Camp, 2002: 4). But the degree of power varies depending on the institutional and cultural environment in which the elites act: in countries which are profoundly democratic, have strong institutions (independent legislative and judicial branches, free media, active civil society, NGOs, and above all, an alert, vigilant and wakeful public that scrutinizes and controls the elites) and a low power-distance culture (Hofstede, 2001), elites are more restricted and controlled in their actions and can exercise less power than in countries which have weak and corrupted institutions and an authoritarian, high power-distance culture in which people are used to accepting everything elites do without questioning or criticizing it. They accept the wrong-doing of elites, as they do not feel powerful enough to change it, or they may not even be aware of the possibility that society and elites could actually work in different ways. In fact, they accept it as a quasi-natural law that elites serve themselves, their families and friends, instead of serving society. They cannot imagine that elites can also work without abusing their power, exercising corruption and stealing tax-payers’ money.

In the first case, elites have to play by the same rules as the rest of the population and this obviously constrains their possibilities to exercise power and do whatever they want. They cannot violate the law, for example, without fearing punishment from the independent judicial branch and they will have a hard time governing against the will and resistance of the legislative branch, civil society organizations, the free press and, of course, the other democratic parties which, in a competitive and truly democratic system, will defeat the ruling party at the ballots when the majority of the people is not content with the government.

In the second case, elites can do exactly all these things which are virtually impossible or very difficult in the first setting. Elites can ignore the law, bribe judges, kill opponents and journalists, repress or ignore civil society, steal large amounts of tax-payers’ money and build power monopolies by intimidating (or assassinating) opponents without fearing any serious consequences. In these settings, the civil society and the population in general has resigned and other have either retreated to private life or try to get their share of power and money by participating in a clientelistic system in which they sell their loyalty to an elite group and their respective power networks hoping that they

will get rewarded in return (e.g. a well-paid job in the state bureaucracy, money, food, corrugated metal for the roofs of their houses, protection, etc.). In short: “Leadership takes on added importance in those societies where institutional and organizational features are weak” (Camp, 2002: 4).

Mexico seems to be somewhere in the middle between these two extremes of the continuum. On a scale of institutional development, for example, Mexico seems to be situated somewhere in the global middle: Mexico’s institutions are obviously far less developed than Sweden’s, but far more than Haiti’s. It can be assumed that the weaker and more corrupt the institutions, the more powerful the elites. Transparency International places Mexico in its corruption perception index on the 103rd rank out of 174 (the higher the rank, the lower is the perceived corruption) (Transparency International, 2014).

According to Camp: “Mexico can point to important institutions, such as the presidency, but most observers characterize its institutional development as sparse, and its decision-making structure as heavily reliant on informal linkages, centralized in the hands of few individuals. [...] The degree to which informal agents exercise greater impact than institutional and structural conditions is the feature worth noting. [...] Mexico’s general institutional setting [...] could be described as semi-authoritarian” (Camp, 2002: 4-5).

Mexico left dictatorship with the free election in the year 2000⁴ in which the PRI party lost its grip on power after having ruled Mexico for more than 70 years. But the PRI maintained many of its organizational structures and in the contested 2012 national presidential elections it regained power.

There is a free press in Mexico [e.g. the newspapers “La Jornada” and the weekly magazine “Proceso”], but the organization “Reporters without borders” ranks Mexico among the most dangerous countries in the world for journalists because many were intimidated or killed (Reporters without borders, 2015). The drug cartels have subverted and undermined parts of the state, the economy and the police, and during the years of the Iraq war, more people were shot in Mexico than in Iraq and Afghanistan combined (Carroll, 2010; Leonard, 2009).

Although a national human rights commission has been created and a judicial reform has been implemented, most observers note that the Mexican judicial branch is highly corrupt and not independent, allowing elites, who have the necessary means, to bribe the judges and to ignore the law. A law professor and a lawyer I spoke to, noted that “In Mexico, the prison is for the poor, not for the criminals.”

⁴In 1910, Mexico had already one relatively free and democratic election, so the election in 2000 was not really the first free and democratic one (Bernecker et al., 2007; Tobler, 1995).

There are large and active social protest movements and other forms of civil society activity, but they are usually either ignored by the ruling parties or repressed. And especially in the rural areas, large parts of the population are still participating in the clientelistic system, trading their loyalty and votes for a little bit of corrugated iron and some food (Camp, 2013). Mexico has a plural political system with several parties (PRI, PAN, PRD, etc.), but fraud is common and obvious, blocking the development of a really free and competitive political system (Weisbrot, 2012). These are some of the most important aspects of the institutional environment in which elites and multinational enterprises act in Mexico.

2.2.1.1. Which Groups Belong to the Mexican Power Elite?

According to Camp:

“Five power elite groups, politicians, intellectuals, clergy, intellectuals, military officers, and capitalists, were the most influential elite actors in Mexico during the last three decades. They are the groups who must be examined in order to understand elite contributions to the transformation of Mexican society, and as critical contributors to the directions Mexico will take in the twenty-first century.” (Camp, 2002: 17).

As institutions are usually weak and because Mexico has a rather personal culture in which decisions and agreements are made when people talk directly and personally (face-to-face) to each other: “Much of the actual functioning of elite decision making is informal and ‘off the record’ thus limiting access from outside observers” (Camp, 2002: 12). Mexican elites (and non-elites) rely rather on trustful personal relationships than on formal contracts, the law and institutions:

“The traditional absence of established rules, merit systems, and a culture of law, combined with the collapse of political stability immediately prior to 1920, resulted in a reliance on personal bonds to accomplish career goals and implement agreements.” (Camp, 2002: 27).

These cultural practices are alive in Mexico still today. Agreements are made between men, not between organizations. Mexicans rely on personal relations in order to achieve their goals and their preferred organizational model which they apply both in private and professional life is the family. This makes research more difficult because decisions are not taken within the official meeting in the organizations but during informal conversations. Another problem is that there seems to be a large difference between formal elites and real elites. Those who formally hold power and elite positions may not be the ones who actually exercise power. Not only in political and business organizations, for example,

but even in drug cartels, the real elites that are the most powerful, take the crucial decisions and have the last word, are often not the drug lords, but their wives.

The Mexican elites do usually only occupy elite positions within one social field (e.g. politics, business, judicial system, clergy, academia, etc.) and not several elite positions in different social fields at the same time. But there are strong family and friendship ties between the elites of different social fields. They have informal access to each other and in this way can influence each other (Camp, 2002: 12). Furthermore, the elites' sons often become the successors of their fathers as elites in the same social field. According to Camp, these elite families are powerful actors which significantly influence Mexico's development (Camp, 2002: 12).

Camp has investigated whether a unified power elite exists in Mexico and concluded that most elites do not form one completely unified homogeneous social group. Instead, there are several mini-groups (or social milieus) which all have unique characteristics within the elites of one social field. In addition, there are regional differences. The urban-rural difference is rather pronounced. Furthermore, there are constant power struggles between different elite members and alliances.

2.2.1.2. Elite Family Networks

In general, in Mexican culture the family is the most important organizational form, network and group for practically every individual, elites and non-elites alike. Jobs, information and many services are usually obtained through family networks. This seems to be common among non-western societies: "Mexican power elites and their peers in many Third World countries rely heavily on family to achieve professional and personal goals." (Camp, 2002:79).

The reason for the importance of the family may be that "In societies where political and economic conditions are unpredictable, family networks increase their importance in performing many functions, a pattern typical in China and the Middle East for generations" (Camp, 2002: 79).

2.2.1.3. The Mentor-Disciple Relation in the Mexican Elite System

Camp has discovered that practically all of today's Mexican elites had the help and support of mentors who guided and prepared them on their way of climbing up the social hierarchy and finally becoming elites. Indeed, Camp claims that there is practically no elite member who got into its position without the help and support of an influential mentor. The mentors are often former power elites or family members. They look for a

suitable candidate whom they can educate, influence and who may later become their successor. The young and ambitious disciples play their role in this game obediently because they know that they need a mentor who provides training, preparation, recommendations and above all, social connections, which are necessary in order to ascend into the powerful elite positions. Usually, a strong and trustful “friendship” between mentor and disciple develops and lasts until death. In this way, elites may exercise influence on Mexico’s further development although they are already retired and do not hold office anymore, because they can act in the shade and influence their disciples, even when the disciples are already in a powerful elite position. This may explain the surprising ideological and cultural continuity within the Mexican elite milieus over several generations:

“The strengths of these friendships, especially between mentors and disciples, surely influenced incremental policy strategies pursued by various elite groups over the last half of the twentieth century. In other words, the more tightly woven the networking relationships within each elite groups, the more easily ideological continuity can be sustained.” (Camp, 2002: 61).

Generational changes in Mexico do not happen through conflicts, but within a clientelistic system in which the current elites choose, educate, prepare and influence their successors. The younger generation does not rebel, because they believe that later in their lives, they will benefit from the system. They know that they need to fit in and accommodate themselves in the system and build-up contacts with powerful mentors in order to ascend into a powerful position, which will make the system work for their own advantage:

“influential mentors, who often serve as crucial networking links within power elite groups, also provide their disciples with important contacts outside of their own elite circles. These individuals, who number among the most important members of the power elite, pass on these tasks to the next generation of power elites, who learn mentoring and decision-making skills.” (Camp, 2002: 92).

2.2.2. Socialization of Elites in Mexico

According to Camp, there are three main factors which crucially influence the socialization of the Mexican elites: family, education, and career (Camp, 2002: 97).

2.2.2.1. Family

First of all, in almost all cultures on earth, children tend to take over at least certain parts of their parents' values and attitudes (Camp, 2002: 99). Or, in the case they have not grown up with their parents, the values and attitudes of the persons who take over the parent roles. This happens despite possible rebellions during the adolescence. Several studies conducted in the USA and Europe conclude that the father's occupation strongly influences the professional occupational choices of the children. According to one study (Camp, 2002: 100), about 50% of the physicians who practice in the USA have fathers who were physicians themselves. About 63% of the cadets at the military elite school West Point had fathers who worked in the military themselves (Camp, 2002: 100). According to another study, almost "half of the members of the British, German, and Italian parliaments report that some older relative of theirs had been active in politics, half recall that politics was a prime topic of conversation in their childhood" (Camp, 2002: 100).

Those who have fathers in the same profession, have received and learnt the values and attitudes which are needed to be successful in that profession already since childhood.

In Mexico, it seems to be similar. Several elites mentioned in the interviews which Camp conducted with them that their career aspirations were strongly influenced by their fathers' profession. Furthermore, they got social connections, access and useful and exclusive information with the help of their fathers' social capital. Camp's conclusion is that:

"It is not a coincidence that 50 percent of clergy, 81 percent of capitalists, 60 percent of the military officers, and 43 percent of the politicians could claim immediate family members in their same profession. In other words, such individuals receive the values of their institutional affiliation before they actually set foot within the profession's organizational apparatus, thus extending and linking together family and career socializing influences" (Camp, 2002: 107).

Another crucial aspect of the family as a factor of socialization is that the family provides a more or less intellectually and emotionally inspiring environment. As elites from several social fields often meet, their children learn to interact and to talk to elites in an almost natural way (Camp, 2002: 106).

2.2.2.2. Education

According to Camp, “as is well known from socialization studies generally, adolescents and young adults are at their most impressionable stage to receive formative influences” (Camp, 2002: 116).

In this formative stage of their life, they are usually studying in schools and universities. Therefore, the socialization they experience in schools and universities has a significant impact and is of great importance for the development of their values, attitudes, opinions, world-views and distinction practices.

Today’s Mexican business elites have studied at private Mexican elite universities (e.g. the Monterrey Institute of Technology and Higher Education or the Universidad de las Americas, UDLA) and send their children to study at the same universities. The values and world-views which these universities transmit to their students are very different from what one may expect, at least when comparing them with their peers in highly industrialized countries. In the USA, Canada and Europe, the leading universities tend to have a liberal culture and transmit liberal values to their students, because the leading scholars and scientists embrace liberal values much more often than conservative ones (Gross and Simmons, 2007; Klein and Western, 2005; Zipp and Fenwick, 2006). And as the leading universities aim at employing the best scientists, who are most likely to be awarded prestigious awards like the Nobel prize, which will then further increase the prestige, fame and attractiveness of the university, the elite universities cannot but accept that these scientists will have a liberalizing effect on the culture of the university and transmit their liberal values to the students they teach.

In short: great, award-winning scientists make great vehicles for advertisement and for increasing the universities’ prestige. As the elite universities want to employ these scholars by all means, they accept the liberal values and world-views these scholars bring with them. This, in turn, has a liberalizing effect on the students of elite universities who often derive from conservative upper-class families. A study by Barton on the impact of elite education on the students, for example, found that “while wealthy families had the resources to send their children to elite Ivy League universities and small liberal arts colleges, attendance at these institutions produced a more liberal product, counteracting the conservative influence of family wealth.” (Camp, 2002: 123).

Camp concludes that “University education generally exerts a liberalizing influence on students regardless of discipline” (Camp, 2002: 123).

This is not the case at Mexican elite universities. The Monterrey Institute of Technology and Higher Education, for example, the most prestigious (and expensive) private elite

university to which most of the Mexican business elites send their children, has a rather conservative culture (Herrera Beltrán, 2008) and transmits these values to its students, further enforcing the conservative socialization which the students have already experienced in their families. The business model of these Mexican elite universities usually focuses on making money by attracting students from affluent families who can pay the highest tuition fees. They do not focus on cutting-edge research and are, therefore, not interested in employing the best scientists and researchers. Indeed, surprisingly little research is done at these universities. Most professors spend most of their time giving lectures instead of doing research. This is no unintentional effect, but the business strategy of the elite university: they focus on making money by receiving tuition fees, not by conducting world-class research. And, therefore, they do not make any significant effort to attract the world's leading researchers who would bring their liberal values, mindset and world-views with them to the university, liberalizing the culture of the entire organization as it is the case at the leading US American, Canadian or European elite universities.

While the public universities in Mexico (most notable, the UNAM) do have a liberal culture and transmit liberal values to their students, fewer and fewer business elites send their children to these universities. The biographical data reveals that while, up to the 1960s, it was quite common for business elites and their children to study at the UNAM, as it was considered Mexico's best university, this has changed afterwards and today most business elites send their children exclusively to private elite schools and universities. At these privately elite colleges, the upper-class offspring is isolated from the rest of society. They are among themselves and form their world-view and opinion about other social classes without ever getting to know them, as students of middle- or even lower-class origin are rarely granted access to these elite schools. The very few who are accepted are usually excluded socially from the upper-class friendship circles formed on the campus. Very expensive status symbols at the campus, such as SUVs and French luxury apparel serve as entrance ticket to the upper-class friendship circles.

2.2.2.3. Career

The organizations in which the next generation of elites start their professional career have a profound influence on elites' development of world-views, values and attitude. The organizational environment, the culture in which they interact every workday, has a crucial but subliminal impact. Even when the employees stop working for an organization and start doing something completely different (e.g. going into politics after

working for a foreign MNE), these former employees tend to take the values and attitudes which they received at that organization with them and apply them in the new environment and organization in which they work in later parts of their lives. Here, multinational enterprises may act as agents of institutional and cultural change: e.g. Vicente Fox, president of Mexico from 2000 to 2006 worked at The Coca-Cola Company before going into politics (Camp, 2011). Fox later commented:

“At the university, they taught me to reflect and to analyze. But working at Coca-Cola was my second university education. I learned that the heart of a business is out in the field, not in the office. I learned strategy, marketing, financial management, [and] optimization of resources. I learned not to accept anything but winning. I learned an iron discipline for getting results.” (Camp, 2002: 109).

Indeed, Fox’s political decisions and style was surprisingly similar to US American management styles. Similar to what he learned at Coca-Cola, he put great emphasis on marketing and applied the propaganda strategies he had previously learned at Coca-Cola (Russell, 2010: 590-594). Milner observed:

“Mr Fox [...] knows all about brand image - as a Coca-Cola boss he ousted Pepsi as Mexico’s top-selling soft drink. Now he is promoting himself as a down-to-earth man of the people. He rarely wears suits, favoring open-necked shirts, t-shirts and cowboy boots. He also wears a cowboy belt, with a huge buckle bearing his name. He has said that if elected he will wear jeans” (Milner, 2000).

Fox promised immediate new, US-style wealth, fast economic growth, happiness, affluence, modernity and progress to the Mexican people, which is exactly the promise Coca-Cola make in his advertisements in Mexico: you will become an affluent and happy American if you drink Coca-Cola. Later, several observers commented that Fox’s presidency was “90% image and 10% ideas” (Milner, 2000). Again, the similarities to Coca-Cola are striking: it is 90% advertisement and the propagation of a certain lifestyle which is supposed to be desirable, and only 10% real content: the same soft drink. Having said that, one also has to mention that Fox was definitely one of the less corrupt politicians and he did bring democracy to Mexico, at least to a certain extent, as Russel points out (2010).

These characteristics may also be attributed and traced back to his socialization, which he received while working for Coca-Cola, a foreign MNE from a more democratic and less corrupt home country than it is the case with Mexico. We may carefully develop the hypothesis that under certain circumstances (which still have to be investigated and identified more thoroughly and in-depth) foreign MNEs from home countries which are

more democratic and less corrupt than the host country, may bring a culture which promotes democracy and meritocracy and which tolerates corruption to a lesser extent, to the host country. The local employees from the host country (in this case the Mexican employees) experience this culture when working in the subsidiaries of the foreign MNEs and may conclude that this culture which emphasizes a lower power distance and meritocracy and which tolerates corruption to a lesser degree, has several advantages. And as they see that this culture is possible and practical indeed, they may start practicing it in their families and communities and later, as the next step, demand it from their politicians, thus pressuring the government to take steps to effectively increase democracy and decrease corruption and power distance.

One crucial factor seems to be the degree to which the foreign MNE maintains the culture of its home country within its subsidiary, which is located in the host country. This is more likely to be the case when the subsidiary is completely led by expatriates from the home country than when it is run by managers who experienced most of their socialization in the host country. Furthermore, it seems to make a difference whether the subsidiary is deeply integrated into the MNE's inner network and is engaged in constant and close interactions and communication with the headquarters, or whether it is run more like a franchise in which local managers can take most of the relevant decisions and the headquarters stays out as long as the results are satisfying.

Returning to the example of president Vicente Fox, it is not surprising that his decisions were usually pro-business, favoring economic liberalism and he highly valued individualism: these are typical values Coca-Cola and US American culture stand for. One of his party's slogans was "Haz lo tuyo!" (this roughly translates into "Do your thing!"). His political party, the PAN, is dominated by business men who supported him. In addition, his party has its power bases in the north of Mexico, which is more influenced by the USA than the south (Middlebrook, 2001; Shirk, 2005).

It can be assumed that Fox is no exception to the rule, but that many Mexican employees of foreign MNEs take the values, attitudes and techniques which they learned during the time they worked for the foreign MNE, with them and apply them in their next jobs and in their lives in general. They probably already disseminate these values when they come home to their families every night after having worked in the subsidiary of the foreign MNE. The foreign MNEs influence the socialization of their Mexican employees and these employees then disseminate the culture, values and attitudes of the foreign MNEs throughout Mexican society: starting within the family, then going through the com-

munity (the neighborhood, friends and acquaintances) and finally influencing Mexican culture and society on the macro level.

2.3. Business Elites in Mexico

2.3.1. The Recent Development of the Business Elite

Up to the 1980s, the business elite in Mexico was composed almost completely of Mexican citizens (although a significant number of the Mexican upper-class members perceive themselves as direct descendants of the Spanish colonial upper class or of other foreign nationalities), because only few subsidiaries of foreign multinational enterprises (MNEs) were present. Due to the liberalization of the Mexican economy which started in the 1980s, inward Foreign Direct Investment (FDI) increased sharply and today, almost half of the largest 100 enterprises in Mexico are subsidiaries of foreign multinational enterprises (MNEs) (CNN Expansión, 2011), which may lead one to assume that today the business elites in Mexico are much more international, diverse and multicultural than 30 years ago. This raises several questions:

do the business elites from different home countries integrate into Mexican society and build up social relations with Mexican business elites or do they stay separated? Do they form one unified social milieu? Do their attitudes, values, lifestyles and distinction practices harmonize, blend and fit together or do these differences cause conflicts, demarcations and segregations?

This chapter describes the development of business elites in Mexico and addresses the above mentioned questions.

2.3.1.1. Historical Overview

Similar to China and Russia and other ‘emerging market’ countries, Mexico experienced a revolution at the beginning of the 20th century with significant and long lasting economic, social, political and cultural effects and consequences, which are still visible today and which have a continuing impact (Russell, 2010). But, according to Vega, unlike China and Russia, Mexican business elites were less affected than their peers in the other countries – at least during the first stages of the revolution – because those enterprises which were expropriated during the revolution were mostly foreign multinational enterprises (Vega, 2006: 125) which were active in the resource extraction industries (above all, petroleum and precious metals) at the beginning of the 20th century⁵. Foreign MNEs

⁵According to Alba Vega: “los empresarios mexicanos, distinguiéndose de los extranjeros, no habían tenido una verdadera confrontación con el Estado hasta que el general Cárdenas llegó al poder (1934-1940) y aplicó de manera intensa y extensa la reforma agraria.” (Vega, 2006 : 125).

did not fit into the world-view and aims of a revolutionary and nationalist government. According to Lomnitz and Lizaur:

“Members of the rising middle class, reacting against the cultural and economic penetration of foreign capital, provided the leadership for revolution” (Lomnitz and Lizaur, 1987: 20).

There seems to be no consensus on what the effects of the revolution on the elites were. Some scholars argue that the only part of the Mexican business elite which was decimated during the revolution were those elites whose fortunes were invested in immovable properties and land ownership. Others argue that most great landowners actually managed to somehow to retain or switch and convert their wealth into other forms. Most researchers agree that most members of the great owners achieved to maintain their prestige even after they had lost large parts of their property and land ownership.

Before the revolution: “the elite was a small group of criollos [Spaniards who were born in Mexico], foreigners, and church dignitaries. After the Revolution, social and economic relations were in flux; a new class of mestizo politicians and bankers was in the rise. The traditional criollo landowner class, however, managed to retain its social prestige even after much of its original wealth was gone. The changes hint at new sources of capitalization in Mexico: the state and the banks” (Lomnitz and Lizaur, 1987: 39-40).

Vega and Nutini (Nutini, 2004; Nutini and Isaac, 2010) differ on how large the impact of the revolution was on the business elites in Mexico. Vega argues that the business elites were very capable and successful in defending their wealth and power bases (Vega, 1990, 2006), while Nutini concludes, that the revolution erased large parts of the “old” business elites, the Mexican aristocracy, by expropriating their landownership, haciendas, and real estate. According to Wasserman, at least in the case of Chihuahua, the old oligarchs were rather successful in defending and maintaining their elite status and economic power base (Wasserman, 1993). There is similar evidence concerning the business elite in Monterey (Saragoza, 2014). We may conclude that, although the current state of research cannot not provide a definite answer to this question, it seems that, more than other groups within the Mexican business elite, the Mexican aristocracy and nobility was primarily hit and partly erased by the Mexican revolution, while other business elites groups managed to maintain their wealth and remained in powerful positions.

In any case, all researchers agree that the Mexican business elites were on the defense, struggling to maintain their power and position during and in the aftermath of the Mexican revolution. They were formally excluded from participating in the political system and could not build up their own official organization, which could represent

them politically within the political system (Vega, 2006: 123: 147). They responded to this situation by establishing direct informal personal ties and connections with political elites, including the president of the republic to whom they had (and still have) direct access, opening up the opportunity of convincing the president of their points of view by applying methods of persuasion. Some of these methods are known from lobbyists, while others aimed at offering “win-win” deals to political elites, that is, favors were exchanged. In addition, they founded their own non-state organizations – which did not have any direct connections with political parties – in order to unite their power and energy and to lobby for their common interests:

“The lack of direct political representation through parties was substituted by forms of informal and personalized relationships through which they expressed their demands and defended their interests at the highest level. However, concerning the controversial social and political aspects, when conflicts appeared that could not be resolved by these mechanisms, employers preferred to create their own institutions, among them Coparmex (1929) [Confederación Patronal de la República Mexicana - Employers’ Confederation of the Mexican Republic], Consejo Mexicano de Hombres de Negocios (1962) [the Mexican Council of Businessmen, CMHN] and the Consejo Coordinador Empresarial (1975) [Business Coordinating Council]” (Vega, 2006: 147; own translation).⁶

Like in post-revolutionary China (Pearson, 1997), the relation between political elites (who control the state) and business elites (who control large enterprises) has long been characterized by corporatism and reciprocity: the business elites receive protection, advantages, lucrative contracts and other opportunities provided by the state and, in exchange, provide loyalty, silence and money to the political elites. Just like in China, the business elites were in a defensive position during and after the revolutions and, therefore, had to make arrangements and maintain good relations with the strong political elites in order to protect their private properties and enterprises and, above all, in order to be able to continue doing business. Those who opposed the state were often expropriated and jailed⁷. The opposing business elites were usually accused of corruption and tax fraud. However, it is more probable that the real offense which made them go into

⁶Original text : “La falta de representación política directa a través de los partidos se supliría con formas de relación informales y personalizadas a través de las cuales expresaban sus demandas y defendían sus intereses al más alto nivel. Sin embargo, en los aspectos sociales y políticos, cuando aparecieron conflictos que no pudieron resolverse por esos mecanismos, los empresarios prefirieron crear sus propias instituciones, entre las que destacan la Coparmex (1929), el Consejo Mexicano de Hombres de Negocios (1962) y el Consejo Coordinador Empresarial (1975)” (Vega, 2006 : 147).

⁷Michail Borissowitsch Chodorkowski in Russia seems to be an example of this practice (Ludwig, 2005).

prison was to criticize the political elites and lacking loyalty to them. In conclusion, one may say that from the revolution in 1910 up to the 1980s, the business elite in Mexico was clearly inferior to the political elite. The state made the rules and the decisions and the business elites had to find ways to defend themselves and to somehow find new and subtle ways of influencing the political elite as they were not powerful enough to do it by applying brute force, e.g. by threatening and blackmailing the political elite. A further factor leading to this power relation between the political and business elites in Mexico, was that many large entrepreneurs were content with the “import substitution” economic policy, as it had led to a long time of economic growth (roughly from 1940 to 1970, the so-called Mexican Miracle, “milagro mexicano”) and sheltered the business elites from foreign competition. Therefore, for many business elites there were good reasons to keep quiet and to accept the asymmetrical power relation.

While the business elite was officially excluded from politics, there was a constant interpersonal interaction between political and business elites:

“It is interesting to point out that Mexican entrepreneurs, despite their growing dependence on government subsidies and related legislation, were kept at arm’s length by the official party. They had no direct participation in the shaping of official policy, except through nationwide associations such as CONCAMIN, CONCANACO, and CANACINTRA. Derossi interviewed a number of industrialists and found no evidence of ‘direct participation of industrial entrepreneurs in government, in the sense that none of the informants had ever participated in public life, not even at a regional level. Nevertheless, there is unquestionably a constant interaction’” (Lomnitz and Lizaur, 1987: 48).

2.3.1.2. Why a new Business Elite Arose

Lomnitz and Lizaur provide very interesting insights into the making of the new Mexican business elite after the revolution (1910) and during the PRI dictatorship that followed: the conflict-resolution method within the ruling party was essentially that unsatisfied regional leaders and inner-party opponents were mollified and appeased by giving them large amounts of money, so that they would leave politics and become entrepreneurs:

“Dissident regional leaders and bosses were given the means to become entrepreneurs. This has become a pattern in recent economic history, in the sense that public officials were allowed to dip into the state coffers and to retire as businessmen when the next administration began. Eventually three kinds of capitalists emerged in Mexico: retired politicians, old entrepreneurs and bankers who had survived the Revolution, and the new

entrepreneurs who were dependent on state financing or on the support of the major Mexican financial corporations” (Lomnitz and Lizaur, 1987: 28).

After more than 70 years of practicing this “conflict-resolution method”, one may assume that a significant part of the current Mexican business elite founded their enterprises with the hush money they received when they were still politicians. This practice, which is still continuing, might be one reason why there has never been a bourgeois revolution in Mexico. Instead, the bourgeoisie is constantly corrupted and bribed by the political elites, or the political elites themselves become the new business elite. So, in general we may follow the conclusion of Martinez, Dorfman that:

“Unlike Western industrialized nations, where the state and entrepreneurs developed separately, a genuine entrepreneurial class did not exist in Mexico before the 1910 Revolution. Following the revolution, the state played a leading role in the development of the entrepreneurial class” (Martinez and Dorfman, 1998).

An exception is the north of Mexico, above all, Monterrey and Chihuahua, which are located several thousand kilometers away from Mexico City, the political center. This is one reason why the entrepreneurs developed more independently in the North and, indeed, they were the ones who founded and strongly supported the only large oppositional party during the dictatorship, the PAN which defeated the ruling dictatorial party in the presidential election of 2000 (Camp, 1989; Wasserman, 1993).

2.3.1.3. The Business Elites’ Change of Strategy

During the 1970s and 1980s, when the economic policy of import substitution was abolished, the debt crisis struck, the temporary nationalization of private banks was enforced and economic liberalization began, the business elites altered their methods of influencing politics. Up to that moment, the economic policy of import substitution, protecting Mexican enterprises from foreign competitors by imposing high tariffs on imported goods, had helped the Mexican business elites to increase their power and economic capital. Through this shelter they had become (and felt) more powerful, and, therefore, were less willing to obey the state in the way they had done since the revolution:

“The model of industrialization through import substitution with protection against foreign competition and strong government support through prices, subsidies and exemptions, allowed them to grow and develop. They had become power brokers and were willing to face the social and economic interventionism of the state on two fronts, one the economic and the other political. In the economic, their natural field, they stopped investing and took away capital by transferring it to other countries (between 1976 and

1984, capital flight increased from less than 4000 million dollars to more than 40 000 million). In the political field, the CMHN developed the idea to build up a comprehensive surround organization, capable of bringing together not only the most powerful of the entrepreneurs, but the entire business sector, whose organizations and businesses were often dispersed at that time. Therefore, the Business Coordinating Council (CCE), was created in 1975” (Vega, 2006: 128; own translation).⁸

The government responded to the massive capital flight by nationalizing private banks and imposing strict controls on foreign exchange, causing outrage among Mexico’s economic elites (Maxfield, 1992; Vega, 2006: 129). The business elites split up into a radical and into a moderate wing. While the moderates kept working from within the system trying to influence politics silently, using their personal relations with political elites, the radicals decided to become active political actors themselves, openly challenging the established political elites:

“From the bank expropriation onwards, corporate discontent led to unprecedented forms of action. Traditional channels of influencing politics, pressuring and lobbying the president and the departments involved in public policy related to the economy, were seen as insufficient for some business groups and this led to their division. The most radical took refuge for a time in some organizations of the dome [inner business elite federations] and used and directed these organizations at the service of seeking change, others continued to press from within the system. Both groups, however, did so through direct action and electoral party politics with the support of some of their organizations, which therefore, became new political actors”⁹ (Vega, 2006: 129-130; own translation).

More and more business elites started supporting or even became actively involved in the political party “Partido de Acción Nacional” (PAN), which is widely considered to be

⁸Original text:

“El modelo de industrialización por sustitución de importaciones, con protección de la competencia externa y fuertes apoyos gubernamentales a través de precios, subsidios y exenciones, les había permitido crecer y desarrollarse. Se habían convertido en agentes de poder y estuvieron dispuestos a encarar el intervencionismo económico y social del Estado en dos frentes, uno económico y otro político. En el económico, su campo natural, frenaron la inversión y sacaron capitales (entre 1976 y 1984 la fuga de capitales pasó de menos de 4 000 millones de dólares a más de 40 000 millones). En el político, desde el CMHN concibieron la idea de dotarse de una organización envolvente, capaz de agrupar no sólo a los más poderosos de los empresarios, sino al conjunto de organizaciones sectoriales y dispersas del sector privado : el Consejo Coordinador Empresarial (CCE), creado en 1975” (Vega, 2006 : 128).

⁹“Las grandes empresas mexicanas y extranjeras que antes basaban sus negociaciones en materia de políticas públicas en contactos directos con el presidente de la república y sus secretarios, ahora necesitan buscar también a los legisladores y cuentan con sus propios negociadores ante el Congreso. Los intereses de estas empresas son tan importantes que necesitan desplegar diversos recursos para mantener un cabildeo directo y propio con el Congreso a través de profesionales” (Vega, 2006 : 142).

the party which fights most strongly for the interests of business elites (Vega, 2006: 140). As a consequence, the PAN achieved its first important election victories on the regional level. Over the following years, the PAN gained considerable power, finally winning the presidential elections in 2000 and 2006 with Vicente Fox being the first business man becoming president of Mexico. He was the president of Coca-Cola México before becoming president of Mexico and often mentioned that Coca-Cola made him what he is today, because that was the place where he learned the “right attitude”(Fox and Allyn, 2007). Therefore, today Mexican business elites have their own official representation and are in a much more powerful position than during most of the last 100 years. While the PAN is the party with highest business elite density, it is followed by the “Partido Revolucionario Institucional” (PRI). The PRD has the least amount of business elites in their ranks, but there can be found some of them, too (Vega, 2006: 140).

As the legislative branch (above all, the congress of the republic) has gained power in recent years, the business elites today also try to establish reciprocal relations with legislators – in addition to directly influencing the president. It is important to understand that in Mexican politics, the parliament has less power and influence than parliaments in European countries. Therefore, for a long time, the lobbying activities of the business elites were almost exclusively directed at the president of the republic, who is much more powerful than the heads of the states in Europe. Only because in the last years the national and regional parliaments slowly increased their power, the lobbying activities were extended and also aimed at the representatives. Furthermore, as the controllers and regulators are slowly gaining power, business elites, foreign and native alike, have recently started to focus their lobbying activities on these individuals, too:

“The large Mexican and foreign companies used to make their negotiations, including those which concerned public policy, in direct contact with the president of the republic and his secretaries. This has changed. Now they need to establish contacts with the regulators and they have employed their own congressional negotiators. The interests of these companies are so important that they need to deploy a variety of resources to maintain a direct lobbying with Congress itself through professionals” (Vega, 2006: 142).¹⁰

¹⁰“Las grandes empresas mexicanas y extranjeras que antes basaban sus negociaciones en materia de políticas públicas en contactos directos con el presidente de la república y sus secretarios, ahora necesitan buscar también a los legisladores y cuentan con sus propios negociadores ante el Congreso. Los intereses de estas empresas son tan importantes que necesitan desplegar diversos recursos para mantener un cabildeo directo y propio con el Congreso a través de profesionales” (Vega, 2006 : 142).

In addition to traditional lobbying, they also award prizes to politicians who have behaved well from the point of view of the business elites concerning their wishes – and punish those who have not behaved in the desired way:

“They systematically attend [congress] and look for deputies and senators, whom they can approach through personalized contacts or monthly meetings and in some cases (Canacindra, a business association) even weekly meetings, which the president of the chamber attends, too. [...] One way that employers are putting pressure on lawmakers is through punishments and rewards. [...] Such as distinctions like the Eagle Award of Canacindra for Legislative Merit, which have been awarded by this organization since 2004 to legislators who have had the best performance.” (Vega, 2006: 141).¹¹

Still today, it seems that business elites often spend more time networking, maintaining and establishing new social connections and relations than they spend on managing their enterprises. This has an economic rationale and logic as having strong connections with political elites, regulators, controllers and other business elites is of supreme importance for successfully doing business in Mexican society, while the top management work can be delegated to highly educated and experienced specialists.

Summarizing the development, one can say that the economic liberalization and modernization process started first, and later the political liberalization and modernization process followed. Mexico has experienced fast economic growth and slow institutional development.

2.3.1.4. Changing Power Relations Between Business and Political Elites

According to Vega, the business elite in Mexico has significantly increased its power vis-à-vis the political elite since the 1980s. The relation between the political elite and the business elite has switched and turned around completely: while up to the 1970s, the political elite was clearly superior, the business elite was usually the one who tried to establish contacts with the powerful political elite. Today, the other way around seems to be more common: the political elite gravitates towards the powerful business elite.¹²

¹¹Original text “concurrén sistemáticamente a [el Congreso] y buscan a diputados y senadores, a quienes acercan a los empresarios a través de contactos personalizados o de reuniones mensuales y en algunos casos (Canacindra) hasta semanales, a las que asiste el presidente de la cámara. [...] Un modo en que los empresarios están ejerciendo presiones sobre los legisladores es por medio de castigos y premios a su desempeño. [...] distinciones como el Premio Águila Canacindra al Mérito Legislativo, que esta organización entrega desde 2004 a los legisladores que han tenido el mejor desempeño, para lo cual se basa en el juicio de un jurado independiente.” (Vega, 2006: 141).

¹²Now, the political elites are the ones who go to the business elites in order to offer their political power in exchange for economic favors. As the term of political elites is strictly limited in Mexico, the politicians try to establish contacts with entrepreneurs as soon as possible so that they can

Several researchers (Camp, 2002; Lomnitz and Lizaur, 1987; Nutini, 2004; Vega, 1990, 2006, 2010) concluded that today, the political elite usually feels inferior to the business elite and aims at building up interpersonal relations with the business elite offering favors and profitable contracts for public constructions. They want to approximate themselves to the business elite and hope to be accepted and adopted by them, because they feel that the business elite is the only ‘real’ elite. In Mexican politics, most positions fall under the “no reelección” law, which prohibits a second term for the same person in the same office and position. Surprisingly, it is one of the few laws which are effectively enforced in Mexico with the consequence that most politicians respect this law and do not try to circumvent it. Therefore, after serving one term in the same position and after leaving office, they have to look for new and different jobs. This causes the constant fear of falling out of the political elite and becoming an ‘average’ citizen again. Therefore, a popular strategy to secure one’s social position and avoid social descent is to try to gain access to the business elite, which has much more longstanding positions and power. Moreover, politicians often feel that they cannot compete with some of the business elite’s signs of superiority (e.g. white skin, second residences in Europe and the USA, international contacts, etc.), which makes the political elite feel even more inferior.

Furthermore, as Nutini points out, in Mexican culture, money is valued much more than political power and prestige or education, which contributes to the superiority of the business elite (Nutini, 2004; Nutini and Isaac, 2010). The question “How does the business elite influence politics” is actually misleading, because the active part in this interaction is often the political elite who is offering favors to the business elites hoping to be rewarded after finishing their term when they have to leave office. The business elite can often stay passive and wait until members of the political elite come to chum up and make advances.

There is evidence that the central and primordial motivation for entering politics and becoming a member of the political elite is to gain access to the business elite and amass wealth, but there seems to be a difference between ‘national’ and ‘provincial’ political elites concerning their transformation into business elites:

“successful national politicians almost invariably become high-flying plutocrats on leaving office, mainly because they have amassed much greater fortunes during their terms. On the other hand, even the rare provincial politician who achieves wealth comparable to second-rank plutocrats almost always maintains a low profile after retiring from of-

obtain a well-paid position in a private enterprise or establish their own company as soon as their political term ends.

fice, mainly to avoid the scrutiny and criticism that are much more likely to occur in the relatively confined environment of provincial cities.” (Nutini and Isaac, 2010: 217). It is by no means natural or self-evident that the business elite is superior to the political elite. In many countries – due to several different causes – the political elite is superior and the power relation between these two elite fractions may also change over time. In fact, in revolutionary and post-revolutionary Mexico (1910-1940) the political elite was clearly superior to the weak business elite that existed at that time, and the aristocracy’s power was significantly weakened by the land reform, which took away vast amounts of land from the aristocracy’s control and possession. But today, the tide has turned.

2.4. Values, Social and Political Viewpoints of Mexican Business Elites Today

A comparative, empirical study on the values and social and political viewpoints of business elites from Mexico, Germany, USA and Honk Kong comes to very interesting results:

“If we compare the leading Mexican businessmen with those from highly industrialized countries like the United States and Germany, we find that there are many similarities between them, but also some differences. The main differences have to do with the lesser interest of the large Mexican companies to involve staff [their employees] in decision-making, in the ownership of the enterprise through the offer of shares or in the distribution of economic benefits” (Vega, 2006: 135).¹³

Furthermore, a correlation between the social consciousness of the business elites and the development of the region they are active in was discovered. The more development in the region, the more socially conscious the business elites:

“among the various regional business elites, the more socially conscious are [living] in the more developed areas, and, within the same elite in the same areas, those with more resources seem to be more socially conscious. It is as if in the least developed and most backward areas, capitalism and the business elites operate more wildly, allowing the employer’s scope go beyond the economic and to impose its will on politics and

¹³“Si comparamos a los grandes empresarios mexicanos con los de países altamente industrializados, como Estados Unidos y Alemania, encontraremos que existen muchas similitudes entre ellos, pero también algunas diferencias. Las principales discrepancias tienen que ver con el menor interés por parte de las grandes empresas mexicanas en involucrar a su personal en la toma de decisiones, en la propiedad de las mismas a través de la oferta de acciones o en la distribución de los beneficios económicos” (Vega, 2006 : 135).

society. In any case, as a first approximation we can identify a certain correspondence between the economic dimensions of the entrepreneur and his/her social sensitivity or philanthropic or altruistic donations and activities. For those companies, we can advance the hypothesis that it is the largest and most successful part of the business elite that spend the most on training and educating their employees and offering greater benefits.” (Vega, 2006: 135-136).¹⁴

This tendency, which can also be interpreted as a distinction strategy of the upper part of the business elite aiming at distinguishing themselves from the lower part, can be observed among business elites around the world. The most successful business elites often seem to be more liberal and socially conscious than their less successful peers that are more conservative in most aspects. Examples include Warren Buffett, who has – at least in certain aspects – liberal and even social democratic values and world-views, lobbying for increasing the taxes for super rich people like himself and donating most of his money to charity causes (Buffett, 2011). Similarly, Bill Gates dedicates a large part of his time and fortune to philanthropy (Becraft, 2014; Gates, 2013).

Similarities to the observation made by Bourdieu (1984), among others, spring to mind: One difference between the grand bourgeoisie and the petite bourgeoisie is that the grand bourgeoisie is often more liberal, maintains a smaller power distance between themselves and their employees and is more often involved in philanthropic activities, although one may also call this behavior “false modesty” (Daloiz, 2009).

2.4.1. The Effects of Increasing Inward FDI on the Composition of the Business Elite in Mexico Today

As has been mentioned earlier, since the 1980s, inward FDI in Mexico has increased enormously, resulting in half of the largest enterprises active in Mexico being the subsidiaries of foreign MNEs today (CNN Expansión, 2011). Interestingly, this does not mean that half of the business elites are foreigners, too. There is no exact, quantitative data available, but the information which can be obtained publicly suggests that foreign

¹⁴Original text : “entre las diversas élites empresariales regionales, las de mayor conciencia social están en las zonas más desarrolladas, y que, dentro de las mismas élites, destacan las que cuentan con más recursos. Es como si en las zonas más atrasadas el capitalismo operara de manera más salvaje, permitiendo que el campo de acción del empresario trascienda la dimensión económica para la llegar a la social y la política. Sea como fuere, en una primera aproximación podemos identificar cierta correspondencia entre las dimensiones económicas del empresario y su sensibilidad social o su gasto en acciones filantrópicas o altruistas. Respecto de las empresas, podemos avanzar la hipótesis que son las más grandes y exitosas las que más gastan en capacitación de su personal y las que ofrecen mayores prestaciones sociales.” (Vega, 2006: 135-136).

MNEs active in Mexico employ many more “native” top managers than they would do in other host countries. Moreover, among all the top managers which were interviewed, there were only two who were not “native” Mexican citizens. The reason is probably, that because large parts of Mexican top managers (and the Mexican upper class in general) have studied in the USA or in Europe, the cultural distance between them and the foreign MNEs (most of which are from North America or Europe) is so small, that there is hardly any need for bringing managers from the home countries of the MNE. Although prestigious elite universities exist in Mexico, among the Mexican upper class it is an extremely important status symbol to have studied in Europe or in the USA for a short period of time at least, in order to become a bit more “European” or “US American”. Usually, the bachelor’s degree is obtained at a Mexican elite university and the master’s degree, or the PhD is obtained in Europe or the USA.

This can only be understood when Mexico’s history is taken into account: for more than 300 years of colonial rule, the Mexican upper class was mostly foreign (in most cases European). Therefore, the ideas of “superiority”, “foreignness” and “white skin” are closely connected in Mexican culture. Nutine and Isaac (2009) even conclude that they merged into one and the same symbol. There have been ruling classes and repressed lower classes in every society, but in Mexican and many other countries with a colonial past, the ruling class was (and still is to a certain degree) foreign. This stands in sharp contrast to most European countries, in which the upper class was “native” most of the time, and the periods of time in which these countries were occupied by foreign forces, were relatively short, when compared to the more than 300 years of colonial rule Mexican society has gone through.

In addition, sending expatriates from the home country of the MNE to Mexico is rather expensive and due to the relatively high levels of violence and crime in Mexico, many of the best suited and most capable top managers may be unwilling to move to Mexico. Furthermore, it is not only an important status symbol among Mexican business students to have studied overseas, but also to work for a foreign MNE. Therefore, they are eager to apply with these enterprises even if they are offered greater benefits by national companies, further increasing the percentage of “native” Mexican managers working for foreign MNEs.

Some MNEs employ the “middle-of-the-road” solution of bringing their own managers from the home country when they set up operations in Mexico and then “mexicanize” and go native very quickly, by employing Mexican managers whom they can trust and who have proved to be reliable.

The only enterprises, according to empirical findings, which keep the top management strictly in the hands of expatriate managers are Chinese MNEs and, to a lesser degree, German manufacturing enterprises. In the case of the German MNEs, it seems to be clearly caused by the policy of the headquarters, which prefers German top managers who have worked and studied in Germany before they start working in the Mexican subsidiaries. The top management in the German headquarters seems to give the top priority to the communication between the German HQ and the management of the Mexican subsidiaries, in order to facilitate the frictionless transfer and implementation of the newest production technologies, because they are primarily producing for exportation (above all, for the huge US-market to which they can export their products without paying tariffs, thanks to the NAFTA agreement). They put less priority on the communication and integration into the Mexican market and culture, because they sell relatively small quantities to the Mexican market anyway.

In the case of the Chinese MNEs, the reason seems to be that the cultural distance is too big and that Chinese top managers do usually neither have a profound knowledge of Mexican culture, nor any language skills. While, for example, physical contact, such as hugging and kissing on the cheeks, between persons is the norm in Mexican culture and a way of showing trust, sympathy and friendship, in Chinese culture, physical contact is rather uncommon, especially among business partners. The interviewed Mexican top managers, who worked together with Chinese MNEs, mentioned that the Chinese find it problematic to do business in Mexico. The Mexicans do not understand why the Chinese act the way they do, which causes continuous conflicts. Therefore, the Chinese MNEs apply the solution of bringing almost everything from China (including the cooks, translators, security personnel, etc.); they build a wall around their production site and in this way reduce the interaction with the foreign environment to a minimum. And as most Chinese MNEs are resource extraction enterprises, which aim at extracting and bringing the resources to China, without being active in any market in Mexico, there is little need to integrate deeply into the Mexican economy and culture.

3. Elite Distinction and Group-Affiliation Theories

3.1. Definition – What is Social Distinction?

Distinction practices are more than just wearing clothes by a particular brand or driving an expensive car. The motivation to live a certain lifestyle, to do a certain job, to speak a certain language with a certain accent¹, to live in a particular city district, to develop and maintain or to disrupt and end certain social relations (friendships, marriages, etc.), to possess works of art, to participate in certain leisure activities (e.g. yachting, golf, etc.) and to be a member of certain clubs, salons and societies is often motivated by the desire to distinguish oneself from other individuals and groups. But distinction is not only about distinguishing and creating distance and barriers between oneself and other individuals and social groups. It is also motivated by the desire to belong to certain social groups. The distinction practices of an individual show to which groups the individual aims to belong and to which groups the individual does not want to belong. Distinction practices create in-groups and out-groups, they create – or at least strengthen – the social construction of “we” and “the others” and they contribute to the identity construction of individuals and groups. Distinction practices and group-affiliation practices are two sides of the same coin. One can hardly exist without the other. For example, certain persons try to distinguish themselves from people they consider to be “lazy” by affirming that they themselves (and usually their own family and friends) are “hardworking”. Or they complain about “the uneducated masses” and distinguish themselves by mentioning they own high level of education, intelligence and usually the prestigious name of their Alma Mater, the university they studied at. So, we may summarize that social distinction practices are only thinkable, practicable and possible together with group-affiliation practices at the same time which is linked to identity construction: You say who you are, by saying who you are not.

¹This can be observed particularly well in England where the accent is of exceptional importance.

While the original meaning of the term “distinction” is similar to the term “separation” (Daloz, 2012: 1) without any value judgment concerning the superiority, inferiority or legitimacy of a lifestyle attached to it, it slowly changed its meanings over the centuries. Today distinction is usually understood as ‘hierarchical social distinction’. Distinction practices today aim to show that one’s own lifestyle is in some way superior to the lifestyle of other individuals or groups. Distinction practices are “symbolic expressions of social position” (Daloz, 2010: 1) and superiority. Elite distinction “concerns the necessity for dominant groups to display signs of superiority that signal their upper social position” (Daloz, 2012: 5). Symbolic struggles between social groups about which is the most superior and legitimate lifestyle and about the value and meaning of symbols occur continuously all around the world – with interesting regional differences, inter-cultural spill-over effects and blends on several different layers of cultures and societies.

Research on social distinction has a long history which cannot be presented in-depth here. Some of the breakthroughs and leading researchers include Veblen, who conducted groundbreaking seminal studies on conspicuous consumption in the American upper class (Veblen, 2009). Veblen was the son of Norwegian immigrant and grew up on a modest, isolated farm founded by his parents. He was later sent to Carleton College and later studied at Yale university. Some critics have argued that the cultural difference between the modest and rural place of his upbringing and the urban and elitist places where he studied, shocked and enabled him to be much more aware of the social structures, hierarchies and symbolic battles for positions and the most legitimate lifestyle which took place at these universities and the social milieus from which most of the students came from. For him, the openly and conspicuously practiced social distinction battles must have appeared to be strange, embarrassing and awkward, making him think about the underlying system and deeper meaning, while for somebody who had grown up in the American upper class milieu would have considered the same practices to be just normal, taking them for granted as they have grown up and lived with these practices their whole life. He sometimes satirized and ridiculed the extravagant distinction practices and status symbols of the American upper class and agreed with Marx concerning ethical question of justice and distribution. But there were also disagreements. While Marx predicted that the proletariat would rise up against the ruling class, Veblen predicted that the proletariat would aim to emulate and copy the life-style of the ruling class, trying to be like them, because he understood the perfidious power of status symbols and the appealing, tempting and seductive cultural fetish around them too well to believe that the working class would be immune to these temptation and over through them

altogether. He argued that the working class was much more likely to work harder and to do everything they could to obtain the same status symbols as the ruling class which had cast a spell on them, in a metaphoric way. He had already seen and detected the “trickle-down” effect of social distinction practices and the cultural dominance of the ruling class which has the power to define which lifestyle is considered legitimate and which is not, in a way that is so culturally dominant that the other social classes will believe it and try to reach it. Here, power means being able to define what other people believe is a desirable and legitimate life-style.

Having said that, one also needs to mention that Marx already had an idea of what he called “Der Fetischcharakter der Ware” which means that people do not perceive goods, including status-symbols, as what they are or what they are really made of, e.g. gold as a rare metal and diamonds as a solid form of the element carbon, but as something “divine”, something that has special effects, elevating the value, position and power of the owner and bearer of the status-symbol. This effect can only take place when the status-symbol is recognized and worshipped by other people who then really elevate the position and power of the owner and bearer, making the divine-looking special effect of the status-symbol become true. It is a typical case of a self-fulfilling prophecy: in the moment when enough people start believing that the status-symbol has divine effects giving superiority and greater power to its owner and bearer, the effect becomes true because people act accordingly to the prophecy. The moment when people start being awestruck by status-symbols and accept being ruled by its bearer, is the moment when the status-symbols really start having a divine-looking, quasi-religious effect on the people who believe in them.

According to Veblen, what motivates people to practice social distinction is often the desire to impress, to show off, to ascend socially, to fulfill the vaguely and subjectively perceived expectations of others, vanity and the fear of social shaming, even if all of this does not contribute and increase their happiness and well being. Thus, he interprets humans as acting highly irrationally most of the time, pursuing status-symbols and social recognition instead of their own happiness (Schipper, 2014).

Similarly to Veblen, Bourdieu grew up in a small village, in Denguin in the south of France, as the son of a postal worker, then made a steep social ascent and later worked at the Collège de France, one of France’ most prestigious higher education and research establishments (Fröhlich and Rehbein, 2014). He reported never feeling completely at ease in this elite milieu as his habitus was rather different from those of his colleagues. A prolonged stay in Algeria also deeply influenced him as he was exposed to a completely

different culture. He later noticed that he did “not yet“ fit into the social milieu in which he worked and „not anymore“ in the one in which he had grown up, because he was changed by his studies and experiences which created a habitus which was “between the milieus”. This motivated him to investigate the complex and far reaching web of distinction practices which are present in the social milieus and classes in French society (Bourdieu, 1979). Among many other research interests, he investigated what social distinction practices mean for the symbolic battles and power struggles in French society and which forms of violence and repressions are used and why they are effective which will be described in more detail in the subsequent sections of this chapter (Bourdieu, 2015; Bourdieu and Wacquant, 2004).

3.1.1. Intended and Unintended Distinction Practices

The question whether unintended distinction practices are also distinction practices is debated and remains highly controversial. According to Daloz “differentiating between utilitarian and symbolic dimensions, or between intentional and less conscious grounds of social distinction, is never an easy task” (Daloz, 2013: 6) If somebody uses distinction symbols and practices in order to distinguish himself, the case is clear. But if somebody does exactly the same and causes the same distinction-effect but without the intention of distinguishing himself, can we still call this ‘distinction’?

Distinction practices can be practiced consciously and with the intention of distinguishing oneself from other individuals and social groups, but also unconsciously (or, at least, less consciously) and without the intention of distinguishing oneself from others. E.g. a university professor talking to a person with a lower degree of education at a cocktail party may intentionally and consciously use many scientific terms unknown to his conversational partner in order to distinguish himself from his interlocutor, but he may also use these terms, because he is not able to express himself in a different way and because he assumes that his conversational partner knows all the academic terms he uses. The university professor probably talks to scientists most of his time and is not aware of the fact that outside of the scientific community and milieu the terms he uses are not widely known and understood. Both practices, intended and unintended, create separation, distinction and distance between the individuals that take part in the social interaction.

Another question is whether, both, ostentatious and unostentatious can be included in the definition of distinction practices. Some scholars define distinction practices as only ostentatious or only intended practices. In this research project the term will include

both, more and not- or less consciously practiced distinction will be taken into account and explored.

3.1.2. The Utilitarian and the Symbolic Dimension

When doing research on distinction practices one of the biggest dangers is that the researcher starts interpreting every possible kind of practice as a distinction practice, although it may well be simply a necessary practice to solve a daily problem. The problem is similar to some Marxist scholars who interpret every kind of conflict as a social class conflict and struggle, even when there is none. For them it is difficult to believe that there can be conflicts that are not social class conflicts. Daloz shows how carpets, which are commonly seen in living rooms, may be used by the person who lives in the house because of symbolic (distinction) reasons, or because of simple utilitarian reasons:

“an accumulation of carpets should not automatically be understood in a baudrillardian sense as a desire to underline what one owns or in a Bourdieusian mode as aiming to convey an impression of high 'finish' signaling cultivation and taste. It may simply reflect the need to soften a hard surface or muffle sound along with a more or less conscious intention to affect the senses of touch and sight.” (Daloz, 2013: 6).

I will argue that “utilitarian practices” and “symbolic distinction practices” are the two extremes of the same continuum. Practices and objects are rarely purely “utilitarian” or purely “symbolic”. E.g. the acquisition and use of an expensive high-end smartphone has obviously a symbolic dimension, but it cannot be denied that it also has a utilitarian dimension, as it is used to make calls, read and write emails, organize meetings, record interviews, planing the best possible route by using the integrated GPS-Navigation system when driving a car, etc. The smartphone is a practical and symbolic object at the same time. The mixture-ratio of utilitarian and symbolic aspects depend on the type (and price) of the smartphone and the interpretation (and usage) of it by its users and the spectators around them.

3.1.3. Vertical and Horizontal Distinction

It may be useful to create the two subcategories “vertical (or hierarchical) distinction practices” and “horizontal distinction practices”. Vertical/hierarchical distinction practices are those which aim to distinguish oneself from and against those who are below oneself in the social hierarchy, that is, from lower social strata. Horizontal distinction

practices are used to distinguish oneself from and against individuals, groups and milieus of the same social class and strata. According to Daloz “distinction is not only a question of domination over social inferiors but also, and often primarily, a concern with differentiations between elites themselves.” (Daloz, 2012: 76). This probably applies to the middle-class and perhaps even to lower classes as well. It is, in a way, curious that when people practice horizontal distinction, they do recognize that the other person or group is on the same hierarchical level as they see themselves, but at the same time, a certain idea and believe of one’s own superiority seems to resonate and covibrate in this horizontal distinction practice nonetheless. It seems that the subliminal message of horizontal distinction practices is often “we may be on the same level and members of the same social class, but nonetheless, I’m still better in a different way”.

3.1.4. Trickle-Down and Trickle-up Effects

Because of their desire to ascend socially, to climb upward and to be accepted and recognized by the upper classes, members of the middle classes have often tried to copy the lifestyles and distinction practices of the upper class milieus, as lower class members have tried to take over the lifestyles and distinction practices of the middle classes. This may cause trickle-down effects of lifestyles and distinction practices. Lifestyles that were first practiced by upper class members and later copied by the middle classes when the industrial revolution made many products cheaper and more available, were finally adopted by the lower classes (at least in the highly industrialized regions of the world). But when the upper classes’ lifestyles and symbols were copied by the middle classes, these symbols and practices did not serve the purpose of elite distinction anymore as they were not exclusively available to the upper class any longer. In this moment the upper class members usually start developing new lifestyles and distinction practices that are still exclusive and fulfill the purpose of distinguishing themselves from the middle classes. One may argue that the upper class is constantly looking for exclusive lifestyles in order to avoid being copied by the middle classes. Similar phenomena can be observed when members from the lower classes try to ascend socially and to be accepted and recognized by the middle classes by copying their lifestyles. Examples of trickle-down effects include the consumption of spices and food that used to be expensive and were almost exclusively consumed by upper class members during Middle Ages, e.g. pepper from Asia, sugar from the Caribbean, white bread and large amounts of meat. When these products became available to the middle classes they could not fulfill their former elite distinction purpose anymore and became less important items in the lifestyles and

distinction practices of the elites in Europe. Today, as the industrial revolution has made sugar, white bread and large amount of meats available to the lower classes, they are increasingly considered to be “unhealthy food” by the upper- and middle class members. Today the consumption of large amounts of meat, white bread and sugar is more common in the lower-classes and does not serve as a distinction practices among the upper- and middle-classes anymore. Another example are cars:

“Cars were at first fancy toys for the rich and they could still be regarded as outstanding symbols of success in the 1920s. However, because of the development of production, a second-hand market and the subsequent fall of prices, within 30 years cars denoted middle- class status and have since become a common machine in industrialized societies.” (Daloz, 2012: 74).

Today, many well-off families in Europe decide not to own cars anymore and the largest European automotive enterprises (Volkswagen, etc.) sell most of their luxury cars to the wealthy in Asia, Latin- and North America where they are still able to fulfill their distinction purpose (Schneider, 2009). Another example presented by Daloz is the use of make-up and other means and methods aiming at the creation of a beautiful physical appearances: “Until the twentieth century, devoting time and attention to make-up, hair-dressing and other beauty techniques, in order to be presentable for social engagements, was essentially an elite activity.” (Daloz, 2012: 89-90).

Today, make-up is available to most social classes and does not serve as an elite distinction symbol anymore. Possibly, that is why today in some cultures, lower-classes’ usage of large amounts of make-up and undergoing of excessive cosmetic operations are considered parts of an unhealthy and uneducated ‘chav’ life-style by the educated middle and upper classes. The educated middle and upper classes’ beauty concepts seem to be dominated now by the ideals of “naturalness” and “healthiness”. Their life-style gravitates around the idea of “authenticity”.

Daloz notes that the upper class could save a bit of the exclusiveness of these status symbols by acquiring particularly expensive ones, e.g. expensive cars, suits, cigarettes, cruising yachts, exotic kinds of meats flown in from all over the world, etc. but, nonetheless, when compared to the exclusiveness these items had before they were widely available, it is obvious that they have lost exclusiveness and, thus, partly the ability to serve as elite distinction symbols.

There are some distinction symbols that remain as exclusive as ever because they remain rare, as e.g. antique furniture, original paintings and other works of art produced by prestigious artists who’s work is considered to be part of the legitimate culture (e.g,

Picasso). And while higher education today is available to large parts of the middle classes, the access to some elite university (e.g. Harvard University) remains very exclusive: according to Golden (2007) the social origin of the majority of the students enrolled in US elite universities can still be traced back to very rich upper class families. The legacy system that allows students with less than excellent grades to access elite universities when their parents have studied at and donated large sums to the same university, reinforces the exclusiveness of the access that US elite universities give to upper class students.

Sometimes, the diffusion and dissemination of distinction practices and life-styles goes the other way around: it 'trickles up' from the lower- to the upper-classes. One example are roll necks or "turtleneck pullovers" that were commonly worn by menial workers in the 19th century. Since the middle of the 20th century they became popular among intellectuals – in particular existentialists and feminists – and since the 21th century they are sometimes worn by upper-class members. E.g. the German federal minister of economic affairs, Karl-Theodor zu Guttenberg, son of a rich aristocratic family, who used to wear roll necks during public events occasionally (Fahrenheit, 2010). Other elite members who occasionally wear roll necks include Vladimir Putin and Andreas Papandreou.

Another example are baggy-pants. Baggy-pants were first worn by prisoners in the USA and later by middle-class adolescents (in particular within the skater- and hip-hop milieus) all over the western-world in order to distinguish themselves from the "establishment" and in order to create a common group identity (Fischer, 2010). It remains highly controversial whether these trickle-up effects can be interpreted as distinction practices, or, whether they are the opposite: practices by members of superior classes to show and communicate "Volksnähe" (Closeness to the people), that is, they want to communicate and prove that they have a "common touch", that they are *not* different, and that they are neither aloof nor divorced from reality.

3.1.5. Centers of Symbolic Dominance

Cultures may develop their own perceptions of what they consider to be luxury goods and status symbols autonomously and independently from other cultures, but in today's more interconnected and globalized world, it is more probable that cultures influence each other's perception of what is considered to be a luxury good and a legitimate lifestyle. There seem to be centers of symbolic (and cultural) dominance that define what is considered a status symbol. These definitions are often taken over by other

cultures with or without the use of advertisement, propaganda or force. Although this issue needs to be investigated much more, we can assume that there are centers in Italy and France that define what is luxury fashionable clothing, that there are centers in Great Britain and Germany that define what are luxury cars and that there are centers in the USA (Apple) and South Korea (Samsung) that define what are luxury mobile phones which can be used as distinction symbols. These definitions are not taken over by all, but by many individuals and cultures all over the world. Even better cars, phones or clothes from other, unknown companies outside these centers would not serve the purpose of distinction as long as they are not known to the persons and groups from which the car owner or mobile phone owner aims to distinguish himself. Distinction symbols have to be recognized by the audience as such in order to serve the purpose of distinction. The best and most expensive car in the world may not help the car owner to signal and demonstrate a superior position and status if it is not recognized by anybody as the best and most expensive car in the world.

3.1.6. Elite Distinction Practices as Symbolic Violence

Distinction practices are often used by elites to intimidate and frighten individuals and groups from lower social strata and to exercise power over them. Bourdieu referred to this form of social dominance and power as “symbolic violence” (Bourdieu, 1984; Bourdieu and Wacquant, 2004). Here, symbols that indicate social and often economic superiority, e.g. expensive cars and titles, sophisticated linguistic styles, usage of technical terms and foreign words (which the conversational partner does not understand and may make him feel uneducated) are used to intimidate those who consider themselves to be socially inferior. Daloz (2012: 92) and Peter (2004) note, however, that symbolic violence only works if the symbols of superiority are recognized as such by those who are the target (‘victims’) of symbolic violence.

Peter (2004) goes even further and argues that symbolic violence does not work either when it is detected and revealed as such. According to Peter symbolic violence only works when the ‘victim’ interprets the symbols as proves of quasi-natural and legitimate superiority and not only as socially constructed means of symbolic violence. Peter concludes that symbols that are used to practice symbolic violence have to be “erkannt” (‘recognized’ as symbols of quasi-natural superiority) and “verkannt” (failed to be detected as means of merely socially constructed symbolic violence and status) at the same time by the victim in order to work effectively. It is a subliminal and perfidious practice of

violence and domination which adds, strengthens and stabilizes the power-structure of society. The crucial point is:

When symbolic violence is detected, identified and perceived by the victims as an only socially constructed means to impress with the intention to repress certain groups and individuals, than it loses its power immediately.

It only works as long as the symbols of power and status maintain a certain sacred, mythical and awe-inspiring aura. For example, when a member of an elite, e.g. the president of a country or an enterprise is seen as “just a normal guy with fancy cloths who thinks he’s important” he will have a hard time impressing his people and/or employees and making them follow him with enthusiasm, blind faith and admiration. It will be more difficult for him to make them accept his orders and commands without any dissent or critical review and scrutiny. Therefore, he needs to use symbols which help him to be perceived as a somewhat “divine” or at least “very special and best suited” person who has the “quasi-natural” right to be the leader. E.g. he may point to his noble ancestors, express extraordinary, almost divine self-esteem and use titles from prestigious universities to make his opinions, decisions and judgments appear to be impeccable and uncriticizable. Questioning his opinions and decisions needs to be perceived as blasphemy by his people in order to make symbolic violence work smoothly. This form of violence and domination is particularly efficient because the “victims” do not perceive it as violence, but as a sacred, divine and just order. They believe in what the elite wants them to believe, similar to religious people who perceive the practices and hierarchies of their religion to be sacred, just and divine, even if they suffer from them. When symbolic violence is applied successfully, no physical violence is needed to make people obey because they are already awestruck and do not even think about disobeying. When brute force and physical violence needs to be applied to make people obey, than symbolic violence has already failed.

3.2. Categorizing Different Signs of Distinction

When categorizing different distinction practices, the structure developed by Daloz in “The Sociology of Elite Distinction” will be applied: distinction practices will be categorized into embodied signs of distinction, external signs of distinction and vicarious Display. In addition I created the category “miscellaneous” for the distinction practices which do not fit in the previous categories.

3.2.1. External Symbols of Distinction

Not every commodity is used as a distinction symbol. Of course, what is considered a luxury good changes from generation to generation and from culture to culture: “the luxury goods of one generation may become ‘standard items’ of the next and the ‘necessities of the third’” (Daloz, 2010, 62). The terms “luxury goods” and “non-luxury goods” should be understood rather as two extremes of the same continuum than as two strictly separated categories, because there are several goods that are somewhere in the middle and have hybrid characters and purposes. E.g. a computer may be a tool that is simply necessary to do work, but it may also serve the purpose of distinguishing the computer’s owner from other individuals and to indicate and demonstrate his or her social status. There are computers that are primarily produced to fulfill the purpose of work (e.g. IBM’s Thinkpads), there are computers that are designed primarily to serve the purpose of distinction (e.g. Apple’s Ipad) and there are computers in the middle of the above mentioned computers which are produced and used to serve both purposes (E.g. Intel’s Ultrabooks).

Daloz gives another example to show that “prestigious goods should also be studied from the perspective of their practical value. For instance, although private jets must certainly be analysed in terms of status enhancement, one cannot deny that they fulfill concrete functions of rapidity and ‘comfortableness’.” (Daloz, 2010: 62).

3.2.1.1. Prestigious Commodities

The most obvious distinction practice is the possession and (at least occasional) demonstration of prestigious commodities (Daloz, 2012: 61). These commodities are often expensive in order to ensure their exclusiveness. Today we may think of expensive watches, cars, mobile phones, original paintings by prestigious painters, antique artifacts, expensive food, etc., but individuals from the upper classes have used prestigious commodities for several thousand years already to distinguish themselves from lower classes and to show their power and superior social position. E.g. the conspicuous usage and demonstration of rare and expensive sacred artifacts by Egyptian pharaohs to symbolize their social position, the consumption of the – then luxury food – chocolate and cacao by the rulers of the Mayas and Aztecs in the region that is today known as Southern Mexico and Centralamerica, the construction of impressive castles and palaces in medieval Europa are examples of distinction practices throughout the history of mankind (Russell,

2010).² Here we cannot only observe vertical/hierarchical distinction practices but also horizontal ones. E.g. the construction of castles did not only serve the purpose of distinguishing the rulers in medieval Europe from the lower classes of the same kingdom, but also to distinguish the ruler from the rulers of other kingdoms. The crowns, clothes and manners of kings in medieval Europe served the same double-distinction purpose: they distinguished the kings from other rulers as well as from the lower classes.

Of course, commodities need to be rare in order to serve as symbols of distinction, because if everybody would be able to use and show them, they would not fulfill the purpose of distinguishing oneself from other individuals and groups anymore, but they do not necessarily have to be expensive (although they normally are). In particular horizontal distinction³ can be achieved by owning and demonstrating commodities which are not expensive, but uncommon. One example can be young middle class children who distinguish themselves from other members of other middle class milieus and groups by producing and wearing punk-clothes. It is not expensive to produce and wear punk-clothes in order to distinguish oneself from the “conservative establishment” and to show that one belongs to the punker-milieu, but they do serve the purpose of distinction, because they are uncommon and rarely seen in the street. They only lose their distinction-functionality when too many persons that do not belong to the punker-milieu start wearing punk-clothes because they have been discovered by the fashion industry and have become fashionable and mainstream cloths sold nowadays by H&M and C&A.

3.2.1.2. Dimensions of Prestigious Commodities as Distinction Symbols

Prestigious commodities can be analyzed focusing on dimensions like durability, mobility, age (antiquity and novelty) and visibility (concealment and exposure), (Daloz, 2012: 63). While durability, mobility and age are relatively straight-forward dimensions, the dimension “concealment and exposure” may require a bit of explanation: The central question within this dimension is:

How often does the owner of a prestigious commodity that serves as a distinction symbol show the symbol to a public? E.g. a car is shown to the public every time the owner

²Distinction practices making use of prestigious commodities were only accessible to a very small upper class throughout most of the history of mankind as “the vast majority of populations have been ‘poor’” (Daloz, 2012: 61). It is a very new social phenomena that individuals from classes below the upper class can practice distinction using prestigious commodities. Mass affluence, mass prosperity and a broad middle class did not develop in Europe until the 1960s. Still today in 2013 the majority of the world’s population lives in poverty usually without the means that are required to acquire commodities that may serve the purpose of distinction.

³Horizontal distinction is defined as the distinction between social milieus within one and the same social class

is driving it. It may be seen by thousands of persons everyday in the streets, while the interior of a house (e.g. a luxury carpet or piano) is only shown when somebody is visiting the owner at home.

Another interesting and not immediately obvious dimension is “direction and audience of distinction symbols”. Here the central question is: Which audience is supposed to recognize the distinction symbols? Extremely expensive business suits, watches and other elite distinction symbols often have a very inconspicuous, modest appearance. Persons living outside upper class milieus usually do not recognize the value and price of these extremely expensive items, thus they do not serve as distinction symbols of the upper class vis-à-vis the middle and lower classes. Nonetheless they are commonly used by members of the upper class, because these distinction symbols function extremely well within the upper class where these distinction symbols are immediately recognized and interpreted as a proof of ‘excellente taste’ and the sovereign dominance of the cultural codes of the upper class. These distinction symbols serve the purpose of showing that the owner belongs to the upper class and may also be used for horizontal distinction purpose signaling that the owner belongs to a certain upper class milieu and not to another one.

Individuals often have to use distinction symbols and practices to be accepted by a social group, milieu or class which again shows that distinction is always about signaling group affiliation, too. In order to distinguish yourself from a group one has to show to which group one belongs.

3.2.1.3. Luxury Goods as Symbols of Creditworthiness

Another function/aspect of distinction symbols is that “luxury goods may function as a signal of credit-worthiness” (Daloz, 2010: 65). E.g. a client of a bank may increase his chances of being rated “credit-worthy” when conspicuously wearing certain luxury goods like suits, watches, etc. In a more general sense creditworthiness is trustworthiness. The conspicuous usage of luxury goods which are somehow connoted with superiority, good taste and good character can make somebody appear to be more trustworthy to others. The logic and conclusion within the minds of the spectators seem to be something like “If the product is good the owner must be good, too”.⁴

⁴E.g. a financial advisor of a prestigious bank who’s job it is to give recommendation on how the bank’s clients may invest their money, is expected by the clients to wear several luxury goods, e.g. expensive suits and watches. A financial advisor who wears cheap clothes and a cheap plastic watch may not considered to be credit-worthy by his clients. He does not seem to be familiar with the lifestyle of upper class milieus that has the reputation of knowing a lot about investing money successfully and creating wealth.

3.2.1.4. The Construction, Appearance and Location of the Dwelling

While in western societies it is quite common that elites live in rich upper class neighborhoods and city districts, often far away from the middle- and lower class neighborhoods where their employees live, this is not the case in every culture world wide.

According to Daloz there are

“two, differing, logics which are revealing about the nature of social relationships [between elites and non-elites]. The first is aloofness. From the Roman emperors who had their residences built on the Palatine hill – that is above the crowded city – to the medieval lords in their high towers dominating and guarding over their lands, to British colonial officers purposely settling down at some distance from the communities they had to administer, standing symbolically apart has been a key to demonstrating one’s supremacy.⁵ The second logic combines visibility and closeness. In contexts where primarily vertical relations are the norm, leadership mainly involves exchanges cementing clients to patrons in mutual self-interest. In sub-Saharan Africa, local ‘Big Men’ do indeed try to distinguish themselves by constructing the most impressive edifice, but generally in the very place where they have their roots, that is, among their community and followers, even if this is a miserable village or an overcrowded suburb. Undoubtedly, in such cases what is at stake is a collective sense of distinction from rival groups and a suggestion of ascendancy depending on proximity.” (Daloz, 2010: 69-70)

In Mexico the first logic described by Daloz applies to the legal business elite while the second may apply to the illegal drug-trafficking business elite.

According to Ai Camp, most members of the upper class live in Mexico City (Camp, 2002). While in many European capitals the districts near the city center are expensive and populated by relatively rich persons because everything can be reached comfortably in a short time, in Mexico City the districts around the city center, above all “Tepito”, are mostly populated by relatively poor persons, while the rich upper class members usually live in districts far away from the city center like "Santa Fe". Santa Fe is situated practically outside of Mexico City and moving from Santa Fe to the city center takes several hours, but that does not seem a problem for the inhabitants of Santa Fe because they do not leave their city district often, as most large national and multinational enterprises have located their headquarter in Santa Fe (or in Polanco). Santa Fe offers less air-pollution than most districts in Mexico City and looks like a rich district of

⁵One may add as an example the Alhambra that was built by the Arab conquerors apart and above the city of Granada on a hill so that they could look down on the city where the people they had conquered lived.

a US-American city with high rise buildings and large shopping malls. "Lomas de Chapultepec" is another very wealthy district that offers vast areas of wood and green parks. Carlos Slim, currently the richest business man in the world according to Forbes Magazine (2012), owns one house in Lomas de Chapultepec. Other wealthy upper class districts include parts of Coyoacan and Polanco where headquarters of some of the largest national and multinational enterprises, several embassies, upscale restaurants and hotels are located. In Mexico we can observe the distinction practice of aloofness and 'healthy' lifestyle:

"In many places, well-to-do families have deserted city centres and moved to new suburbs where they enjoy a greener environment. In this case, people from poorer segments of the population have more or less 'reconquered' the heart of cities where wealthier ones only come to work or shop" (Daloz, 2012:71).

Gated Communities which are only accessible to the persons that live inside and their friends and which are protected and patrolled by private security forces and surrounded by high walls with NATO-razor barbed wire, are very common in large Mexican cities.

The tendency of the upper class in Mexico to live far away from the city centers of the richest cities seems to be similar to the preferences of its neighbor, the upper class in the USA. According to a study by 24/7 Wall St. :

"Nearly all of the wealthiest school districts are within a short distance of one of the richest cities in the country. Other than one suburb of Portland, Ore., all of the wealthiest school districts are commuter towns of New York City, located in either Fairfield County, Conn., or Westchester County, N.Y. [...] Compared to the national median income, the families in the most well-off districts are incredibly wealthy. In the 10 richest school districts, median incomes ranged from \$175,766 to \$238,000. By comparison, the national median household income from 2006 to 2010 was \$51,914." (24/7 Wallst, 2012; Fox Business, 2012)

3.2.1.5. Visibility and Closeness of the Dwelling

The illegal elite prefers to live among their followers. They used to live in ostentatious mansions, but as the violence and war among drug-cartels and the military has escalated in recent years, they have moved to less ostentatious hide outs because of security reasons (Carroll, 2010; Grillo, 2012).

3.2.1.6. Vehicles as Symbols of Social Distinction and Status

Vehicles have been among the most visible distinction and status symbols for a long time.⁶ Vehicles are special distinction symbols as in addition to having the function of showing the owner's economic wealth and social position, in many cultures they are directly connected and associated with strength, security and violence. In countries like Mexico where traffic accidents and aggressive driving are rather common, a big, heavy SUV gives several advantages to its owner. He can intimidate other road users (car drivers, cyclists and pedestrians) with the size of his vehicle and even use it as a lethal weapon against them. In case of an accident, the driver of a big and heavy SUV is fairly well protected when compared to the drivers of small, light and cheap cars.

One may argue that vehicles as distinction symbols are in some cultures similar to archaic status symbols that are directly connected to the owner's ability to use physical violence and force, like weapons in the ancient world and Middle-Ages and perhaps like guns in some parts of the modern world today. These distinction symbols ensure the superiority of its owner by increasing and reinforcing his ability to use brute force.

Several Mexican interviewees have told me that in Mexico it is common to pay more for one's car than for one's house. Both are status and distinction symbols but Mexicans give different priorities to them. While hundreds of people see you sitting in your car everyday, only few people see the insight of your house. Therefore the car is more important for the presentation of the self and identity-construction than the house and consequently it is coherent and logical to spend more on one's car than on one's house. According to a study by the "Asociación Mexicana de Agencias de Investigación de Mercado y Opinión Pública" (AMAI) on the life-styles of Mexico's different social classes, the average Mexican upper class families buy a new car every two years (AMAI, 2013, 2005).

3.2.1.7. The Possession and Demonstration of art Works as Distinction Symbols and Practice

More than other distinction symbols the possession and – at least occasional – demonstration of exclusive and expensive art works does not only signal large economic resources but also excellent, elaborated and legitimate taste. This has been a distinction practice of elites and other upper-class members across cultures for several thousand

⁶According to Daloz "the ability to travel rapidly, comfortably and in style has been a priority. This is why elites frequently attach great value to vehicles, which prove to be a primary object of competitive display." (Daloz, 2010: 73).

years and albeit a changing constellation of the business elite, it still holds true today⁷ (Balfe, 1987; Heyman, 2014; Rein, 2015):

E.g. the prices for exclusive art works that can be used as elite distinction symbols have risen significantly in the last years due to the rising demand caused by the Chinese nouveau-riche (Badkar, 2012). The nouveau-riche usually do not want to live without prestigious works of art although they often have a hard time recognizing works that represents legitimate art and may serve as elite distinction symbols. Therefore it is common to employ art advisers who advise the elites on which art works to acquire.

The Mexican business-elite member Carlos Slim seems to consider Mexico's most urgent problem to be the lack of prestigious works of art⁸. His philanthropy focuses mainly on art. He has sponsored the free-admission museum "Soumaya" which contains the world's second largest (and largest private) collection of Rudin sculptures. Overall the museum holds more than 60.000 pieces including art works by Leonardo Da Vinci, Pablo Picasso, Salvador Dalí and Pierre-Auguste Renoir (Casey, 2011).

3.2.2. Embodied Symbols of Distinction and Superiority

While prestigious commodities are relative easy-to-understand and straight-forward distinction symbols, embodied signs of superiority and distinction are a bit more complicated but this is where the core of distinction can be found.

Possibly the elite's most important and most effective distinction practice and symbol of superiority is it's publicly demonstrated profound self-confidence, ease and self-assurances. Nothing seems to be stressful, exhausting or hard for them. They seem to handle everything with sovereignty and ease. In a metaphoric way one could describe their lifestyle and attitude like flying above society. The rules, laws, walls and other obstacles that limit the possibilities of most non-elite people, do not apply to them. Needless to say that this demonstration of self-assurance, confidence and ease impresses and sometimes intimidates the spectators. It is one of the most important sources of symbolic violence and power. The elites are so convinced that they are the legitimate rulers that those below them start believing it, too. The logic that seems to be at work in the minds of the spectators is something like: "If somebody is so sure of himself and his right to rule, there must be some truth in it, because if it would not be true, how could he be so sure?"

⁷As Daloz notes "the collecting of works of art remains a significant activity for elites worldwide" (Daloz, 2012).

⁸While about half of the Mexican population is living in extreme poverty.

A self-fulfilling prophecy seems to be at work. The power of the elite derives to a large extent from the acceptance and recognition as “natural leaders”, which they receive from those, who are below them in the social hierarchy. A leader needs to have followers in order to be a leader. The followers make a person become the leader of the group by following him or her. They form the social construction of a “leader” by treating him as such (e.g. admiring and recognizing him and his right to rule, obeying his instruction, etc.)

Daloz (2012) and Bourdieu (1984) have observed and critically analyzed the elite’s ostentatious demonstrations of self-assurance, confidence and ease:

“When observing elites, an ostensible feeling of ease is frequently noticed, as if they are more self-assured than members of subordinate groups. Contrasting with the prevalent tenseness of the majority of people (perceptible in anxious looks, for instance, or hand-wringing when under stress), what is implied is a relaxed attitude and a certain control over one’s emotions. These combine to give an impression of confidence in relation to the world. Some elements of posture (commendable gait, lifted up head, shoulders held back, steady gaze, etc.) additionally appear to act as an advertisement of self-esteem and status.” (Daloz, 2012: 81).

According to Bourdieu (1984) social climbers reveal their middle- or lower class social origin by taking education, dress codes, manners and formal correctness too serious. Their unsureness and unease is apparent. They do not realize that for the elites – and upper class in general – the small talks about music, art, literature, and other distinction practices are slightly ironic and easy games in which the upper class members recognize each other and which serve to identify outsiders. Often, upper class members show their superiority and self-confidence by breaking the rules, or by, at least, not taking them too seriously. (Daloz, 2012: 87). While studying these practices it is important to take into account that “[w]ithin increasingly permissive ‘Euro-American’ societies, we have perhaps entered yet another stage where loose manners supposed to demonstrate ‘authenticity’ or unaffectedness are admired.” (Daloz, 2012: 88). As described above, elites often take life as an amusing, easy and risk-free game. In contrast, the social climbers from the middle- or lower classes reveal their non-elite origin by taking life too seriously. According to Hartmann these different habitus-formations and attitudes have a socio-economic basis. Life is, indeed, easier for elites as they have normally grown up in very safe and stable social-economic environments. Thanks to an abundance of wealth, economic insecurities and the consequent stress, tension and fear were non-existent and they usually did not have to work in a subordinated position in which they

were humiliated and had to obey orders. In addition, as children of the upper class they have received social recognition and respect most of their lifetime. They were treated as the “the children of the elite” and “the leaders of tomorrow” since childhood, which obviously contributed significantly to their high self-assurance, self-confidence and self-esteem. Furthermore they observe that their parents are in powerful positions and are highly respected by those around them (Hartmann, 2002).

In contrast, the social upward climbers from the middle- and lower classes often had to fight all their life. Life is a struggle for them without any security in case of defeat. They have to work harder as the upper class members to be professionally successful because they lack the manners, habitus and social capital of the upper class that is so urgently needed, when aiming to enter the upper echelons of society. They had to learn manners, attitudes and general education (concerning literature, art, music, philosophy and other issues), which play important roles in upper class conversations) that the upper class offspring adopted “quasi-naturally” by copying the manners and attitudes of their parents and listening to their conversations. Camp interviewed a Mexican elite member who described the intellectually stimulating environment in his childhood home:

“My grandfather bought a ranch in the nineteenth century which today is where University City [Ciudad Universitaria] sits. We had great intellectual gatherings there. Such men as Nabor Carrillo [leading physicist and rector of the UNAM, Mexico’s National University], Carlos Lazo [prominent architect and secretary of public works], Carlos Graf Fernández [notable mathematician and professor], Fernando Benítez [member of the intellectual power elite and political essayist], Carlos Fuentes, and all sorts of scientists and writers came to visit and stay with us. We finally sold this home in 1937. But I grew up in this environment, meeting all of these people. My father was also a professor. My sister married Manuel Sandoval Vallarta [a student of Einstein who taught at MIT]. European intellectuals also gathered at our home on Sundays, and such men as Compton [president of Harvard] and Oppenheimer from the United States.” (Camp, 2002: 106).

The social climbers from the middle- and lower-classes have usually not enjoyed growing up in a similarly intellectually inspiring environment and childhood home as the elite member cited above. They have to learn everything from the books or try to find a mentor. And even after intensive and hard training, the learned attitude and manners of the social climbers do often not appear as natural and self-confident as the elite’s.

“Due to their complexity, knowledge of the rules of intra-elite is an important exclusionary resource used by the established members of fashionable society to recognise and reject outsiders. Certainly, legitimate ways of behaving are explicitly codified in

books (about table manners, etc.) which can be acquired by aspirant social climbers. However, there is concurrent use of what McCracken (1990, p.34) calls the 'invisible ink strategy': this consists of the employment of all sorts of hidden snares to test the status of newcomers" (Daloz, 2012: 86).

One example of these hidden traps can be observed during assessment centers when impressive, delicious and expensive buffets (which are out of reach for most middle- and lower class families) are offered to the applicants. The Human Resource Managers want to test the applicants' self-control. Those who let themselves seduce by the precious food and serve themselves generously will probably not get the job. In contrast, those who do not seem to be impressed by the expensive food (possibly because they are used to it⁹) have better chances to start a career in the company. They keep being focused on presenting themselves to the judges and sovereignly ignore the temptation of the excellent food. They may serve themselves, but only a modest portion and they do it in an easy, natural seeming unconcerned way (Menden, 2012).

3.2.2.1. Distinction through Speech and Linguistic Styles

Elites often speak in a way that rapidly conquers the listeners and make them become accepted and recognized as "natural leaders". How do they achieve this exactly? Of course, elite speech varies between cultures, but Daloz has identified three ways of signaling elite status which are relevant in many cultures:

"The first is, perhaps paradoxically, the propensity to speak slowly. A rapid delivery may certainly be interpreted as a sign of mental agility, but it usually entails imprecision and the need to correct oneself, whereas steady speech, emphasising a precise choice of words without any hesitation, indicates self-mastery and confidence. The second consists in not excessively raising one's voice, thereby showing that one is used to easily obtaining satisfaction, as opposed to a person whose vociferating attitude betrays the fact that the he is regularly challenged by others. The third dimension concerns a sharp understanding of when one should remain silent, listen (attentively or not) to other speakers or intervene appropriately." (Daloz, 2012: 93).

Nonetheless, it is important to note that:

"As with manners, it appears that the old formality of 'proper' language and grammar is on the wane. One would almost think that transgression – e.g. enlivening one's speech with a few vulgar, at times deliberately shocking, expressions – is a new way of

⁹as they have often eaten these kinds of food since their childhood in an upper class family.

distinguishing oneself for some upper-class people, with a view to expressing a sense of spontaneity.” (Daloz, 2012: 93).

3.2.2.2. Manners and Eating Rituals as Distinction Symbols and Practices

Of course, food, eating rituals, restaurant visits and manners are important distinction symbols and practices. Possibly, food and eating belong to the oldest and most enduring distinction symbols in the history of mankind. As food is often consumed in groups, it fulfills several purposes: the purpose of showing group affiliation, the distinction from other groups and marking hierarchies and distinctions within the group of those who eat together. Those who eat together usually belong to the same or similar social groups, but at the same time there are hierarchies within this group, e.g. there is a hierarchy between the host and the guests. Distinction practices and symbols include the questions “who starts eating first?” and “who sits next to whom and on which part of the table and on which seat?”. Here the social position and prestige of one person rubs off on the social position and prestige of those who sit next to them and talk to them. E.g. when a socially inferior person sits next to a socially superior person and receives attention from him or her, the first person's social position and prestige may rise in the eyes of the spectators (in this case, the other participants of the dinner who observe the social interaction and hierarchy). The sovereign dominance of manners and the informed and elegant participation in conversation during the meal may signal group affiliation through similar interests and value-orientations. It may also signal and confirm hierarchies when observing who's opinion is agreed on and supported by other participants of the conversation. Here, respecting, acknowledging supporting the opinion of a certain person may be a way of signaling loyalty and the desire to be accepted by him or her and his social group. Eating in restaurants is an even more ostentatious distinction practices as it is a public event, in which friendships and other social relations, sovereignty, manners and wealth are demonstrated to a public.

Eating in restaurants as a distinction practice is possibly even more important in cultures in which eating tasty food plays a crucial role as it signals enjoying life and being successful. This seems to be the case in Mexico, among many other countries.¹⁰

¹⁰One problem that needs to be solved is how to access the elite restaurants as probably all dishes are too expensive to be paid for by a student's scholarship. And it may not be possible to order just a small glass of water and then stay in the restaurant for several hours in order to observe the elite. But I'm confident to find a way to access these locations.

3.2.2.3. Attitudes Toward Prestigious Commodities as Distinction Practices

Both, elites and middle class members, may possess expensive commodities, but what distinguishes them is the upper-class's natural and slightly unconcerned way of dealing with these luxury products. It seems that these products are just simple and normal tools for them because they have been in contact with them since childhood. During a seminar on Pierre Bourdieu, a sociology lecturer who previously had worked in a wine trade once told me about his observations concerning the acquisition of wine by members of the upper- and middle class: The upper class members usually stop in front of the wine shop, jump out of their expensive cars (often without even locking the doors of the car or respecting the traffic code that regulates where cars are allowed and not allowed to be parked), get into the wine-shop with a polite but brief greeting, choose their favorite wine, or the wine that is considered appropriate for a certain occasion, pay without batting an eyelash and then leave again.

In contrast, the middle class members who arrive at the same wine trade in an equally expensive car, first think about where to park their vehicle safely, probably because they do not want to run into trouble with the police and because they consider their car to be an expensive acquisition. They could not easily buy another car as they are still paying off the debt of the current car. After getting out of the car they double-check if the car is locked firmly. When entering the wine-shop they seem to be unsure. They are torn apart between their wish to act in a sovereign and straight-forward way, selecting a 'good' wine, and their necessity to ask the vintner what a good wine actually is and where it can be found. They show symptoms of stress (sweat, unsmooth movements that suddenly start and stop again, hand fringing, etc.) and finally leave the shop not appearing to be 100% sure whether they have really bought a good wine and whether it is really worth all the money, as they only earn an average middle-class salary.

What can be learned from this example is that it is not only about owning prestigious commodities and to enter prestigious locations but also about how to use these objects and how to act in these locations, that actually makes the distinction-difference.

3.2.2.4. Distinguishing Oneself by 'not Distinguishing Oneself'

Sometimes elites show their superiority and self-confidence by not participating in the distinction-game and status-symbol-competition, because when one is safely situated on the top of the social hierarchy and profoundly sure of oneself – and his social position – and when one's superiority is accepted as a “quasi-natural” fact by everybody and

not contested in any way, there is no need to distinguish oneself anymore. The elite member does not participate in the distinction game that is played by those who are below him. His superiority gives him the right to break the rules. One may argue that real distinction is shown by being so profoundly sure of one's superiority that it is not necessary anymore to show it or to receive acceptance and recognition from others.

Examples may be Warren Buffet, Bill Gates and Mark Zuckerberg who all live relatively modest lives when put in a relation with their wealth. E.g. Warren Buffet prefers to eat simple hamburgers (Schroeder, 2009), Bill Gates usually wears a relatively cheap pullover (Becraft, 2014) during important meetings and when Mark Zuckerberg is talking to business consultants, top-managers and investors, he often wears old, washed out shirts that even most poor teenagers can afford.

When one is on top of the world's social and economic hierarchy there is no need to show it anymore because everybody already knows it anyways.¹¹

3.2.3. Vicarious Display

3.2.3.1. Family Dynasties and Traditions as Distinction Symbols and Signs of Superiority

While one always has to be careful with generalizations and reductions, we can observe that in many countries the business elites attach great importance to having an intact family and many children in order to make sure that the "family dynasty" will last for many generations. They invest the time and effort that is necessary, so that the social status, wealth, tradition, power, attitude, manners and education of the elite's family will be passed on from generation to generation (Buß, 2007). A famous example is the Rothschild family that has managed to maintain its financial business elite status for more than 300 years by now and still today its members make great efforts to make sure that the family dynasty¹² will continue and last for many more generations to come (Ferguson, 1999, 2000). This continuity is remarkable when taking into account all the social, political and economic disruptions, turmoils, wars and revolutions that Europe has experienced in the last 300 years and that have shaken the foundations of Europe's societies. Another example is the Quandt family that, in spite of its involvement and close collaboration with the German fascist regime and despite of the denazification

¹¹Concerning the academic elite one example of this type of distinction may be observed when Elite University professors use a very simple language style when talking to an academic audience because they do not need to show their academic superiority anymore by using sophisticated and elaborated language style.

¹²with all its attitudes, traditions, wealth, power, social relations and status

could save and maintain large parts of their wealth, power and status: still today some of their family members belong to the richest persons in Germany, in particular Johanna Quandt (6th place), Stefan Quandt (5th place), and Susanne Klatten, born (née) Quandt (4th place) (Forbes, 2012). The Quandt family owns about half of the shares of BMW and significant holdings in other, lesser known, companies (Jungbluth, 2002; Scholtyseck, 2011). The Flick family is another long-standing German business family dynasty (Frei et al., 2009).

In Mexico similar elite family dynasties have managed to maintain their status, wealth, power and social capital over centuries despite of wars and revolutions. Some of them have been thoroughly researched by Lomnitz and Lizaur among others (1987).

In contrast to the elite families, the social upward climbers from the lower and middle classes often have to sacrifice all of their time for their professional career in order to secure their social and economic ascent. They are in constant fear of social decline. The extreme effort they do at their work place and the large amount of time they invest in their professional career often mean that they do not have the time that is necessary to have many children, educate them and pass on family traditions and culture.

Marital problems and divorces are fairly common, as the focus on career and professional success often does not leave enough free time for family activities. They may climb upward socially within one generation, even reaching elite status exceptionally, but the family tradition may not last for more than that generation, because the family's values and traditions that create a profound sense of inter-generational group-commitment, are not passed on to the next generation (if there is offspring at all).

3.2.3.2. Love-Relationships with “Glamorous” and “Beautiful” Partners as Distinction Symbols.

In practically every country on earth the business elite is almost exclusively dominated by men (Hartmann, 2007). This may at least partly change in the future due to new laws concerning equal opportunities, the persistent climbing of ambitious and successful women in several countries (Rosin, 2012) and due to the rise of China where women represent a larger part of the business elite than in western countries¹³, but to date the worldwide male dominance of the business elite is a fact that cannot be ignored.

¹³The European colonization of the world transported patriarchy to most colonized regions, just like other aspects of European cultures were imposed on the colonies, e.g. the European languages and the European economic system. In the case of China this cultural influence has been less strong. In many aspects, not only the relations and distribution of roles between genders, China has maintained a culture that is still very different from western ones. This may, at least partly, explain the different composition of China's business elite.

Due to this gender-homogeneity of the business elite it is obvious that desirable female companions are often used as distinction and status symbols.

This is particularly true in cultures where beauty is valued more than functionality. It seems that in many Latin American countries large parts of the populations agree that the main occupation of women should be to look good (and to have children) – and not to seek a career and professional success.

“Of greatest importance here is the fact that gorgeous spouses, or mistresses, not only suggest sensual pleasure but often carry added enhancement (dress, jewels, etc.) that contribute to the vicarious assertion of the wealth of their husband or lover. It is common for male members of the elite to be seen using their status or economic resources in order to attract either many women or the single most lusted-after female.[...] elites may not only express a (distinctive) lack of concern over sexual access, but also affirm their supremacy through a predatory sexuality. For dominant men, the open flaunting of success with women is all the more imposing in that many others develop a sense of frustration because of low responsiveness, or even suffer from the pain of abstinence.” (Daloz, 2012: 100).

Promiscuity seems to be relatively common in the upper class – specially within the economic elite – when compared to the middle and lower classes (Penny, 2011). One reason may be that upper-class men and male economic elites have more chances to live promiscuously than men from the middle and lower classes, as they have more prestigious and economic as well as social and cultural resources to attract women.

As Mexico is a profoundly catholic country, double moral standards have developed. It is rather common for Mexican men to have sexual relations with several mistresses while being married and having children with other women. It is an open secret and between men, this is a status symbol and a prove of masculinity. This behavior was often explained to me by men as a direct consequence of the nature of men and masculinity: “We do it because we are real men”. At the same time Mexican men are extremely jealous and would never permit their wives to do the same. In Italy there seems to be something that is culturally similiar. E.g. many northern European citizens could not understand how the member of the business and political elite, Silvio Berlusconi, could win several elections and continue being Italy’s prime minister after it was revealed that he had sexual relations with several very young women (some of them under age) in spite of being married. He did not even seem to be concerned or apologized, but showed off with it. The northern European observers did not take into account that Berlusconi was admired by a significant part of the male Italian population because of

exactly this life-style. The young women that Berlusconi had access to, served as status- and distinction symbols. It made him appear like a “real man”. Instead of disgust, he received admiration, respect and envy (Hewitt, 2011; Hooper, 2011; Troendle, 2013).

3.2.3.3. Having “Important Friends”: Social Relations as Symbols of Distinction

Most researchers agree that business-elites across cultures have a very active social life with extensive social networks. According to Bourdieu these social relations, which are often used to organize and exchange mutual help, favors and valuable insider-information, can be interpreted as a form of capital that is of similar importance as economic capital (Bourdieu, 1983). Daloz notes that “upper groups often prove more conscious than lower ones with regards to the strategic importance of making and cultivating useful contacts.” (Daloz, 2012): 96).

These social contacts are often passed on from generation to generation. The parents of upper-class families introduce their children to other upper-class families. They know that each family can achieve and maintain high social status when they work together, bundle their power and form alliances. These social relations (or “social capital”) are often cultivated in exclusive Elite clubs (specially in the USA), secret societies, during common activities (yachting, golf, etc.) and, of course, during visits at home (Daloz, 2012: 98-99).

Camps gives an impressive example of how social relations are created, formed and maintained within the upper-class of Mexican society and how important they are as a status-symbol:

“An excellent illustration of kinship networking across power elites can be found in the family of the late Hugo B. Margáin Gleason, whose father was a distinguished physician and professor at the National School of Medicine. His aunt married the treasurer of the National Action Party [PAN], who was also a relative of one of Mexico’s formerly wealthiest families and a member of the capitalist power elite. Another one of Hugo Margáin’s aunts married a top scientist. A third aunt married an industrialist whose mother was one of Mexico’s most successful female entrepreneurs, the intimate friend of presidents and the mistress of a major painter in the art world, muralist Diego Rivera. Margáin himself married a woman who tied him through kinship to another leading capitalist family and member of the power elite. Margáin considered his father, as well as Antonio Carrillo Flores, who was a major politician prior to 1970, his most important mentors.” (Camp, 2002: 77).

3.2.3.4. Servants as Distinction Symbols

While in European upper-class and elite households servants were quite common just two generations ago, today they are not en vogue anymore, although exceptions definitely exist, e.g. butlers in Britain. In Mexico most upper-class families employ servants still today (AMAI, 2013, 2005). While servants fulfill many practical tasks and works, it is obvious that they serve as status and distinction symbols, too, as “a key symbolic aspect is to be served” (Daloz, 2012: 105) which may contribute to the feeling of living like a ruler in the time of the colonization of Mexico. This brings us to the question why upper class Mexicans with indigenous roots take pride in living like a European colonizer who oppressed the Mexican upper classes’ ancestry. One may speculate that in their despair or due to their desire to be recognized, the oppressed have taken over the value-system and world views of those who suppress them. Instead of detesting and loathing the oppressors they want to be like them. The result is that today it is typical for upper-class Mexicans to do great efforts to be as European or as US-American as possible in every imaginable aspect. They often detest indigenous Mexican culture and admire what they believe is European or US-American culture.

Interestingly, “historians specialising in the study of servants in the nineteenth century have stressed the fact that employers behaved more brutally to their staff if their own previous station in life had been closer to the latter.” (Daloz, 2010: 105).

I have observed something similar within the relation between top-, middle- and lower managers on the one side and workers on the other side. When top-managers have contact with manual workers they treat them in a relatively respectful way, sometimes even listening to them and shaking hands. They do not seem to aim to distinguish themselves from the workers, probably because the distinction is already obvious. In contrast, the middle- and lower managers, seemingly unsure of their social superiority, make great efforts to distinguish themselves from the manual workers by exercising, enjoying and sometimes abusing the power they have over them. They have a low opinion of the workers and usually do not listen to them, nor do they accept that a worker could have a good idea and they would never admit that they have made a mistake.¹⁴

¹⁴Perhaps the top-managers are distinguishing themselves from the middle- and lower managers being treating the workers in a respectful way.

3.3. The Differing Degrees of Status Consciousness

It is curious that for some people their own social status and the ones of the people around them is of great importance, while others do not seem to care much and some do not even see, identify and interpret social hierarchies and distinction practices at all. In short: Some people are more status conscious than others. One could develop a scale on which persons are categorized according to their status-consciousness, the degree to which they care for their own social status and the ones' of the people around them. For some people the whole issue of social status, hierarchies and distinction practices matters more than to other people. Some people devote more of their time, energy and thinking to this issue than others. While some are not even able to interpret and identify their own social status and the ones of the people around them, others are constantly checking and reassuring their own social status and observing the ones of other people. I have created five main ideal-types in which individuals can be categorized according to the importance and value they give to social distinction, hierarchies and positions:

3.3.0.1. The Social Distinction Illiterates:

They do neither understand the social status of themselves and the ones' of the people around them nor do they care about it. It seems that they are lacking the social-sense, that is, they are unable to sense social relations, norms and hierarchies. They do not even try to identify their own social status or the ones of the people around them. It is not even clear whether they are aware of the fact that such a thing as "social status" exists. They are in a way "natural born anarchists", because even if they wanted, they could not act according to the norms and rules of the social hierarchy and the rites and conventions of social distinction. In their perception of the world there are hardly any social hierarchies. All they know is that the king or president has a somehow higher social status than a beggar in the streets, but that is where their perception of social hierarchy and distinction already ends. They greet and treat millionaires and powerful politicians just like they greet and treat rank-and-file workers, which sometimes causes embarrassment for the people around them and in the worst case causes serious problems for the social distinction illiterates, because their behavior is sometimes considered "disrespectful".

3.3.0.2. The Social Distinction Moderates

The moderates are more or less conscious of their own social status and the ones of the people around them, and they do give some importance to it and practice social distinction to a certain degree, but they also have their "other" life, in which they do not care about social distinction and just do what they like out of an intrinsic motivation. E.g. they may read a book, do sports, eat a certain meal, travel, etc. simply because they enjoy doing it, although it may not contribute to increasing their social status.

They balance their "social distinction life" in which they present themselves to other people and try to increase, or at least maintain, their social status, with their "intrinsic motivational" life, in which they simply do what their like, not thinking about the implications their activities and actions may have on the perception of their social status by other people.

Of course, it is always difficult to distinguish between activities that have nothing to do with social distinction and those who actually do have something to do with it. Not every practice is a social distinction practice, but sometimes, even very "unconspicuous" practices may actually be social distinction practices as Daloz has shown thoroughly (Daloz, 2013: 32).

3.3.0.3. The one-Milieu Social Distinction Pursuers

They do care a lot about social distinction, their own social status and the ones of other people, but only within one social milieus. E.g. a scientist may be obsessed with his/her social status within the scientific community, but he/she does not care about how people perceive his/her social status outside of this social milieu. When they interact with people in other milieus they simply do not care what the other person is thinking about him, therefore they may wear old, washed-out cloths and a hair cut similar to the one of Albert Einstein. Another example can be the "computer-nerds" who only care about receiving social recognition within their computer-programming community, and do not care what the people around them in the streets think of them.

3.3.0.4. The Multi-Milieu Social Distinction Pursuer:

The multi-milieu social distinction pursuers want to receive social recognition and be perceived as being successful in many different milieus and fields, e.g. among scientists, actors, politicians, business elites, musicians, high-performance sport stars, etc. They want to have doctoral degrees with "Summa cum Laude", be successful and rich busi-

ness men, be invited to celebrity parties, have many lovers, be famous actors, powerful politicians, look handsome and attractive and be strong at the same time. Obviously, it is difficult to pursue all of these goals simultaneously, which sometimes leads them to cheating and lying, e.g. in their doctoral thesis. One example may be Karl-Theodor zu Guttenberg.

3.3.0.5. The Social Distinction Extremists

The whole life of the social distinction extremists seems to be gravitating around social distinction. Their purpose of life is social distinction. It is what their life and thinking and way of seeing the world around them mainly consists of. Their purpose and sense of life is "presenting themselves". They do not seem to have any intrinsic motivation for doing anything. No passion or interest for its own sake. They do not do anything because they enjoy doing it or because it is interesting to them. Everything they do is only a means, a tool, to practice social distinction and receive social recognition. When they eat food, do sports, talk to friends, listen to music, go dancing or read a book, they do not do it because they like it, but because they assume that it will increase their social status.

3.3.0.6. "Full-Time Social Distinction" Versus "Half-Time Social Distinction"

In Germany it is common that the rich people go to poorer city districts to party on Saturday night, because in these city districts there is much more life, a more exciting atmosphere, more people on the streets, more bars, discos, parties and more happenings. It is similar to a milder and more modern version of the "tales of blasé upper-class individuals or groups 'slumming' (that is venturing into the disreputable parts of a city looking for new sensations and then boasting about it)" (Daloz, 2013: 78). In these locations the upper-class members party together with middle- and lower-class people and have a relaxed and exiting leisure time from Saturday night to Sunday morning. They suspend their distinction practices for one night, drink and party together with people from lower social classes and milieus. For one night, they forget about social hierarchies. On Monday they continue with their normal life and re-start their usually distinction practices, spending most of their time within their own social class and social milieu. This attitude can be called "half-time distinction" as they only practice distinction when it is really necessary for maintaining their social status (e.g. at work or when choosing a marital partner). When they just want to enjoy life and to experience

something exciting, they prefer to go into the poorer city districts to party with the middle- and lower-class.

In contrast, in Mexico the upper class usually practices what may be called “full-time social distinction”. When they go partying on Saturday night, they stay in exclusive upper-class clubs and neighborhoods. They feel uncomfortable interacting and drinking together with poorer people or people who are from the same social class, but from a different social milieu. Furthermore, they are constantly afraid of robbers and thieves who may assault and violate them.

In general, one may say that in Mexico the upper-class is in constant fear of the lower-class (because they believe that this is where the thieves and rapist come from) and the lower-class is constantly fearing the upper-class, because they feel the sharp social distinction, the humiliation they experience during their interaction with the upper-class at work (e.g. when they work as servants for rich people) and because they are economically dependent and feel powerless.

3.4. The Difference between Distinction and Identity

Obviously, social distinction practices and identity construction are closely interrelated. It is very common to hear somebody saying to himself, his friends or family “we are not like them, we are different” when talking about a different group or different individuals. Identity is often intentionally constructed in sharp contrast to other groups and with the aim and purpose to distinguish oneself from other individuals and groups.

But the practices which aim to create social distinction and the practices which aim to create identity are not necessarily the same, because identity is not necessarily hierarchical and social. Social distinction always implies “other” groups or individuals. One aims to not only to be different from these other groups and/or individuals, but also in some way to be “better” than the others. The origin, the starting point of social distinction is always “the others” from whom one wants to distinguish oneself.

In contrast, the starting point of identity is oneself. It is about “who am I independently from whom the others are?” It is about finding out who you really are, your character, your will, your needs and how you can live a life that is satisfying for you.

Distinction is in a way “negative identity” because when somebody practices social distinction, he defines who he is by saying who he is not. Distinction is about defining what you are not, while identity is about defining who you are.

One may now object that the human being is a social animal which cannot define his identity without referring to “the others”. That may be true, but still, identity is not necessarily hierarchical, while distinction always is.

The practices which aim at creating identity are about finding out who one is, and, without being able to prove it, I believe that some characteristics of the personality of a person may primarily be created by genes and less by socialization and culture. The term “identity” can be defined as the consciousness about ones’ own being, including ones character, needs, wishes, abilities, skills, body, problems, the things one has to do in order to be satisfied. A mix of both socialization related and genetic factors may create these characteristics. Here, I see significant differences between the “identity concept” and the concept of social distinction. Identity is about directing one’s attention towards inside oneself, while distinction practices are directing the attention towards outside, towards the others. Perhaps one may call it the different between public identity (the presentation of oneself by practicing distinction) and private identity (the search for finding out who one really is and how to life a content and satisfying life).

4. The Impact of Business Elites on the Organizations They Lead

The question whether the individual top managers and their personal values, aims, attitudes and habitus formations have significant effects on the economic, social and environmental performance of the enterprises they work for, is usually either ignored or exaggerated. Economists and organization theorists usually ignore the “individual human factor”, because their unit of analysis is too macro-oriented and their research approach and methodology are too quantitative to be able to take into account the impact of the subtle personality traits of the few individuals at the top of the hierarchy on the performance of the multinational enterprise as a whole.

A good example of this quantitative, structural and macro-perspective approach that aims to be similar to natural sciences, is the ‘Population Ecology’ approach (Freeman, 1977; Hannan and Freeman, 1989), which was inspired by the biological evolution theory. The scholars of this approach study how enterprises, similar to animal species, adapt or fail to adapt to changes in the environments they act in (above all, market structures). The enterprises that adapt successfully to the changing structure will grow and survive, while those that fail to adapt will go out of business and perish. Therefore, the organizational form and ‘behavior’ of successful enterprises is very similar, because they have all successfully adapted to the same environment. When analyzing why certain enterprises adapt and survive while others fail and go bankrupt, Hannan and Freeman usually find the main reasons to be organizational inertia, lack of information and knowledge about the environment, methods of adaptation and conflicting interest groups within the firm pursuing different aims. They rarely take into account the role individual top managers may play, when analyzing why an organization or a whole industry is changing. They do not study the impact of business elites empirically, although one may argue that top managers are at least indirectly and implicitly taken into account, without explicitly mentioning them. But even in these cases, they are only taken into account as ‘black boxes’ which have certain impacts, without understanding how the inside of these black

boxes actually works, how its effects on the organization develop and on what they depend.

Another example is the “Industrial Organization’ approach (Bain, 1956; Chamberlin, 1969; Jong and Shepherd, 2007). It is based on the assumption that the performance, organizational form and ‘behavior’ of enterprises can be understood and explained by analyzing structures (above all, market structures) and not by studying the personalities of the top managers, who lead the enterprises and make the crucial strategic decisions. They focus on (imperfect) competition, monopolies, transaction costs, market barriers to entry, limited information, boundaries, size concentration of firms, and even on the impact of government actions and the consequent adaptation of the enterprises to the changed structure and situation. In their view, successful enterprises adapt to the market structures, while others do not and therefore go out of business. As success in one economic branch is essentially a consequence of an efficient adaptation to the market, successful enterprises are assumed to have similar organizational forms and behaviors because they have all adapted to the same market. The personalities and habitus formations of the business elites are usually neither mentioned nor taken into account when the differences between firms are investigated in order to explain why some firms are successful and others are not (Roederer, 2011: 5).

Even less do they consider the possibility that top managers can change markets, social and political structures, influence and alter government actions and laws by lobbying and bribing politicians, and, above all, by introducing game-changing and groundbreaking innovations. The ‘Industrial Organization’ perspective looks at how firms adapt to markets, and ignores that business elites may influence, change and create markets, politics and cultures.

Although the ‘Industrial Organization’ approach is relatively old, it is still widely used in economics today (Williamson, 1996: 279-307). To be fair, it has to be mentioned that some newer Industrial Organization theories have started to focus more on individual enterprises, adopting a more meso- or even micro-perspective, trying to explain the differences between similarly successful firms in similar structural environments. Nonetheless, these approaches are deterministic, because they do not take into account any kind of “agency” (see below for a definition of “agency”) and they do not give any room for the possible impact the individual top managers may have on the organization. In International Business Studies, too, there seems to be a tendency to emphasize structure more than agency. These two examples from the International Business literature may illustrate the emphasis of structure over agency:

concerning the organizational structures of multinational enterprises, Dunning and Lundan, two coryphaeuses in the field of International Business Studies, name six factors that influence the organizational structures of MNEs and which have to be taken into account in order to analyze and understand the causes of the differences between MNEs in this respect:

“The way in which a firm organises the deployment of its competitive or O-specific advantages, and the structure of its organisation required to fulfill this goal, given the global political and economic environment in which it operates, we believe will depend primarily upon six main factors:

1. the ownership structure and legal status of the enterprise;
2. its age and size;
3. the number and character of the value-added activities undertaken and the transactions related to these activities;
4. the extent and form of its relationship with other firms (for example, competitors, suppliers and customers) and non-market actors (for example, regulators, NGOs);
5. the geographical spread of its activities; and
6. its international product and/or marketing strategies”

(Dunning and Lundan, 2008: 234).

Another example is that according to Rugman and Collinson, two further pundits in the same academic field, “Firms [...] tend to have different organizational and decision-making practices depending on where they have evolved and which cultures and subcultures they encompass.” (Rugman and Collinson, 2009: 133).

Again, the focus is set on macro structures, which influence the enterprise, not on agency and not on the micro level. The possibility that individuals on the micro level can alter or even change structures on the macro level is seldom considered.

In summary: the impact of the individual top executives on the economic, social and ecological performance as well as on the organizational structure is neither mentioned nor taken into account in the main theories used in the fields International Business Studies, at least not directly and explicitly.

In contrast, the mass media usually tries to capture the attention of the public and to increase sales by applying the strategies of “personalizing” and “emotionalizing” news in order to make them appear more newsworthy and exciting. In the case of business stories,

the media professionals are constantly constructing heroes, anti-heroes and dramatic stories (Roederer, 2011: 1). In this way, the success of an enterprise is explained (or, more precisely “socially constructed” and “made up”) in an easy and entertaining way, emphasizing and exaggerating the genius and relentless work of some business leaders. Failures are explained by the laziness of some other CEOs. They do not mention that the success and failure of a company can often be caused by structural changes which are outside the reach of the power of the CEO and other business elites (Finkelstein et al., 2008: 38). CEOs themselves tend to attribute the successes of their company to their personal work, ideas and decisions, while they tend to attribute failures to outside environmental changes and structural problems which are out of reach of their power and responsibility.

Interestingly, the same economists and International Business scholars who do not take the impact of individuals into account within their own theories, often publicly praise or condemn certain business leaders for changing a whole industry with their brilliant ideas (e.g. Steve Jobs is often praised for creating entirely new markets). They do not seem to be aware of the contradiction between their theories that emphasize structures and the newspaper interviews they give in which they emphasize agency. Very few scientific studies assess the mixture ratio between the impact of structural factors and the impact of the business elites’ individual personalities, values and habitus formations and the consequently resulting actions and decisions on the performance of the MNEs (Roederer, 2011: V-VI).

4.1. Structure Versus Agency

The question whether the individual top managers have a significant impact on the performance and structures of the enterprise they lead and on the environment in which it acts and how large the impact is, touches the structure vs. agency problem. The general question is:

"Do social structures determine an individual’s behavior (which would mean that business elites do only obey and follow rules, norms and factual constraints) – or does human agency, the ‘free will’ of the individuals, create, change and determine structures?" (which would mean that, at least in certain situations, individual top managers can impact the enterprise’s performance and development significantly and may explain why structurally similar enterprises have different economic, social and environmental performances.)

At a more abstract level, the question is: “To what extent do structures determine the behavior and actions of individuals and to what extent do individuals create, influence and change structures? What is the mixture ratio of these two factors?”

Applied to the more specific case of the MNEs, the question is:

who or what determines the performance of the enterprises? Is it mainly determined by ‘outside structures’ (market structures, laws, traditions, politics, competitors, cultural environments, etc.) or by the values, attitudes, mindsets, personalities, decisions and ‘free will’ or ‘agency’ of its powerful elites (CEOs, etc.)? And what is the mixing ratio between the different factors that influence the performance and behavior of the enterprise? To which degree are the top managers responsible for what their enterprises do and to which degree do they simply execute the imperatives of the markets and structures in general?

Of course, as Silver (2003) and others have proven empirically, top managers are not the only actors making significant decisions within the enterprise, labor leaders and rank-and-file workers (and collective actors like unions) may influence the structures, performance and culture of enterprises to a significant degree, too. They may pressure the management to improve working conditions and increase salaries, avoid certain changes planned by the top management and in this way reduce the power of the top executives. But for the moment, we can assume that top managers are the most powerful individuals within the enterprise and that they are, therefore, also the persons most likely to be able to influence or even change structures and practice agency to a significant degree that cannot be neglected.

4.1.1. Agency

The meaning of “Agency” in its purest sense is the capacity of individuals to act freely, independently and autonomously, to make their own free choices and to change structures.

It is the “capability [...] to make a difference” (Barker, 2004: 4). It is what is usually called “freedom of choice”. If there were no agency, everything in the universe would be determined by structures from the very beginning on (even before the Big Bang). Every event would only be the result of several structural causes and is in itself the structural cause for the next event. Since the beginning of modernity, people have liked to think that we have freedom of choice and that their actions make a difference, but it is difficult to pin down this freedom of choice in a scientific theory. Barker strongly criticizes the idea of “pure agency”:

“Agency has commonly been associated, with notions of freedom, free will, action, creativity, originality and the possibility of change brought about through the actions of sovereign individuals. However, there is an important conceptual difference between agents who are held to be free, in the sense of ‘not determined’ and agency understood as the socially constituted, capacity to act. While the former concept makes no sense, for there can be no uncaused human acts, the latter asks us to consider agency as consisting of acts that make a pragmatic difference. Here, agency means the enactment of X rather than Y course of action. Of course, precisely because socially constructed agency involves differentially distributed social resources that give rise to various degrees of the ability to act in specific spaces, so some actors have more scope for action than do others.

To enact X rather than Y course of action does not mean that we have made an undetermined selection of activity. Rather, the basis for our choice has been determined or caused by the very way we are constituted as subjects. That is, by the where, when and how of our coming to be who we are. In that sense agency is determined by the social structures of language, the routine character of modern life and by psychic and emotional narratives that we cannot bring wholly to consciousness. Nevertheless, agency is a culturally intelligible way of understanding ourselves and we clearly have the existential experience of facing and making choices” (Barker, 2004: 4-5).

While Barker makes an important differentiation here, and obviously some actors (e.g. top executives) have more resources and therefore “more scope for action than do others” (e.g. rank-and-file workers), one cannot answer the question whether there can be “no uncaused human acts” with absolute certainty, when taking into account that today even in physics scientists are discussing the possibility that there may be events without causes, and that it is only the observer who is determining and influencing the event and constructing causes for it (Furuta, 2012; Ozawa, 2003; Schommers and Espagnat, 1989). A basic premise and assumption of modern science is that everything has a cause, but possibly this assumption describes not how the empirical world works, but only how scholars believe it works. The premise is practical and helps to get started with research, but it may not always be true and in accordance with the empirical reality. The philosopher Wittgenstein criticized modern science by stating that the “Belief in a causal nexus is superstition”¹ (quoted in accordance with: Stokhof, 2002: 99). The basic quasi-religious belief of modern science is the strong conviction that everything has one or more causes and can be explained by studying these causes. Furthermore,

¹“Der Glaube an den Kausalnexus ist der Aberglaube unserer Zeit”

the premise of modern science is that the future can be extrapolated from the presence and the presence from the past. It may be time to re-think this assumption.

It may be important to defend the freedom of will of individuals and their capacity to engage and practice agency in a world of social sciences that overemphasizes structures and ignores the free human will in order to become more similar to natural sciences, which are sometimes celebrated as the ‘the only real hard-facts sciences’.

Following Hartmann, my thesis is that pure agency does exist indeed, but that it cannot be detected, understood and pinned-down by the existing, modern scientific approaches and theories because their basic premise that everything must have a cause and is the consequence of something else, excludes and prohibits the existence of true agency. These approaches are blind to agency, they instead focus on structure and therefore only see structure and construct and assume structural causes behind every expression of agency. They are similar to some Marxist theories which interpret every (semi-) autonomous cultural development only as an “ideologischer Überbau” (superstructure) caused by economic structures and changes. They only see what they want to see and what fits into their theory and world-view. Everything that would make the basic assumptions of their theory and world-view implode, is either ignored or forcefully misinterpreted and violated until it somehow fits into their existing categories of perception.

4.1.2. Social Structure

According to Barker: “A social structure is constituted by the recurrent organization and patterned arrangement of human relationships. Social and cultural structures are often said to be constraining and determining of actors and action” (Barker, 2004: 191-192). Structures influence or limit the choices and opportunities available and thus the ‘freedom’ of the individuals. One may distinguish between “hard and visible” and “soft and invisible” structures. Hard social structures include formal organizations, official hierarchies and laws, while soft social structures include norms, habits, unwritten rules and hierarchies, traditions, morals, etc. Hard structures directly influence what individuals do, while soft structures influence why they do it and what they think and believe. According to Barker soft “structures are ‘virtual’ in that they do not exist as things or entities that one can find. Rather, a structure exists in the mind of the beholder and is deployed as an analytic tool for specific purposes.” (Barker, 2004: 192).

Laws and organizational structures, which are often called “hard institutions” in the economic literature, are “the clear and formal rules of the game”. They are visible and obvious. Everybody can see them and is aware of them. They can be discussed and

consciously changed through a clear and formal process which is also known to the people who are involved. In a democratic state, for example, the voters may change the state organization and the laws by electing a different government which may then change politics and pass new laws.

In contrast, “soft institutions” (in the sociological literature they are simply called “institutions”) are not the “rules of the game”, but the “software of the mind”, the “operating system of the people”, mindset, the values they have incorporated and the way they structure the individuals’ perception of the world around them and their self-image and identity. The individuals could not even think and act in other ways and that is why soft institutions are different from formal rules: rules can be broken. It is a conscious decision to obey or to break a rule, but an operating system cannot change itself, it cannot decide to work in a different way, it is not even aware of itself. In most cases, people are not even aware of the institutions they have incorporated since earliest childhood and are, therefore, even less likely to be able to change them, as it is difficult to change something one is not aware of.

4.1.3. The Possibilities of Changing Structures by Practicing Agency

Pure agency would mean complete independence and complete freedom from both hard and soft structures and institutions. People usually believe that they make their own free choice because they do not notice how their mindsets, beliefs, values and habitus formations are influenced by the soft structures of the society and the milieu they grew up and have lived in. They are usually unaware of their socialization, the soft structures and norms they have incorporated and that now structure their perception and interpretation of life and the world in general, which then leads them to act as they always do.

Social structures are the most stable and enduring when they exist two times, as hard and soft structures. Indeed, Bourdieu (1977) and others have noted that the social structures which are the most difficult to change are the ones which have a double existence: once in the ‘objective’ world (as laws and formal hierarchies) and once within the mindsets, habits, personalities and habitus formations of the individuals. And the basic structures are so deeply ingrained and incorporated into the individuals that they do not even perceive them as incorporated structures, but simply as natural facts. It

is difficult to change something that seems to be so natural that one is not even fully aware of its existence.

Similar to computers that can execute many functions, but are not aware of the operating system which makes them do what they do, humans can take many decisions and engage in many kinds of actions without knowing why they actually do it in the first place. And because they do not know the real causes, they believe that they are doing it because of their “free choices”. This leads to a fundamental problem: the false and deceptive feeling of agency and the illusion of control.²

4.1.4. The Feeling of Agency and the Illusion of Control

Often, individuals are convinced that they are making their own free choices, when in reality their choices are only the predictable and logical consequences of the outside structures they have incorporated and that have formed their mindsets, attitudes, habitus formations and basic beliefs.

During the empirical fieldwork, it became quite clear that practically all interviewed business elites were convinced that their personalities, actions, decisions and attitudes make a big difference to the performance of the enterprises they lead. But the question is whether this is really the case. Perhaps they just enjoy saying and believing it.

In psychology, this phenomenon is called “The Illusion of Control” (Ellen Langer 1975). It describes that individuals – even in situations, setting and environments in which they aim at achieving a certain result, but have absolutely no control at all of what is happening – firmly believe that they can influence the outcome. They want and wish to believe that they can control themselves and influence their environment.

Even in experimental test settings in which test persons were asked to do a certain task and to achieve a certain result, but had absolutely no possibility to influence the results, the majority of the test persons reported afterwards that they felt in control of the situation and that they had influenced the outcome and the results. In one experiment, for example, probands were asked to play and win a simple computer game by pushing buttons on a keyboard, but the keyboards were not connected to the computer. Still, the majority of the study participants reported that they had influenced the results of the computer game. Several experiments using different methods, test settings and test

²These invisible hidden structures of thinking, making judgments and setting priorities, which are incorporated by most members of a society, may be described as "the collective programming of the mind" (Hofstede et al., 2010).

persons, have all reached the same conclusion. (Fenton-O’Creevy et al., 2003; Thompson, 1999).

The illusion of control seems to contribute to the well-being of the individual, as it increases the feeling of being powerful instead of helpless, and is, therefore, cultivated, protected and fostered by the individual itself. In contrast, the feeling of impotence is unpleasant and is, therefore, avoided and ignored by most people. Interestingly, depressed persons seem to have less illusions of control and in the experiments usually showed a much more accurate and realistic assessment and view concerning their control and their possibilities to influence the outcome. This difference may be explained by the tendency of depressed persons to generally assume that they have less or no control over their lives at all, even in situations in which they actually have control. If this is the case, their point of view is only by chance more accurate within the Illusion of Control experiments (Abramson and Alloy, 1980).

4.1.5. The Structure Versus Agency Discussion

Historically, most international business and management scholars have positioned themselves firmly in the “structure” end of the structure vs. agency continuum and discussion: the performance and ‘behavior’ of an enterprise was mainly interpreted and explained as the result of ‘hard’ structural factors such as industry and market structures, competitive pressures, technological developments, product life cycles, political and legal frameworks and constraints, etc., but not or only to a minor degree as the result of the individual elites’ personalities and skills. Finkelstein et al. summarized, reviewed and analyzed the academic discourse concerning this issue:

“In the influential 1979 volume edited by Schendel and Hofer to which many of the leading figures in the field contributed pieces and in which the field of ‘business policy’ was re-nointed as ‘strategic management’, attention to the role of senior executives was nearly absent. Instead, a focus on ‘techno-economic’ frameworks was ushered in. Strategy scholars became preoccupied with product life cycles, portfolio matrices, industry and competitor analysis, market shares, experience curves, and generic strategies (e.g., Porter 1980). To some extent, this movement toward relatively quantifiable and concisely modeled conceptions of strategy was probably due to the yearning of strategy scholars to demonstrate that their domain was as analytically rigorous as any other” (Finkelstein et al., 2008: 7).

Soft factors like human personality, values, habitus formations, distinction practices, the development and quality of social relations within top-management teams, trust, con-

flicts and power struggles between individuals and groups within the enterprise, socialization and cultural differences were neglected as factors which may shape the economic, social and ecological performance of the enterprise, because they are so much harder to measure and to quantify than ‘techno-economic hard facts’. They do not easily fit into the theories and methods of the so called ‘hard sciences’.

Nonetheless, these factors have proven to be crucial and, therefore, need to be taken into account and investigated thoroughly, instead of repeating the established, well-known and socially recognized research practices that have reached their limits and do not seem to be able to provide further insights and which do not contribute to further scientific progress and advancement of knowledge.

4.1.6. How the Personalities of Managers Impact the Performance of the Enterprise

When arguing that ‘soft’ factors that are difficult to measure should be taken into account when analyzing the performance of an MNE, one needs to show in depth and to explain why these factors matter.

The main argument brought forward in this discussion is that they matter because the job of top executives and other business elites is not to make clear-cut and straightforward decisions and to meet problems that can be solved by simply applying the step-by-step solutions offered in management textbooks. They have employees to solve these easy-to-handle issues. Instead, the top executives’ job is to focus on quite different problems:

“Top executives operate in a world of ambiguity and complexity. Unlike convenient business school case studies, in which all the ‘relevant facts’ are packed into twenty-five pages, real strategic situations lack structure; the identification and diagnosis of problems are open to varying interpretations; and potentially pertinent information is often far-flung, elusive, cryptic, even contradictory. At odds with most strategy frameworks in textbooks, top executives do not deal in a world of tidily packaged, verifiable facts and trends. Even if executives were able and inclined to conduct in-depth comprehensive analyses of their situations, they would typically arrive at widely differing conclusions, because strategic situations are not knowable, they are only interpretable.” (Finkelstein et al., 2008: 42).

Here, subtle personality traits, habitus formations and attitudes become crucial, when top executives take decisions. They follow their intuition because they do not have the

hard facts which are necessary to make an analytical decision. The top executive's job is to make decisions and to find solutions in ambiguous and complex situations that are so difficult to assess that hardly anybody else can see what a good solution looks like. In these situations:

“Executives are not handed nicely distilled comprehensive summaries of the situations they face. Instead, the “facts” that confront executives— if they can be called facts— are typically ambiguous, contradictory, and far-flung, and they emanate from various parties who have their own motives [...]. How, then, do executives interpret their situations? It all occurs through the lens of executives' experiences, values, personalities, and other human characteristics. Psychologists have long known that, under conditions of ambiguity and complexity (as typifies executive work), individuals inject a great deal of themselves into their decisions (Mischel 1977). Under such situations, the facts or stimuli do not yield very reliable predictions of what an individual will do. Instead, the individual filters the facts through a web of personal qualities — including what he or she has seen before, what he or she values, and how his or her mind works. As such, the person's actions are much more a reflection of the person than of the situation.” (Finkelstein et al., 2008: 3-4).

In other words: top executives often have to make decisions without having the information that is necessary in order to assess and know what a good decision is. Here, top executives have to follow their intuition and that is where their personalities play an important role and finally impact the performance of the enterprise as a whole. Finkelstein et al. give a good example of one of these ambiguous, uncertain and contradictory situations:

“Consider, for instance, the myriad projections, estimates, and interpretations that entered into the decision by Google's senior executives to acquire YouTube, an online video-sharing site, for a staggering \$ 1.65 billion in October 2006. YouTube first launched its service in December 2005, a mere eleven months before it was acquired, and it had yet to make a profit. Moreover, because YouTube was privately held, any valuation of the firm would contain considerable guesswork and leaps of faith. Naturally, then, many critics panned Google's move. Concerns were raised about Google's increased exposure to copyright litigation, and some skeptics openly wondered how YouTube's grassroots business model could possibly ever yield a profit. Presumably, other media companies such as Microsoft or Yahoo could have entered the fray, but decided that YouTube would never be a big moneymaker, or simply that \$ 1.65 billion was too much to pay. Obviously, someone was wrong – either the reluctant bystanders, or Google for paying so

much. The actual payoffs in the years ahead for these parties will depend on dozens or even hundreds of possible future events or trends – few of which can be estimated with any precision. No one knows what will happen, but that does not stop strategic decision makers from estimating or assuming what will happen, having strong preferences for some options and objectives over others, and making choices.” (Finkelstein et al., 2008: 42).

The reason why Google’s top managers decided to buy YouTube, while the top managers of other enterprises like Microsoft and Yahoo refrained from taking such a bold decision, can probably be found in the attitudes, personalities and values of Google’s top managers: they may be willing to take greater risks and value exciting opportunities more than safety, security and predictability. They had the same information available just like the top managers from other tech-firms, but they were the ones most willing to jump and take the risk.

4.2. Under which Circumstances do the Personalities of the Managers have the Largest Impact on the MNE’s Performance?

The impact business elites may have on the enterprises they lead does not only depend on their personalities and skills, but also on the wider situation and circumstances and the current state of the economic, political, social and cultural environment in which they have to steer and move the enterprise. Finkelstein et al. distinguish between high- and low-discretion situations:

“In a high-discretion situation – one in which the environment and organization confer wide latitude of action – executive characteristics are likely to be reflected in organizational choices. In situations of low discretion – in which there are constraining forces or simply strong convictions about means-ends connections – executive dispositions do not correspond much with strategic choices.” (Finkelstein et al., 2008: 120).

The concept of the latitude of action of the business elites is explained in detail by the authors, they distinguish between a macro-level factor (the larger environment), a meso-level factor (the structure of the organization, which either allows or constrains the possibilities and scope of action of the top executives) and a micro-level factor (the personal capacities and skills of the top managers to bring about change, such as charisma, boldness, social and rational intelligence, assertiveness and creativity):

“a chief executive’s latitude of action is fundamentally a function of (1) the degree to which the environment allows variety and change, (2) the degree to which the organization itself is amenable to an array of possible actions and empowers the chief executive to formulate and execute those actions, and (3) the degree to which the chief executive personally is able to envision or create multiple courses of action” (Finkelstein et al., 2008: 26).

4.2.1. The Macro-Level Factor: The Degree to Which the Environment Allows Variety and Change

High-discretion situations are – among others – situations in which the environment of the enterprise is characterized by crisis and/or profound technological, institutional, economic, political and/or other structural changes. In this situation, the personalities of the business elites have a larger impact on the performance and behavior of their enterprises, because the situation forces and requires changes and most people who are involved in the enterprise in any way do agree that changes are necessary. This opens up new degrees of freedom, room for maneuver and scope of action for the business elites. Sometimes business elites even try to create a crisis or at least try to convince stakeholders that the enterprise is in a profound crisis in order to gain more room for maneuver and scope of action. Klein (2008) observed similar tendencies on the macro level of society: in times of (perceived) crisis and disaster, when most people are disoriented and afraid, business and political elites are more likely to succeed in enforcing economic and political changes against the will of the majority of the population.

Low-discretion situations are situations that can be described as “business as usual”, in which there seems to be neither the need nor the will to make fundamental changes. The business elites are mainly maintaining the status quo that already existed before they started working for the enterprise. In these times, most stakeholders follow the motto “Never touch a running system”. As long as most things seem to work fine, there is little willingness or acceptance for profound change. Consequently, business elites will have a hard time to implement their own ideas or radically change the direction or structure of the enterprise, as they will confront the resistance of many stakeholders, because they do not see why this risk should be taken and why profound changes should be necessary in this particular situation.

Furthermore, the legal and cultural environment influences the power and degrees of freedom of the business elites, too: in Anglo-Saxon countries, and in liberal market

economies in general, the environment (culture, laws, traditions and institutions) gives more power and discretion to business leaders, than in coordinated market economies such as Germany or Japan:

“the proportion of variance in firm performance attributable to CEOs was significantly greater in U.S. firms than in comparable German and Japanese firms. These differences in CEO effects are consistent with prevailing cross-national differences in formal and informal national institutions (North 1990), such as legal tradition, firm ownership structure, board governance, and cultural values [...]. [C]ertain national systems (e.g., Anglo-American countries) tend to permit greater executive discretion than others (e.g., northern European and East Asian countries). It is also possible that macro-environmental factors have brought about a general expansion of managerial discretion in recent years (Hambrick et al. 2004). Beyond the obvious trend of deregulation in many countries” (Finkelstein et al., 2008: 30-31).

4.2.2. The Meso-Level Factor: The Degree to Which the Organization itself Empowers the Chief Executive to make Changes

Some MNEs, and organizations in general, are more agile than others. The Mexican state-owned petroleum company PEMEX, for example, is famous for being an unmovable dinosaur which is reluctant to change. Within and outside PEMEX, there are several power groups constantly fighting against each other for power and control within PEMEX, often ending up blocking each other and avoiding any kind of change. As they usually mistrust each other, they feel it is better for their interests to consequently block every kind of proposal and initiative from other power groups. In contrast, a small start-up enterprise may be much more agile, can change its course and strategy rapidly and adapt to new situations much faster than PEMEX.

The structure of some enterprises gives much more power and freedom to the business elites than the organizational structures of other enterprises. In US American enterprises, for example, the top managers usually have greater power, and thus their personalities' and skills matter more, than in German enterprises, in which unions are much stronger, which constrain the power of the top managers and influence their decisions in many ways. The 'industrial democracy' (“Mitbestimmung”) in several German enterprises distributes the power within the enterprise more equally among several groups and, therefore, reduces the room for maneuver and scope of action of the business elites.

The same top managers' personality matters more in a US American enterprise than in a German one, because in a US American enterprise he has more power and freedom to make and implement the decisions he prefers. In summary one may say: the more democratic an enterprise, the less do top managers matter (because in a more democratic organization, they have less influence and power).

4.2.3. The Micro-Level Factor: The Degree to Which Individual Top Managers are able to Change Structures

This third point is particularly interesting. Is it similar to Max Weber's concept of the charismatic leader ("die charismatische Herrschaft") (Weber, 1980):

"discretion is derived in part from executives themselves. By virtue of their personal characteristics, chief executives differ in the degree to which they generate and are aware of multiple courses of action. Some executives see alternatives that others do not. Some executives, because of their own persuasive and political skills, can consider options that others cannot. [The] specific individual-level attributes affecting discretion: aspiration level, tolerance for ambiguity, cognitive complexity, locus of control, power base, and political acumen." (Finkelstein et al., 2008: 33).

The authors essentially argue that top executives can increase their latitude, freedom and power to make profound changes by applying their sheer will:

"executives can shape their own discretion. Effective managers find and create options that others do not have. They may do this through creativity and insight, political acumen, persistence, or sheer will. Managers, even in a given situation, are not uniformly hemmed in. Child (1997), for example, noted that executives have various interpersonal linkages to the external environment, and can often use these linkages to influence the environment's effect on the organization, thus setting their own level of discretion (within limits)." (Finkelstein et al., 2008: 33).

Here, the authors seem to detect a self-fulfilling prophecy when they argue "that personality is an important factor in individual-level discretion, and that a given manager's perceived level of discretion is an important determinant of actual discretion." If the elites believe they can make profound changes, they are more likely to be able to make these changes indeed.

Charisma is not exactly a personality trait, but a special relationship between the elite and its followers (e.g. employees), but only elites with certain personality characteristics are likely to build up a charismatic relationship with their followers (see below). The

followers put great hope and confidence in their charismatic leader and are willing to follow him/her wherever he may lead (Finkelstein et al., 2008: 71). The charismatic leader is the most genuine expression of the original meaning of the term “elite” (“The chosen one”). In the perception of its followers, the charismatic leader comes to the organization in order to save it from failure and lead it into a great future, into ‘the promised land’. The charismatic leader can be described as a hero, fighting for the survival of the group, organization, enterprise, etc., often giving a higher priority to the survival and well-being of the group than to his or her personal ambitions. The charismatic leader can make things possible that were considered to be impossible just a short time before his or her arrival. The charismatic leader has the power to unify the group and organization, reduce the feeling of complexity and uncertainty among his followers, finish disputes and lead all energy of the organization and groups in one and the same direction in order to achieve one common goal and objective. One may argue that many members of an organization need to have a charismatic leader they can deeply believe in because they do not believe in themselves. They have doubts about themselves and their capabilities, which strongly constrain, limit and block the development of their true potential. The charismatic leader can dissolve these blockades and give them the confidence they need to excel. According to Finkelstein et al.: “The particular kinds of follower responses constituting a charismatic relationship include performance beyond expectations (Bass 1985); changes in the fundamental values of followers (Etzioni 1975); devotion, loyalty, and reverence toward the leader (House 1977); a sense of excitement and enthusiasm (Weber 1957; Bass 1985); and willingness on the part of subordinates to sacrifice their own personal interests for the sake of a collective goal” (Finkelstein et al., 2008: 71). The charismatic leader seems to have the greatest impact in times of crisis and uncertainty, when the followers are hoping for somebody who is going to rescue them (Roederer, 2011: 51). According to one study “the positive effect of charismatic CEOs was magnified under poor economic conditions, in line with the prevailing view that charisma has its greatest effect under situations of adversity” (Finkelstein et al., 2008: 71).

4.2.3.1. The Personality Traits and Skills Which Underlie and Create a Charismatic Relationship

Which personality characteristics may increase the probability that a member of the elite is able to build up a charismatic relationship with his or her followers? Finkelstein et al. summarize the research findings of several studies:

“What are the personality qualities of leaders that tend to evoke such responses from others? Bass (1985) inventoried the following: self-confidence, self-determination, insight into needs and values of their followers, and the ability to enhance or enflame those needs and values through persuasive words and actions. Conger and Kanungo (1988a) also included high activity level, confidence, commitment, and need for power as leader characteristics typified in the charismatic influence process. In an elaborate study of U.S. presidents, employing extensive public accounts and historians’ analyses, House, Spangler, and Woycke (1991) empirically examined the personality qualities associated with charisma. They found that charisma was (1) positively related to the president’s need for power; (2) negatively related to the need for personal achievement; and (3) positively related to activity inhibition (a measure of the extent to which the executive uses power to achieve institutional rather than strictly personal goals). The authors’ interpretations of these results were that (1) a need for power is prerequisite to developing the strong persuasive abilities that accompany charisma; and (2) charisma-prone executives have a genuine desire for institutional and collective achievement, rather than personal achievement.” (Finkelstein et al., 2008: 71-72).

Charismatic leaders do often have narcissistic personality traits (see section on narcissism) and are in some aspects similar to the visionary-type of leader. Charismatic leaders are so convinced of themselves and their ideas and objectives that they are not very interested in analyzing empirical data, the past or present situation. They only focus on the (imagined) future. They tend to ignore facts, arguments and decisions which do not fit into their world-view, because they have no doubt that their point of view is the only true one. According to Finkelstein et al:

“Executives with personalities that evoke charisma will place less credence in information unresponsive of their vision than will executives without such personality characteristics [...] [They] will be more persistent in their pursuit of a chosen strategy (even in the face of disconfirming evidence) than will executives without such personality characteristics.” (Finkelstein et al., 2008: 73).

Although charismatic leaders are often celebrated like a savior (“el Salvador”), their impact on the organization can be devastating. The only thing that is for sure is that charismatic leaders are going to make profound changes. But its unsure whether these changes are advantageous or disadvantageous for the enterprise or any other organization they lead. Charismatic business elites will lead the company to the top (to new heights) or to the abyss.

4.2.3.2. How the Attitudes and Moods of Leaders Influence the Emotions of their Employees

There is plenty of anecdotal evidence suggesting that the attitudes and moods of leaders have a significant emotional impact on the people they lead. The psychologist Daniel Goleman (2003), who has focused much of his research on emotional intelligence, uses new findings from neuroscience to investigate how this emotional impact takes place. He provides insights into how elites influence their employees' and followers' emotions. He puts special attention to the attunement of emotions, that is, how emotions spread from one person to others and how this attunement impacts the moods, attitudes, thoughts and even the physiology of the others (Goleman et al., 2003: 1).

According to Goleman et al.: "Scientists have captured this attunement of emotions in the laboratory by measuring the physiology – such as heart rate – of two people as they have a good conversation. As the conversation begins, their bodies each operate at different rhythms. But by the end of a simple fifteen-minute conversation, their physiological profiles look remarkably similar – a phenomenon called mirroring. This entrainment occurs strongly during the downward spiral of a conflict, when anger and hurt reverberate, but also goes on more subtly during pleasant interactions" (Goleman et al., 2003: 7).

Another experiment provides further insights into the process during which emotions spread through non-verbal channels from one person to others:

"when three strangers sit facing each other in silence for a minute or two, the one who is most emotionally expressive transmits his or her mood to the other two – without speaking a single word. The same effect holds in the office, boardroom, or shop floor; people in groups at work inevitably 'catch' feelings from one another, sharing everything from jealousy and envy to angst or euphoria. The more cohesive the group, the stronger the sharing of moods, emotional history, and even hot buttons" (Goleman et al., 2003: 7).

Applied to the case of business elites and multinational enterprises, the question is: who spreads his or her emotions stronger and more widely than others and, therefore, has a larger emotional impact on the group as a whole and why? According to Goleman et al.: "The continual interplay of limbic open loops among members of a group creates a kind of emotional soup, with everyone adding his or her own flavor to the mix. But it is the leader who adds the strongest seasoning. Why? Because of that enduring reality of business: everyone watches the boss. People take their emotional cues from the top.

Even when the boss isn't highly visible – for example, the CEO who works behind closed doors on an upper floor – his attitude affects the moods of his direct reports, and a domino effect ripples throughout the company's emotional climate” (Goleman et al., 2003: 9).

How do leaders exactly impact the emotions of the people they lead? Which attitudes, actions and communication channels are crucial? Goleman provides further details:

“Careful observations of working groups in action revealed several ways the leader plays such a pivotal role in determining the shared emotions. Leaders typically talked more than anyone else, and what they said was listened to more carefully. Leaders were also usually the first to speak out on a subject, and when others made comments, their remarks most often referred to what the leader had said than to anyone else's comments. Because the leader's way of seeing things has special weight, leaders ‘manage meaning’ for a group, offering a way to interpret, and so react emotionally to, a given situation. But the impact on emotions goes beyond what a leader says. In these studies, even when leaders were not talking, they were watched more carefully than anyone else in the group. When people raised a question for the group as a whole, they would keep their eyes on the leader to see his or her response. Indeed, group members generally see the leader's emotional reaction as the most valid response, and so model their own on it – particularly in an ambiguous situation, where various members react differently. In a sense, the leader sets the emotional standard” (Goleman et al., 2003: 8-9).

Leaders define what is perceived as “valid”, “adequate” and “correct” within the group. They make and set the unwritten rules of the group and define what is a correct and (emotionally) adequate response to a given situation. They also distribute respect, recognition and “importantness” among group members, discussion issues and opinions. When the leader listens carefully to a certain person, most group members will listen carefully to that same person, too. When a leader does not pay attention to what a certain person says or to certain issues, most group members are likely to pay less attention as well. When a leader interprets a certain situation as a serious problem, most group members are likely to take over this interpretation. When the leaders are satisfied, content and happy with the situation, most group members are likely to gravitate towards these optimistic feelings, too.

This may help to better understand and explain why enterprises which are similar in most aspects (e.g. they are from the same home country, are active in the same industry, offer the same product or service and are of similar size, etc.) differ significantly in their environmental and social performance. It seems that in some enterprises managers as

well as rank-and-file workers tend to be more socially and environmentally conscious than in others. One explanation could be that the leaders act as role models and by practicing their own convictions, they define what is important, what everybody should be conscious about and how people should interact and treat each other. This example of values, behavior and actions trickles down through the whole enterprise, from the top-management level to the rank-and-file workers and even to the supplier firms.

When the top managers are role models, lead by example, and reward certain attitudes while sanctioning others, they may create common and shared values which spread through the whole enterprise and even to the families and friends of the employees. Dunning and Lundan have emphasized that the costs of environmentally friendly production are relatively low, allowing enterprises to have a sound environmental record and at the same time being highly competitive:

“Even in the most polluting industries, that is, chemicals, paper, petroleum refining and mineral processing, the annual costs of environmental compliance have not typically exceeded 5% of total cost” (Dunning and Lundan, 2008: 313).

The crucial point is: the impact of the top managers on the social and environmental performance of the enterprise and the employees is currently strongly underestimated in the academic literature.

Taking into account this point may help to understand and explain the issues of the maquiladora industry in Mexico. There is some evidence that the social and environmental problems associated with this industry (sexual harassment and abuse, extremely high turn-over rates, low wages and short contracts, violence and other forms of degrading treatment of employees, environmental pollution, tax avoidance and evasion, etc.) are not primarily caused by structural constraints (e.g. market pressures to lower prices) but by bad management (Blackman et al., 2003; Cravey, 1998; Guendelman and Silberg, 1993). The top managers who work in the maquiladora industry are usually the ones who did not find work elsewhere. When the US American MNEs decided to build up the maquiladora industry in Northern Mexico, they sent the managers who were willing to leave their safe homes and their families in the USA and go to Mexico. Most managers who had other options avoided working in places which are perceived to be seriously dangerous, such as Northern Mexico. In addition, even the salaries of the top managers in the maquiladora industry are lower than in other industries, further discouraging the best top executives to work in this industry.

Usually, the managers who finally agreed to go to Mexico, did not speak Spanish and were not willing to learn it either, so they employed English-speaking Mexican engineers,

technicians and supervisors, who, again, were not necessarily the best engineers, technicians and supervisors, but only the best English speakers. These subaverage managers then laid the groundwork and basic structure of the maquiladora industry as well as the culture of the organization in Northern Mexico. Several Mexicans who have worked in the maquiladora industry reported that they were shocked by the gross expressions and bad manners of the expatriate managers, as they expected something else from US American managers. These expatriate managers were not the best the US American MNE could offer, but the only ones who were willing to go to Mexico as they did not have any other option.

Of course, there are structural causes, too. As the maquiladora industry competes on price and not on quality, the top managers have less room for maneuver because they have to compete with Chinese low-cost enterprises. But even this is not a purely structural problem because with sound management, the maquiladora industry could have moved up the value chain, producing higher quality and more sophisticated products and in this way being able to sell the products at higher prices, thus enabling the management to pay higher wages. Indeed, some maquiladoras have achieved to do that, now producing parts for the aerospace industries (The Economist, 2013). But most maquiladoras lag behind and still compete with low quality products from Asia because they lack innovative management.

Today, about 50 years after the maquiladora industry was founded, many factories have “mexicanized” and most of the managers and engineers are Mexicans now. One problem is that the Mexican educational system produces managers and engineers for middle management positions which lack the attitudes and strategic skills required for top-management tasks and innovative product development:

“Mexican universities and colleges tend to produce engineers expert in industrial process rather than products; they are good at making production lines more efficient, but not at inventing what goes on them” (The Economist, 2013).

4.3. How Managers Perceive the World Around Them

Finkelstein et al. (2008: 49) propose a three stage information-filtering model in order to understand how business elites perceive what is going on around them. On the basis of the perception and interpretation of the information that finally reaches the business elites’ minds after passing through the filters, the top executives will later take action

and make decisions. The three stage information-filtering process comprises: limited field of vision, selective perception and interpretation.

4.3.1. Limited Field of Vision

The first filter is the “limited field of vision”. In this stage of the filtering process, the business elites decide on which issues they will focus their attention and time, and in which mixture ratio they will distribute their time and attention on the issues they consider to be important (e.g. research&development, finance, competitors, advertisement, sales, operations and production, political connections, efficiency, legal issues, forming top-management teams, communication, etc.). Due to a constant information overload, they face the problem that they have to choose on which issues they focus their time and attention without having been able to study all issues in depth previously. Therefore, it is difficult to determine which issues are the most important ones. They cannot look at everything, just like nobody can look 360 degrees around oneself. Furthermore, the business elites may not even be aware of some important issues, developments, threats and opportunities within and outside of their organizations. It is about setting priorities with the risk of neglecting something that is of crucial importance (Finkelstein et al., 2008: 46-47). The situation of the top executive is similar to the one of a busy university professor: he or she has a limited amount of time and attention and has to decide which books he reads and which research projects he conducts. He may not even be fully aware of all the important books that are published around the world every month and all the research projects that he could do.

After having decided on which issues the top manager focuses his time and attention, he or she will have to decide which information channels and sources he uses and which he neglects. He may decide, for example, to read the report of a consultant instead of asking employees of the enterprise he leads. Or he studies an annual report instead of attending a meeting. Or he attends an international conference instead of visiting and controlling the production plants of his enterprise. Or he spends time making political connections instead of talking to the contractors or observing the competitors. These decisions are strongly influenced by his or her personality (See more on how the elite’s personality influences which field of vision they choose in the section “Cognitive structure and style”).

4.3.2. Selective Perception

The next filtering stage is the selective perception of what the business elites are reading, hearing or seeing. When a CEO decides, for example, to focus his time and attention mainly on reading business and consultant's reports, which parts of these reports does he really read carefully, analyze, think about, make notes and interpret them, and which parts does he ignore or only rapidly skim? Usually, top managers do not read entire reports carefully, instead they focus on what they feel is most important. The same occurs during meetings: some of what has been said will be meaningful to him and catch his attention, while other information, which may be equally important, may not reach the top executives attention and mind, because he may not understand it or because it does not fit into his world-view, or because he does not value the opinion of the speaker (Finkelstein et al., 2008: 47-48).

4.3.3. Interpretation

The third step is the interpretation and categorization of the information which has reached the business elites' minds. Here the top executives apply the prefabricated categories, theories and methods in which they are used to think and to make sense of the information and attach meaning and importance to it. Different top managers may attach different degrees of importance to the categories and categorize the information differently. Some top executives may primarily try to avoid threats and risks and, therefore, scan the information for anything that could be a risk, ignoring other important issues like opportunities, innovation and chances.

Some of the categories in which business elites may think include:

“opportunity or threat”,

“profitable or not profitable”,

“conflict or harmony”,

“innovative or not innovative”,

“exceptional or standard”,

“is it necessary to take actions or is it better to wait and observe?”,

“good for my career or not good for my career”,

“increases my power or decreases my power”,

“increases my pay or decreases my pay”,

“increases the company's or the business elites' prestige or not?”,

“interesting and fun or boring and conventional”.

Information that cannot be categorized in the way the executives are used to do it, is more likely to be ignored because it would take considerable time and be more exhausting to develop new categories, theories and ways of thinking. Depending on the “software of the mind”, which was developed by the executives’ education, prior experiences and socialization, business elites come to different interpretations and conclusions. One example may clarify how during the interpretation stage of the information-filtering process, different interpretation and conclusions can be drawn from the same data basis: “Milliken (1990) found that college executives varied widely in drawing implications from a well-publicized and verifiable external trend, the imminent shrinking of the eighteen- to twenty-two-year-old population in the United States. Some executives saw this trend as a grave threat, others expressed little concern, and some even asserted that the trend would not occur. Beyond their varying interpretations of the trend itself, the executives differed even more widely in their judgments about how their institutions should respond to the trend” (Finkelstein et al., 2008: 48).

Conscious and unconscious decisions of the business elites during these three stages of the information-filtering process are all strongly influenced by the elites’ personalities, values, habits and socialization that is, above all, their education and prior experiences: “It is the ‘executive’s orientation’, the person’s interwoven set of psychological and observable characteristics, that engages the filtering process, and which in turn yields a construed reality, gives rise to strategic choices, and ultimately affects organizational performance. These orienting characteristics are the ‘given’ that an executive brings to an administrative situation (March and Simon 1958)” (Finkelstein et al., 2008: 49).

4.4. How Cognitive Content, Structures and Styles Influence the Decision-Making Process

After modeling the information-filtering process of business elites, the next task is to analyze which factors influence the decision business elites take on every stage of the information-filtering process. The cognitive content, structure and style influence every stage of the information-filtering process. Finkelstein et al. describe these three terms as follows:

“Ranging from the most basic and disaggregated to the most complex and interwoven, the three elements are (1) cognitive content, or what the executive knows; (2) cognitive structure, or how an executive’s knowledge and beliefs are arranged in his or her mind;

and (3) cognitive style, or how the executive's mind works." (Finkelstein et al., 2008: 59).

4.4.1. Cognitive Content

The cognitive content is what the top manager has experienced and learned, in particular the top executive's education and professional experience. A top executive who has studied engineering, for example, may have a great and extensive knowledge of technology and may be able to understand and assess new technological developments faster than other top executives who have studied finance, management or law. In addition, he may be more interested in technology than in financial issues and therefore set his field of vision, his focus, on new technological developments. That is where he has a rapid understanding and where he is at best. Top executives often seem to gravitate towards what they are best at. He possibly decided to study engineering because he already considered it to be more important and more interesting. Later, during his professional career, he is likely to continue with this value orientation, setting his field of vision on technological developments. But cognitive content also influences the decisions that top executives make on the other two stages of the information-filtering process (selective perception and interpretation). The top executive may be able to interpret the meaning and effects of new technological developments and innovations faster and more accurately than some of his colleagues, while he may neglect or just rapidly skim the marketing, legal or financial aspects of the new technology. He may not be interested in the question whether the new technology is appealing to a mass market.

Similar effects may be expected with top executives who studied IT, finance, business administration or law. The lawyers may focus on legal issues because that is what they understand rapidly and what they consider to be most important. In the first information-filtering stage, they may set the focus on legal issues. In the second, they may read carefully the parts of reports which purely deal with legal issues, while ignoring numbers and technical or mathematical issues because it would take too much time and effort for them to understand them. The top managers who studied marketing may only focus on marketing related issues, because they may find it difficult to understand technological, legal or financial issues (Finkelstein et al., 2008: 60-61).

Another aspect are prior experiences which may still influence the decisions and attitudes of top managers many years after having made these experiences because they have left deep marks in their memories. Those who have experienced stock-market crashes, economic crisis and inflation at some time of their lives, for example, may later focus primarily on the stability of their enterprise instead of taking risks and searching for

lucrative opportunities in the stock market. Those who have made successful experiences with a certain business idea or technology during earlier days of their career, may ignore information on new technology and business models, because they are so convinced by their past success stories and by the technologies and business models they applied at that time that they firmly believe that the success will continue forever and that there will never be the need to make profound changes. The German photography industry, for example, largely ignored the development of digital cameras until they went bankrupt, because they were so convinced by their once successful analog photography technology. In a nutshell: the pre-existing knowledge influences which kinds of new information are selected, learned, understood and interpreted by the business elites.

4.4.2. Cognitive Structure

The term cognitive structure refers to the theories and categories that a top executive has available in his mind to arrange, structure, categorize and analyze the information that arrives. These theories and categories, the structure of the mind, may differ between top executives. Some have more differentiated and complex theories and categories available, while others work with simple theories and very few categories. A differentiated cognitive structure enables the top executive to differentiate and analyze phenomena much more precisely and comprehensively. On the basis of this precise and comprehensive analysis of a problem or situation, he or she can develop and implement solutions that are precisely adjusted so that they fit the problem or the situation – instead of applying one-size-fits-all solutions which may not effectively solve the problem. But there is one problem when complex and differentiated cognitive categories and theories are applied to understand and solve a problem: they are more time consuming (because more theories and categories are checked when analyzing and categorizing a problem) and may even lead to “decision-paralysis” (Finkelstein et al., 2008: 65) when the top executive cannot decide how to categorize a problem because he has too many categories and theories available in his cognitive structures. Hardly any research has been done so far on this particular issue. Finkelstein et al. give one example of the effects of complex and differentiated cognitive structures:

“Executives who cognitively differentiate widely between customer groups will develop more customized offerings and highly segmented strategies than will executives with more homogeneous maps.” (Finkelstein et al., 2008: 65).

4.4.3. Cognitive Style

Cognitive style is about “how a person’s mind works – how he or she gathers and processes information.” (Finkelstein et al., 2008: 65). Here, the authors propose a first differentiation between a “logical, analytical and reasoning” cognitive style and a “non-logical, intuitive and instinctive” cognitive style. Interestingly, it is similar to the mind styles of left and right hemisphere dominance thinking patterns. Therefore, one may also distinguish between top executives with a left- or right hemisphere dominance (Finkelstein et al., 2008: 441). This distinction between these cognitive styles is actually surprisingly close to what Kahnemann has researched on different ways of thinking and using the brain’s capacities (Kahneman, 2012).

The top executives who prefer the “logical” style, usually focus on hard numbers, hard facts and ‘hard arguments’ and prefer to work in a clearly structured way, focusing on one task before starting the next. They usually follow strict routines and highly value accounting and finance. They make good planners and organizers (Finkelstein et al., 2008: 65-67). The impact on the information-filtering process is clear: they focus their field of vision (first stage of the filtering process) on hard facts, when reading reports and listening to what somebody says during a meeting. Their selective perception (second stage) makes them ignore ambiguous information and only think about “hard facts”. During the interpretation of the information that has finally reached their minds (third stage), they tend to interpret new and uncertain developments and technologies as threats. They try to avoid uncertainty by focusing on improving established products and proven remedies instead of inventing new ones. They do not like to speculate about the future because they are risk-averse and value security and unambiguous situations. The top executives who prefer the “intuitive” style are often highly creative thinkers who have an abundance of new ideas every day, focus on product development, work on several projects at the same time and push new projects before they have finished old ones. They change their daily routines often and are open to and excited about new ideas, challenges, news and changes. They excel at making the best out of rapidly changing and unexpected situations (Finkelstein et al., 2008: 66-67). During the information-filtering process, they like to focus on topics that deal with innovation (field of vision), and when reading reports and listening to somebody during a meeting or some other conversation, they focus on exciting new ideas instead of numbers. When interpreting information, they ignore information on how to make small improvements of already established products which seem to be boring to them, and instead embrace new, exciting and innovative product developments.

As people can learn to use both hemispheres of the brain, they can also learn to use and switch between these two cognitive styles, applying the one that seems to be most appropriate in a given situation. Needless to say, these two cognitive styles complement each other.

In top-management teams, both cognitive styles should be present, but this does not seem to be the case most of the time, because people tend to prefer to stick together, cluster and spend time with persons who have similar cognitive styles (Feld and Grofman, 2009; McPherson et al., 2001), which has been described as the homophily effect (Makela et al., 2007). It is very difficult to form a team that includes persons with different cognitive styles because they are likely to have difficulties agreeing on which topics and questions they should focus, what they consider to be important, how the information should be interpreted and which actions should be taken. Therefore, in order to avoid conflicts and long discussions, top executives usually work together and form top-management teams with executives who prefer similar cognitive styles, with the same blind spots, limitations and problems. They engage in “same-group-think” inside the box, where they spend most of the time reaffirming, reassuring and strengthening their already existing point of view and opinions. The beneficial effects of these homogeneous top-management teams are less friction and better communication, unity and fast agreements, but the members do not complement each other. It is similar to conversations between members of the same political party and same political current. Communication and coming to agreements is easy because they have similar mindsets, but they are not innovative.

5. Theories of Action

This chapter explores the different theories of action (“Handlungstheorien”) and the motivations and reasons behind these actions. It primarily draws on the excellent publication “Handeln und Strukturen” by Schimank (2010) and aims to apply it to the case of foreign multinational enterprises in Mexico and the interactions between Mexican workers and foreign “expatriate” managers.

The aim of this chapter is to prove that the motivations and reasons behind human actions are often rather manifold and complex and cannot be reduced to one simple theory, aim or cause. Every presented theory is able to adequately explain some kinds and types of actions and the causes and motivations behind these actions, but only together these theories can contribute to a better and more comprehensive understanding of human actions in general and explain the empirical reality.

5.1. The Homo Oeconomicus

The basic assumption of this theory of action is as follows:

humans pursue certain personal aims and in order to reach these aims they analyze the situation and assess the different decision alternatives they have and the possible ways to achieve their aims. Finally, they choose the way and take the decisions which will bring them as close as possible to their aims with the least effort. In other words, humans try to maximize benefits and minimize costs.

Rationality in this context means analyzing the situation and finding the most efficient way to reach a certain aim. It is a purely goal-instrumental interpretation of the concept of rationality because the question whether it actually makes sense to reach the aim is not raised nor considered. Furthermore, this theory of action does not ask why certain actors pursue certain goals and whether it was a free choice to pursue these aims. This theory assumes that humans have a very high degree of freedom when taking decisions and an impressive analytical capacity which enables them to constantly process information and analyze situations before taking the most “rational” decision.

In conclusion, we may say that the Homo Oeconomicus applies this analytical approach to decision making all the time, at the workplace, in the family, among friends, in a love relationship and even during leisure time. The Homo Oeconomicus never lets himself go and never loses control. His analytical mindset is always active in order to maximize utility and minimize costs.

The question why individual actors decide to pursue certain aims is usually not addressed. This theoretical perspective does not investigate whether an actor who decides to pursue a certain goal and, therefore, takes certain actions, may simply be fulfilling role expectation and acting in accordance to social norms. There may be less rational and conscious decision making and choices than assumed. In other words: the actor may decide to do what he wants, but he cannot decide what he wants. He may decide to reach certain aims, but why did he choose these aims (and not other aims) in the first place?

5.2. The Homo Sociologicus

The central assumption of this theory of action is that the human is a social being and aims to fulfill expectations he perceives and the roles which were assigned to him or her (Schimank, 2010: 49). He or she may often not calculate the costs and benefits of complying and fulfilling the role expectations but simply tries to fulfill them even if that means a threat to his vital interests. Indeed, simply fulfilling role expectations and acting in accordance to norms is an effective way to reduce decision complexity, as it would take too long and require too many resources to calculate the costs and benefits of every decision alternative before taking the decision. Furthermore, the actors may not even be fully aware of the expectations they are trying to fulfill but do it in a half- or subconscious way (Schimank, 2010: 61-62). They perceive it as “natural” to fulfill the expectations and have never consciously taken the decision to do so. So, instead of consciously calculating the expected utility and costs of the different alternatives for action, they may have never taken any conscious decision at all. During their socialization, they have got used to act in a certain way and as it works for them in a more or less acceptable way, they simply continue to do so and this pattern of action may continue for several generations and centuries. In other words: in many cases of human actions, there has never been any conscious rational decision or choice. Instead of “freedom” there are role expectations, traditions and norms to which the individual actors obey and act accordingly most of the time.

Furthermore, some parts of this theory can be understood as a significant extension of the first theory mentioned above mentioned:

humans may not take a great opportunity because they prefer to focus on fulfilling their role expectations. Their fear of not fulfilling the expectations of the role they were assigned to and, therefore, being deprived of social recognition and, in the worst case, being excluded from the social group they feel attached and affiliated to, is much stronger than the rewards they may receive for taking a new and great opportunity, such as a new job. Mexican men, for example, often refuse to apply for certain maquiladora jobs because they are considered female and cannot be brought into harmony with their role and identity as men. The result is often that women take these jobs and their husbands remain unemployed, but they are not willing to stay home and care for the children either, because that would cause a serious identity conflict as it would not be in accordance with their gender identity. Furthermore, they fear being laughed at (Schimank, 2010: 55), not only by other men, but also, and in particular, by women (sic!) because a man who stays home to care for the children is not considered a “real man” by most women in certain social milieus in Mexican society. A man who acts in this way is often not considered a person who commands respect and who is worthy of recognition. Therefore, most men would happily accept a job as a farmer or a construction worker, the way it used to be and the way their fathers worked, but most of these jobs have disappeared. And the new jobs in the apparel industry and the roles attached to them cannot be brought into harmony with their gender roles and identities. Traditions and traditional gender roles are of great importance for them, because it is considered the only way to earn respect and social recognition.

Of course, in certain situations and societies, the individuals may be free to choose certain roles, e.g. in some liberal and highly industrialized societies some people may be free to choose the university course they want to study or the job they want to do, but even in these societies and situations, the individuals are not free to choose all of their roles, e.g. their gender roles, and all the expectations associated with them, are usually assigned to them without having been asked beforehand.

Moreover, there is not only “role-taking”, that is, accepting a certain social role and acting in accordance with the expectations attached to it, but also “role-making” (Turner, 1962; quoted in accordance with (Schimank, 2010: 67), that is, the way an individual acts in order to fulfill the expectations. Certain roles may give a certain degree of freedom which the individual may use to make free choices and also express its individuality. While the role of a professor, for example, comes with some clear expectations, there is also a

considerable amount of freedom: he or she may choose the research topics and the way the teaching is done.

But when it comes to other social roles, the expectations and norms which come with them may be rather strict and non-compliance may be punished and sanctioned in many different ways, starting with social shaming and leading to social exclusion. When somebody decides to have and care for a child, for example, the expectations may be rather rigid and obsolescent, and indeed, acting in a different way than expected would be better for the health and development of the child. But, still, not fulfilling the expectations may lead to being punished for not being a "good mother" or "good father", even if the child is happy and healthy and has experienced an excellent upbringing and education.

So, in conclusion we may say that a basic assumption of this theory of action is that, even in modern and liberal societies, we are often less free than we think we are, because we are constrained by roles and norms we may have internalized and incorporated so deeply that we are not even fully aware of them (Schimank, 2010: 61-62). We do what we do because we somehow sense that this is what we are expected to do and we comply because we aim to receive and maintain social recognition and acceptance, but we may not know the deeper reasons for our actions and, therefore, are not able to fully reflect on them and, thus, we often cannot make rational choices.

5.3. The Emotional Man

The basic assumption of this theory is that in certain situations, humans may get overwhelmed and carried away by their spontaneous emotions and act accordingly, without doing any kind of cost-benefit calculation nor aiming to comply with any kind of social role expectation. In these moments, the actors do not rationally reflect on their behavior but simply aim to live out and express their emotions. They may act in highly irrational ways, possibly injuring themselves or others, or even killing someone. Later, they may regret what they did when they were feeling anger, envy, fear, love, jealousy or sexual desire, but that may not stop them from acting in a similar way the next time they are in a similar situation which triggers the same emotions and instincts. And as it can occur rather often, it is necessary to take these kinds of motivations for actions into account in order to understand why humans act the way they do. Especially in cultures in which the control and repression of emotions and instincts is considered less important and,

therefore, plays a less dominant and influential role in the socialization of the people, a larger part of the actions of individual actors can be explained by applying this theory. It is obvious that these emotions exist in the workplace, too, and in certain situations, the actors may be overwhelmed by them and act accordingly, even if this results in highly irrational actions and decisions which contradict the actor's own interests and professional aims, and possibly the aims of the organization as a whole.

5.4. The “Identity Defender”

According to this theory, humans have the need to construct, defend and re-affirm their identities, because without their identities their lives would lose their subjectively perceived sense (Schimank, 2010: 142-143). The answer to the question “Who am I?” is of crucial importance for the life satisfaction and self-confidence of humans. Therefore, they may take actions which seem to be highly irrational in order to defend their identity. They may act in an economically irrational way or ignore social norms when they feel that this is the only way to defend their identities and positive self-regard, for example. They may feel that in certain situations, trading in their identity, that is, who they are, for a certain amount of money or the maintenance of harmony by complying with social norms may not be a good deal for them.

What is the identity? The identity “is the image a person has of him- or herself.” (Schimank, 2010: 143). This image does not include all aspects and characteristics of one's personality and personal history, but is more like a relatively simple idea, or simple “painting” (Schimank, 2010: 146). Indeed, the identity can also include parts which cannot be found in the personality and history of the person. So, it may be formed not only by the question “Who am I?”, but “Who do I want to be”. It may include the life plans and aims of a person.

The identity needs to be simple, so that it can reduce the complexity of life and its many contradictory events into a coherent story and create a feeling of sense, that is, that one's life makes sense, that there is a relatively clear life course, instead of only many chaotic events without a meaningful connection and story between them. In particular in times of increasing uncertainty, disorientation and anxiety, the role of an assured identity is of extraordinary importance as it gives humans a sense of confidence and leads and shows the way through the difficult presence into a better future. Therefore, humans may react in rather bold and sometimes aggressive ways when they feel that somebody threatens their identities.

When Mexicans start working in the subsidiaries of foreign multinational enterprises, there may be certain changes, environments, expectations and actions which may be perceived as a threat to their identities and, therefore, cause forceful reactions, as will be seen in the subsequent part of the chapter. Schimank differentiates between three different kinds of identity threats:

5.4.1. Specific Substantial Identity Threats

This threat occurs when the environment does not reaffirm, but cast doubt on a specific part of a person's identity, e.g. a skill the person is proud of and which constitutes a substantial part of his identity. This may be the case when an expatriate manager tells a Mexican worker that he is doing something wrong, or that he is doing the whole work entirely wrong. Worse still, he may say it loudly and publicly so that the other workers hear him which will make the addressed worker feel ashamed and humiliated. He may feel that he has lost his face. While in other cultures, the manager's behavior may be considered acceptable, in Mexican culture the respectful way would be to either say it quietly to the worker so that nobody else can notice, or to explain it generally to all workers without mentioning who did commit an error.

The worker may react in two ways to defend his identity and self-image which, at least in parts, is based on the idea that he is a good worker and that he does his job well: he may either do an additional effort to learn how to do the work correctly and in this way reconstruct this part of his identity, or he may (secretly or openly) continue to work the way he used to and convince himself that the expatriate manager does not know what he is talking about because he just arrived in Mexico and has no idea how work is done in Mexico. In the second way, the worker defends his identity by arguing to himself that the claim and criticism of the manager is actually incorrect or at least inaccurate. He is a good worker indeed, but the manager does not understand it. As will be shown in the subsequent chapters, both strategies were applied in the studied cases. The second strategy caused outrage among the expatriate managers because they interpreted it as stupidity and an affront against the management. They did not understand that the workers were only trying to defend their identities and they would have been willing to change the way they work, if it had been presented to them in a different way which would have allowed them to keep and re-assure their identities.

In summary, we may say that the specific substantial identity threats only unsettle and menace one part of the identity. The worker may still be sure that he is a good father,

a strong man, a successful soccer player and a faithful friend, which may all be similarly important parts of his identity.

5.4.2. Indirect Identity Threat through Existential Danger

As Schimank points out, the extremist form of this threat is death or a life-threatening disease as it may cause the total destruction of the identity (and life) of a person. This threat may be perceived when multinational enterprises threaten the livelihood, e.g. when managers threaten to lay off workers or when they do not provide secure long-term work contracts, for example. Or when local competitors go bankrupt because they cannot compete with the modern and highly efficient technologies of the MNE. Or when the government displaces the local population to provide free territory which the MNE asked for. In any case, the deprivation of the basis of sources of life may threaten the entire identity and therefore cause discontent. Strategies of resistance and identity defense may include public protests and road-blocks, which are rather common in Mexico.

5.4.3. The De-Individualization Experience as Identity Threat

This threat, which was extensively studied and researched by Goffman, is often present in “total institutions” (Schimank, 2010: 156) such as in psychiatric hospitals, prisons, military organizations or monasteries. The behavior and lifestyle of the “inmates” is regimented, regulated and forced upon them to such an extreme degree that they struggle to maintain their individuality and self-determination. The extreme unequal distribution of power causes a feeling of being at somebody else’s mercy and being totally powerless. This threat can be observed in some maquiladora factories in which the Mexican employees (most of which are women) are not allowed to go to the bathroom when they feel the need to, are not allowed to talk to each other, are not allowed to wear their own clothes and are not allowed to leave at a previously fixed time, but have to stay in the factory for as long as their superiors want them to stay, sometimes more than 24 hours. Moreover, similar to some prisons, military organizations and monasteries, sexual abuse and other forms of violence are alarmingly common and the workers have very few ways to defend themselves against these abuses. They experience being almost completely powerless. Some critics describe the situation as a “cultural genocide” (Cunningham, 2007; Lugo, 2008) but one may also call it an “identity genocide”.

Here, the only ways the workers see to defend their identities may include forms of hidden resistance, sabotage and somehow making the superiors believe that everybody is playing by their rules, while in the underground they subvert them. Indeed, in one case in which the management decided to crush the unions and apply a much stricter regime and regulation on the workers, some workers responded by conducting acts of sabotage, such as causing short circuits and letting iron parts fall into running machines. The time the engineers needed to repair the machines was considered a “well deserved pause to have lunch” by the workers. The lunch break was previously abolished by the new management.

Further identity threats which are common in the case of the maquila workers is that while they need the salary to support their families, many female workers have a bad conscience because as they are working in the maquiladora they cannot care for their children and they feel that they are not fulfilling their role as a good mother, which is another essential part of their identity.

5.5. Conclusion

In conclusion, we may say that humans can switch their modes of actions. In some situations and moments, they may act just like the Homo Oeconomicus predicts it, in others they may act like the Homo Sociologicus, and in even other situations and moments they may act in accordance with the theory of the Identity Defender or the Emotional Man. Therefore, all of these theories of actions need to be taken into account and applied to understand the subjective sense and motivation maquila workers of individual human actors.

6. The Relations and Interactions between Subsidiaries and Headquarters

6.1. Introduction

Organizational studies have been conducted in several disciplines at the same time, economics, sociology, international business studies and political science, to name just a few, but the research and understanding of organizations in these different disciplines seem to have been developed largely independently from each other (Blazejewski and Becker-Ritterspach, 2011: 174). One example is Dahl's definition of "power is the ability to get others to do something that they would not otherwise do" (quoted in accordance to Mudambi, 2011: xvii), which is essentially Weber's definition of power developed several generations earlier and which was later criticized, extended, modified or changed completely by many other scholars, such as Foucault (Foucault, 1995, 2005, 2006), Bourdieu (Bourdieu, 2015; Bourdieu and Wacquant, 2004) and Habermas (Habermas, 2011). Indeed, as will be shown below, there are plenty of good arguments for understanding power as much more than the ability of one person to make another person do something that he or she would not do otherwise. The understanding of power has improved substantially and the concept has been developed much further in the last decades, but, unfortunately, as Blazejewski and Becker-Ritterspach have pointed out recently: "sophisticated discussions of power, taking into account the recent development of the power concept (e.g. by Clegg et al. 2007), are largely missing from the IB literature on headquarters–subsidiary conflicts." (177).

On the other hand, sociologists often commit the mistake of assuming that the only theory and approach known and applied by economists and international business scholars is the neoclassical theory and the rational choice approach, but, of course, there is much more to economics and international business studies than the works of Milton

Friedman. They do take into account the complexity of the rapidly changing world we live in today as well as the many different pressures, environments, stakeholders and multifaceted aims to which multinational enterprises need to respond and adapt today (Dunning and Lundan, 2008: 133). Indeed, it seems that since the financial crises occurred, more and more economists and international business scholars are reaching out, embracing the complexity of the recent developments and are searching for and developing new theories that are better able to explain what is happening in this increasingly complex and chaotic world with plenty of new problems and developments, which are so difficult to analyze and understand. Whether it is possible to predict the world's further development is now considered a completely open question. The times when some scholars bragged with having found a formula which enables them to predict the future, are definitely over. So, we may come to the conclusion that there are many reasons to start searching together and to bridge the boundaries that separate the disciplines.

6.2. Different Perspective and Research Approaches

In earlier studies, economists and international business scholars have often applied a top-down assumption when studying the power relation and organizational structure of MNEs (Dörrenbächer and Geppert, 2011: 3). They assumed that the power relation between the top management at the headquarters and all other units of the enterprise was like a one-way street, that the power goes from the HQ to all other parts and not vice versa. They assumed that in the normal case, all units of the entire enterprise will do what the top management at the headquarters wants them to do. If this is not the case, the task of the top management is to make exactly that happen: the power relation should be a one-way street, a unidirectional flow. If necessary, the task of the top managers is to break 'barriers' and other forms of resistance which do not fit into this top-down model:

“As long as HQ management was seen in the driving seat, the role of lower level managers, e.g. in local subsidiaries, and of other employees was mainly reduced to adaptation either to centrally set strategies or to external environmental pressures. Later, studies on the 'evolution' of the MNC stressed that MNCs can hardly be managed top-down, especially if 'diversification' and internationalization are increasing, but they did not 'dare' [to] shed more light on power relations and organizational politics. Instead, they preferred to apply an apolitical language, referring to 'barriers' to evolutionary changes (Bartlett and Ghoshal 1989). Nohria and Ghoshal (1997) went even further and saw no

need to make any references to organizational politics, asserting that the adoption of differentiated network structures in the transnational corporation might even have pacifying effects. Indeed, most IB (International Business) studies are focused on helping MNC management to overcome strategic and structural misfits in responding to environmental pressures. From this perspective, political behavior and resistance by certain actors and groups of actors are seen as dysfunctional, and the task of 'good' management is to overcome these organizational 'barriers' " (Dörrenbächer and Geppert, 2011: 3-4).

But, as Geppert and Dörrenbächer point out, there were certain exceptions and theoretical streams and schools which slowly challenged the prevailing top-down assumption: Doz and Prahalad (Doz and Prahalad, 1991; Prahalad and Doz, 1999), Birkinshaw (Birkinshaw, 1997; Birkinshaw et al., 1998; Birkinshaw and Morrison, 1995) and Crozier (Crozier, 2009), among others, emphasized that different individuals and entire units formally located below the top management may actually struggle successfully for increasing their power and resources vis-à-vis other, superior units of the organization:

"a few scholars have actually predicted that the increased diversification of strategies and structures of MNCs observed by evolutionary scholars might have some organizational political consequences, and that 'influence and power of how the trade-offs between multiple stakeholders and multiple perspectives are made' (Doz and Prahalad 1991:46) needs to be considered in future research. This call was taken up slowly and only by a certain stream of research, e.g. by Birkinshaw and his colleagues studying subsidiary entrepreneurship (2000) and mandate changes (1996). These studies show that subsidiaries develop their own strategies in order to influence decisions about resource allocation and compare strategic approaches which lead either to the gain or loss of subsidiary mandates. In short, managerial strategies are in the center of this research and political interests are mainly interpreted as (bounded) rational, concentrated on improving the power position for themselves and the subsidiary in the MNC when fighting for, for example, enhancements of their mandates. In line with early micro-political approaches it is assumed that subsidiary management is 'self-interested' and follows (bounded) rational strategies when playing 'games' to gain mandates and thus power (see e.g. Crozier 1964; Doz and Prahalad 1991). Power is understood as being directly related to the control of 'uncertainty zones', which affect the performance of other members of the MNC, and to 'critical resources' on which other actors are dependent" (Dörrenbächer and Geppert, 2011: 4).

In short: the progress of these new approaches consists in understanding subsidiaries, or, more precisely: the managers of the subsidiaries, as "self-interested" rational-choice

actors who aim to increase their power and control over resources. This is great progress when compared to the previous views which interpreted subsidiaries as purely mechanical tools of the headquarters, without having any will or interests of their own.

But this is still a very limited, poor and abridged understanding of agency, rationality, power and human actions and behavior in general. It assumes that humans act like programmed robots in a rational-choice game. It does not take into account that what is considered “rational” varies greatly depending on the culture in which the actors were socialized. The idea of rationality is not like a physical law that applies in the same way everywhere on the planet, but it is the result of cultural developments which have led to very different notions in different cultures, depending on how the individuals in a culture interpret the sense of life and the world around them. Furthermore, it has been shown rather clearly in recent studies, that humans act irrationally, instinctively and emotionally more often than not (Kahneman, 2012), casting doubt on the usefulness of rational-choice theories. Geppert and Dörrenbächer conclude:

“the role of power is conceptualized in a rather simplistic way: (a) individual and collective actors possess power because they control critical (scarce) resources and (b) actors who can gain and control more critical resources have more power (see also Clegg et al. 2006). What is missing in the IB debate, however, is a more nuanced sociological understanding of power and politics in which questions are asked about: what forms or constitutes “self-interests” in MNCs, for whom are certain managerial strategies effective or efficient (Hinings and Greenwood 2002), and who is actually benefiting from the implementation” (Dörrenbächer and Geppert, 2011: 4).

It is striking that when managers decide to actively change certain structures and practices of the MNE they lead, researchers and scholars usually explain it by referring almost exclusively to economic- and business-related reasons, essentially arguing that these changes are aimed at increasing the competitiveness of the MNE. They usually do not investigate whether the actors may have very different motivations for these decisions, too, such as breaking the resistance of certain individuals or groups within the enterprise which they dislike or fear because of personal reasons such as personal antipathies, power games, rivalry, or pursuing other personal interests. Furthermore, the managers may be blindly believing and following certain economic and/or political ideologies and are, therefore, not willing to rethink their points of view and interpretations of the situations because that would unsettle and threaten their identity and self-assurance, as it may lead to realizing that one has not taken the right decisions in the previous time and situations. It is the attitude of “My job is to lead, not to read”

and “I trust my gut and take decisions instinctively” which can make top managers believe that they always need to take fast and bold decisions without rationally analyzing and reflecting upon them, the general situation, the larger context and the consequence their decisions may have. All these kinds of actions, decisions and behaviors may not be rational and may not be aimed at increasing the competitiveness of the enterprise.

Nonetheless, irrational actions and decisions by top managers and the political struggles, intrigues and deals as well as the role of old-boy networks and mutual favors (which are highly irrational from an economic point of view as candidates become top managers not because they are the best suited to do the job and thanks to their performance and skills, but because of their membership in the old-boy networks) are under-researched in the field of International Business Studies and Economics, as Mudambi concludes:

“most theories aimed at explaining the functioning of business firms, both in strategic management and economics either ignore the political dimension of the organization, or treat it as an aberration. In the mainstream literature, the strategy of business firms has traditionally been accepted to be the creation and maintenance of competitive advantage” (Mudambi, 2011: xvii).

Furthermore, the concept of agency has often been understood in a very limited way and needs to be enhanced. Here, new concepts and definitions have been developed which are much better suited to embrace the complexity and multifaceted aims and motivations of individuals and groups that interact in large organizations, such as MNEs:

“The conceptualization of agency is reduced to the questions of who has what power and who has power over whom (Clegg et al. 2006: 127). The role of institutions, interests and identities of actors who engage in political games in and around MNCs is neglected. We propose that power is not a property of certain powerful actors but should be understood as a ‘relational effect’ (Clegg et al. 2006: 222), which means that power has to be studied in reference to the social context in which political strategies are embedded.”(Dörrenbächer and Geppert, 2011: 5).

Following Dörrenbächer and Geppert, the present research project will build on this much broader concept when studying the interactions between individuals from different cultures within the MNEs. It assumes that human beings may act in accordance to rational choice assumptions sometimes, but surely not all the time, and that the aims of the individuals who work in MNEs (e.g. top managers and workers) can be much more diverse and manifold than just maximizing personal power, resources and wealth. Moreover, it takes into account the unintended consequence of intentional actions, as mutual misunderstanding and misinterpretation of the actions of ‘other’ individuals (which are

fairly common in intercultural interactions) can lead to results which nobody had intended or wished for. These outcomes may simply be caused by complex and chaotic interactions combined with failing communication and misinterpretation.

6.3. Current Theories on the Power Relation

In current research approaches, the power relation between the MNE's headquarters and its subsidiaries is often analyzed by applying either an adapted version of **agency** theory, resource dependency theory, or the recently developed "multiple embeddedness perspective" ((Mudambi, 2011: xix))

Mudambi summarizes the version of agency theory which is applied in international business studies:

"Within the agency perspective, conflict amongst managers has been framed as one where managers at headquarters are the principals and managers in operating divisions are their agents. It is recognized that MNC subsidiaries pursue their own interests and are not a mechanical instrument of headquarters' will. More importantly, 'the local interests of the subsidiaries may not always be aligned with those of the headquarters or the MNC as a whole' (Nohria and Ghoshal 1994: 492). However, while the agency perspective incorporates autonomous decision-making by subsidiary managers, their decision-making autonomy may be categorized as discretion in the sense of Williamson (1996). Headquarters delegates or 'loans' decision rights to subsidiary managers, but retains the power of veto, i.e. the ability to overrule any subsidiary decision" (Mudambi, 2011: xviii).

He then contrasts agency theory to the "**resource dependency theory**":

"In contrast, the analysis of power in the management literature has been based on the basic notion that 'power is the ability to get others to do something that they would not otherwise do' (Dahl 1957) and that the successful exercise of power requires that it be based on a set of 'legitimizing principles' that are specific to the organization (Weber 1968). This is the basis of resource dependency theory, which posits that power is (a) based on the control of resources that are considered strategic within the organization (Pfeffer and Salancik 1978); and (b) is often expressed in terms of budgetary and resource allocations (Mudambi and Navarra 2004). Resource dependency theory is externally focused in the sense that 'power is held by divisions that are the most important for coping with and solving the critical problems of the organization that arise from its environment' (Pfeffer and Salancik 1978). Organizational survival in a competitive

environment provides a logical basis for this position, since organizations that fail to address their critical problems will disappear” (Mudambi, 2011: xviii).

Here, what is apparent is that it is a rather rigid and structural approach, which does not take into account how individuals with special characteristics and skills can change organizational structures and their own position within these structures. Managers or union leaders, who excel in the ‘art of power’, for example, may actually rise through the ranks, increase their power and discretion and change the organizational structure of the MNE, although, formally, they do not have the necessary resources to do so. Instead, they use a mix of persuasion, charisma, alliance-building, mutual favors, exclusive information, threats, and sometimes even sheer delusion, deception and violence to achieve their personal aims, which may or may not be coherent with the aims of the MNE as a whole – and in some cases not even with the subsidiary’s aims.

Finally, the **“multiple embeddedness perspective”** is where such difficult-to-measure factors like soft institutions, culture and identities are taken into account and come into play. The central ideas and basic assumptions of this perspective are:

“First, the strategies and functioning of [...] MNCs cannot be understood without recognizing their social embeddedness. Second, ignoring contextual issues, headquarters–subsidiary relations reduce to a simple conflict between global (headquarters) versus local (subsidiary) optima. Recognizing the importance of local contexts emphasizes the role of rationalization [...] and hence the importance of boundary spanners (Mudambi and Swift 2009, Schotter and Beamish [...]). Third, national identities and home and host country culture are critical issues underlying MNC political processes and decision-making” (Mudambi, 2011: xix).

One may say that the “multiple embeddedness perspective” is building a bridge between the different academic disciplines, as the economists and business scholars who work on this approach start focusing on aspects and issues which are at the core of sociological and political science research, but they do it from a business and economics perspective which is immediately understandable for other economists and business scholars as it is compatible with their terminology, way of thinking and research approach. Therefore, this perspective may improve the interdisciplinary communication and lead to better transdisciplinary research.

6.3.1. The Sociological Perspective

The assumption that power relations are usually highly interdependent, complex, multi-dimensional social relations in which actors often act irrationally either due to identity

conflicts, miscommunication, inadequate understandings and interpretations of the other actors' interests, viewpoints and mindset as well as due to irrational fears and lack of trust has been the prevailing view in disciplines like sociology and political science for several decades by now. Indeed, several sociological schools and streams, most notably the Symbolic Interactionism inspired by Mead (Mead, 1967), the theory of social systems inspired by Luhmann (Kaube and Luhmann, 2016; Luhmann, 1987, 2014) and the theory of social milieus inspired by Bourdieu (Bourdieu, 1984, 2001; Vester et al., 2001), among others, assume that communication fails more often than one may expect and that individuals usually do not fully understand what is going on in the minds of other individuals with whom they are interacting (and vice versa) resulting in an escalating spiral of misunderstandings and conflicts. Thanks to the ability of practicing empathy, that is, "putting oneself in the other's shoes" ("in jemanden hineinversetzen") mutual understanding and successful communicating can be reached up to a certain degree, but this becomes difficult, if not impossible, when the individuals who are interacting with each other do not use the same (non-verbal) set of symbols to communicate with each other and cannot understand the other's way of thinking because they have different mindsets, habitus formations and values as they were socialized in different cultures, or in different social milieus within the same culture. The basic values, norms and attitudes of a culture (or a milieu, or a social system) which are at the core of the identity of an individual are very difficult to communicate. For northern Europeans, for example, it is almost impossible to understand what the family means to Latin Americans, while for Latin Americans it is difficult to understand why Europeans put so much emphasis on separating the professional from the private life. The situation becomes even more problematic when the individuals do not realize that communication is failing and that misunderstandings are occurring. Therefore, they assume that the other person is acting in an 'inadequate' way (from their point of view) not because of a misunderstanding or a cultural difference, but because he or she has the intention to openly provoke, humiliate and to offend his or her interactional partner.

I think that the most important factors and aspects which need to be taken into account to achieve a better understanding of social relations and intra- as well as inter-organizational dynamics and conflicts are:

1. The enormous impact of individual as well as group **identities** and the intention to protect, defend and maintain these identities.

2. The surprisingly common occurrence of **miscommunication and misinterpretation of “the other”** leading to a mirrored reaction by the other individuals and groups which may eventually gain momentum and lead to conflict escalation originally not intended by anyone at all (Blumer, 1986). These unintended consequences occur particularly often when individuals and groups from different cultures interact, which is usually the case in MNEs and other multinational organizations.
3. The importance of **trust** (Luhmann, 2014) and the destruction of it by miscommunication and misinterpretation.
4. **The willingness to cooperate and to share** knowledge, resources and power and to compromise and make middle-ground agreements which are acceptable for all stakeholders, thus creating a harmonious, sustainable and efficient work environment by avoiding strikes, sabotage as well as violent conflicts and clashes.
5. The impact of true agency in the sociological sense: how certain individuals with **exceptional leadership skills** (e.g. charisma) can convince and persuade large groups of people, change organizational structures (and to a certain degree cultures) and thus the direction and development of entire organizations in certain circumstances.

These different factors are all interdependent as they influence and impact each other: when trust is increasing in a relation, the involved actors may be more willing to cooperate, to share resources and say what they really think, thus, improving communication and decreasing the risk of misunderstanding (Swedberg, 1993: 65). The ones who have formally less power may also be more likely to accept and actively adapt to changes because they believe that the change is not threatening them, as they trust their leaders and believe that the formally more powerful, ‘superior’ actors (or “leaders”) will care for their well-being and take into account their interests. Vice versa, the formally more powerful actors, such as top managers, may be more willing to share more of their formal power with the formally less powerful actors, democratizing the organization, because they trust them, and believe that the power will not be used against them (Braithwaite and Levi, 2003; Hakanen and Soudunsaari, 2012). The same is true concerning the trust between managers. When they do not trust each other and constantly suspect that some “other” manager is planning to ‘stab them into the back’, get rid of them, remove them from their position, embarrass them or to attack them in any other way, they will

hardly be able to work together in the most efficient way, which would require talking openly about the problems and doubts, admitting one's mistakes and faults and proposing solutions (Jones and George, 1998; McAllister, 1995). Trust can be understood as the lubricant of social relations. It makes social interactions work much more smoothly and efficiently.

The identity factor, although often overlooked, seems to be as important and as interconnected with all the other factors as trust is, because actors may be more willing to cooperate and to accept changes when their identities are reassured. And although a certain change may be highly beneficial for them, they may resist and refuse to accept it when they feel that it would threaten their identities (Devine, 2005). Although it is not clear why, human beings have an enormous necessity to develop and defend their identities and will act accordingly, even if this may lead to actions which seem to be highly irrational to outside observers (Assmann, 1988; Keupp et al., 1999).

The identity factor becomes particularly important and influential within the social relation which develop in multinational organizations, as individual identities are usually tied to social groups and these groups are often tied to nations and peoples (Eisenstadt and Giesen, 1995; Krappmann, 1971; Niethammer, 2000). In multinational organizations, such as MNEs, these different identities and groups meet and interact, which may lead to conflicts and misunderstandings as well as to cooperation and trust, depending on the actors themselves, their awareness of the differences, as well as the structure of the organization, the circumstances and the 'compatibility' of different cultures and identities involved in the interaction.

6.3.2. The Interdependency and Mutual Influence between Agency, Identities and Interests of the Actors in the MNEs

According to Geppert and Dörrenbächer "the role of agency and its importance in understanding politics and power in MNCs is either neglected or not fully explored." (Dörrenbächer and Geppert, 2011: 19).

Most rational choice theories assume that individual and collective actors aim to maximize their power and certain resources such as their income, but, as will be shown in the subsequent chapters, during the interviews it became clear that a considerable number of actors actually have different interests. The interviewed local workers' main complaint, for example, was not about their salaries. Instead, they complained that they did not feel sufficiently respected, recognized and acknowledged by their superiors. Their strug-

gle was about being respected and recognized, not about increasing their salaries and power. These empirical findings are contrary to the rational choice assumption, but are in accordance with Honneth's recognition theory (Honneth, 2010), which asserts that when people rebel it is more often than not a struggle for being recognized, acknowledged and respected, instead of being driven by rational choice motivations such as increasing ones power and personal material wealth.

The same is true of the concept of power which is usually understood in a rather narrow way and closely linked to the idea of coercion and repression, but when individuals or groups struggle for increasing their power, their aim may not be to use it as a repressive force in order to 'make somebody else do something he would not do otherwise', but to achieve self-determination, that is, having control over oneself and avoiding that somebody else can make them do something that they would not do otherwise. It is the opposite side of power: increasing ones power to avoid being dominated and threatened by somebody else. It is about having control over oneself and not over somebody else. Indeed, it can be a means to avoid remote control.

Furthermore, when local employees resist the implementation of global strategies and best practices, their struggle may primarily be motivated by their desire to maintain and protect their identities, as they value self-determination and do not want to be remote-controlled and governed (Foucault, 2006). Often, they do not reject the new practices and strategies, but the way these new practices were forced upon them, which made them feel degraded and humiliated. It also works in the opposite way: when the employees feel respected and acknowledged and when the expatriate managers make the employees feel that they see them the way they want to be seen, thus re-assuring their identities and eliminating their fears of being attacked, they may be much more willing to cooperate and to adapt to new practices and other changes. Geppert and Dörrenbächer conclude:

"In short, it is shown that local adaptation of global strategies and 'best practices' cannot be reduced to its technical or economic rational and institutional constraining nature, but involves often lively and dynamic political activities of actors, making the MNC a 'contested terrain' " (Dörrenbächer and Geppert, 2011: 22).

6.4. Organizational Theories

This section explores what organizational theories can contribute to a better understanding of the relation and interaction between headquarters and its subsidiaries. The

“Eclectic” or “OLI” paradigm will be discussed and reviewed first, followed by the “global integration – local responsiveness” framework, the “heterarchy” perspective and the institutionalist approaches.

Finally, the view of the headquarters’ managers on the organization as a whole and the view of the subsidiaries’ managers on the MNE will be analyzed and compared.

The main focus of this discussion and review is set on better understanding the internal organizational dynamics of multinational enterprises and why conflicts and misunderstandings occur, and which role the top managers, both at the headquarters as well as at the subsidiaries, play in these social interactions.

6.4.1. The “Eclectic” or “OLI” Paradigm

This theory which was developed by Dunning and later extended by Dunning and Lundan (2008: 95) is rather prominent in International Business Studies, because it is much more comprehensive and multifaceted than the previous paradigms, as it embraces the organizational complexity of MNEs and takes into account the different environments in which MNEs act simultaneously, as well as the role and impact of institutions. OLI stands for Ownership advantages, Locational advantages and Internalization advantages. MNEs may have or aim to gain and increase these advantages and much of their activities as well as their performance, success (or failure) can be explained and understood by analyzing their OLI configuration, that is, which of these advantages they have or do not have.

Ownership-specific (O) advantages are defined by the authors as follows:

“The capability and willingness of one country’s enterprises to supply either a foreign or a domestic market from a foreign location depends on their possessing, or being able to acquire, certain assets not available, or not available at such favourable terms, to another country’s enterprises. Such assets we have already referred to as ownership-specific (O) advantages because they are assumed to be unique to firms of a particular nationality of ownership. The word ‘assets’ is used in the Fisherian sense (Johnson, 1968) to mean resources and capabilities capable of generating a future income stream. They include not only tangible assets, such as natural endowments, manpower and capital, but intangible assets such as technology and information, managerial, marketing and entrepreneurial skills, organisational systems, incentive structures, and favoured access to intermediate or final goods markets” (Dunning and Lundan, 2008: 96).

Simply speaking, Ownership advantages are the advantages which are really unique to one enterprise. An enterprise may be organized in a more efficient way than other

enterprises that are active in the same market, which gives it an advantage over its competitors, or it may have more innovative engineers, or more creative designers, or more charismatic top managers who are able to motivate, inspire and unite all employees of the organization much more than the managers of other enterprises are capable of doing, for example. Furthermore, they may have brands with a better reputation, or more capital available, better technology and machines, patent rights or exclusive access to certain markets or certain information.

The authors define the next advantage, the **location-specific (L) advantages**, as follows:

“Alternatively, or in addition, Fisherian assets might be specific to a particular location (hereafter referred to as location-specific (L) advantages) in their origin and use, but available to all firms. These include not only Ricardian-type endowments, but also the cultural, legal, political, financial and institutional environment in which they are deployed. Alternatively, the assets may be owned by (that is, be proprietary to) particular enterprises of the home country, but capable of being used with other resources and capabilities in the home country or elsewhere. Such assets may take the form of a legally protected property right or a commercial monopoly. They may arise from the size, diversity or technical characteristics of firms, and the economies of joint production, sourcing and marketing. They may embrace natural resource availability, knowledge capital, financial strength, entrepreneurial vision, managerial expertise and institutional competence” (Dunning and Lundan, 2008: 96).

Describing location-specific advantages in a less abstract way, we may say that these are the advantages which arise from being in a certain place, or location with certain characteristics which are beneficial for the enterprise, and, therefore, enterprises may decide to go and set up operations in that location in order to make use and exploit these advantages. Energy prices may be lower in one place than in another one, for example, which may turn into an advantage for enterprises which engage in energy-intensive industries and production techniques. Or wages may be lower in a certain place, or the skills of the potential employees who are willing to work for the enterprise are much more developed in one place than in other places. Or the political and economic stability may be particularly high in a certain place which may give the enterprise the advantage of being able to make long-term plans and to dare large investments as it can trust in the stability and sustainability of the political and economic environment it is active in. Furthermore, taxes may be lower in a certain place and the property rights may be much more assured. Moreover, state organizations may be more efficient and

corruption levels lower, which may turn into a significant advantage because having to pay bribes continuously is not only expensive but also increases uncertainty levels as one cannot trust in the law and continuously needs to make illegal deals and agreements with obscure figures which do not seem to be neither reliable nor trust-worthy.

The central idea of **internalisation (I) advantages** is that under certain circumstances, incorporating certain parts of the value chain can create a further advantage for an enterprise. But why do MNEs internalize (or ‘incorporate’) certain parts of the value chain (and not others) or any at all at a certain point in time and in certain circumstances? Dunning and Lundan see the main cause in structural or transactional market failures and deficiencies:

“It is the inability of the market to organise a satisfactory deal between potential contractors and contractees of intermediate products, and to deal with the implications of increasing returns to scale, that explains why one or the other should choose the hierarchical rather than the market route for exploiting differences in L-specific assets between countries. It is the presence of structural and cognitive market failure that causes firms to pursue different strategies towards the exploitation of the O and L assets available to them” (Dunning and Lundan, 2008: 97).

One factor we may add, and which may only be discovered and observed when applying a micro-level perspective on the enterprise, is that the decision to engage in internalization may be caused by certain personality traits of the top managers. Top managers with narcissistic personality traits, for example, may wish to make the enterprises they lead become bigger, more powerful and more visible not because of economic- or business-related reasons, but because they wish to receive more news coverage – and large mergers and acquisition may draw the attention they want. In addition, they may want to create something that they themselves have created because they want to leave their personal mark and footprint on the enterprise and in the world. One example is the acquisition of Chrysler by Daimler-Benz which was essentially driven by Schrempp’s (the then-CEO of Daimler-Benz) personal ambitions and caused a very expensive business disaster which finally lead to the removal of Schrempp as the CEO and the reversal of the merger (Brandens, 2007; Köhler, 2009; Waller, 2001). The decisions of Messier, a former CEO of Vivendi Universal, is another impressive example (Coatney, 2002; Economist, 2004).

Going into a similar direction, Geppert and Dörrenbächer criticize that the OLI paradigm does not take into account the role of political processes and power struggles within

the MNE for explaining the irrational actions, decisions, attitudes and organizational development as a whole:

“this approach does not go as far as considering issues of political processes and power in the creation of knowledge assets in the MNC. This is because the eclectic paradigm is an apolitical tool, both for researchers and managers, designed to inform internationalization decisions, and shares the basic assumptions of transaction cost theorists such as Williamson (1985).

As a result, some highly significant implications about power relations in MNCs are ignored, or minimized as simply a factor of principal–agent relationships (see e.g. Perrow 1986 for critique). Economic rational actors are typically seen as the drivers of internationalization, and managers (agents) need to be controlled by owners (principals) because of the potential risk of opportunistic behavior and the threat of selfish, profit and career-enhancing behavior, especially if ‘assets’ are highly specific and ‘uncertainty’ is high.

A key problem with such basic assumptions about human nature and agency is that economic rationality of agents is understood as being universal, neglecting the social context, the social embeddedness of economic actions (Granovetter 1985) and the influence of diverse contextual rationalities (Morgan 2001a). Moreover, the conceptualization of MNCs as predominantly economic decision-making systems is misleading. Rationality is not only ‘sub-optimal’ because of incomplete contracts and opportunistic manager behavior, but also because of the political nature of decision-making processes. Decision-making in the MNC, as in any other organization, is based on political coalition building and therefore often ‘bounded’ as stressed by organizational theory pioneers Cyert and March (1992: 226-30)” (Dörrenbächer and Geppert, 2011: 7-8).

6.4.1.1. The Integration of Institutions into the OLI Paradigm

In order to further develop and extend their theory, Dunning and Lundan have integrated institutions in the OLI paradigm, building adapting and integrating North’s definition and theory of institutions :

“North defines institutions as formal rules (for example, constitutions, laws and regulations) and informal constraints (norms of behaviour, conventions and self-imposed codes of conduct). Institutions (and their enforcement mechanisms) set the ‘rules of the game’, which organisations, in pursuit of their own learning and resource allocative goals, must follow. An institutional system is complete only when both formal and informal institutions are taken into account” (Dunning and Lundan, 2008: 129).

This approach takes into account the “motivational and belief system issues” (Dunning and Lundan, 2008: 129) which are specific to every culture and enterprise. On the macro level, concerning entire nations and societies, the importance of (soft-) institutions is rather clear:

“Since the formal institutions underpinning modern economies, including the structure of the legal system, the design of financial institutions, and the system of intellectual property rights, have been copied in many developing countries, why has their performance not improved over time? The answer suggested by North, and largely confirmed by empirical research, is that an institutional system is complete only when both formal and informal institutions are taken into account. Countries that perform poorly do so because the informal institutions including values, norms and belief systems do not support economic activity in a manner that is compatible with global capitalism” (Dunning and Lundan, 2008: 129-130).

What does this mean for an individual enterprise, that is, for an organization on the meso level? In other words, what are institutional advantages for an enterprise? Dunning and Lundan integrate these advantages as *Oi*, that is, institutional advantages which are specific to the organization and are, therefore, integrated into ownership-specific advantages as the individual enterprise somehow “owns” these advantages by having integrated certain (soft) institutions into its organization, or more precisely: the members of the organizations have integrated them into their attitudes and mindsets that guide their actions and decisions. They carry these institutions inside themselves. They have incorporated them. Managers may have brought and introduced them into the organization when they were hired, and spread them throughout the organization by practicing their attitudes, actions and decisions which are guided by the institutions they incorporated, that is, above all, the values, norms, mindsets and attitudes which they have internalized and which form an essential part of their identity:

“What, then, are these institutional advantages? The *Oi* comprise the incentive structure, which is specific to a particular firm. At any given moment of time, such an incentive structure comprises a galaxy of internally generated and externally imposed incentives, regulations and norms, each of which may affect all areas of managerial decision taking, the attitudes and behaviour of the firm’s stakeholders, and how each of these relates to the goals and aspirations of other economic and political actors in the wealth-creating process. Such an incentive structure may be formal or informal (in the Northian sense) and backed up by the firm’s own enforcement mechanisms.” (Dunning and Lundan, 2008: 134).

In other words: enterprises as well as entire economies can develop an advantage if they manage to build up certain institutions which may improve the overall performance. Simply speaking: certain values, norms, attitudes and mindsets which are shared by all (or most) members of an organization ('soft institutions') can improve the performance of enterprises as well as of entire economies. The question is how these institutions can be build up and whether they can be build up at all. In this discussion, two extreme ends, or "poles", of a continuum can be identified: some scholars argue that it is possible to build up certain institutions (which are sometimes referred to as "culture") if the 'right' persons who have incorporated the 'right' values and attitudes (which are the basis and foundation of the desired culture) are in leading elite positions and have the possibility to spread their values and attitudes throughout the entire organization, rewarding those who act in accordance with the new institutions and punishing those who do not comply (Cannella et al., 2008). Other scholars argue that institutions and cultures are the result of long structural developments which have occurred over the course of several centuries if not thousands of years and that the resulting institutions could only develop because of all the experiences which the people who live in the culture have made. The people carry the experiences and the resulting values, norms, mindsets, attitudes and world-views inside them and pass them from generation to generation, reproducing a unique system of values and believes concerning life and the world in general (Lee, 2013). In short: culture is nothing 'you can play with'. You can change laws and formal organizational structures, but not the culture which the people who work in the organization have incorporated over the course of their lives and which have been passed on from generation to generation and form an important part of their identities.

Here, it is rather interesting and relevant for this discussion on institutions that multinational enterprises actually have achieved to build up subsidiaries in host countries which work and function surprisingly similar to their operations and factories in their home countries, as will be shown in the section on the analysis of the empirical data collected in Mexico. Of course, the "institutions" or "culture" of the subsidiary is usually a mix of both, the culture of the host as well as of the home country of the MNE, but a clear dominance of the home-country culture can be detected, at least in the subsidiaries which are led by managers who were socialized in the home country of the MNE. So, at least in certain subsidiaries in which managers from the home countries are in charge, it seems to be possible to build up the institutions which are necessary for high economic performance even in host countries where they have not existed previously. These

findings are in line with the research results of other studies investigating the impact of foreign MNEs on the institutions and practices and organizational forms in the host countries:

“Historical examples concerning the transfer of organisational practises (Oa with Oi), include the introduction of the multidivisional or M-form of organisation in the US and Europe in the 1920s and 1930s (Chandler, 1990; Kogut and Parkinson, 1998), the transfer of US management models and incentive structures from the US to Europe in the 1950s and 1960s (Kipping and Bjarnar, 1998; Zeitlin and Herrigel, 2000), and the transplantation of Japanese work practices and quality control procedures into the US and Europe in the 1980s. Indeed, as Westney (2001) has noted, it is curious that prior to the study of the Japanese ‘transplants’, there was very little research interest directed at the cross-border transfer of organisational systems, and there is still not very much attention being paid to reverse transfer, or the changes that MNEs are inducing in their home countries as a result of their experiences abroad” (Dunning and Lundan, 2008:136).

These new hybrid cultures created within the subsidiaries are a very interesting and relevant research object as they may spread or at least influence the further development of the entire society as will be shown in the chapter which analyzes the empirical data on the impact of foreign MNEs on society and culture in Mexico. When the local employees have once incorporated the new institutions, they will not only act in accordance to them during the time they work in the subsidiary of the MNE, but also afterwards, when they leave the factory and return home where they may explain and teach these new values, norms, attitudes and mindsets to their families, resulting in a different way of acting, living and viewing their own country and society. As Dunning and Lundan point out:

“From a policy point of view, the hybrids introduced by domestic and foreign MNEs are likely to play an important role in influencing the dynamics of institutional change at the national level” (Dunning and Lundan, 2008: 144).

At the end of their chapter on integrating institutions into the OLI paradigm, the authors make an extremely important point:

“We would make one final, but, we believe important, point. Most of the research on the internalisation of markets assumes that firms behave in an economically rational way, and in so far as it is considered at all, are able to combat, or at least minimise, uncertainty. However, in a non-ergodic world, and one in which firms pursue multiple changing interests and engage in unfamiliar cultural domains, the efficiency-based transaction cost model may need some modification. In such situations, in order to promote the kind of institutions it believes will best protect or enhance its dynamic Oa and Ot advantages,

and minimise the adverse effects of change, firms may need to consider a variety of non-economic (and in that sense, non-rational) elements. Admittedly, this takes us to largely unexplored territory to internalisation scholars, or indeed to any management scholar or economist! But we believe that a joint effort by evolutionary economists, institutional scholars from various disciplines, and IB researchers can take us some way in tackling, and possibly resolving, some of these challenging issues” (Dunning and Lundan, 2008: 142).

Furthermore, while actors may act in a way that they themselves consider to be “rational“, what is considered “rational” in one culture depends on how the people in that culture make sense of life. For some it is rational to enjoy the present moment because nobody knows what the future will bring, while others aims to build a legacy. Taking money out of the enterprise in order to finance the (rather expensive) wedding of one’s daughter is considered completely rational, natural and self-evident among traditional Mexican business men, as the wedding of the daughter is one of life’s most important events and, after all, they work so hard, to be able to finance exactly these kinds of events. It is their *raison d’être*, their motivation for working and being business men (Lomnitz and Lizaur, 1987). In contrast, among German business men this kind of behavior would be considered inappropriate and highly irrational at best and downright illegal and criminal at worst. Other examples of cultural differences include that in some cultures what matters most, and what is considered highly rational, is to maintain one’s face and honor, it is considered more important than making money. The individual actors may decide to walk away from a highly profitable deal when they feel that their honor was hurt by the business partner. They believe that maintaining one’s honor, identity, positive self-regard and integrity is more important for general life satisfaction than maximizing profits. In contrast, people in other cultures may consider maximizing profits and personal power the most rational behavior even if it requires losing one’s honor. Moreover, while some persons are highly individualist, see no point in dying with a huge fortune in their bank accounts and, therefore, spend it all or give it all away to charity before they die, others highly value the social status of their family which they aim to extend into the far future and therefore give all the money to their children. And there are even cultures, in which people prefer to take their belongings and wealth literally to the grave because of religious reasons, instead of passing them on to the next generation.

The OLI theory’s main focus is set on the question why markets fail, but not on why organizations fail, or more precisely, why social relations and interactions between human

beings fail and which roles the different identities, background cultures and socialization of the individual actors play, as well as the resulting different value orientations, communication styles, world-views, and the different ways the individual actors show recognition and respect to each other and how they expect to receive it. All of these factors influence the probability and risk of conflicts and misunderstandings among them, which, in turn, impact the levels of trust between the members of the organization and their capabilities to work together as a team in an efficient way.

A clear strength of the OLI paradigm is that it acknowledges that in today's complex and changing world, organizations like MNEs do not pursue only one goal (as it was assumed in neo-classical theories) which is profit-maximization, but several, competing and sometimes contradictory goals at the same time. The decisions, actions and policies applied by the top managers can only be understood as a reaction to these diverse pressures and aims, trying to find solutions and practices which are both efficient and competitive as well as acceptable for all stakeholders:

“In the contemporary global economy, the goals of economic activity are becoming more multifaceted, with stakeholder capitalism partly replacing shareholder capitalism, with the role of non-market actors becoming more prominent, and uncertainty, volatility and complexity leading to imperfect markets and a widening of strategic choice. Hence the motivating forces influencing the conduct of firms towards the creation, absorption and deployment of resources and capabilities (and the rewards emanating from them), have become critical in determining a firm's success” (Dunning and Lundan, 2008: 133).

In conclusion we may say: in this increasingly complex and rapidly changing world, it is necessary to abandon narrow viewpoints and theories in order to achieve a sufficiently comprehensive understanding of the organizations, such as multinational enterprises, acting in this environment which is currently being reshaped by developments and trends we do not yet fully understand.

6.4.2. The “Global Integration – Local Responsiveness” Framework

This theory, which was developed by Lawrence and Lorsch (Lawrence and Lorsch, 1969), Bartlett and Ghoshal (Bartlett and Ghoshal, 1987, 1991, 1990) as well as Doz and Prahalad (Doz and Prahalad, 1984, 1991, 1999), among others, applies strong rational-choice and top-down assumptions and the ‘illusion of control’ is still rather pronounced. Power is understood in a one-dimensional way and the role of identities and power struggles as

well as political games and intrigues which lead to highly irrational decisions and actions within the social interactions in the MNE are largely ignored. The authors imagine the management of an MNE similar to programming the software for a computer. The top managers develop or select the software which is best suited for the MNE and then apply it throughout the entire multinational enterprise, including all subsidiaries. The aim is to find the best balance between ‘global efficiency/integration’ and ‘local responsiveness/adaptation’. While global integration is important for achieving economies of scale and decreasing complexity which makes the MNE as a whole easier to manage and control, local responsiveness is important for adapting to the local markets and environments which is crucial for the success of the subsidiaries.¹ In other words, a central question is how much power should ideally be maintained and centralized at the HQ and how much autonomy (and, thus, power) should be given to the subsidiaries.

While this theory is rather easy to understand and addresses a central issue of MNE activity, it has a big blind spot and is, in a certain way, rather naive as it ignores certain types of human actions which sometimes make the theory appear like a sand table exercise. It is very normative as it does not even look at the irrational actions, emotional interests and power and identity struggles that occur in MNEs. It explains how MNEs ‘should be organized’ and ‘should work’ without asking whether human beings are actually able to behave like that all the time and everywhere. The authors often propose some kind of ‘matrix-structure’ as the best organizational form for MNEs, without taking into account that it requires certain values, norms and mindsets which many managers and workers do not have and cannot obtain in a short period of time. As Schotter and Beamish point out:

“international management research often suggests that some form of matrix arrangement, like the transnational (Bartlett and Ghoshal 1989), which recognizes the need for local responsiveness and global integration simultaneously, would be ideal. However, successfully implementing a matrix structure requires a change in the attitude of managers toward a more participatory decision-making culture (Prahalad and Doz 1987). Bartlett and Ghoshal (1989) recognized that advances in MNC strategies have

¹Schotter and Beamish summarize the key terms of this paradigm in a rather concise and pointed way: “Global integration refers to strategic and organizational activities that seek to reduce organizational and operational dissimilarities between different MNC subunits (Prahalad and Doz 1987). The objectives of global integration include efficiency improvements through aggregation, the exploitation of scope and scale economies, and the transfer of knowledge and practices across the MNC network. Local responsiveness refers to subsidiary decision-making autonomy while responding to local customer needs and specific host market competitive demands (Bartlett 1986; Doz and Prahalad 1991). Local responsiveness activities usually increase intra-organizational heterogeneity in MNCs” (Schotter and Beamish, 2011: 191).

developed faster than organizational and managerial capabilities. As a result, MNCs now regularly develop complex strategies that are extremely difficult to implement. For example, if the capabilities required to implement a matrix structure do not exist, and cannot be developed or acquired within a realistic time frame, new strategies that rely on those structures may actually fail. This, then, may lead to headquarters–subsidiary conflict and suboptimal MNC performance.” (Schotter and Beamish, 2011: 196).

The importance of political and power games within the MNE is largely ignored or considered negligible. Instead, Bartlett and Ghoshal focus on developing global mindsets among all members of the organization and they are rather optimistic as they believe that managers can be socialized in a way that makes them care for the organization as a whole, taking into account the needs of every unit and individual, uniting all members and creating a culture in which everybody works for the greater good. Among the scholars who primarily focus on socializational research, it is more common to assume that what matters most for the development of the character, mindset, attitude and values of humans is early childhood socialization and education. Later in life a “manager’s socialization program” will have rather limited effects because most managers may then lack the necessary value foundation and basis, because it was neither built up during their childhood nor during their university years when they were still young and open students with developing and malleable characters and personalities (Hurrelmann, 1988; Niederbacher, 2012; Trommdorff, 1999). Indeed, as Ghoshal has pointed out in the last years of his life, the MBA degrees are in fact doing the opposite: instead of teaching the crucial importance of ethical behavior which top managers need to incorporate into their mindsets and actions because it is essential for the sustainable long-term development of the organization and society as a whole, they preach an ideology of short-term profit-maximization and short-term individual material success:

“By propagating ideologically inspired amoral theories, business schools have actively freed their students from any sense of moral responsibility.” (Ghoshal, 2005: 76).

6.4.3. Heterachy and the Perspective from the Subsidiaries

The concept of heterachy was first introduced by Warren McCulloch (McCulloch, 1945) and later further developed and applied to the case of MNEs by Hedlund (Hedlund, 1986), Andersson et al. (Andersson et al., 2007), Birkinshaw and Hood (Birkinshaw and Hood, 1998) as well as Williams and Lee (Williams and Lee, 2011). The central idea is that the power- and decision-making structure of many modern MNEs cannot be understood and imagined as a single pyramid anymore in which power and decisions flow

from the top of the pyramid to the bottom. Modern MNEs resemble much more closely a federation of several different pyramids who may not have all the same size, but all have considerable amounts of power, capabilities, critical resources, information and decision-making competencies. Similar to a federation of spaceships traveling through dangerous territories, they know that the survival of the each of them depends on the survival of all of them and that the heterarchical organizational structure is much more capable of handling increasing complexity, uncertainty and changes adequately due to its ability of processing information more efficiently and reacting to changes in the environment faster. Therefore, instead of taking decisions top-down, they are in a constant bargaining process in which all units engage. Although the formal power structure may still be hierarchal and the HQ (or “mother-ship”) could still take and enforce all the decisions, they know that their own success depends on the success of the others and the cooperation between all units of the federation and, therefore, they put high priority on maintaining the good relations between all units and recognize and take into account the power and proposals of the subsidiaries.

In this perspective, the relation between HQs and subsidiaries becomes much more dynamic as the roles which subsidiaries can play, become more active. The power relation is not a one-way street, but an evolving heterogeneous struggle and relationship which can develop in many different ways. Both units have a stake in each other. The failure of one will hurt the success of the other. It is a clear case of interdependency. In the extreme case, top managers at the headquarters may decide to shut down a rebellious subsidiary in order to win a power struggle. At the same time, they will have to admit that they failed themselves, because their plan was to set up a successful subsidiary and not to shut it down and that the investments which they made into the subsidiary are now mostly lost. It is like in a family or friendship: one may use certain resources to win a power struggle, but this may hurt or even destroy the social relation completely, which leads one to admit that one has failed in building up and maintaining a good and trustful relationship. This is the reason why, when the subsidiaries act in a smart way, they have good chances to achieve what they want (even if this was not intended by the headquarters previously) and may even influence the policies and decisions of the headquarters, as the headquarters is interested in maintaining a trustful relation with the subsidiaries (Dörrenbächer and Geppert, 2011: 11). Furthermore, the subsidiaries’ managers may exploit the divisions and different opinions among the top managers at the headquarters. Subsidiaries can be similar to children who have many ways and means to get what they want from their parents, even if the parents are against it. When they

assume that one parent is completely against their proposal, they may first ask the other parent who is undecided and then ‘re-interpret’ the ‘I have not decided yet’ as a clear ‘I think it is not a bad idea’. Then they go to the first parent, telling him or her that the other one already said that ‘the idea should be considered’, and as the parents want to speak with one voice and want to avoid conflict, they may end up saying ‘ok, just do it, because I do not want to have a big discussion now and what matters most is to maintain harmony and unity and therefore, I do not want to start arguing with my partner now’.

This theoretical perspective emphasizes that subsidiaries and their managers have aims and wills of their own and they often try to influence the headquarters to achieve what they want. They may take the initiative and bring in proposals and suggest changes such as relocation of resources. Here, the subsidiaries may be in the driving seats, if they are successful in implementing their ideas, but it seems that there are also plenty of cases in which these initiatives are blocked by the headquarters not because they are not rational, but because the headquarters’ managers are afraid of losing their power. In these cases, it is the headquarters’ managers who may act irrationally (at least from an organizational perspective which focuses on improving efficiency, innovation and economic (Dörrenbächer and Geppert, 2011: 12)). Here, again, MNEs can be surprisingly similar to political parties and even entire nation states: it is widely known that in order to become a successful politician it is not enough to have the best ideas and arguments, because what matters for the leaders of the organization may not be to solve problems, but to maintain and strengthen their power basis. Indeed, the top management or the political decision makers who decide who will be the next candidate for an important political position, such as president, may reject an idea, simply because it was suggested by somebody who is not a member of their power network. Williams comes to a similar conclusion:

“Headquarters managers may also resist change through parochial self-interest (they perceive a threat to their own status) or lack of trust (the initiative is seen as an ‘intrusion into their jurisdiction’ [Birkinshaw 2000: 42]). This results in delay, rejection or requests for greater justification for the initiative, managing a lobbying process between competing or rival initiatives, and/or an ongoing misalignment and lack of legitimacy (incompatibility with the corporate norms) across units.” (Williams, 2011: 287).

One strength of this theoretical approach is that it acknowledges the potential agency and active role of subsidiaries and its managers much more than previous theories. In recent years, there seems to have been the tendency that subsidiaries throughout the

world, in many different host country environments have gained more autonomy and have become much more creative, smart and assertive in influencing and manipulating the headquarters in order to alter or even change policies and organizational structures of the MNE in a way that is beneficial and advantageous for them. This theoretical approach is better suited than the previous ones to investigate and understand these tendencies and dynamics.

6.4.4. The Institutional Approach

This approach has been developed and applied to the case of MNEs by DiMaggio and Powell (DiMaggio and Powell, 1983) Kostova and Roth (Kostova et al., 2008; Kostova and Roth, 2002) Scott (Scott, 2001) and Vora et al. (Vora et al., 2007). The basic assumption of the institutionalist approaches is that in order to understand the structures and dynamics within an organization, one needs to study its institutional environment, in other words, the culture in which the organization has developed and in which it acts. It argues that there is no such thing as ‘universal rationality’ or ‘global best practices’, as certain practices which seem to be highly rational from a purely economic point of view may work perfectly fine in some institutional environments, while they may cause so much outrage, dissent, conflict and violent clashes among stakeholder groups in other cultures, that it would decrease the overall efficiency and legitimacy of the MNE enormously in the long run. Depending on the institutional environment in which an MNE acts, it may, therefore, be more efficient and successful in the long run to adapt to the local environment and to apply practices which do not seem to be efficient in the short run. The assumption is that an MNE always needs a certain amount of legitimacy in the institutional environment in which it acts in order to be able to work together with all stakeholders smoothly and efficiently:

“institutionalist research argues that no organization can be understood without understanding its social embeddedness in the wider society. Thus rationality is understood as being socially constructed, and scholars need to take into consideration the role of social institutions when analyzing the behavior of MNCs [...]. Neo-institutionalists believe that organizations adopt certain managerial ideas and organizational practices not so much because they are seen as efficient, which is linked to economic success in rationalistic approaches, but because adoption is seen as crucial in order to enhance an organization’s legitimacy and thus its survival within its institutional environments” (Dörrenbächer and Geppert, 2011: 14).

From the institutionalist perspective, the role of managers is characterized by the need to act in a way that is considered acceptable and legitimate in two different cultures at the same time: the culture of the home country where the headquarters is located, and the culture of the host country in which the subsidiary is located. This leads to internal conflicts and tensions within the minds of the individual manager (Dörrenbächer and Geppert, 2011: 15). A clear example of a large institutional distance is when in the home countries corruption and bribery of state officials are considered absolutely unacceptable and a criminal offense, while in the host country it is considered the only way to do business efficiently. It is considered an ‘extra-tax’ which just needs to be paid in order to make the subsidiary work smoothly and efficiently in the environment of the host country. Now, a large part of the activity of the MNE may be focused on somehow bridging and managing this institutional distance and the conflictive and contradictory expectations and views on what is considered a legitimate behavior and what is not. One solution is to ‘outsource’ the tasks and actions which are considered ‘illegitimate’ in the home country, to an enterprise which is formally and officially separated from the MNE but in other ways closely linked and integrated within the network of the MNE. Another way is to pay a supplier to do the ‘illegitimate’ actions and to later argue that the MNE was not aware of the ‘illegitimate’ practices which occurred among their suppliers in an earlier/previous/anterior part of the value chain. Another way to deal with this gap is to pay a stooge or straw man to take the responsibility for a practice which is considered necessary in the host countries, but absolutely unacceptable in the home country. When this practice becomes apparent, causing public outrage, the MNEs public-relation department can argue that it was the fault of an individual, the straw man, who did not act in accordance to the firm’s code of conduct.

6.4.5. The “European Comparative Institutional Approach”

The European comparative institutionalist approach is essentially based on the “varieties of capitalism” (Hall and Soskice, 2001) theory which basically builds on the idea that there are different kinds of capitalisms, most notably the liberal one which can be found in North America, and the coordinated one which is more common in continental Europe. Both kinds of capitalism have their advantages and disadvantages: the liberal market economies tend to be more innovative and creative, they are more capable of creating the ‘big leaps forward’, groundbreaking innovations such as computerization and digitalization as well as the highly dynamic and innovative software-companies such as Google, Apple, Uber and IBM. In contrast, the coordinated market economies are better

at incremental improvements, innovations as well as manufacturing standardized products efficiently. They excel at slowly improving already existing products. Examples include the German automotive industry which leads in producing reliable ‘tried and true’ cars efficiently, but lags behind when it comes to more substantial and disruptive innovations such as electric cars.

In conclusion one may say that, while the liberal market economies put the highest priority on competition and groundbreaking innovations, the coordinated market economies put the highest priority on efficiency and cooperation between different societal actors, e.g. the cooperation and efficient coordination between the state and major enterprises. The central line of thought of the “European comparative institutionalist approach” is that these different kinds of capitalism do not only have different characteristics back home, where they originated, but they do also produce different kinds of multinational enterprises which act in rather different ways when they go abroad and set up subsidiaries in the host countries, leaving very different impacts in the host countries’ economies and cultures. The central idea of this approach is to argue that depending on the kind of capitalism and institutional environment of the MNEs’ home country, they will fare better or worse in certain host countries, depending on the kind of capitalism which is present in the host country: MNEs from home countries in which the liberal form of capitalism is dominant, will fare better in host countries which also have a liberal form of capitalism, and worse in host countries with a coordinated form of capitalism, and vice versa:

“MNCs from liberal market economies (such as the USA), because of lower degrees of social commitment to power sharing with various internal and external stakeholders and pressure from stock owners to meet short term financial goals, have developed more standardized organizational practices and transfer them internationally as ‘best practices’ (Almond and Ferner 2006; Geppert et al. 2003). In comparison, MNCs originating from coordinated market economies are understood to have more difficulties in standardizing and transferring their home-country-developed idiosyncratic organizational practices, due to greater social commitments with stakeholders and because host countries often do not ‘offer’ the same high level of institutional support as the home country in terms of skills development for lower level managers and employees (Whitley 1999). Moreover, it is suggested that the lack of ‘complementarities’ between home and host country institutions has led to ‘avoidance strategies’, i.e. MNCs from liberal markets avoid investing in coordinated markets such as Germany because of ‘constraining’ host country institutions (see e.g. Tempel 2002). Research also found evidence that German MNCs only

selectively transfer home-country work and organizational practices to subsidiaries in less coordinated emerging market economies, avoiding institutional ‘constraints’ of the home country (Bluhm 2001; Dörrenbächer 2004).” (Dörrenbächer and Geppert, 2011: 17-18).

So, we may conclude that, according to this theory, depending on the institutional environment of their home countries, MNEs may develop and create very different relations with their subsidiaries in the host countries.

Furthermore, they may even avoid certain host countries when they consider the institutional environment not to be compatible with the institutional environment of their home country. MNEs from liberal economies such as the USA, for example, may tend to avoid host countries with coordinated economies such as Germany, while MNEs from coordinated economies such as the Scandinavian countries may be rather unsuccessful in setting up subsidiaries in liberal economies such as the USA. Therefore, MNEs may even completely avoid setting up subsidiaries in a host country with rather different institutions, and when they nonetheless decide to set up subsidiaries in such host countries, they may do so extremely carefully by only transmitting the work and organizational practices which are most necessary, in order to circumvent the institutional constraints. This theory is controversial and disputed as some empirical findings seem to suggest that US American MNEs do heavily invest in Germany and are rather successful doing so, although of course, some rather famous cases of American MNEs failing in Germany do exist (e.g. Walmart). But these failures seem to be rather the exception than the norm.

6.5. Comparing the Roles and Perspectives of the Headquarters and the Subsidiaries

6.5.1. The Headquarters’ Role and Perspective

As multinational enterprises become increasingly complex and the developments and changes in the environments in which MNEs act occur faster and become increasingly difficult to predict, the headquarters’ task to manage the entire organization and to react fast enough to changes in the environment becomes increasingly difficult. The top managers at the headquarters face the problem that they may not understand nor know enough about their subsidiaries and the environments in which the subsidiaries are acting in order to decide with certainty which measures have to be taken and which policies

should be applied. They may monitor and control the subsidiaries, give orders and command the subsidiaries to meet the overall aims of the MNE as a whole, but they are confronted with the problem that in order not to cause too much damage and counter-productive policies and decisions, they need to know how far their incomplete knowledge and less than perfect understanding of the subsidiaries and host countries reaches and where it stops. This implies that they will have to give at least a few decision-making competencies to the subsidiaries' managers and trust in them, hoping that they will not abuse their power. Here, being aware of the boundaries of knowledge and the boundaries of ignorance becomes crucial for the success of the organization as a whole, because nothing is more destructive than headquarters which believes that it knows what needs to be done in the subsidiaries, while in reality it has a completely incorrect or at least insufficient understanding of the host countries in which their subsidiaries act and are ignorant when it comes to the problems and challenges which the subsidiaries experience in a foreign institutional environment. Schotter and Beamish summarize the dangers and problems of this delicate situation which more and more headquarters are faced with:

“Goold (1996) stated that the purpose of headquarters should be to add value to the MNC so that the individual subsidiaries perform better together than they would as independent businesses. The benefits of having headquarters should outweigh its cost (Ghoshal and Nohria 1993). Hence, if integration efforts do not create a competitive advantage, they destroy rather than create value (Birnik 2007). Jemison and Sitkin (1986) argued that arrogant and defensive behavior from HQ managers and heavy-handed imposition of HQ initiatives on the subsidiary might eliminate subsidiary-level capabilities as well as the interest of subsidiary managers to respond to local demands. On the other hand, HQ management often considers the bigger picture and while some HQ integration initiatives might limit a subsidiary's ability to react to external responsiveness needs, those initiatives could benefit the MNC as a whole (Birkinshaw and Morrison 1995). In addition, in industries where global integration is a key success factor, poor integration and the reliance on the success of individual subsidiaries may prove detrimental in the long run.” (Schotter and Beamish, 2011: 196).

Surprisingly, several studies indicate that it is not seldom that headquarters cause more problems than they solve due to their rather limited and insufficient understanding of the institutional environments of the host countries in which their subsidiaries act (Blazejewski and Becker-Ritterspach, 2011; Dörrenbächer and Gammelgaard, 2011). Nonetheless, while these kinds of problems seem to increase due to the faster pace of developments,

changes as well as increasing uncertainty and complexity in the world, most researcher do not suggest that the best solution would be to simply abolish the headquarters altogether because they are needed to make sure that the overall aims of the entire organization are met and to coordinate the activities of the different organizational units as well as to realize economies of scale. Still, it seems that more and more headquarters find it increasingly difficult to cope with the situation and therefore apply the “only coping” strategy, in which they do not focus on finding the best long-term solution anymore, but only try to avoid immediate disaster by applying solutions which are only aimed at solving the most urgent problems, similar to firefighters.

6.5.1.0.1. Perception asymmetries and diverging interests

Why are there conflicts between headquarters and subsidiaries and what causes these conflicts? One of the most important conflict causes seems to be that subsidiaries’ and headquarters’ managers often perceive and interpret the same situation in very different ways because they look at it from different stand points. The problem is that they often do not understand these differences and therefore cannot comprehend each other, as Schotter and Beamish have observed during their empirical fieldwork: “the reasons for initiative rejections by subsidiaries were often not understood by headquarters. At first we struggled with this issue, but later it became clear that these perception asymmetries are a central construct” (Schotter and Beamish, 2011: 203).

According to Schotter and Beamish, apart from the different perspectives and interpretations, the central macro-structural predetermined breaking point, the central cause of conflict between the headquarters and its subsidiaries is that:

“Subsidiary management has an incentive to maximize profit and sales in the short run at the subsidiary level, and to re-invest some of these short-term profits in order to improve longterm local competitiveness. HQ management is more interested in achieving overall MNC performance and in extracting subsidiary profits, in transferring them back to the corporate level, and ultimately in distributing them according to its own discretion” (Schotter and Beamish, 2011: 204-205).

During the fieldwork it became apparent that this is one of the central conflict causes indeed, as will be shown in the subsequent chapters. Furthermore, as the subsidiaries managers have more information and a better understanding of the host country and the needs of the subsidiary, but an insufficient understanding of the needs of other subsidiaries which are located in other host countries and lack the information which the headquarters has about the overall situation of the enterprise, they often do not under-

stand, nor agree and, therefore, contest the resource allocation decisions made by the headquarters. A central research finding is that there is no such thing as a “global mindset” by subsidiaries’ managers, as it was proposed by some leading representatives of the “global integration – local responsiveness” framework. Quite the opposite, subsidiaries’ managers usually care about their own subsidiary (and about their personal careers) and sometimes about their reputation in the host country in case they and their families and friends are firmly rooted in the community and society, but they do not care nor understand the needs of other subsidiaries or the environments in which other subsidiaries act and even less the difficult task of the headquarters to bring all the different units of the organization together and to coordinate and lead them in an efficient and smooth way. This lack of a “global mindset” in which all leaders of all units focus on achieving the overall aims of the organization as a whole is a constant conflict source, and as MNEs are becoming even larger and more complex, it becomes even more difficult to develop this global mindset and make everyone have a comprehensive overview of all units and the organization as a whole, which leads to particularism and the tendency to only focus on “one’s own backyard” instead of focusing on the community.

6.6. The Perspective from the Subsidiaries and Their Relation with the Headquarters

This section provides a closer look at subsidiaries, their perspectives and their relation with the headquarters, taking into account the role of the managers who are involved in this interaction.

While in the classical top-down approach it is assumed that power is concentrated at the headquarters and distributed among its top managers, recent studies have revealed that subsidiaries and their managers have much more possibilities to influence the headquarters than previously assumed and are far from being powerless. Instead, like in most social interactions, power is a multi-dimensional and highly complex social relation which is frequently re-negotiated and in which actors can draw on many different resources. Far from being only rule-takers and role-takers, they can also be rule-makers and role-makers:

“Even when power relations are asymmetrical and the HQ or a top manager have some authority to exercise power over other subunits and members of the multinational firm, subsidiaries and lower level managers and employees are not ‘powerless’ and can ‘gain’ influence in decision-making if they actively participate in political processes and micro-

political games played in the firm (Bouquet and Birkinshaw 2008). [...] In comparison to mainstream IB and institutionalist studies, discussed above, we see actors, i.e. managers and employees of the MNC, not just as rule-takers, as often emphasized by institutionalist scholars, or just as rule-makers, often assumed by rationalistic IB approaches (see e.g. Jackson 2010). Organizational rules and practices are often ambiguous and sometimes more contradictory than often assumed (Jackson 2010: 78–9), which makes it difficult for rule-makers to set efficient or clear rules and define best practices transnationally. Moreover, actors might not be able or willing to take (or adapt to) established rules (coercive institutional pressures) and implement best practices (normative institutional pressures), because they are in open or latent conflict with contextual interests and identities of other actors” (Dörrenbächer and Geppert, 2011: 26).

The subsidiary’s managers usually have information, skills and social contacts, which the top managers at the headquarters do not have. This advantage of having exclusive knowledge and social contacts increases with the time the subsidiary’s managers stay and work in the host country. This exclusive knowledge of the subsidiary’ managers can be a source of power vis-à-vis the headquarters. The headquarters cannot simply fire a rebellious subsidiary manager and replace him or her with another, more obedient one without losing important tacit knowledge, skills and valuable social capital (that is, the friendships and acquaintances which the subsidiary manager has made and built up with politicians, union leaders, state officials, controllers, workers, business partners, etc.) because the fired manager will take all that tacit knowledge, skills and social capital with him and may even be hired by a competing enterprise which is interested in having it, as Williams points out:

“Tacit knowledge is ultimately acquired by – and stored within – individuals; it cannot be easily transferred or traded as a separate entity. Thus tacit knowledge requires strong social ties and interactions between individuals before it can be transferred” (Williams, 2011: 289).

Apart from the subsidiary’s managers developing personal contacts with the business community, politicians and state officials, they will also gain a deeper understanding of the host countries culture and institutions. When resisting orders and initiatives from the headquarters or proposing their own initiatives, the subsidiaries’ managers can always argue that due to the host country institutions it is necessary to do something the way they want it to be done and not the way the headquarters wants it because that would not function efficiently in the institutional environment of the host country. The top managers from the headquarters may have hardly any way of checking if these

statements are true, because they lack the necessary knowledge. This possibility of increasing the bargaining power of the subsidiary's managers becomes bigger when they are firmly united against the headquarters and precisely control which information and interpretations reach the headquarters. The more united the subsidiaries' managers are against the headquarters, the bigger their possibilities of deceiving the headquarters by bluffing and only providing the information which support their own point of view and interests:

“gaining and exploiting knowledge of the firm's social system [is] a potent source of power. Thus subsidiary managers who withhold knowledge may do so in an attempt to avoid their own power erosion or at least to deny a shift of power to those on the receiving end. Withholding knowledge from headquarters managers will restrict the ability of headquarters decision-makers to make well-informed decisions.” (Williams, 2011: 290).

Williams provides a good summary of the different methods and ways subsidiary power enhancement may occur and emphasizes the crucial importance of the individual factor on the micro level, that is, the skills of the individual subsidiary's manager to negotiate and increase his or her power vis-à-vis the headquarters through smart bargaining strategies, deceit, persuasion and charismatic leadership capabilities:

“Over time, subsidiaries may subsequently attempt to extend their charter and capabilities and develop their influence and power within the MNC. Prior research has shown that subsidiary power enhancement may happen in a variety of ways, for example, as a result of embedment in host country business networks (Andersson et al. 2007), through internally driven capability development and local initiatives (Birkinshaw 2000), or seeking control over resources and gaining centrality in strategic networks (Bouquet and Birkinshaw 2008; see also chapters of Sorge and Rothe and Williams and Geppert in this volume). Recent research has highlighted micro-political negotiations between subsidiary and headquarters as an important determinant of subsidiary role development (Dörrenbächer and Gammelgaard 2006), placing a spotlight on the actual interests and goals of key subsidiary managers (Dörrenbächer and Geppert 2009). These explanations of subsidiary power development draw on a behavioral logic: it is ultimately individual subsidiary manager interactions with other actors within the MNC that cause power to ebb and flow.” (Williams, 2011: 283).

Morgan, too, emphasizes the importance of a micro-level analysis for the advancement of the understanding of subsidiary-headquarters relations and concludes:

“No longer is it possible to treat MNCs simply as rational unitary actors pursuing efficiency logics in competitive markets and selecting appropriate forms of organizational

structure depending on the contingent characteristics of particular sectors. Instead, we now have a view of MNCs as consisting of different types of social actors with differing interests and power derived from their distinctive institutional origins". [...] the MNC is neither a Weberian rational legal bureaucracy nor an "internal market" but rather a "contested terrain" (Morgan, 2011: 415-416).

He makes it absolutely clear that we need to fully understand what is going on in the inside of every actor and what drives and causes the actions and decisions he or she takes, in order to achieve a better understanding of the dynamics, developments and actions of the organization as a whole. This includes understanding that even within every actor there are conflicting and contradictory interests, aims and motivations as well as competing interpretations and irrational fears which may lead the actor to act in one way in a certain situation and quite differently in a similar situation at a different point in time. There are many different aims, values and norms which may sometimes contradict and rule each other out, pulling, pushing and struggling against each other inside every actor.

6.6.1. How Subsidiaries' Managers Deal with Institutional Duality

The subsidiaries' managers have to play a game with two different sets of rules at the same time: they have to respond to the pressures and orders from the headquarters which plays by the rules of the home country, and they have to respond to the pressures and expectations of the local subsidiary which plays by the rules and culture of the host country. And as these rules and expectations from the home and the host country often contradict each other, the subsidiary's managers need to find solutions which are sufficiently acceptable for both sides. From an institutionalist perspective one may say: they need to find or develop practices and solutions which are considered acceptable and legitimate in both institutional environments. Often, the expectations from both cultures rule each other out. e.g. the way employees are expected to be treated can be very different as well as the behavior which is expected from managers. Another example is the interaction with state officials. While in the home country corruption and the bribery of state officials and politicians may not be considered acceptable, in the host country it may be considered absolutely necessary to do business successfully and to guarantee smooth interactions and cooperation:

“In a situation of institutional duality, actors are subject to two opposing pressures. On the one hand, senior managers from the head office may seek to transfer to subsidiaries practices and processes that conform with the institutional practice of the home base; local subsidiaries are therefore pressured to conform to head office practices. On the other hand, actors in local subsidiaries have to engage with other actors in the local context and with the institutions that are taken for granted in that context. Thus the pressure towards institutional isomorphism comes from different sources and has profoundly different impacts on local subsidiaries. Both these pressures are in an institutionalist sense ‘legitimate’: i.e. they derive from embedded expectations about appropriate forms of behavior that are accepted in their different social contexts as legitimate claims on how business and management ‘should’ be done. Since Weber, the claim to legitimate authority (and the source of that claim) has been central to understanding organizational relations. The distinctiveness of the MNC lies in the existence of multiple internal and external relations of the MNC. The study of multinationals is therefore about how organizations are impacted on by the process of managing in multiple institutional contexts.” (Morgan, 2011: 416-417).

Morgan points out that this duality problem is particularly present when the MNE depends on the resources which can only be found in very few host countries and, therefore, needs to adapt to the host countries’ culture and cannot go elsewhere like manufacturing MNEs would do if they consider the host country’s institutions to be too problematic:

“The second group of large MNCs with high TNI [Transnationality Index] scores arises from an effect mediated through industry structure, i.e. the degree of dependence on overseas resources (particularly significant in the oil, mining and agricultural production sectors). There is no doubt that these MNCs tend to face a different sort of institutional duality than others. The sorts of resources which they require are fixed; there are fewer opportunities to ‘regime-shop’. This creates a strong dependency on the local environment. It frequently draws these MNCs into the politics of the country and the region. This may be a matter of dealing with contexts where corruption is endemic, a situation that may be stable over a long period of time or may be part of short and medium-term processes of destabilization, civil war and state collapse. In such contexts, MNCs get drawn into processes that undermine institution building at the state level, a process which they may try to repair at local level in order to ensure continuity of supply. Key skills in such contexts are political, being able to find allies in the local context and support in the home country where negative publicity may be highly damaging and needs to be avoided.” (Morgan, 2011: 421).

This may be one of the causes why MNEs which are active in the resource-extraction industries (e.g. precious metals and crude oil) seem to be more often involved in corruption scandals than manufacturing MNEs (Frynas, 2005). As the natural resources can only be found in very few host countries, the only way they have to extract these resources is usually to adapt to the host countries and to play by their rules, no matter how problematic and corrupt the rules and institutions are. The highly problematic and sometimes outrageous activities of petroleum MNEs in the Niger Delta (Hutchinson, 2011; Zalik, 2004) or the highly problematic co-operation between precious metal extraction MNEs with drug cartels in Northern Mexico (Ashby and Ramos, 2013; Grillo, 2012, 2015) may be two examples of how they adapt to the local environment in order to get access to the resources. This research issue was taken into account during the fieldwork and will be analyzed in the subsequent chapter on the empirical findings.

6.6.2. Different Role Perceptions and Loyalties of Subsidiary's Managers

When analyzing the role perceptions and loyalties of subsidiary managers, one may create three different ideal types of managers: those who feel loyal and identify with the whole organization, those who only identify and feel loyal to one unit of the organization (e.g. the subsidiary or the headquarters) and those who are only loyal to their own personal career aims. While those who identify and feel loyal to only one unit are likely to cause intra-organizational conflicts as they do not take into account the interests and aims of the organization as a whole, those who identify with the organization as a whole are likely to experience intrapersonal conflicts as they try to act in the interests of all units of the organization at the same time. This can be difficult when the different units have clearly diverging interests and when no solution which is in the interest of all can be found (Blazejewski and Becker-Ritterspach, 2011: 167). This seems to occur particularly often among expatriate managers from the home country who manage a subsidiary and identify with both because they actually do have a profound and comprehensive understanding of both units of the enterprise and therefore understand the needs of both, something that is rather uncommon among the other actors:

“managers with distinct DOI [‘dual organizational identification’] sense a separation between their identifications with the subsidiary and MNE and may find it difficult or impossible to reconcile the two. They are thus likely to ‘switch’ their attachments depending on the situation. However, because they have a sense of identification with

both entities, they would like both to succeed. This becomes difficult because at times the goals and values of these entities may be so different that pursuing the objectives of one may hinder those of the other. Hence, the manager who has distinct identification is likely to experience role conflict.” (Blazejewski and Becker-Ritterspach, 2011: 168).

In other words: while those managers who feel only loyal to one unit of the MNE may externalize the problem, making it a problem for the organization as a whole by focusing only on the immediate interests of their unit, essentially arguing that the problem is ‘not my department’, those managers who feel loyal to several units (e.g. the headquarters and the subsidiary) may internalize the conflict:

“While actors in the former stream internalize the conflicting expectations, potentially leading to intra-personal conflict, they remain external in the latter stream, leading to the rejection, disappointment, or change of certain external expectations.” (Blazejewski and Becker-Ritterspach, 2011: 171).

The third manager type may experience the least personal conflicts as he only focuses on his personal career goals, but the problems this type of manager may cause for the subsidiary as well as for the organization as a whole, can be substantial, increasing the risk of Enron-like disasters (Li, 2010; Petrick and Scherer, 2003) for the entire enterprise. The most severe conflicts seem to occur when different moral and ethical expectations clash and when there are different loyalty pulls. Local managers who grew up in the host country and are firmly rooted in the social community and who now lead the subsidiaries of foreign MNEs are often confronted with this dilemma: the headquarters expects them to run the subsidiary in the most competitive and efficient way, while their communities expect them to contribute to the development of the community and, of course, the managers aim to maintain their good reputation within the community, and their friends and family members expect them to receive “help” from the successful managers, that is, they expect the managers to provide jobs for them in the subsidiary, although they may not be the best qualified candidates to do the job. The contradicting expectations which reach the local managers from their families in the host country and from the headquarters of the MNE seem to be the most problematic conflict for them. When the local top managers decide not to give jobs to their families and friends, their family and friends will accuse them of “not caring for the family and being selfish” which may be a rather painful accusation, especially in cultures that attach extreme importance to the family, which is the case in most “third-world” countries. But if the managers decide to give in and use their professional position and power to get their families and friends jobs in the subsidiary, they may later be accused of nepotism by

the headquarters which is a rather serious accusation in the culture and value system of most “first-world” home countries where the headquarters is located.

6.6.3. A Closer Look at the Power-Gaining and Bargaining Strategies of the Subsidiaries’ Managers

What is exactly happening on the micro level when managers from the subsidiaries and managers from headquarters interact? Which strategies and tactics do they apply in order to achieve what they want? Williams provides some useful concepts and observations:

“We define sociopolitical interaction as mechanisms by which managers of subsidiaries relate to other managers within the MNC in order to exert or develop power for themselves. Examples are as follows: becoming actively involved in budgeting with headquarters, building alliances with managers in other subsidiaries, starting local entrepreneurial initiatives, attempting to resolve conflicts elsewhere within the MNC, withholding information about changes in the local environment. In all of these cases, the subsidiary manager is attempting to exert or extend the subsidiary’s sphere of influence within the MNC. Such interactions can then lead to situations of internal conflict. In this sense, they represent behaviors that can obstruct, or irritate, organizational members outside of the subsidiary, giving rise to conflict (Van de Vliert et al. 1999). Furthermore, these interactions and resulting conflicts may occur vertically (with headquarters), horizontally (with peer subsidiaries) or with both simultaneously.” (Williams, 2011: 284-285).

Mintzberg’s findings concerning methods and strategies of power building are similar: “games played to build a power base include sponsorship (an individual attaching to someone else with a higher status or power base with the intention of gaining more power), alliance building (carefully constructed contracts intending to support within peer groups for mutual benefit), empire building (building a power base by relying on subordinates), budgeting (gaining resources in an overt manner and pitting line manager against line manager), expertise (using knowledge in a specialist and non-replaceable way or alternatively refusing to use knowledge) and lording (using ‘legitimate power in illegitimate ways’ such as a technical expert over someone who is not skilled in the specific area).” (Williams, 2011: 287).

From these observations, we may conclude that the means and tools available to the managers of the subsidiaries for successfully playing power games are indeed rather diverse and manifold, particularly when they are applied in a smart way and supported

by extraordinary charismatic, bold and assertive leadership and persuasion skills. Further strategies and tactics include the exploitation of different viewpoints and opinions among the headquarters' managers, playing one off against the other. It is a strategy of "divide and rule" in which the subsidiaries managers aim to divide the headquarters' managers and then exploit the arising conflicts and divisions. This requires profound knowledge of the different personalities of the headquarters' managers, their sympathies and antipathies, their differing points of view and other possible breaking points which may lead to a division and break their unity. Therefore, subsidiaries' managers often seem to make great efforts to receive as many reliable information about the "office politics" and power struggles among the top managers of the headquarters as possible in order to identify the weak points which they may exploit and attack. They may even build alliances with some of the headquarters' top managers in order to remove other top managers from power, and they will be rewarded for their loyalty to certain top managers in a certain way, e.g. during the resource allocation process they may receive preferential treatment. Or they may build alliances with some other subsidiaries against further subsidiaries, as will be shown empirically in the subsequent chapters.

7. Theoretical Approaches Towards Conflicts within MNEs

Numerous studies and investigations on conflicts have been conducted for quite some time in several disciplines such as economics, sociology, international business, political science, just to name a few. But, similar to what has happened in organizational studies, the research and understanding of conflicts in organizations in the different disciplines seem to have developed largely independently of each other. There seems to be hardly any communication nor integration of different concepts and perspectives, resulting in every approach continuing to do isolated research and keeping its blind spots and weaknesses:

“it seems as if by basing their research in a well-established theoretical tradition such as the game, agency, role or institutional perspective, authors feel confident in largely ignoring other approaches relevant to their area of study. As a result, conflict research in the IB field currently develops largely independent of the advancement of other, often more mature fields of conflict research such as political, organizational or group conflict. This criticism also holds true the other way around, with other fields or disciplines of conflict research essentially ignoring developments in IB research and, in particular, the peculiar phenomenon of conflict in an MNC.” (Blazjewski and Becker-Ritterspach, 2011: 174).

This has led to the continued existence of substantial voids, blind spots and the ignorance of significant dimensions and aspects of conflicts as well as the conflict causes. Moreover, research on conflicts rarely applies a longitudinal micro perspective in which the development of conflicts is observed and studied ‘on the ground’, taking into account the viewpoints, interpretations and actions of every individual involved. While many theories have been produced, very few theorists have done the time-consuming and hard work of going into the field and observing and investigating real conflicts in the empirical reality. A micro perspective taking into account the individual actors’ subjective inter-

pretation and view of the conflict, which is essential for understanding his subsequent actions and reactions, is seldom applied:

“How conflict leads to a change of circumstances or how actors can make differentiated use of their circumstances to further their own objectives still remains a black box. In our view, this is largely due to the fact that very few approaches take a concrete conflict situation or a definite case of conflicting actors as a starting point and try to understand from the bottom up which kind of context actually matters in understanding the antecedents, manifestations and consequences of conflict, and if and how the relevance of this context may change dynamically over the course of a conflict.” (Blazejewski and Becker-Ritterspach, 2011: 175).

7.1. Bounded Reliability

A common and dominant view used to be that individuals consciously “decide” to not fulfill a commitment and thereby cause conflicts and disappointments, when they consider it to be more beneficial and convenient for them to do so. According to this “homo-economicus”-influenced view, after having made an analysis of the costs and benefits they may consciously conclude that it is in their own best interest to fail to fulfill the commitment and engage in opportunism. They fulfill commitments as long as they consider it in their own interest and fail to fulfill them when they have re-analyzed the costs and benefits and concluded that now it is no longer in their own interest to fulfill the commitment, possibly because they have received new opportunities that seem to be more attractive and offer more or stronger incentives. This behavior is obviously likely to lead to disappointment and conflicts, which may deteriorate the trust and quality of the social relation between the different actors involved in the interaction. These actors may even deceit each other intentionally from the beginning, agreeing to a commitment although they do not plan to fulfill it, in this way abusing and exploiting the trust of the other actor and interactional partner. For example, they may agree to a commitment in order to receive resources, which they will then use for something else. They agreed to do a certain work in order to receive something they wanted, but they never had the honest intention of doing the work.

But, according to Verbeke (2015), when individuals like managers do not fulfill their commitments, this may not necessarily always be due to opportunism, but to what he describes as “bounded reliability”. This means that – although individuals may have agreed to a commitment in good faith and with the honest intention of fulfilling it

in the future – several non-opportunistic reasons may lead them to fail fulfilling their commitments, causing conflicts, disappointment and a deterioration of the level of trust. Among these non-opportunistic reasons are:

- Overestimation of one’s own capabilities: they honestly believed that they, their team and the organization they lead could fulfill the commitment, and that is why they promised and committed to it. However, it turns out in the following work process, that their own and/or the capabilities of their team or entire organization are not as great as the manager believed them to be. They were overambitious and overconfident and now have to realize that they are not able to live up to their own expectations and fulfill the commitment they have entered into.
- Unexpected pressures, expectations and commitments come towards them which they had not foreseen at the point in time when they made the commitment. They did not see these problems coming (“unknown unknowns”) and, therefore, could not take them into account when making the commitment in the first place and when they organized the work plans and estimated how long it would take them and what they need to fulfill the commitment on time.
- Furthermore, they may prioritize “urgent” commitments over “important” commitments. They simply fulfill and respond to the most pressuring tasks and expectations they perceive “now”, in the present moment, instead of focusing their time and attention on working to fulfill the original commitment they currently perceive as less urgent and pressing, but which will be more important in the future in the long run. They are “playing fire-fighter” trying to cope with the present moment and focusing on avoiding major disasters in the present moment while forgetting about the commitments they made in the past.
- Changes in the environment force them to adapt to the new situation and, therefore, they change their point of view and priorities, which leads them to postpone or abandon a commitment.
- Moreover, as the managers continue to work on fulfilling the commitment, they receive new information, learn about the process, advance their understanding of the commitment and the consequences. They see whether the commitment makes sense for the enterprise or whether it is senseless because it does not lead to the expected success and finally turns out to be a waste of time and money. Therefore,

they may abandon the commitment although they originally committed in good faith to fulfill it.

- Communication problems that occurred already at the beginning, when the commitment was discussed and entered into, have caused severe misunderstandings, which led to different actors having completely different understandings of the commitment. All actors are working hard to fulfill the commitment, but they all have different ideas of what the commitment actually is. They want to fulfill the expectations of the other actors, but they actually do not know the true expectations of the other actors (although they think they know which will then lead to disappointments).

As cultural, spatial and geographic distances increase, these factors leading to bounded reliability are likely to increase, because it may become more difficult to assess the problems to be expected, how long the work is going to take and how to communicate effectively. Verbeke and Greidanus' studies in psychology can further advance our understanding of why reliability is often bounded:

“This bound on reliability captures instances whereby managers make *ex ante* commitments in good faith (with benevolent intent), but whereby the importance of that commitment diminishes over time (preferences are reordered). This theme is consistent with a substantial body of literature in psychology that has identified two main reasons for the occurrence of good faith reprioritization. First is the psychological phenomena of preference reversal over time [...]. The second major cause of reprioritization is the cognitive bias known as the time discounting bias. This bias suggests that individuals place a lower value on future events than more proximate events. Time discounting broadly encompasses any reason for caring less about a future consequence, and the associated preference for immediate utility over delayed utility [...]. Within the BRel [bounded reliability] context, such discounting can cause managers to postpone fulfilling commitments (that is, to procrastinate) to the point where such commitments can no longer be fulfilled.” (Verbeke and Greidanus, 2015: 73-74).

A common and dominant view has been that individuals consciously “decide” to not-fulfilling a commitment, and thereby causing conflicts and disappointments, when they consider it to be more beneficial and convenient for them. According to this “*homo-oeconomicus*” view, after having made an analysis of the costs and benefits they may consciously decide that it is in their own interest not to fulfill the commitment, therefore engaging in opportunism, that is, fulfilling commitments as long as they consider it in

their own interests and failing to fulfill it when they have re-analyzed the costs and benefits and concluded that now it is not in their own interest anymore to fulfill the commitment, possibly because they have received new opportunities which seem to be more attractive and offer more or stronger incentives. But Failing to fulfill a commitment one has made in the past is a common cause and source of conflicts and frustration but this may not necessarily always be due to “bad intention” or “intentional deceit” (Verbeke, 77), but it may much more likely to be caused by “bounded reliability”:

According to Verbeke when individuals such as managers do not fulfill their commitments, this may not necessarily be due to opportunism, but to what he describes as “bounded reliability” which means that although individuals may have agreed to a commitment in good faith and with the honest intention of fulfilling it in the future, several non-opportunistic reasons may lead them to fail fulfilling their commitments, causing conflicts, disappointments and a deterioration of the level of trust which exists within the social relations between the actors which interact with each other. Among these non-opportunistic reasons are:

Overestimation of one’s own capabilities: there may have been the intention of fulfilling the commitment but as it turns out, the own or the capabilities of own’s own team or entire organization are not as great as the manager believed them to be.

Other pressures, expectations and commitments coming towards them which they had not foreseen and therefore not taking into account when making the first commitment and organizing the work plans. They may prioritize the “urgent” commitments over the “important” commitments, simply fulfilling and responding to the most pressuring tasks and expectations which they perceive “now”, in the present moment, instead of focusing their time and attention on preparing and working to fulfill other tasks which are less urgent and pressing, but will be more important and relevant in the future in the long run. Moreover, as the managers continue working they receive new information, advance their understanding of a situation adapt to possible changes in the environment and therefore change their point of view and priorities which leads them to postpone or abandon a commitment. As cultural, spatial and geographic distances increase, these factors leading to bounded reliability are likely to increase, too:

“This bound on reliability captures instances whereby managers make *ex ante* commitments in good faith (with benevolent intent), but whereby the importance of that commitment diminishes over time (preferences are reordered). This theme is consistent with a substantial body of literature in psychology that has identified two main reasons for the occurrence of good faith reprioritization. First is the psychological phenomena

of preference reversal over time [...]. The second major cause of reprioritization is the cognitive bias known as the time discounting bias. This bias suggests that individuals place a lower value on future events than more proximate events. Time discounting broadly encompasses any reason for caring less about a future consequence, and the associated preference for immediate utility over delayed utility [...]. Within the BRel [bounded reliability] context, such discounting can cause managers to postpone fulfilling commitments (that is, to procrastinate) to the point where such commitments can no longer be fulfilled.” (Verbeke and Greidanus, 2015: 73-74).

Furthermore, until very recently, the research on conflicts within the MNE was often constrained by a rather rationalistic concept of social interactions and individual aims, assuming that most of the time human beings act in a ‘rationalist’ way. The enormous importance of identity-related causes of conflicts (e.g. the pursuit of individuals and groups to defend and protect their identities). A summary, discussion and extension of Blazejewski and Becker-Ritterspach’s work identities vis-à-vis dominant groups which demand profound changes of them) and the risk of mis-communicating social recognition which increases when the cultural diversity and distance increase, was not fully understood. And as nationalism is currently on the rise again as a result of increasing uncertainty, crises and fully fledged chaos in many regions of the world, more and more individuals and groups start building their disoriented and anxious identities on the grounds of nationalism and/or religions again. As these identity bases are neither open, negotiable nor liberal, but clearly fenced, zoned and bordered, we have to expect an increase of identity-related conflicts throughout society in the near future, including within MNEs, in which the individuals and groups from different nations, religions and cultures meet particularly often. A further factor conflict research has to take into account as it adds to the severity of these newly arising identity-related conflicts and increases the difficulty to solve them is that while salaries (and other material goods) are easily negotiable and distributable, identities are not. Material conflicts can be solved or at least calmed by compromising and making middle-ground agreements. In the case of identity conflicts this is not the case, because they often claim ‘absolute and universal truth and validity’ and usually do not accept a different point of view, interpretation or lifestyle.

A further factor which has constrained and slowed the progress of conflict research is that diversity was usually understood as a source of creativity, but not so often as a source of misunderstandings and conflicts, which has led to ignoring a central cause of conflicts and interruptions of the organizational work-flow and performance. Recently, several

researchers have explored this issue (Ayoko et al., 2002; Chua et al., 2012; Chua, 2013; Crotty and Brett, 2012; Von Glinow et al., 2004). They conclude that increasing diversity leads to increasing communication difficulties and conflicts of all sorts (functional and dysfunctional). The Economist summarized the problem: “getting people from different nationalities and cultural backgrounds to co-operate is fraught with difficulties. At best differences in world-view and cultural styles can produce ‘intercultural anxiety’, at worst outright conflict. The very thing that can produce added creativity—the collision of different cultures—can also produce friction. The question is whether the creativity is worth the conflict” (Economist, 2014).

7.2. Conflict Definitions and Different Theoretical Approaches Towards Conflicts in MNE

Even if several conflict sources exist, they may not lead to a fully-fledged conflict because as long as the situation is not perceived as frustrating, these factors may never evolve into a serious clash and dispute, maintaining a situation which is acceptable for all the involved parties:

“Especially in the MNC context, it is easily conceivable that many conflicts (due to incompatible interests) remain latent because the potentially opposing actor does not even notice (due to geographic, cultural or hierarchical distance) or deliberately suppresses that his/her interests are colliding with those, for instance, of actors in another subsidiary” (Blazejewski and Becker-Ritterspach, 2011: 141-145).

This raises the question under which circumstances a situation can be defined as a conflict or a conflictual situation. Interestingly, several scholars who have done research on conflicts, have not presented a clear and comprehensive definition. The reason may be that it is not easy to say whether a conflict must necessarily include some kind of opposition, refusal or resistance. For example, when the members of the subsidiaries complain about the headquarters and the members of the headquarters complain about the subsidiaries, because they simply have clearly divergent interests, but nonetheless everybody continues to cooperate and work together perfectly, can we already talk of a “conflict” or can we only talk of the existence of potential “conflict sources” which may never lead to a real conflict, because all the involved parties, groups and individuals consider the situation to be acceptable and continue to cooperate efficiently as long as they can complain about each other? It is similar to workers who complain about their

bosses and the bosses complaining about their workers. But as long as the workers do not go on strike and the bosses do not lay them off, can we already talk of a real conflict? In this study, the conflict definition by Schotter and Beamish will be applied, as it seems to be the best suited to describe, analyze and understand the empirical reality in the case of foreign MNE activity in “third-world” host countries and the relation between the subsidiaries and the headquarters. It is a ‘wide’ definition which allows the conflicts below the surface which are fought indirectly and subliminally to be studied:

“Conflict is awareness on the part of the parties involved of discrepancies, goal incompatibility, or irreconcilable desires (Boulding 1962). Conflict is based on interest divergence (Axelrod 1970), information asymmetry between actors (Deutsch 1973), or perception gaps (Birkinshaw et al. 2000) of more than one party (Kriesberg 1973) with an interdependent relationship (Thompson 1967)” (Schotter and Beamish, 2011: 195).

7.3. The Process Model and the Source Model

The conflict-source model (or, the ‘structural model’ as it is sometimes referred to) is the more commonly used one (Callanan et al., 2006; Katz Jameson, 1999; Speakman and Ryals, 2010). It focuses on the causes of conflicts which is rather useful for identifying situations and configurations which have the potential to generate conflicts. However, this model is less useful for understanding and predicting why certain potentially conflictive situations stay calm, harmonious and are perceived as “conflict-free”, while other situations, which seem to be structurally similar, generate severe and sometimes even violent clashes and fully-fledged conflicts with long-term effects on the organizational performance, cohesion and normative integration. Here, the process model (Pondy, 1967; Rahim, 1983; Thomas, 1992) is much more useful, as it applies a micro-level perspective focusing exactly on what happens ‘on the ground’ during the social interaction between the individuals and how they interpret each other, their respective actions and how their psychological states evolve and alter during the interaction until they develop fully-fledged frustration, anger, unrest and mistrust. During the fieldwork for this study, this perspective will be applied because it takes into account the socio-cultural, economic as well as political and historical causes and factors, which may influence the generation and development of conflicts.

7.4. Theoretical Views and Explanations of Conflicts within MNEs

7.4.1. The “Global Integration – Local Adaptation” Approach

The basic premises of this theory were already discussed in the previous part of this chapter and will not be repeated in this subsection. Instead, this subsection focuses on a different aspect of this theory: it asks and explores how this theory explains the development of conflicts as well as the different perspective, viewpoints and actions of the involved actor and how it proposes to solve the resulting problems?

According to Doz and Prahalad, the main cause of conflicts within MNEs is that while subsidiaries’ managers prioritize local adaptation, headquarters’ managers tend to give a higher priority to global integration. Furthermore, the two groups of managers develop their views on different information bases: the subsidiaries’ managers are very well informed about the subsidiary they lead, but usually know very little about other subsidiaries and the state of the MNE as a whole. In contrast, the headquarters’ managers have a better overview of the situation as a whole and the general state of the entire organization, but lack detailed knowledge concerning the individual subsidiaries and the host countries in which they act. Different standpoints cause different viewpoints and subsequently lead to different assessments of the same situation (Doz and Prahalad, 1984; Doz et al., 1981; Prahalad and Doz, 1999). The proposed solution to solve these conflicts includes:

“‘data management’, the ‘management of managers’ perceptions’ and ‘conflict resolution’ mechanisms. The latter include formal organizational solutions such as ‘planning procedures’, ‘the creation of specialized coordinator’s roles, the clear assignment of responsibilities in the decision processes, and the provision of specific channels for preparing decisions such as committees, task forces, study groups, business teams, and so forth’ (Doz and Prahalad 1984:61, see also Doz and Prahalad 1981)” (Blazejewski and Becker-Ritterspach, 2011: 148).

Bartlett and Ghoshal’s viewpoint differs a bit, although it does go into a similar direction. The innovative part is that they argue that what matters most is the individual manager’s mindset, emphasizing the importance of a micro-level perspective, which reveals that what is crucial is how the top managers were socialized during their lives and which values, world-views and attitudes they have incorporated and internalized during the course of their life:

“Managers need to be socialized in such a way that shared understandings of, identification with and commitment to the company’s broader purpose, values and goals is achieved. In their view, integrating managerial mindsets are the ‘global glue’ that keeps in check the centrifugal forces in the transnational corporation (Bartlett and Ghoshal 1989).” (Blazejewski and Becker-Ritterspach, 2011: 148-149).

Bartlett and Ghoshal are rather optimistic as they believe that managers can be socialized in a way that makes them care for the organization as a whole, taking into account the needs of every unit and individual, uniting all members and creating a culture in which everybody works for the greater good. Among the scholars who primarily focus on socializational research, it is more common to assume that what matters most for the development of the character, mindset, attitude and values of humans is early childhood socialization and education. Later in life a “manager’s socialization program” will have rather limited effects because most managers may lack the necessary value foundation and basis, because it was neither built up during their childhood nor during their university years when they were still young and open students with developing and malleable characters and personalities (Hurrelmann, 1988; Niederbacher, 2012; Trommdorff, 1999). Indeed, as Ghoshal has pointed out in the last years of his life, many business schools are in fact doing the opposite: instead of teaching the crucial importance of ethical behavior and actions which top managers need to incorporate into their mindsets and attitudes because it is essential for the sustainable long-term development of the organization and society as a whole, they preach an ideology of short-term profit-maximization and short-term individual material success (Ghoshal, 2005: 76).

7.4.2. Agency Theory

Numerous researchers in the fields of economics and IB have applied this theoretical approach to the study of multinational enterprises, including Chang and Taylor (1999), Gong, (2003), Mudambi and Navarra (2004), Mudambi and Pedersen (2007), Nohria and Ghoshal (1994), Roth and O’Donnell (1996, 1996) and Tasoluk et al. (2006) and Björkman et al. (2004) among others. According to the agency theory, conflicts are likely to develop when principals and agents pursue different goals (Caldwell, 2007; Eisenhardt, 1989; Ross, 1973) and when it becomes increasingly difficult for the principal to monitor and control the agents. In these situations, the agents may act against the interests and goals of the principals as long as it is not detected by the monitoring and control mechanisms. This may lead to more severe conflicts as the potential damage for the principal and the resulting discontent is likely to increase enormously. These conflicts are

much more likely to occur in multinational enterprises than in uni-national enterprises, as due to the cultural, institutional and geographic distances it becomes much more difficult to control and observe the agents and to maintain smooth flows of information, increasing the risk of information asymmetries and different interpretations of the same situation. This may lead to conflicts even when the agents are pursuing the exact same goals as the principal, as they favor different means and strategies to reach the same goal due to their different interpretations of the same situation which was caused by building their assessments on different information bases (Blazejewski and Becker-Ritterspach, 2011: 155).

Furthermore, even if rigorous monitoring is enforced on the agents, it may not lead to the desired results, but may prove to be counterproductive instead:

“excessive monitoring is counterproductive because enforceable bureaucratic norms restrict the flexibility, information and resource exchange required in MNCs. Ghoshal and Moran (1996) suggest that hierarchical control increases negative feelings, leading to opportunism and conflict escalation.” (Blazejewski and Becker-Ritterspach, 2011: 156). Referring to the work of Barnard (1968) and Selznick (1957), Ghoshal and Moran emphasize the importance of “creating a context of identification, trust and commitment [and] the essential role of purpose” (Ghoshal and Moran, 1996: 36) for making the agents act in accordance with the aims of the principal and the organization as a whole. They conclude:

“shared purpose plays the role in organizations that price plays in markets. Each theme is the central focusing point device within the institutional logics of the respective institution. Although autonomous adaptation in markets is driven by changes in price, an organization’s adaptation is driven by its members’ perceptions of the evolving fit between their view of the organization’s purpose and their own.” (Ghoshal and Moran, 1996: 36).

And while it is obvious that excessive control and monitoring restrict and reduce the creativity, autonomy and flexibility of the employees, decreasing their ability to solve problems rapidly and adapting to unforeseen situations adequately, the second effect may even be more important and destructive for the performance of the organization as a whole: excessive controls are often interpreted as a sign of distrust by the agents (in this case the employees) decreasing their willingness to cooperate and to identify with the organization and the aims of the organization. It is likely to reduce social cohesion and may even lead to a self-fulfilling prophecy: the constant controls may create the impression that no matter what they do, the agents may always be perceived

as potential criminals. The assumption and expectation that the agents will cheat is already present which may lead the agents to conclude that they have little to lose as they were not granted any trust anyway which lowers the inhibition level to try to deceive the principal.

One strength of the agency theory is that it applies a clear micro perspective, which enables the researcher to investigate the true interests, aims and motivations of the individual actors involved in the interactions that occur regularly in multinational enterprises. Agency theorists can see that not all members of an organization (such as an MNE) may always act according to the interest and aims of the organization as a whole, but may also act according to their personal interests and goals, even if this is contra-productive, contradictory and contrary to the objectives of the organization. Furthermore, they may act in the interest of only a certain part or unit of the organization, or in the interest of certain leaders and powerful figures within the organization who among them have diverging interests and aims.

Having mentioned the strength, one also needs to mention the weakness of this theoretical approach: the role and impact of different socializations and the resulting different value orientations, habitus formations, mindsets, role expectations, varying concepts of what is perceived as “rational” and the subsequent misunderstandings and miscommunication are usually not taken into account sufficiently. They may not act according to the aims of the principal because they do not understand them, or, in the opposite case, they may be completely loyal to the principal even if this is not accordance with their own, personal aims due to a strong feeling of social cohesion and belonging together:

it is fairly well known that different forms of socialization lead to different kinds of mindsets communication styles, expectations and non-verbal signals and gestures which are crucial for communicating the underlying and often subtle meaning of messages (Hurrelmann et al., 2008). This is particularly often the case when individuals were socialized in completely different cultures and, therefore, have developed very different kinds of expectations when entering into interaction with others. What is most risky are the assumptions and expectations which the individuals take for granted and believe that they are so obvious and universally shared by everyone that there is no need to explain them to their interactional partner. They fail to understand that these expectations are not universal but have developed as a result of a particular culture and are not shared by other cultures. In short: because they are too sure that the other participants of the social interaction have the same mindset, they do not see the problem and, therefore, cannot solve it. This may lead to severe misunderstandings and conflicts. On the other

hand, a common socialization involving the incorporation and internalization of the same strong values, attitudes and communication styles among all members of an organization may diminish conflicts and enable solutions which are acceptable for all members, leading to smooth operations and interactions despite diverging interests and aims (although it may decrease creativity and diversity). While agency theorists acknowledge the existence of this factor, they have not managed to integrate it into their framework convincingly, as Blazejewski and Becker-Ritterspach point out that:

“authors working on the basis of agency theory frequently discuss conflict prevention mechanisms derived from socialization theory, such as increased communication and interaction, trust and clan building (Björkman et al. 2004; O’Donnell 2000; Roth and O’Donnell 1996; Tasoluk et al. 2006), thereby acknowledging, more or less explicitly, the limited contribution agency theory makes to the understanding of efficient conflict handling in MNC.” (Blazejewski and Becker-Ritterspach, 2011: 156).

Furthermore, the understanding and conceptualization of power in agency theories is rather crude and over-simplified, as it is essentially assumed that principals have power, which they may lend to agents temporally and withdraw it eventually. In short: power in agency theory is not understood as an interdependent social relation in which all individuals who interact can gain and increase their power, e.g. by gaining and increasing their control over valuable resources (such as crucial information or social capital, e.g. developing clientilistic networks or developing friendship ties with powerful business partners, state controllers, union leaders, top managers, etc.) which are needed by other participants of the interaction. The multifaceted dimensions, the flowing nature and interdependencies which characterize most power relations need to be taken into account more comprehensively (Blazejewski and Becker-Ritterspach, 2011: 156).

7.4.3. The Institutional Perspectives on Conflicts

Scholars developing and applying different streams of this approach to the study of multinational enterprises include Campbell (2007), Dörrenbächer and Geppert (2011), Dunning and Lundan (2010), Greenwood et al., (2011), Kostova (1999; 2008), Kostova and Zaheer (1999), Lundan (2011) and Morgan and Kristensen (2006), among others. The main idea of the institutionalist approach which is applied in international business studies is that as the MNE is active in at least two different institutional environments (or ‘cultures’) – the one of the home country and the one of the host country – it somehow needs to fulfill two different sets of expectations, which is the root cause of a whole range of conflicts and discontents. A certain practice may be considered economically

reasonable and ethically acceptable in one culture, while it is considered unacceptable and inappropriate in another one (Morgan and Kristensen, 2006: 1467). As the actors from these two different cultures may not understand each other's institutional environment, the headquarters' managers, who are located in the culture of the home country may expect and demand the subsidiary's managers to do something that is completely unacceptable in the culture of the host country where the subsidiary is located. This dilemma increases as the institutional distance between the home and host country increases: "The greater the 'institutional distance' between the home and host countries, the greater the difficulty for the HQ of successfully transferring practices from one to the other" (Morgan and Kristensen, 2006: 1470). This issue becomes particularly obvious when the headquarters demands the subsidiaries to make decisions and take actions which would cause substantial outrage, indignation and conflicts in the institutional environment of the host countries, as it may violate ethical norms or national identities: "if a practice is perceived by the employees at a recipient unit to be in conflict with the regulatory, cognitive and normative institutions of the host context, the implementation and internalization will be difficult" (Blazejewski and Becker-Ritterspach, 2011: 160). Here, one solution would be that the headquarters only demands what the subsidiaries can possibly deliver. But more often than not, the headquarters is either not aware of the institutional differences, or not willing to take into account these differences and to adapt to them adequately, possibly because the headquarters itself faces pressures from other stakeholder groups and financial markets. In this situation of "institutional duality" (Kostova et al., 2008), the managers of the subsidiary are faced with a dilemma which they may solve e.g. by "ceremonial adoption" (Kostova et al., 2008: 1000), that is "a conscious effort on behalf of the organization to portray itself following the institutionalized 'rules' while actually conducting business in different ways that it believes are more efficient" (Kostova et al., 2008: 1000), or solve by looking for a solution which fulfills the strongest and least-negotiable expectations of both cultures, while not fulfilling others as it is not considered possible (among many other strategies, as will be shown in the subsequent chapter). This conflict-resolution strategy may leave both sides only half-content and satisfied, but, if well applied, it at least avoids open and fully-fledged conflicts and clashes.

The role of managers (and other actors) that were socialized in both institutional environments is of crucial importance, as they cannot only understand but also think and act in accordance with both institutional environments. They take into account the different value orientations, norms and world-views and interpret a situation two times,

applying the views from both cultures, but also act as ‘translators of institutions’ and “boundary spanners”:

“The managers in bridging roles who have been most effective in bringing about change have developed identities which span multiple national settings [...]. They live the contradictions between the different national institutions within which their identities are constituted. [...] the position of these boundary creatures is powerful, not just because they act as a conduit for the flow of ideas through a network; they also experience directly the contradiction between different national institutional settings and the tension between different goals and interests.” (Fenton-O’Creedy et al., 2011: 133).

While this idea that there is no perfect solution and that, therefore, a middle solution, a compromise between the expectations from the host country’s institutional environment and the expectations from the headquarters which is influenced by the home country’s environment, seems to be similar to the central idea of the previously discussed classical contingency theory. A crucial difference between contingency theory and the institutionalist perspective is that contingency theory has a rather economic focus, arguing that the tensions and potential conflicts between headquarters and subsidiaries derive from the question whether global integration or local adaptation is more important in a given moment and situation. Global integration may decrease complexity and thus make the MNE more manageable and increase the opportunities for economies of scale, as well as foster global innovation by unifying the strengths and resources of the whole MNE. In contrast, local adaptation is usually not understood as adapting to local institutions, but adapting to local markets in order to make sure that the subsidiaries meet the local customers’ demands.

The **new institutionalist approach** applies a clear macro-level perspective, which is useful to detect and understand the macro-structural causes of potential conflicts, but it cannot see the dynamics and the momentum which may develop ‘on the ground’, on the micro level on which individuals act and interact with others. It is a rigid and static approach which is firmly located on the ‘structure’ end of the continuum between ‘structure’ and ‘agency’, not taking into account the degrees of freedom and room for maneuver of the individual and collective actors. Here, Kostova et al. argues that the neo-institutionalist approach needs to incorporate some ideas and viewpoints from the ‘old’ institutionalist approach in order to be able to better understand the dynamics of institutional change and agency:

“We believe that these conditions could be much better understood if ideas from ‘old institutionalism’ were blended with the neoinstitutional view currently employed. As

opposed to the neoinstitutional emphasis on ‘static, outcomes, cognition, and the dominance and continuity of the environment,’ ‘old’ institutionalism focuses on ‘dynamics, change, social construction, and values’ and emphasizes a more subjective, agency-dominated view” (Kostova et al., 2008)

Furthermore, some neo-institutionalist streams do not appreciate sufficiently that cultures are often contradictory in themselves, flow, change and that the individual actors may respond to constitutional pressures in many different ways as Kostova points out: “First, MNCs are embedded in multiple, fragmented, ill-defined, and constantly evolving institutional systems conceptualized at different levels of analysis, each characterized by a distinct institutional process and degree of determinism in shaping organizational behavior. Second, because of this, we suggest that MNCs’ relationships with their institutional environments are dynamic, discretionary, symbolic, and pro-active. In contrast to the deterministic neoinstitutional view, MNCs have an important agency role reflected not only in their varying degree of compliance to institutional pressures [...] but also in that they must make sense of, manipulate, negotiate, and partially construct their institutional environments” (Kostova et al., 2008: 1001).

While individuals are surely influenced by their home culture, it does not determine everything they do. It may influence how they think and how they do things, but not what they think and what they do. It is similar to the handwriting and the mother language of a person: the person is not able to completely change his or her handwriting and mother language as it was created during a long process of socialization in a certain culture and family and, therefore, it is very deeply ingrained in him. He has incorporated it, it is a part of his identity and while he may deny and hide it, he will never be able to completely strip off and change his handwriting and mother language, but he can change what he writes and what he says in his mother language and in his own handwriting. This is the reason why, while socialization has a strong influence on every individual, it is not deterministic, as it does only determine how they do things, but not necessarily what they do. While this approach does contribute some useful findings for a better understanding of macro-structural causes of conflicts, it remains in the dark what happens on the ground, on the micro level on which individuals really interact.

A further weakness of this approach is that it assumes that every country has a relatively homogeneous culture and institutions and it does not dig deeper, although it is absolutely obvious that every country and society encompasses many different social milieus which all have unique institutions and cultures of their own. The culture and value orientation of German university professors, for example, is very different from German manual

workers. Indeed, the institutional and cultural differences between the social milieus of (and within) the same society may be larger than the general differences between societies. The academic milieus of different countries, for example, often closely resemble each other: the culture and institutions of the social milieu of German professors may be closer to the one of Canadian university professors than to the one of German manual workers, although both German groups (the professors and the manual workers) live in the same country.

Furthermore, on the micro level, the individual biographies of managers may have further influenced their socialization, adding to the differentiation and complexity of cultures, institutions and habitus formations. The individual socialization can vary significantly, depending on the individual life course (“Lebensweg”). Here, several researchers have made significant contributions to a deeper understanding:

“Clark and Geppert (2006), for example, look at ‘historical and contemporaneous experience’ of local managers, implying different biographical backgrounds of actors to understand headquarters–subsidiary conflicts over knowledge transfer. Fenton-O’Creevy et al. [...] contend that actors’ idiosyncratic interests, life paths and personal career outlooks, as well as their ability to act as boundary spanners (i.e. translators of practices) rather than the institutional/cultural context as such determine the outcomes of conflictual practices transfer processes (transfer, translation, ceremonial adoption or corruption)” (Blazejewski and Becker-Ritterspach, 2011: 162).

In contrast, the **“historical and comparative institutionalist approach”**, while maintaining the importance of macro structures, gives a greater emphasis to the agency and structuring-capabilities of the individuals, turning the organization and the relation between the headquarters and the subsidiaries, into a ‘battle-field’ which several different actors aim to structure to their own ends and advantages. As a metaphor, one may say that this approach imagines institutions similar to the structure, texture and state of a territory, with different cultures and languages, mountains, rivers, woods, different climate zones, streets and bridges, in which individual and collective actors pursue their aims and interests. Sometimes, they may cooperate with each other, while in other moments they may wage war against each other. In any case, they have to act within this territory (that represents the organization and the institutional environment) and take into account the characteristics of the territory in which they act in order to be pursue their goals successfully, e.g. they may have to circumvent mountains, be careful when entering regions claimed by other groups who speak different languages and practice different cultures, and when the streets and formal communication channels are blocked,

they may have to search for other ways to reach their aims, e.g. crossing barriers such as rivers and woods. Furthermore, they have the ability to change the structure of the territory, e.g. by building bridges or burning bridges. Sometimes, a multinational enterprise may resemble a “great kingdom” with large landholdings, while in other moments the battles of hostile power groups may rip the organization apart “deteriorating [the MNE] into organizational anarchy – or worse, an international network of warring fiefdoms” (Bartlett and Ghoshal, 2002: 204). Indeed, the language and the terms the comparative and historical institutionalists use is sometimes surprisingly similar to the one used to describe conflicts between warlords in medieval Europe, e.g. “wargames”, “battlefields”, or “contested terrain” (Morgan and Kristensen, 2006: 1471). Morgan and Kristensen refer to these power struggles as “micro politics” (Morgan and Kristensen, 2006: 1467) in which different power groups struggle for dominance and control within the organization, sometimes forming alliance while deceiving and waging wars in other moments. Similarly, Kostova argues that “MNCs have complex internal environments, with spatial, cultural, and organizational distance; language barriers; interunit power struggles; and possible inconsistencies and conflict among the interests, values, practices, and routines used in the various parts of the organization” (Kostova et al., 2008: 997).

This approach interprets the socialization every individual experiences in a certain culture as the creation of a ‘tool kit’ for acting in certain situations, a repertoire of actions (‘Handlungsrepertoire’). When individuals engage in a conflict while interacting within an organization such as an MNE, they will apply the practices, actions, strategies and norms, the ‘rules of the game’ they have learned during their socialization in a certain culture. And as they know that they are best at playing the game when ‘their’ rules of the game are universally applied and considered to be valid, they are likely to try to impose their culture on the MNE in order to dominate other people from other cultures. The power struggle is about who will achieve to impose his own culture, that is, his own ‘rules of the game’ on the other individuals who participate in the interaction. A simple example clarifies the issue: if the French-speaking members of an organization achieve to impose French on the entire organization as the official language and thereby force everybody to communicate in French, than those who speak French as their mother tongue have a clear advantage because they dominate this language much better than anybody else and therefore can present their point of view, persuade and argue much better than the others. Furthermore, it gives them more self-assurance as they feel comfortable speaking French and can tease, mock, scoff and make fun of the others who are struggling with the French language and make more mistakes, thus hurting and re-

ducing the self-confidence and self-esteem of the others, which gives the French a clear advantage when engaging in conflicts. Of course, the same is true when another group of people tries to impose its mother language on the organization in order to increase its dominance and its chances to win power struggles.

The language is only one part of a culture. Imposing other parts of a certain culture on a multinational organization and forcing all members to act accordingly, even if it is not in accordance with their own home culture, can have similar effects and may be used as a means, a weapon, in power struggles and battles for dominance. Examples include: imposing certain dress codes, eating styles or forms of communication which are easy to practice and self-evident for the persons from one culture, but difficult to practice by persons from other cultures.

Furthermore, as Welch and Piekkari have pointed out, the language translation process can be an additional source of power and manipulation:

“language proficiency delivers power and opportunities to some individuals in certain situations, allowing them to control the nature and flow of communication” (Welch et al., 2005: 12).

The role of languages in the group formation process seems to be crucial. Individuals who speak similar languages (e.g. Italian, French and Spanish) are more likely to stick together and form a team (or at least form one common social milieu) than individuals who speak rather different languages and, therefore, have more difficulties communicating with each other. Furthermore, as the authors point out, the few “translators”, that is, the individuals who speak all the relevant languages used in an MNE may even try to avoid that other members of the MNE learn the other languages (e.g. by obstructing training and language courses) in order to maintain their “unique selling point” (Alleinstellungsmerkmal), that is, their advantage of speaking all the relevant languages, because they want to maintain their edge and source of power (Welch et al., 2005: 18-19).

In conclusion we may say that languages can be used as “weapons” in the power struggles within the MNE, between different groups as well as between headquarters and subsidiaries:

“For subsidiaries operating in countries where the host country language is different from that used as the company’s lingua franca, language provides a shield from scrutiny from head-quarters as well as a plank in the power base of the subsidiary” (Welch et al., 2005: 23).

7.4.4. The Post-Colonial Perspective

This perspective has been developed by Frenkel and Shenhav (2008; Frenkel and Shenhav, 2003, 2006), Carr, Westwood and Jack (2006; 2011; 2006), Banerjee and Prasad (2008; 2003a, 2003b, 2012) and Kwek (2003), among others.

Indeed, even Peter Drucker argued that international business management and post-colonial domination and struggles are intertwined and interconnected: “Management will remain a basic dominant institution perhaps as long as Western Civilization itself survives.” (Drucker, 2006: 1). Similarly, Frenkel interprets the global dissemination of management practices “as an expression of geopolitical power relations between those states that export management models and those in which they are implemented, as well as a device that reproduces the ‘exporters’ dominance in the modern global order” (Frenkel, 2008: 924).

The “post” in “postcolonial perspective” refers to the pursuit of creating a perspective that is able to discover and reveal the hidden power structures and relations which were previously covered by colonial ideologies. The aim is to develop a view and understanding of the world beyond the colonial perspective which criticizes and fights against its dominating and repressive effects and consequences. Furthermore, “postcolonial analysis seeks to expose the deep structure of colonial reality and history as they are embedded in the culture, practice, and consciousness of very many societies, whether direct partners in colonial occupation or not” (Frenkel, 2008: 925). In other words: it searches for how the remains and the legacy of colonialism still influence societies, habitus formations and actions of individual and collective actors today.

The roots of this perspective can be found in the postcolonial writings of Frantz Fanon (2015, 2006; Fanon et al., 2004), Homi K. Bhabha¹ (1990, 1984, 2013, 2012), Said (1995) and others who experienced by themselves the cultural space and relation between the former colonies and the former colonial power, as well as the struggle of the formerly colonized people for re-constructing and re-creating their own identity, dignity, pride and self-esteem. They applied Gramsci’s concept of cultural hegemony (Gill, 1993; Gramsci, 2012) and sensed that although the colonial rule and domination was officially and formally over, something had remained and continued to exist. It seemed as if the centuries of colonialism had penetrated both cultures, the culture of the former colonies and the culture of the former colonial powers, so deeply, that something had survived and was still influencing the two. It is deeply ingrained in the practices, mindsets and habitus formations of the two. Therefore, they concluded, the struggle for independence

¹Apart from being a writer he is also an very influential professor at several universities.

was not won yet. The struggle for self-determination had to be fought not only on the political and economic level, but also on the cultural level. One may say that in this case, literature led the way, showing the academics where to search and where to do research.

The central idea of the post-colonial perspective applied to International Business studies is that when an MNE from a home country, that used to be a colonial-power at a certain point in time, sets up a subsidiary in a host country which used to be a colony of the MNE's home country, the relation between the expatriates and the local employees does not start from scratch, but that they do already have a history. They do already have images of each other. Something has already happened, they feel that they know each other and have expectations of each other, and they think that they know what the other side thinks of them. Their cultures and peoples have already been in a social relation and they have engaged in a social interaction in which violence, humiliation and dominance were practiced and remembered. There may be resentments as well as racist stereotypes. Even before the expatriates from the home country of the MNE and the local employees from the host country get to know each other personally and start working together, there is usually already a feeling and perception of superiority among the ones who come from the former colonial power and a feeling of inferiority and of having been repressed and treated unfairly among the ones from the former colonies. This history and these experiences are deeply ingrained in both cultures (each with its respective point of view, perspective and interpretation of the colonial past) and likely to influence and to a certain degree structure the social relationship which the employees from the host country (as well as the state officials, local competitors, suppliers, customers and any other actor who engages in an interaction with the MNE) will develop with the expatriate managers from the home country.

Ignoring this history means ignoring the root causes of certain conflicts. Being aware of them may be painful and shameful, but it will lead to a much better understanding of the "other's" feelings and viewpoints.

Furthermore, a central observation made through the post-colonial perspective is that although colonialism is officially over today, and most of the previously colonized states have been formally independent for several decades by now, the economic and political relations between the former colonizers and the formerly colonized remain remarkably similar when the deep structure is concerned. Indeed, many former colonial powers are still deeply involved in their former colonies, enforcing their culture, that is, "their soft rules of the game", which they themselves know and dominate best, influencing politics

(although in a less obvious and less subtle way than previously) and they still maintain very extensive economic relations with these countries, making sure that “their” MNEs have preferential access to the former colonies. In a way, one may say that while the formal, hard institutions and relations have changed, the soft institutions and relations continue to exist, because they are so deeply ingrained as a result of several hundreds of years of colonialism.

Several examples may clarify the issue:

the activities of French MNEs and the French state in their former African colonies (McNulty, 2000). The French state enforces French culture, above all the French language, French business practices and preferential access of French MNEs to the former colonies. Sometimes even military interventions are conducted. These practices are often disguised as “development assistance” (Charbonneau, 2008; Cumming, 1995; Martin, 1995).

Similar phenomena can be found in the case of the Spanish state and Spanish MNEs which are surprisingly active in their former colonies in Latin America (Ibarra-Colado, 2006; Quijano, 2000), and, although the USA was never a former colonial power, US governments and state institutions (such as the CIA) have actively influenced and intervened into Latin American politics, often obstructing democratically elected governments, whose policies were considered contrary to US American interests, while supporting political currents which obeyed to US American dominance and rule (Dinges, 2005; Figueroa Ibarra, 2013; McSherry, 1999, 2002; Menjívar and Rodríguez, 2005; Moye, 1998).

Moreover, the Italian state is very active in influencing developments in their former colony Libya and aims to enforce the access of Italian MNEs to Libya. Of course, these soft power strategies are not only used by European states, as empire building and colonialism are not “Western inventions” but have been practiced by states all over the world, e.g. the recent activities of the increasingly powerful state of China provide a clear example (Huang and Ding, 2006; Paradise, 2009). In short: although colonialism is officially over and hard institutions, such as laws and formal power relations and contracts have changed, there seems to be a certain continuity in the economic, social, political and cultural relations between former colonial powers and their former colonies. Furthermore, the British state and British MNEs engage in a form of soft power in some of their former colonies, such as Malaysia, through organizations as the “British Council” (Nye, 2004).

Interestingly, the Commonwealth has further, different, but closely related effects, too, as Lundan and Jones have shown in a research project which assembled the first comprehensive data set on trade and investment relationships within the Commonwealth. They have discovered

“that there are significant intra-Commonwealth flows of trade and investment, and it is suggested here, that some of the observed patterns are due to the reduction in psychic distance achieved between Commonwealth member nations” (Lundan and Jones, 2001: 100).

Furthermore, British MNEs have used their social connections with political and business elites in the former colonies as well as their knowledge concerning the political and economic systems of their former colonies to gain further advantages and to increase and/or protect their business activities against regulations and political decisions by governments of the former colonies which would not be in the interest of the British multinationals:

“In Africa, South Asia and elsewhere, large British multinationals were early and prominent investors, firmly embedded in the political and business systems, which enabled them to survive the subsequent growth of restrictive policies towards foreign firms from the 1970s onwards” (Lundan and Jones, 2001: 104).

In some cases, the colonial past seems to have resulted in rather paradox and contradicting social relations between the former colonial powers and the former colonies. On the one hand the experienced violence, repression and power asymmetries during colonialism have led to resentments which increase the probability of conflicts and decrease trust. On the other hand, the past social interaction and the contact between the cultures have made these cultures more similar in at least some aspects (e.g. most of the former British colonies have adopted English as one of their official languages as well as some parts of the British legal and business system) which facilitates communication and social interaction because the “cultural” or “psychic” distance is smaller, finally resulting in more trade, investments and business cooperation.

7.4.4.0.1. The crucial importance of identities in post-colonial relations

One of the central questions asked by post-colonial researchers is: how is it possible that, although the formal, hard institutions have changed, certain practices as well as social and cultural relations continue to resemble colonial hierarchal relations? In order to answer this question, the post-colonial perspective focuses on the development, alteration and change of identities.

A central assumption of the post-colonial scholars is that the centuries of colonialism have not only penetrated and changed the deep structure of the culture of the colonies as well as of the colonial powers but it has even significantly altered the identities of the people, the way they see themselves: the colonized started to see themselves and feel inferior while the colonizers started feeling and seeing themselves as superior. Still today, this heritage is not only present in the former colonies, but also in the former colonial powers. Particularly in countries which used to be world hegemonic colonial powers at a certain point in time, such as the UK, France and the USA, the feeling of superiority and a 'quasi-natural' claim to dominate certain aspects of world society (e.g. dress codes and other expressions of cultural superiority, business practices, geopolitical orders) is still very present in large parts of these societies and cultures. In the former colonies, the opposite has happened as a result of the colonial repression.

It seems that the colonizers achieved to destroy, or at least unsettle, the identity of the colonized and forced their view and interpretation of the social relation upon them. In other words: they achieved to make the colonized people believe that they are indeed inferior in every aspect, thus, destroying the positive self-regard, the self-esteem and self-confidence of the colonized. They made them feel ashamed of their skin color which is usually darker than the one of the colonizers and, therefore, the formerly colonized people try to hide or bleach it. Furthermore, they made them despise, scorn and feel ashamed of their own culture, country and people and, therefore, the formerly colonized people try to strip it off, distinguish themselves from it and make great efforts to deny, negate and abnegate their own cultural, social and genetic origin. It is similar to Goffman's theory (2005, 2008, 2009) which states that the norms of a society only fully accept a very limited identity and that, therefore, most people somehow try to hide the characteristics of themselves which they assume are not in accordance with social norms.

The driving assumption in the post-colonial theory is that there is a form of power and domination which works through identity destruction:

the most effective way of truly dominating and colonizing a people (or any other group of persons) is to fully destroy their identity and self-esteem. When they do not know who they are anymore, they may no longer know what they want and as they have lost their positive self-regard and their trust in their own abilities to construct a good and free life. They may not even be sure anymore if they really want to be free. They may even become indifferent to the domination and repression they are suffering, because they doubt that they themselves are able to live a better life by making their own decisions.

7.4.4.0.2. Taking into account past conflicts in order to better understand present conflicts

Blazejewski and Becker-Ritterspach argue that what is needed for a better understanding of the present situation, current dynamics, conflicts and the resulting developments is to focus on:

“the history of conflict and identity formation leading up to and impacting the current conflict episodes (Diehl 2006; Jones and Khanna 2006; Mahoney 2000). Both aspects require longitudinal research approaches – as opposed to the cross-sectional designs dominating the international business field (Blazejewski 2010) – which explicitly account for the temporal dimension of conflict.” (Blazejewski and Becker-Ritterspach, 2011: 181).

In general, we may assume that past conflicts and the way the individuals and groups involved in an interaction, have treated each other, will have an impact on their present and future relations and interactions. This does not only apply to the case of MNEs from former colonial powers setting up subsidiaries in former colonies, but to any social interaction in which the participants do already have a history of interacting with each other which has influenced how they see and interpret each other’s actions and identities and what they expect and possible fear of each other (e.g. the relation between managers and workers unions in one enterprise, or a love relation in which past frustrations, disappointments, infidelities and injuries are likely to have an impact on the current state of the relation, the present level of trust, the expectations and fears, etc.). One should not pretend that history does not exist when a social relation actually does have a history which is likely to have an impact on the present state of the social relation and on how it is likely to develop further in the future. Blazejewski and Becker-Ritterspach summarize the state of research:

“The historical perspective on conflict has received much less attention, although past conflicts can safely be assumed to impact future conflicts through learning effects, processes of identity formation and coalition building as well as patterns of conflict perception, conceptualization and behavior evolving over time. A recent paper on conflict processes at Opel (Blazejewski 2009), in fact, demonstrates that past conflict episodes strongly affect the perception, interpretation and preferred handling strategies in ongoing conflictual processes. Diehl (2006) and Mahoney (2000) suggest that past conflicts can even lead to path-dependencies where the choice about adequate conflict handling strategies to be employed in a current conflict situation is severely constrained through lock-in effects, self-reinforcing processes and routines.” (Blazejewski and Becker-Ritterspach, 2011: 181-182).

This is highly relevant for post-colonial research and the relation between headquarters located in the countries of former colonial powers and subsidiaries located in former colonies, as the formerly colonized may aim to free themselves from the heritage of colonial rule by newly constructing and developing their identities, their positive self-regard and their trust in their own abilities to live a good life in freedom and self-determination. This form of resistance includes doing what they themselves believe is right and not what the headquarters tells them to do. This may be a source of conflict, as the employees from the host country aim to reconstruct their identities and self-esteem, by taking more decisions independently and ‘owning’ these decisions. Due to their struggle for reconstructing their identity and faith in their own abilities, they may not appreciate it when the headquarters interferes too much (from their perspective): “At their very core, such conflicts are manifested in identity struggles, involving attributions of identities by colonizers through dominant discourses and local contestations of such attributions. They are struggles that are structured by the differing geopolitical embeddedness of actors and asymmetric power relations.”(Blazejewski and Becker-Ritterspach, 2011: 165-166).

When studying these conflicts, the usefulness of longitudinal research designs for a better exploration and understanding of enduring conflicts becomes apparent: one needs to go back all the way to the moment when the root cause of the conflict occurred and caused somebody to feel bothered. In most post-colonial conflicts, a long spiral of conflict escalation seems to be at work, which had usually started long before the conflict became visible and led to path-dependencies and lock-ins which make it more and more difficult to solve the conflict.

7.4.4.0.3. Dominant and inferior discourses and interpretations of post-colonial relationships

Frenkel argues that certain practices only work when they are implemented together: nonetheless, it is rather common that headquarters of MNEs decide to transfer only the least costly practices to the subsidiaries which are located in third-world countries, although they only work well in conjunction with other, possibly more costly practices. They then blame the “culture” or institutions of the third-world country for the failure, as this example makes clear:

“Efforts by a Swedish MNC to implement a system of consensual decision making in its Mexican affiliate, without introducing a complementary system of relatively egalitarian wages (Shimoni & Bergmann, 2006), may serve as a good example of such ambivalence.

In Sweden itself the consensual decision making system is said to be grounded not only in the collectivist and ‘feminine’ local culture that puts agreement above competition (Hofstede, 1998) but also in the relatively egalitarian wage system that makes it easier for the different parts of the firm to develop a common interest and shared identity (Milner, 1989). In Mexico, however, this close linkage is not maintained. This partial and destructive process plays a central role in the reproduction of core-periphery hierarchies. While the Swedish MNC’s decision not to transfer its wage system to Mexico in order to avoid high costs is easily legitimized in IM theory as a matter of institutional adjustment to the local environment, the ‘failure’ to implement consensual decision making is attributed to the Mexicans’ ‘otherness’” (Frenkel, 2008: 931).

So, while mainstream IB theorists would argue that the implementation of consensual decision making practices failed due to the insufficiently developed (or non-existent) egalitarian culture in Mexican society, post-colonial scholars would argue that what is missing to make the consensual decision making practice work is not only egalitarian culture, but also egalitarian wages, and, of course, both are closely inter-connected and influence each other, e.g. implementing egalitarian wages would benefit, strengthen and foster the development of an egalitarian culture.

Moreover, Frenkel criticizes that foreign top managers often naively attribute conflict causes to not having taken into account some small local customs and traditions because they were simply not aware of them. Giving an even number of flowers at a birthday party in Russia, for example, because they simply did not know that while an odd number of flowers symbolizes life² and is therefore given at a birthday party, an even numbers symbolizes death and is therefore only given at a funeral. According to Frenkel (and in accordance with the personal experience of the author) the people in the host country are usually more than happy and willing to forgive and to teach their local customs and traditions to the foreigners because they know that the foreigners come from a different country and are therefore not aware of the local culture. The real conflict cause is usually a long history of being repressed and having experienced degrading treatment by the expatriates. When the expatriates disrespect the local customs and traditions (consciously or inconspicuously) it is only the last straw that breaks the camel’s back (“Der Tropfen, der das Fass zum Überlaufen bringt.”).

For the expatriates, it is rather comfortable to attribute the conflict causes to the locals’ inability to understand intercultural differences, arguing that the locals cannot under-

²As one scholar studying Russian culture explained it: life and growth in general is considered odd, constantly changing and chaotic, while only death is considered even.

stand that the expatriates come from other countries and may, therefore, not be aware of all the local customs:

“one should ask to what extent the mounting anecdotes provided in the IM literature of workers being insulted by an ‘innocent’ comment, or of flowers of an inappropriate color being sent to a family event, should be seen as an outcome of those ‘other’ workers’ cultural embeddedness, or rather of their general experience of being marginalized and looked down on by expats who see them as inferior or developing, rather than as equal decision makers.” (Frenkel, 2008: 933).

Furthermore, Frenkel argues that MNEs themselves as well as the academic IM discourse reproduce and nurture the colonial notion of the superiority of the practices and theories from the former colonial powers and the inferiority of practices and theories which were developed in the formerly colonized countries:

“in contrast to their self-image of striving to increase efficiency, effectiveness, and synergy by distributing knowledge through their various units (Bartlett et al., 2004), the MNCs themselves are also caught up in colonial assumptions regarding the inferiority of non-Western Others and their abilities, desires, and knowledge. These assumptions are supported and reified by academic IM discourse” (Frenkel, 2008: 939).

7.4.4.0.4. Criticism

Critics argue that the current problems of the former colonies have nothing to do with the former colonial powers, but have ‘internal’ roots, being caused by the host countries’ “culture” (Harrison and Huntington, 2001; Montaner, 2001) such as a lack of work ethics and insufficient willingness to learn and to appreciate education. Furthermore, they argue that colonialism is over in all of its aspects and that it is neither present nor relevant in the mindsets and actions of the local employees or the expatriate managers. They are over it and have left history behind. Furthermore, they show that some former colonies have developed rather successfully, improving the living standards of large parts of their population. Moreover, they have increased their political power in international organizations and negotiations as well as their economic power and now compete successfully with their former colonial powers. Indeed, some former colonies may soon overtake and become more powerful than their former colonial powers and rulers. In addition, they argue that the exact impact of colonialism on the identities of the colonized and colonizers still needs to be investigated throughout the world. Some argue, for example, that although China had been partly colonized in the past, it did not lead to the destruction of the Chinese identities. But one may counter this argument

by pointing out that China and its culture was never colonized as deeply, profoundly and completely as other parts of the world such as Latin America or Africa. China has always maintained its language and did not adopt the religion of the colonizers which is crucial for maintaining and protecting their own identity and cultural self-esteem.

In conclusion we may say that the innovative aspect of the post-colonial perspective is that it focuses on deep-structures, long-term cultural continuities, the historical reasons for present conflicts, discontent and identity struggles, as well as on the socio-psychological states of the participants of social interaction between home and host country nationals. Furthermore it focuses on how they deal with their colonial heritage which is highly relevant for the study of the relations and interactions between locals and expatriates in MNEs:

“An interesting addition to the headquarters–subsidiary conflict perspective is that it does not primarily focus on interests and resources as causes, objects or means of conflict but on identities and hidden power structures that are embedded in discourses. Conflicts arise to protect or reconstitute identities that are threatened by the colonizers’ dominant discourses. Hence, the post-colonial perspective clearly links power and conflict. The main focus is the concept of ‘power over’ as the central cause of conflict. At the same time, the concept of ‘power to’ is also implicitly adopted as colonizers and colonized can draw on different cultural repertoires to influence the colonial encounter in their interest. A clear strength of postcolonial perspectives is their micro level and differentiated actor focus, considering their ability to act strategically. This entails that actors have degrees of freedom to use different repertoires of culture or signification, while being enabled and constrained in their use by geopolitical embeddedness.” (Blazejewski and Becker-Ritterspach, 2011: 166).

7.5. The Conflict Tactics of Subsidiaries’ Managers

In their excellent empirical study on the interaction and conflicts between subsidiaries’ and headquarters’ managers, Schotter and Beamish have identified six different conflict tactics applied by subsidiaries’ managers when they were having disagreements or waging power struggles with the headquarters, depending on how strong or weak the normative integration, social cohesion and feeling of belonging together in the organization was developed³. First of all, they differentiate between different types of subsidiaries and how they perceive and react to headquarters initiatives:

³Their definition of conflict tactics is relatively simple and straight-forward: “Tactics, as the name suggests, are practices that subsidiaries deploy to negotiate the rejection with headquarters.” 213”

“During the fieldwork, it became evident that different types of subsidiaries behaved differently in the deployment of tactics during HQ initiative rejection processes. The first type could be characterized as functional task and process-oriented subsidiaries with a stronger sense of belonging to the MNC as a whole. Here, HQ initiatives were not regarded as threats to the organizational subunit or their individual managers. Both initiative rejection and conflict were task and process-oriented and seemed to lead to above average organizational effectiveness. Other subsidiaries exhibited different levels of dysfunctional conflict behaviors. These included what we call ‘ignoring’, ‘shifting emphasis’, ‘ceremonial adoption’, ‘obstructing’, and ‘attacking’ (Schotter and Beamish, 2011: 214).

A closer look at these different conflict tactics which are most commonly applied by subsidiaries’ managers is rather revealing: they are usually applied when the frustration of the subsidiaries’ managers has already developed so far that they do not even try to explain to the headquarters why they believe that a certain HQ initiative or command is counterproductive and not reasonable. They have already lost hope that the headquarters’ managers would understand their point of view.

7.5.1. Ignoring

The first conflict tactic the researchers identified is “ignoring”. It may surprise that one tactic subsidiaries’ managers apply quite often in order to resist certain orders and initiatives from the headquarters is to just ignore them and to hope that the headquarters will simply forget about them because they are so busy managing other subsidiaries and implementing other orders, initiatives and changes. This reveals the enormous inefficiencies, chaotic communication and work processes within the entire organization: “Some of the subsidiaries in the sample ignored HQ initiatives. They conducted business as usual, as though the initiatives were not relevant to them. Typically, they avoided discussions concerning the initiatives, and when someone from headquarters inquired, they would not respond. These subsidiaries did not rely extensively on HQ support for their day-to-day business, and were not at the center of HQ attention. In these cases, headquarters were busy dealing with other, larger, or strategically more important subsidiaries.” (Schotter and Beamish, 2011: 214).

But, as one can easily imagine, this strategy does not work forever. Chances are high that after a certain period of time, the headquarters will notice that the subsidiary has not followed the orders and has not implemented the initiatives and, therefore, may decide to monitor the not-complying subsidiary much more intensely and carefully as

well as demanding regular meetings with the subsidiaries' managers, as the authors point out:

“Most subsidiaries that ignored an HQ initiative found they could not do so indefinitely. Headquarters would eventually become aware of the ignoring tactic and would then push harder for initiative implementation” (Schotter and Beamish, 2011: 216).

7.5.2. Shifting Emphasis

Shifting emphasis is a rather ‘funny’ resistance tactics as it requires quite some drama skills: every time when the headquarters brings up certain initiatives and plans, the subsidiaries will interrupt and intervene with an enthusiastically played drama aimed at making the headquarters believe that just in this moment something else is much more important and much more urgent. Therefore they have no time to deal with the headquarters’ initiatives and plans right now, because they need to focus on much more important issues at the moment in order save the subsidiary. So, the central idea of this form of resistance is to make the headquarters believe that something is much more important, and in this way putting the headquarters initiatives to a halt. It is essentially about changing priorities, discourses and focuses, but of course, in order to apply this resistance strategy successfully, some advanced theatrical performances are required.

7.5.3. Ceremonial Adoption

Ceremonial adoption as a resistance strategy means to say “yes” to the orders and initiatives from the headquarters and to fulfill them formally, without making any real changes. In a way they make it appear that everything is different now, just the way the headquarters wants it to be, while continuing to work exactly the way they did before. In this way, the headquarters can keep face and point to and present the subsidiaries as being obedient, adopting the headquarters’ orders and initiatives. However, when looking at what really happens ‘on the ground’ in the subsidiary, one soon notices that in fact everything stays the same, but with a different name. This conflict tactic is rather common in cultures, in which ‘keeping face’, formalities and hierarchical orders have extraordinary priorities and meanings. It usually leads to an enormous waste of resources and inefficient work practices because keeping up the ‘show’ and appearances is rather costly and time-consuming:

“Ceremonial adoption refers to practices that appeared to, but in actuality did not, produce direct organizational improvements (Meyer and Rowan 1977). Ceremonial adoption

had similar effects to non-adoption, with the added feature of having wasted implementation resources. It could, however, be considered more effective if its negative effects were lower than a more explicit rejection tactic such as obstructing, or attacking, which is discussed later. Ceremonial adoption was an option for those subsidiaries that had relatively low levels of power, but relatively high levels of autonomy. Ceremonial adoption might be chosen in a cultural context where an inclination toward conflict avoidance is high, as in the case of many Asian cultures.” (Schotter and Beamish, 2011: 217).

7.5.4. Obstructing

Subsidiary’ managers who apply this resistance tactic essentially say “yes” to the headquarters’ orders and initiatives, but then do everything possible to make the implementation of these orders and initiatives impossible, by not providing or delaying the flow and delivery of the necessary information and resources and by avoiding true and trustful cooperation, first agreeing to certain appointments and agreements and later changing or not fulfilling them the way they should be fulfilled. Later, the subsidiary manager will argue that the obvious failure to implement the initiative from the HQ is the proof that the orders and initiatives were not good ideas and should be abandoned altogether, as they proved to be dysfunctional in practice. (Schotter and Beamish, 2011: 218-219).

7.5.5. Attacking

Subsidiary’ managers who apply this tactic try to discredit the orders and initiatives which come from a certain top manager from the headquarters and attack everybody who is in favor of them, while uniting and forming a coalition of everybody who is against the headquarters’ initiatives (including managers from other subsidiaries or top managers from the headquarters who oppose the initiative). Furthermore, this includes exploiting the divisions and conflicts which exist among and between headquarters’ managers and other powerful groups within the entire organization such as shareholders, as well as stakeholders. This includes many types of “playing dirty” such as intentionally hurting other managers’ credibility, firing employees who are in favor of the HQ initiative and blackmailing managers by using exclusive knowledge, gossip and other resource. The authors give an example:

“The subsidiary GM at Z-Corp targeted a GM at another subsidiary who was very supportive of the HQ initiative. Owing to his expertise, this GM was part of the global initiative development and implementation team. The attack on this other GM was not

direct at first, but the Z-Corp China GM was blackmailing this particular manager during his daily telephone briefings with the CEO. The Z-Corp China GM was also trying to seek alliances with other HQ managers who were skeptical about the initiative. For example, the vice president R&D was known to be critical with regard to the system solution initiative. He also enjoyed trips to China, and subsequently received and accepted many invitations by the Z-Corp China GM. During these visits, the Z-Corp China GM would vigorously attempt to discredit the initiative and the individual members of the project team. At I-Corp, the subsidiary GM used a similar tactic. He lobbied against the issue to some of the major nonmanaging shareholders of the company.” (Schotter and Beamish, 2011: 220).

This strategy usually ends with somebody leaving the company forever, either the one who was against the initiative or someone who was in favor of the initiative or who was made responsible for the failure of the initiative. This tactic is usually applied by more powerful and larger subsidiaries. For subsidiary managers to succeed in this conflict tactic and to win the confrontation, they obviously need excellent battle skills such as coalition building, clientelistic networking, deceiving, ruthlessness, risk-taking and charismatic leadership:

“Interestingly, in all cases, the subsidiary management was united behind the respective subsidiary GM. This provides evidence that powerful individuals within organizations should be explicitly included in the analysis of strategic decision-making (Eisenhardt and Zbaracki 1992).” (Schotter and Beamish, 2011: 220).

As one interviewed subsidiary manager summarized his confrontational approach:

“Often there is no point in arguing with the individual department managers at HQ. They have their mandates. The bigger issues have to be battled out with the big boss.” (Schotter and Beamish, 2011: 212).

7.5.6. When Which Tactic is Used

Under which circumstances do subsidiaries use which tactic? According to Schotter and Beamish, this primarily depends on the level of dependency and power the subsidiary has within the network of the MNE:

“Less confrontational tactics, such as ignoring or ceremonial adoption were used by subsidiaries that had relatively higher levels of HQ dependency or in cases where headquarters were not dependent on those subsidiaries. Subsidiaries that were relatively more powerful and less dependent on HQ resources used more aggressive tactics, including obstructing or attacking.” (Schotter and Beamish, 2011: 222).

But the authors also discover that there seems to be a personal, individual factor, too, that may influence the kind of resistance tactic the subsidiary chooses: the individual habitus of its managers which was shaped during their socialization, as well as their identities, personal aims and career plans. Choosing a diplomatic approach when dealing with the headquarters, for example, is considered adequate, reasonable and intelligent in some cultures, while it may be considered a sign of cowardice, weakness, shame and loss of face in others, where direct confrontations are valued as a proof of true braveness and masculinity. Depending on the culture and social milieu in which a subsidiary manager was socialized, he may choose a strategy which fits his identity and values, even if it is neither advantageous nor beneficial for him or the subsidiary. Here, actors may indeed act irrationally, but not without a certain logic and reasons for their decisions and actions.

Further factors which may influence the decision are the alternatives managers have concerning their career paths: while managers who have many job offers may easily risk an open conflict with the headquarters even if that may cost them their current jobs. Other managers who fear that they would hardly find a similarly attractive job again, may be much more willing to obey to the headquarters, even if they are convinced and aware that the initiatives and orders from the headquarters are contra-productive, will lead to disaster and wreak havoc in the subsidiary. Moreover, while some managers feel more loyal to the headquarters and aspire to make a career in the headquarters at a later point in time, using the subsidiary essentially as a stepping stone or springboard, others may feel more loyal to the subsidiary and worry primarily about their personal reputation within the subsidiary and the host country where they and their families are firmly integrated into the community:

“Our distinction between confrontational and non-confrontational tactics brings individual managerial actors more prominently into the picture. One could argue that the ways in which actors get involved politically is related to their personal interests and identities. For example, prior research (Dörrenbächer and Geppert 2009) has shown that some managers are more interested in an international career within the MNC, which leads to different approaches of socio-political strategizing, as compared to managers who are mainly interested in building their local careers and legitimacy in a specific host country. Therefore, one could argue that the reason behind why some managers seem not to fear being dismissed as a consequence of their active political behavior is the fact that these managers are highly sought-after experts or professionals, who can easily find jobs in other companies. Another explanation could be that managers differ in their political

skills when bargaining with headquarters. Some are more diplomatic than others (see also chapter by Fenton-O’Creevy et al. in this volume).” (Schottakingter and Beamish, 2011: 222-223).

7.6. Social Cohesion and Normative Integration within the MNE:

After having taken into account the many different sources of conflicts as well as opposing and contradictory interests of different groups and individuals within the organization, one question arises: what holds the MNE together? What holds the headquarters and the subsidiaries together? Why can the different sub-units of a multinational enterprise actually function and work together quite effectively and efficiently? Apart from formal rules and contracts (“hard institutions”) which may force the different units of the organization to cooperate, there is another factor that may be even more crucial for smooth and efficient cooperation and cohesion within the MNE, the so-called ‘normative integration’:

“Subsidiaries may be controlled in various ways: through centralization, formal rules and procedures or an emphasis on shared objectives, values and norms (normative integration). Instilling shared values as a control mechanism (Nohria and Ghoshal 1994), developing a strong culture (Deal and Kennedy 1982) and allowing organizational goals to be internalized (Eisenhardt 1985) are possible ways in which internal conflict situations are overcome. [...] This relates to the extent to which overseas subsidiary managers share a common set of values with respect to corporate goals. Normative integration enables subsidiaries to use their knowledge ‘to pursue the interests of the MNC as a whole and not just their partisan interests’ (Nohria and Ghoshal 1994:494). Normative integration has a unifying function within the MNC: shared values can legitimize local decision-making without dispensing with any form of centralization or formalization. Ways of actually implementing shared values are based on socialization: rotation and transfer of managers (Edström and Galbraith 1977), and extensive and open communication among the dispersed units of the MNC (Martinez and Jarillo 1989). Such extensive socialization and communication is aimed at building common behavioral norms and trust between headquarters and subsidiary managers, ultimately increasing social capital within the MNC (Kostova and Roth 2003)” (Williams, 2011: 292).

These are relatively old and well-known ideas to which most scholars agree, indeed they are central to the ‘evolutionary approach’ as well as many sociological organizational

theories. The crucial question which needs further consideration is: if everybody agrees that normative integration is so important and every good leader makes great efforts to implement it in the organization which he or she leads, why does it fail so often? It is obvious that cooperation, trust and shared values are crucial for the success of any organization, so why do so many organizations fail to implement them? What is really happening ‘on the ground’ when top managers try to implement normative integration but their subordinated employees resist?

7.6.1. Why Managers and Workers may Resist Normative Integration

While most scholars and practitioners (e.g. managers and workers) agree on the crucial importance of normative integration, the question why members of organizations, in particular of international ones, resist efforts to implement normative integration remains unanswered, although it is of central importance for the success of the entire organization and its members. Williams argues that subsidiaries’ managers and workers may resist normative integration because they fear a loss of power:

“Implementation of normative integration within the MNC involves a socio-political interaction between subsidiary managers and headquarters managers. Subsidiary managers that do not accept headquarters requests to implement normative integration, or who are reluctant to contribute to requests to build trust using socialization are likely to adopt a confrontational stance with both headquarters managers and managers from other subsidiaries that are implementing shared values. Subsidiary managers may fear that the subsidiary will lose control over the firm’s informal organization (Mintzberg 1985) by instilling values set by the headquarters: the subsidiary becomes more dependent on an “outside actor” (the headquarters) for the rules of social engagement and the scope of legitimate behavior. This perception is born out of a fear of loss of power (Pfeffer 1981) and may eventually lead to conflict [...]. In essence, the social capital that is built as a result of socialization and normative integration reduces the need for socio-political interaction between subsidiary managers and headquarters/peer subsidiary managers.” (Williams, 2011: 293).

While Williams theory may indeed adequately describe what happens in some cases of resistance against normative integration, it has to be criticized that his arguments are still too much clung and caught in the assumption that humans always aim to maximize power (and profits and wealth). Instead, I will argue that it is much more likely that

subsidiaries' managers and workers may resist the incorporation of headquarters' values, the "normative integration", because of several other reasons:

1. They may aim to defend their own identity, and as values and norms are very closely connected to one's identity, changing these values and norms through a program of "normative integration" which the headquarters aims to force upon the subsidiary, may unsettle the subsidiary's managers' and workers' identity. They may have a positive self-regard because they like and appreciate their own values, norms and identities and, therefore, want to keep them.

2. They may have good reasons to prefer their own values, norms and practices to the ones of the headquarters, as they work better for them, and may be more adequately adapted and suited for the institutional environment and society of the host country in which they live and work. Therefore, they have little motivation to change them. This reason for resistance has already been mentioned by Williams and Lee "when change agents fail to appreciate differences in requirements across subsidiaries this can lead to frustration in subsidiaries and provide impetus into an internal political arena. [...]" (Williams, 2011: 287).

3. They may believe that the headquarters' top managers who are promoting the company's values are hypocrites because the top managers themselves do not act in accordance with the values they preach. Preaching water while drinking wine at the same time, may not come across as authentic, coherent and convincing. Promoting the value that all members of the MNE should treat each other like a family, caring for one another, while laying off thousands of workers, may not be perceived as authentic management, for example. Or condemning corruption while engaging in it at the same time, may lead to sarcastic laughter, but not to profound normative integration.

4. They interpret the normative integration demand of the headquarters as a kind of foreign rule and cultural repression and resist it because they value their independence and self-determination. They believe that the influence of the headquarters on the subsidiary should be limited to purely economic issues. The culture of the subsidiary is seen as the domain of the subsidiary's managers, who grew up in the host country where the subsidiary is located. It is the mentality of: "you may tell us what we have to work, but you should not tell us what we should believe in and how we shall live, because that is part of our cultural self-determination and liberty".

7.6.2. Social Cohesion and Conflicts in ‘Greenfield Site Subsidiaries’ Versus ‘Acquisition Subsidiaries’

It seems that the conflict probability varies enormously depending on whether the subsidiary is a “greenfield site” which was set up by the headquarters, literally on a “greenfield”, creating exactly the structure, practices and routines and employing exactly the employees who are preferred by the headquarters, essentially, “extending” the headquarters to the greenfield, or whether the subsidiary became a subsidiary through acquisition. It used to belong to a different enterprise with a different culture, history and structure and then changed the owner. Gupta and Cao have done extensive research on this question:

“The line of reasoning is that greenfield sites, as compared to acquisition, involve stronger network ties and trust between subsidiary and headquarters actors and will, therefore, be positively related to conflict resolution, implying that conflict will have less adverse effects on subsidiary performance and managers’ commitment. Gupta and Cao (2005) proceed to test their hypotheses and find them, with the exception of the moderating effect of geographical distance, confirmed.” (Blazejewski and Becker-Ritterspach, 2011: 152).

8. The Co-Evolution of Foreign MNEs and Local Institutions

In their article on co-evolution, Cantwell, Dunning and Lundan emphasize that foreign MNEs may not only adapt to, but also change the institutions of the host countries: “the presence of MNE affiliates in a host country may act as a catalyst to changing the informal institutions and mindsets of the people” (Cantwell et al., 2010: 580).

Furthermore, the authors ask “How do we evaluate the contribution of MNEs to the transformation of the host countries?” (Cantwell et al., 2010: 581).

They propose three main categories of how foreign MNEs deal with the institutions of the host country. The different “forms of MNE institutional engagement” are: institutional avoidance, institutional adaption and institutional co-evolution.

8.1. Changes Made Inside the MNE

8.1.1. Institutional Avoidance

The “**institutional avoidance**” strategy¹ is characterized by the MNE trying to stay out of the host country’s institutions as much as possible. If that is not possible and if the institutions cause too many problems, they may even consider to pull out completely: they prefer leaving the host country instead of trying adapt to the host country’s problematic institutions. Even less they will try to change the problematic institutions: “Faced with a weak institutional environment, characterized by a lack of accountability and political instability, poor regulation and deficient enforcement of the rule of law, the response of most MNEs is likely to be characterized by an “exit” rather than a “voice” strategy (Hirschman, 1970). Exceptions, however, may include naturalresource-seeking investment and some forms of infrastructure investment, where the number of alternative investment locations might be limited.” (Cantwell et al., 2010: 575).

¹That is, the way of dealing with the institutions of the host-country.

When this strategy is applied, the “institutional environment is exogenous to the firms” (Cantwell et al., 2010: 576): there is no mutual-interference and inter-influencing, no changing or blending of institutions, the foreign MNEs stay foreign, and the local institutions stay local. This strategy is more likely to be applied when the MNE can choose between several different host countries which all have similar advantages and disadvantages and therefore it does not depend on one location in particular where to set up its operations. One example may be certain manufacturing MNEs: low wages and the skills needed for manufacturing certain products may be found in many countries on earth nowadays. In contrast, resource extraction MNEs have to set up their subsidiaries where the natural resources can be found, therefore they have to set up their operations in the very few resource-rich countries on earth, even if their local institutions are considered extremely problematic. This brings us to the strategy of “institutional adaption”:

8.1.2. Institutional Adaption

The “**institutional adaption**” strategy is often applied when the MNE depends on the host country because there is something in the host country they consider valuable and necessary for their business. The authors summarize:

“the MNE treats the institutional environment as essentially exogenous, but in this case it seeks to adjust its own structure and policies to better fit the environment. The means to achieve this objective include the use of political influence and, in some cases, bribery, but it may also involve efforts by the MNE to intentionally emulate the behavior, commercial culture and institutional artifacts that are most desirable in the host country context. At the extreme, the MNE may wish to ‘go native’, and to become an insider in the host country market, possibly even hiding the aspects that make it appear foreign.” (Cantwell et al., 2010: 575-576).

There are obvious reasons why MNEs may choose this strategy: in many countries doing business successfully is hardly possible without bribery, corruption and political influence, and as some MNEs consider it absolutely necessary to set up operations in these countries, as certain resources or other business opportunities can nowhere else be found, they decide to adapt to the host country’s institutions. They do business in the way it is commonly done in the host country, which often means breaking their codes of conduct by lowering their ethical standards.

As scholars of development psychology and socialization (Hurrelmann et al., 2008; Müller, 2008; Trommendorff, 1999) have already shown, there is a subliminal and hidden process which is often overlooked: the environment to which one is exposed as well as

the way one acts in that environment have socializational effects, they influence the habitus, values, norms and identity. Consequently, when the environment and the behavior change, the values, norms and attitudes which guide the decisions are likely to change eventually, too. The relation between values, attitudes and habitus formation on the one hand and behavior, actions and decisions on the other hand, is highly dynamic. Both influence each other. Changing one side, impacts the other side, too. Needless to say that values and attitudes influence decisions and actions, but it also goes the other way around: changing the behavior first causes an inner conflict which is usually dealt with by changing one's values and attitudes in order to achieve a new coherence between behavior and values. This holds true to individuals as well as to entire organizations (which are, after all, made up of individuals who eventually influence the structures and culture of the organization). Even if an organization firmly commits to certain values, it cannot maintain them if its members have adopted different ones.

Applied to the case of MNEs, it is possible that the MNEs which engages in corruption in the host countries may carry these "different" practices and the underlying values, norms, mindsets and attitudes to which they have adapted in the host country to their headquarters and home countries eventually. In the long run it is highly unlikely that an MNE has corrupt subsidiaries and an honest headquarters, practicing completely different values, attitudes and actions at the same time. The reasons are manifold: first of all, culture spreads and disseminates through the MNE as there is constant communication between the subsidiaries and the headquarters and considerable numbers of managers and workers move from the subsidiaries to the headquarters and vice versa during their career. They are constantly spreading the values, norms and practices they have learned and incorporated and to which they have accustomed themselves over the years. Moreover, even the employees who never travel will observe the ones who have and will notice the difference. In addition, they will receive information through informal communication channels and gossip ("Flur-Funk") as well as through the mass media when the practices applied in the host countries become public and cause scandals and public outrage. This information about the applied practices communicates to the employees which values and norms are the real ones of the firm. Even if the MNE's top management tries to enforce the values of the headquarters (instead of those of the subsidiary) by presenting and expressing them continuously to the employees, it does not make an authentic impression nor does it appear very convincing to teach the members of an organization that they ought to be honest, upright and law-abiding in one situation and dishonest, corrupt and unprincipled in another one because in the host

country there may be no other way to deal with the institutions. The most likely result is not a “hybrid-personality” but cynicism. Furthermore, the new values of corruption and bribery are likely to turn inward, that is, they will not only be practiced vis-à-vis the host country and later the home country, but also within the MNE. Once a new practice is conducted for the first time, the inhibition level to do it again suddenly declines and the habituation effect starts.

8.1.3. Institutional Co-Evolution

According to the authors, when MNEs apply the strategy of co-evolution:

“their objective is no longer simply to adjust, but to affect change in the local institutions – be they formal or informal. For example, an MNE might engage in political activities to advance specific kinds of regulation or market structure that give it an advantage over its competitors. In doing so, the MNE might also align itself with domestic firms in lobbying the government for economic protection or support” (Cantwell et al., 2010: 577).

Furthermore, the authors argue:

“While it could be argued that this last form of institutional response represents merely a difference in degree rather than in kind when compared with the adaptive scenario, there are a variety of forms of co-evolution that may be observed, each involving a different balance between adaptation and co-evolution. These include the introduction of new organizational routines and best practices that the affiliates of MNEs have either developed locally, or which are transferred to them from elsewhere within the MNE network. They also embrace the transmission of home-country institutional practices that are adopted by the MNE parent, and transferred within the MNE network. Co-evolution may also involve activities in which the MNE engages to affect institutional change at the supranational level” (Cantwell et al., 2010: 577).

The authors point out that co-evolution is most likely in host countries which are currently undergoing a process of rapid political, economic and cultural/institutional modernization, such as Mexico and other emerging markets:

“in a faster-moving environment, perhaps associated with a process of political and institutional reform, the co-evolution of MNE subsidiaries and the institutional environment is more likely, and the variety they introduce to the local environment is more likely to influence (as well as be influenced by) the behavior of other agents. In particular, an institutional system that is in flux is likely to exhibit ‘institutional voids’ that offer opportunities for institutional entrepreneurship and co-evolution. Consequently, in

emerging markets, MNEs might be welcomed in part because they introduce institutional elements that are missing in the local environment” (Cantwell et al., 2010: 577). Of course, foreign MNEs are usually not the main cause of institutional change, but complex endogenous processes, discourses and power struggles between different groups within the society of the host country which start the profound societal change. The foreign MNEs’ impact is rather an additional factor which may increase the speed of change:

“New practices introduced by MNEs can become a part of the wider process of changing values and institutional structures in the host country, but even in such cases institutional entrepreneurship by MNEs is likely to contribute only one element of the broader restructuring under way.” (Cantwell et al., 2010: 578).

One example of co-evolution are the plants of Volkswagen (VW) in Puebla. VW has established partnerships with local universities to educate the engineers who have the skills which are needed in their plants. The local universities, for example, have established special study programs like “automotive engineering”. Furthermore, they have set up German language schools in cooperation with the state. Moreover, a whole range of corporate social responsibility programs have been established on a long-term basis. In many areas, they have actively influenced institutions in Puebla. And as will be shown and described in more detail in the subsequent chapters: as large parts of the population have observed that studying engineering and German promises an excellent job and social ascent, even families who have absolutely no relative working for VW, invest in the education of their kids, as the stories of success have spread through the neighborhoods.²

Having mentioned how Puebla’s institutions have evolved and how they were impacted by VW, one also needs to mention the other side of the co-evolution: the VW plants and German managers in Puebla have evolved and were influenced by the institutional environment over time, too, incorporating local practices and institutions from Puebla and Mexico in general because it proved to be more efficient and led to better results:

During the interviews, when I asked the top managers who lead the subsidiaries of German MNEs in Mexico: “What is the culture within the subsidiary like? Is it like the culture of the MNE’s headquarters in the home country or is it like the culture of the host country, in which the subsidiary is located or is it a mix of both?” Most

²There are several reasons which explain the enormous impact VW has had on Puebla’s institutions: besides the mutual respect, cultural sensibility and admiration of Mexicans for VW, a further crucial factor may be that VW has become so important for the economy of Puebla, that the government cannot afford not to cooperate and respond to the proposals of VW.

interviewees answered that it is a mix of both and that it would not even be possible in a different way. The top managers who are sent from the headquarters in order to set up and run the subsidiary in the host country learn that it is more effective and that they get better results when they adapt a bit to the culture of their local employees, that is, the culture of the host country of the MNE. VW's German top managers, for example, learn to speak Spanish and hold speeches and address the Mexican employees in Spanish. In the subsidiary of another German MNE, the German CEO of the Latin American section of the MNE mentioned that he has learned that it is more effective to organize a huge fiesta after the aims of the subsidiary have been met. The fiesta is organized by the employees who bring food, music and dance and all families are invited. That is something German MNEs are usually not famous for, but in their subsidiaries in Mexico it is rather common as it is the best way to motivate the local employees.

In Germany, after the work is done, the employees return home to their families, in Mexico the families come to the subsidiary and enjoy a long fiesta with huge quantities of food and drinks which they have prepared at home previously, and they will sing, dance and make music at the subsidiary. Of course, the top managers could forbid such fiestas at the subsidiaries, but as they want to have motivated employees and appreciate Mexican culture, they have decided to build special rooms at the subsidiary in which huge fiestas can be celebrated after major aims have been achieved.

As Sargent and Matthews (1998) have already shown in their case study on foreign MNEs in Mexico: the local employees are much more willing and likely to adapt to the work, management and organizational practices of the foreign MNE when they are allowed to adapt them a little bit to their own culture and in this way 'making these foreign practices their own practices'. In this way, they become compatible with their local culture.

The local Mexican managers and workers were fine with adopting Japanese management practices, including quality circles, as long as they were allowed to call them "Mariachi Circles". Mariachis in Mexican culture are musicians who stand in a half-open circle while playing at important fiestas and are often engaged when a man tries to seduce a woman. In these cases, the Mariachis play in the middle of the night in front of the woman's house, waking up the entire neighborhood, while the man declares his love.

By giving a Mexican name to the Quality Circles, they make it their own practice. It is easier to adapt to a new practice when it does not feel so foreign anymore. When

it appears to be familiar, e.g. because it has a familiar name, it appears to be less frightening.

Furthermore, by “mexicanizing” the foreign practices a bit, the Mexican employees can maintain their identity, while integrating the new practices and the underlying institutions without which the new practices could not work properly, into their existing framework of practices and institutions, without risking an identity conflict. For them, it is a way of communicating to themselves, that is, to their own identity and personal history: “Ok, we will adapt to the new work practices and institutions because they are more efficient, but we will integrate them into our existing framework because not everything is wrong with Mexican culture and institutions and not everything we have done before starting to work for the foreign MNE was wrong either.”

In this way, they achieve to maintain a positive self-regard, an affirmative view on their own identity and culture while successfully and wholeheartedly adopting practices and institutions from a foreign culture.

If the expatriate top managers communicate verbally and non-verbally (e.g. through their decisions and actions) that they consider the entire culture of the host country to be a mess³ and that, therefore, everything in the subsidiary has to be done exactly in the way it is done in the home country of the MNE, then the local employees may be less willing to cooperate, to build up trust and to adapt to the practices and institutions of the foreign MNE. The local employees, just as any group of people, want to defend their identity and self-confidence. They do not appreciate it when somebody unsettles them by making them feel unsure and uncertain about themselves.

Therefore, it is crucial that foreign top managers communicate clearly that they respect and appreciate the culture of the host country and that they are, therefore, happy and willing to integrate the “good things” of the host country’s culture into the practices of the subsidiary as long as they are functional and efficient, thus reassuring the identity of the local employees. When the identity is reassured and when they feel respected, they are more willing and open to adopting new practices and institutions.

In a nutshell, we may say that the first step to winning the heart of the people, is to truly respect their culture, which is a crucial part of their identity, that is, themselves. When they feel respected and appreciated, they are more likely to consider the foreign institutions and practices not as something hostile, but as something fascinating that they can learn in order to work more efficiently and to improve their lives.

³and that the way the local managers and workers had worked in their lives up to the point when they started working for the foreign MNEs was wrong, too)

8.2. The Host Country Side of the Co-Evolution Interaction between Foreign MNEs and Local Institutions

Docking onto and building upon the co-evolution theory, we may say that host countries, or more precisely, the relevant actors in this interaction: the local workers and managers, the state officials, local firms, the media and the wider public, do also practice one of three possible reactions and attitudes towards the arrival of foreign MNEs. Interestingly, the attitude the host country's actors decide to take towards the foreign MNEs depends to a significant degree on the strategy which the foreign MNEs decide to take upon their arrival in the host country, as will be shown in the following section:

8.2.1. Rejection

1. **Rejection:** The host country's actors reject the foreign MNE and the foreign culture the MNE brings with it to the host country. The fierce emotional rejection may be triggered by the fear that the foreign MNE is going to harm the host country by polluting the environment or bringing products and practices to the host country which are either considered harmful or morally reprehensive. This was one cause of Wal-Mart's disastrous failure in Germany: their denunciation policy, which encourages the employees to spy on each other and denounce each other to the management was too similar to the practices which Germans experienced during fascism (Christopherson, 2007). After the experience with the Gestapo and, later, the Stasi, Germans consider extensive spying, surveillance, and denunciation programs a threat to their freedom. Privacy is an important value in German culture (Lord, 1996). Moreover, the lack of respect towards workers' rights was considered a national offense, as following the rules is a sign of respect in German culture (Pioch et al., 2009; Talaulicar, 2009). Breaking them is considered much more than a criminal offense, it is a disrespectful act (Lovik et al., 2001).

Further causes may be national resentments and injured pride (which is often the case when the host country was a former colony of the MNE's home country). The rejection and clandestine sabotage of US American MNEs in Mexico, for example, which were reported during the interviews can be explained in this way.

Beyond that, the population of the host country may feel that the foreign MNE and the foreign culture which comes with it is a threat to their national identity. It makes them feel unsure about who they are. They wish to maintain their identity and they

want their national culture and way of life to survive and, therefore, they reject the foreign MNE as it is considered a threat. Such was the case with Disneyland Paris: this ‘deeply American MNE’ brought American culture to France and even demanded that all of their French employees must speak English all the time during work. Needless to say that they were fiercely and strongly rejected by most parts of the French population who wish to protect their language which is considered one of the most integral parts of their national culture and identity (Aupperle and Karimalis, 2001; Pozzebon, 2014; Yue, 2009).

8.2.2. Indifference

2. **Indifference:** no attention is paid to the foreign MNE and its foreign culture. The activity of foreign MNEs is largely ignored. It is not present in the media and the majority of the population may not even be aware of the presence of the foreign MNE in their country. This response may become rather likely when the MNE decides to go native and to disguise as a national enterprise as it considers its national origin to be a disadvantage in the host country, because the reputation of its home country may be discredited in the host country. Such was the case with Coca-Cola in Germany. When German soldiers were detained and brought to the USA during WWII, they were surprised to see that in the USA people were drinking Coca-Cola, too, just like in Germany, because during fascism Coca-Cola advertised its product not as a foreign one, but as a local German one, with photos of Adolf Hitler appearing on Coca-Cola’s advertisements (Paul and Kanzler, 2002: 80).

8.2.3. Warmly Embracing the Foreign MNE and the Foreign Culture that Comes with It

3. **Warmly embracing the foreign MNE and the foreign culture that comes with it** and learning from it by adopting certain aspects of the foreign practices, attitudes and institutions which seem to have substantive advantages over the local ones. In this case the local workers, managers and state officials admire the foreign MNE. They want to be like the expatriate managers and, therefore, emulate and imitate the attitudes, lifestyle, work and organizational practices of the foreign MNE and its foreign top managers because it is considered an opportunity for social ascent and recognition. Obviously, this reaction becomes more likely when the foreign MNE and the expatri-

ates on their part show their respect and appreciation for the host country, the local employees and their culture, in turn.

Part II.

Research Methods

9. Methodology

In this chapter, the methodological approach applied to explore the research object and to answer the research questions will be discussed. The aim is to go beyond hypothesis testing and to develop a more comprehensive understanding of the research object, taking into account why the actors act the way they do: their deeper motivations and aims, as well the misunderstandings, rivalries and conflicts between the actors which need to be understood in order to be able to make sense of their actions. Furthermore, it became apparent that different actors interpret the same situation and problems in very different ways and, therefore, come to different conclusions about what has to be done, which causes further conflicts. Therefore, a further focus is set on how the actors perceive and interpret each other, the situation and world around them and what they consider a problem as well as what they identify as the causes of the problem.

9.1. Qualitative Research Methods

In order to study native and foreign business elites in Mexico, it is particularly promising to apply qualitative methods because of four reasons first, qualitative semi-structured in-depth interview methods and participant observation techniques are more capable of extracting and revealing the subtle characteristics of the cultural differences, habitus formations, distinction practices and values of top managers from different home countries and social backgrounds as well as the conflicts which occur among them (Conti and O'Neil, 2007; Goldman and Swayze, 2012). Second, as previous elite studies have shown, most members of the business elite are not willing to be interviewed about sensitive issues (Harvey, 2011; Hertz and Imber, 1995). Therefore, it makes more sense to extract as much information as possible from the elites who are willing to be interviewed, using in-depth interview techniques, instead of trying to use quantitative methods. Only very few elites are willing to participate in the investigation, which makes it highly unlikely that a representative sample can be obtained, and thus makes a quantitative approach less useful. The third reason to prefer in-depth qualitative interviews over quantitative

methods is that “the interview-based approach means that we can find out directly about the reasons for managers’ decisions rather than merely infer causation from statistics.” (Healey and Rawlinson, 1993: 342). Going into a similar direction, Scherger (2012) argues that qualitative interviews are particularly capable of answering “Why-Questions” and discovering causal relations, while quantitative methods are better suited to achieve precise measurements and discovering statistical correlations. A further advantage of qualitative semi-structured interviews is that while the interviewees are replying to the questions, they start reflecting about the social system in which they act, about their own role in that system, as well as why they act and think the way they do, which then may lead to new insights concerning their socialization and habitus formation. As most individuals are usually not aware of the deeper causes of their own attitudes and viewpoints, during the interview they may develop a better understanding and become more conscious of themselves, their own attitude and personal history. In short: the qualitative approach may create new knowledge during the interview process which would not have been accessible otherwise. This process of deep reflection, realization and becoming aware of how one’s socialization has shaped one’s own attitude and way of interpreting the world and the people around oneself, is unlikely to happen when multiply choice surveys are used as the central research method, as they are too superficial. Several times during the interviews, the top managers suddenly said “Nobody has ever asked me that before! And I have never thought about that!” and then they started reflecting deeply about how they have become the persons they are today. Furthermore, as Duarte points out: “qualitative research creates a deeper understanding of social phenomena, as qualitative methods of data collection encourage the participants to reflect more freely and deeply on their personal experience. This in turn prompts more spontaneous and richer responses which stimulate the researcher to engage in more intensive reflective ‘brainwork’, as they ‘ponder the impressions and deliberate on recollections and records’ of their research.” (Duarte, 2010: 358).

During the analysis-stage of the research project, when the researcher listens, transcribes, reads and compares the interviews, the sheer complexity of the research object becomes apparent which forces the researcher to make an effort to comprehensively understand the whole and it keeps him or her from drawing too superficial and too simplistic conclusions.

9.2. Taking into Account the Background Cultures of the Elites

A problem one encounters when categorizing different habitus formations, attitudes, leadership styles and distinction practices from different cultures into one set of prefabricated categories is that the same term, although it may have been thoroughly defined previously, can have different meanings in different cultures. When asked about the same concept, respondents in different cultures may interpret the concept very differently, e.g. while directive (or charismatic) leadership styles exist in many countries and cultures, they turn out to be very different indeed when they are studied closely. The term exists in every language, but the meaning may vary greatly. Therefore, it is necessary to develop a deep understanding of the background culture of the business elites in order to understand the meaning of the words they use and the significance which their actions have in their culture, for themselves and for their followers. Thick description methods (Cyrenne, 2006; Geertz, 1973) will be applied to reach this aim of understanding how the central concepts, which are crucial for understanding the object of research, are interpreted within the background culture of the interviewees. I follow Martinez and Dorfmann on this issue:

“The problem [...] is that, without in-depth culture-specific (emic) knowledge secured from native members of each culture under study, the researcher’s understanding of a particular leadership behavior may not necessarily relate meaningfully to the culture and can easily be too superficial to capture the information sought. Thus, the comparative study (etic) of the impact of specific leadership behavior without an in-depth understanding of the culture becomes extremely problematic. [...] a search for general ‘laws of behavior’ might best be tempered by a recognition within research designs and methods that more in-depth knowledge and a greater understanding of many emic systems is necessary. In business studies, we are still at the point where we are struggling to employ appropriate methods that reflect the complex meaning embedded in cultural systems (Chapman. 1996-97)” (Martinez and Dorfman, 1998: 104).

9.3. Interview Structure

While fully structured interviews make sure that the conversation focuses precisely on the object of research and ensure comparability, they do not give enough room for deep reflection and unexpectedly emerging aspects of the research object. The rigid structure

may constrain and restrain the interviewee so much that the conversation is constantly interrupted by new questions, which do not necessarily connect well to the current lines of thoughts of the interviewee, thus making the conversation appear unnatural. The conversation may not start flowing, as the strict order of questions drags the interviewee out of his flow of speech and suppresses spontaneous and unexpected answers and ideas. In short: the interviewee has not enough room and freedom to develop and explain his own interpretation of the research problem.

Unstructured interviews have the opposite problem: the conversation is at risk of becoming random as there is no clear direction in the interview. Furthermore, the interviews will be difficult to compare when they are analyzed at a later stage of the research project.

Here, semi-structured interviews seem to be a good middle-ground solution as they make sure that there is a clear direction in the interview and that all important areas and aspects of the research problem are covered and retrieved. At the same time, they provide enough room for deep reflection, unforeseen insights and unexpected but important information as well as follow-up questions for deeper exploration of the research object. Furthermore, the questions were asked in an open-ended way for the same reasons as Martinez decided to do it in her excellent study on Mexican entrepreneurs:

“The interviews were semi-structured where a similar set of topics was addressed with each interviewee [...]. The interview questions were open-ended and directed at encouraging the informants to explore and explain in their own language their behavior, ideas, and social interactions in the context of their organization and their position as empresario in Mexican society.” (Martinez and Dorfman, 1998: 105).

9.4. Empirical Research Methods

9.4.1. Face-to-Face Interviews

Face-to-face interviews instead of telephone interviews were applied because face-to-face interviews can be richer in information as more communication channels (e.g. body language, facial expressions and other forms of non-verbal communication) can be taken into account. In addition, face-to-face interviews offer the possibility to observe the context, lifestyle and behavior of the interviewed person, as Buß has shown in his study on German top managers (Buß, 2007). The office, the clothing and the way the interviewed manager presents himself and interacts with his employees, for example, can be

observed and these sources of information can be used to develop a more comprehensive understanding of his attitude, leadership style and values.

9.4.2. Group Discussions

In addition to the interviews, the method of group discussions proved to be very effective as it produced new and valuable insights. One group discussion with top managers was conducted and four with the employees of the top managers. As the discussion picked up pace, the social dynamic which developed between the participants led to new multifaceted views and interpretation of the research object. Two special characteristics of the group discussion method are that, first, in the ideal case the participants can put together their pieces of knowledge into a mosaic that is much more multi-layered, nuanced, comprehensive and precise than any participant alone could have done it. Second, during the discussion the participants have the possibility to develop, check and correct each other's viewpoints during their interaction with the other participants. Furthermore, the dissents and disagreements lead the participants to explain their own point of view in more detail and in a more precise way and to give more examples and evidence to prove their theories and to clarify their interpretations and opinions (Lamnek and Krell, 2010, 381).

9.4.3. Taking Photos

If the interviewed person agreed, I took photos and later, during the analysis of the data, compared the way the interviewed persons dressed, stood or sat, presented themselves, etc. By taking photos, these characteristics, which may carry relevant information and hints pointing to their habitus, self-image and self-perception as well as to the impression the top managers aim to make on others, could be compared in a more precise and comprehensive way. The reader of this study will have the opportunity to verify the researcher's interpretation and come to his/her own conclusions by looking at the photos for him- or herself. Furthermore, as the room in which the interviews were conducted, was captured by the camera, too, I was able to compare the way their offices were furnished, arranged and decorated with pictures and other objects.

9.4.4. Observing the Research Object in Its Environment

I applied the method of participant observation (Girtler, 2001) in order to discover the hidden, non-verbalized aspects of the research object. The top managers and workers of

the MNEs where observed in their natural environments: the places where they work, where they spend their free time, where they live and where they received their education. Moreover, I explored the different social milieus that shape the values, world-view and attitudes of the interviewees which influence their way of thinking, their actions and decisions.

While the last aim of this research project is to contribute to a better understanding of what one may call "objective reality", the first aim is to understand and reconstruct the subjective realities ("Lebensrealität") of the interviewed persons, that is: how the interviewees (top managers and workers) see and make sense of the world in which they live and act. The way the interviewed persons perceive, interpret and construct the social reality is subjective, but because their subjective understanding of the world is highly relevant for their decisions and actions, it ultimately impacts the "objective world". Even if their subjective views and interpretations of the world are completely inaccurate and detached from empirical reality, they need to be understood because it is the only way to make sense of their actions. Their fears may be irrational, for example, but only by understanding these irrational fears, we may understand why they engage in irrational actions. One example may clarify the issue:

European observers often ask themselves why business elites in Mexico are so strictly against independent unions and other forms of workers' self-organization of interests. A "Mitbestimmung" ("Deciding together") concept as it is common in German industry is unimaginable for Mexican business elites. Indeed, they ask themselves how this concept can possibly work in Germany. The reason is that they constantly fear revolutions, social uprisings and the rise of a communist regime. This fear may be irrational, as the threat is not real, but it has very real consequences as it is the reason for the uncompromising attitude and stand of a very large part of the Mexican business elite against independent unions.

In conclusion we may say that, although it takes a rather long time, understanding the culture of the social milieus in which the business elites were socialized and in which they still live, contributes enormously to understanding their opinions and view points and to make sense of their actions.

9.4.4.1. Living Environments and City Districts of Elites

I observed several elite neighborhoods in Mexico City and Chihuahua and was invited to see two gated communities in these city districts. I studied the enormous distinction and demarcation of these places towards the outside world and how many residents spend

most of their lifetime in these gated communities. When they leave these places in order to go to a shopping mall, they do it only by driving huge SUVs. The shopping malls are protected by heavily armed private security policemen, too, but incidents, such as assaults in which the wives of the top managers were stopped and forced out of the SUV, were reported by some interviewees. This had further effects as it led several top managers, foreign and Mexican alike, to resign and quit their job abruptly in order to leave the country together with their families, which in turn had effects on the leadership of the subsidiaries then led by other top managers who had other values and applied different leadership styles.

9.4.4.2. Elite Business Schools

Although a large part of the interviews already focused on the socialization of the business elite, I decided to further explore the issue and to dig deeper by studying the elite schools and universities where the managerial elites were educated and where an important part of their socialization took place. The curricular vitae (CVs) of the managerial elites gave some indications of where they had studied. At these elite business schools, I interviewed the professors who have taught the current managerial elite, influenced their thinking and who now teach the next generation of top executives. In addition, I interviewed several business students and attended some classes of the business schools, conducting participant observations in order to find out more about the world-views, values and ideas transmitted during the classes. It turned out that the private Mexican elite universities have a unique culture, identity and self-conception which has no equivalent in the German educational system. While most German top managers have studied at public schools and universities (Hartmann, 2002; Pohlmann et al., 2013) together with mostly middle-class students, most Mexican top managers studied at exclusive and rather expensive private schools and universities. Indeed, their entire education from preschool to university took place in private elite institutions in which contacts with non upper class is rather uncommon. Most students at these universities drive their SUVs over the campus, are extremely brand-conscious and focus on expressing their superiority over other strata of Mexican society. This culture which shapes, or at least reinforces, certain attitudes, world-views and opinions is explored and described in the corresponding chapter, as it explains some distinction practices, attitudes and opinions of Mexican business elites, which would otherwise be difficult to comprehend.

9.4.4.3. Elite Clubs

Gate-keepers helped me to access elite clubs in Mexico City and Chihuahua where I studied the culture of the milieus in which elites in Mexico spend some of their “leisure” time and interact. Indeed, these clubs are places where a very important part of the business communication takes place and agreements are made. As Mexico has a rather personal culture with people feeling the need to know each other personally and privately to be able to build up trust and to do business together, as they do not trust abstract institutions or contracts, it is these clubs where elites spend considerable time together, eating, drinking, smoking, enjoying music and shows, before they come to an agreement by the end of the night.

9.5. Integrating an Inside-Perspective with an Outside Perspective on Elites

The impact of the top managers’ leadership styles, values and attitudes on their subordinated employees, their families, communities, and the organization as a whole, were investigated from two sides: first, the managerial elites were interviewed about what they think the impact of their leadership styles, values and attitudes on their subordinated workers is. Second, the subordinated workers and their families were asked how they experience the attitudes, leadership styles and values of the managers that are superior to them. In this way, both perspectives, the perspective from below, from the subordinated workers, as well as from above, from the superior managers were taken into account and compared. In this way, following the advice of Healey and Rawlinson, the inside and the outside perspective were combined and integrated to create a more balanced understanding of elites and their impact on their subordinates and the organization they lead. Furthermore, the relation between elites and their subordinates as well as how they interpret and perceive each other were illuminated (Healey and Rawlinson, 1993: 3).

9.6. Sampling

First, the interview requests were sent via email to the 100 largest subsidiaries of foreign enterprises in Mexico according to Expansion CNN List of the 500 largest enterprises active in Mexico (CNN Expansión, 2011), but as this method did not prove to be suc-

cessful, purposive sampling and the snowball-method was applied, similar to the one applied in Duarte's study:

"As the aim of the study was not generalizability to populations, but to explore the experience of [...] managers, purposive sampling was used. This means that the choice of participants was consciously decided by the researcher because of their relevance to the study, and of their potential to help develop explanations for the phenomenon under examination (Mason, 1996); because of their potential to produce 'illuminating examples' (de Vaus, 2001, p. 240) to illustrate different aspects of this phenomenon. The primary technique for data collection was semi-structured, face-to-face interviews" (Duarte, 2010: 358).

After a few gate-keepers had been found and the first interviews had been conducted, the next step was to apply the snowball sampling method (Biernacki and Waldorf, 1981; Browne, 2005) to gain access to more business elites who were willing to participate in the research project. The gate-keepers and the previously interviewed top managers guaranteed for my credibility and recommended me to further top managers. This method and the experience were similar to the ones reported by Martinez:

"A 'snowball' sampling procedure (Bernard, 1994) was used. In this procedure, the researcher locates one or more informants and asks them to name others who would be appropriate for the study. The snowball procedure is useful when researching a population in which social networks are important, as in elite groups like the Mexican empresarios. Our informants held social and professional positions that made them particularly well informed about managerial practices and able to provide the cultural knowledge required for our study. Moreover, because of the first author's introduction by way of another member of their elite group, the informant was willing to be interviewed and share intimate and useful knowledge that would not otherwise have been accessible." (Martinez and Dorfman, 1998: 105).

9.7. The Questionnaires

Three different questionnaires were developed:

- One to interview the business elites
- One to interview the employees of the business elites
- One to interview the families, friends and acquaintances of the workers

In order to increase the probability of receiving honest answers and an in-depth understanding of the view of the interviewed managers and workers, one of the most important tasks was to build up trust before, during and even after the interview. Therefore the interviews began with low-risk questions which the interviewees enjoy answering most, and then, when the interviewed managers had hopefully built up trust and interest, continued with more personal and sensitive questions. All interviews were anonymized and all interviewed persons were assured absolute anonymity.

All interviews were conducted in places which are part of the everyday life of the interviewed persons in order to make them feel at ease and more confident to tell their experiences. The questionnaires were pretested in Mexico under realistic circumstances. When problems became apparent during the pretest or when further important issues of the research object were discovered, the questionnaire was revised and improved.

9.8. Analysis of the Collected Empirical Data

9.8.1. The Grounded Theory Approach

The Grounded Theory approach was developed by Glaser and Strauss (Glaser and Strauss, 2009). A central claim of this approach is “We do not create theories, but we discover them by studying the empirical reality”. This method does not create a theory first and then collect data to test the theory. Instead, this method collects data first and then discovers the hidden structure, mechanisms, rules and patterns underlying the empirical data. This method aims to understand why the empirical reality is the way it is and builds a theory on the basis of the empirical data, rather than squeezing the data in already existing theories and categories. Categories and theories are created during the analysis of the empirical data in a simultaneous process.

This method leads to theories which are less “simple, clean and impressive” than the ones that have never been in contact with the empirical reality, but have the advantage of being much closer to the empirical world.

Giving the highest priority to the empirical world means going into the field and conducting the fieldwork with an attitude of learning and observing. It is crucial to conduct the interviews and observations with an open, free and “empty” mind, and the willingness to accept and recognize empirical realities which one may not have expected previously. When the researcher goes into the field with too rigid and fixed theories in his or her mind, he may not be able to note and realize that the empirical reality is actually rather

different from the expectations, theories and categories he has in his mind and which he fabricated before going into the field. Therefore, it may lead to more accurate research results and greater advancements of knowledge to first collect the empirical data with an mindset which is as open, unbiased, impartial and unprejudiced as possible, and then, at a the analysis stage of the research project, compare the empirical findings with the findings and theories of other studies. In this way, the risk of the researcher's mind being too biased by previous studies, theories and categories he read before going into the field, can be reduced.

Having mentioned the advantages of this approach, one also needs to be aware of the fact that nobody has a completely unbiased mind, and that there are always some expectations, theories and assumptions, when the researcher goes into the field. Furthermore, one needs to have an overview of the state of research when preparing the fieldwork, but still, the emphasis on the empirical data over previously fabricated categories and theories is a clear strength of Grounded Theory and the main reason why it will be applied in this research project.

9.8.2. Coding

Following Gibbs (2008) a combination of pre-set (“a priori codes”) and emergent coding techniques was applied. Before the fieldwork, pre-set coding categories were developed which derive from the conceptual framework and are in accordance with the initial research questions. In a later stage of the research project, during the analysis of the collected data, emergent codes were created which are closer to and in accordance with the empirical data and helped to analyze more precisely to what the interviewees have attached particular importance. It is a common experience that qualitative semi-structured interviews do not always go the way one expected it during the development stage of the questionnaire. This may not necessarily be a serious problem because the interviewees may have good reasons to give unexpected answers, to extensively explain hidden aspects of the research object which were not visible to the researcher beforehand and to give vast background information on historical developments and covert institutions as well as secret social mechanisms, because it may add or even be crucial for a profound and comprehensive understanding of the deeper layers of the research object. In order to be able to take into account and pay tribute to these unexpected information, turns and unexplored aspects of the research object, emergent coding was applied during the analyze stage of the research project.

In other words: sometimes the question may turn out to be wrong but the answer may nonetheless be right, that is, contain valuable information because the interviewees may sense and understand what the researcher is searching for and what he or she is trying to understand. They see that by simply answering the question they would not help the researcher to approach the research object, therefore, they may go to great lengths to explain the larger picture and greater connections, relations and nexuses which are essential for understanding the present situation, occurrences and future developments. Nothing is lost, the researcher simply needs to adjust his or her theoretical framework to the collected empirical data. This flexibility of the mind, admitting one's own mistakes and insufficient understanding and the willingness to change one's interpretation and point of view can save the research project even in rather unexpected and adversarial situations, when difficult developments occur which seem to be dead ends and in which the researcher may think that there is no way out because he does not find a way to proceed anymore.

9.8.2.1. Refining the Code and Creating Sub-Codes

In the second stage of analysis, the sub-codes were be created to refine and further arrange and order the collected empirical data and to reveal the fine structures of the empirical data. Under the code "socialization", for example, the sub-codes "family socialization", "peer group socialization" "schools and educational socialization", "work socialization" and "macro structure and events which have impacted the individual socialization" were created in order to investigate where the crucial and essential socializational experiences of the interviewees were made and to enable comparisons in order to reveal whether there are similarities between the socializational experiences of the different interviewees which may have led to similar habitus formations, value orientations, life courses and decisions as well as leadership styles and world-views.

9.9. The Interviews

42 interviews were conducted. I decided that the most effective usage of my research resources and time is to focus the in-depth analysis on 18 interviews which provided the most valuable and comprehensive insights into the object of research. The other interviews were taken into account, too, but not included in the in-depth analysis (that is, they were not transcribed) as they contain only very few precious information which is relevant for this research project. Instead of answering the interview questions, for

example, one top manager preached about Jesus Christ and Christianity for more than two hours, complained about Catholics and indigenous people whom he accused of lacking work ethic and being lazy, and later, on the way back to the hotel, he almost caused two accidents while arguing with his daughter on the phone, as he was apparently drunk. While this interview was very insightful concerning the world-view and lifestyle of the Christian right in Mexico, it did not contribute much to answering the research questions of this project.

9.9.1. The Interviewees

Two German top managers (informants 3 and 15) who lead the subsidiaries of two German manufacturing MNEs in the Mexican state of Puebla were interviewed. All the other interviewees were Mexican citizens, but several of them had studied abroad and/or had lived and worked for some years in the home countries of the MNEs for which they worked in Mexico when I interviewed them.

- Informant 1 worked as a top executive at the Mexican subsidiary of a large US American bank.
- Informant 2 had recently finished his business degree at a Mexican elite university and worked as the assistant of the CEO of the subsidiary of a US American MNE located in Puebla.
- Informant 3 and 15 were German top managers leading the subsidiaries of German MNEs in Mexico.
- Informant 4 was the head of a business association in the North of Mexico and had previously worked in the mining industry.
- The informants 5, 6, 8 and 13 were top managers of the subsidiaries of US American and Canadian mining MNEs operating in the north of Mexico.
- Informant 7 was the vice-president of the Mexican subsidiary of a US American MNE in the state of Puebla.
- Informant 9 worked as a director for the subsidiary of a US American MNE which engages in a wide range of industries and activities, ranging from mining (but not precious metals like in the other cases), over manufacturing to marketing and selling the finished product.

- Informant 10 used to work for a US American MNE and now works as a business professor at a Mexican elite university.
- Informant 11 had worked for several US American and European MNEs and then started working for the Mexican government at the interface between the Mexican state and the foreign MNEs, facilitating the arrival of foreign MNEs and the set-up of operations in Mexico. He informed the government about what the foreign MNEs were requesting and explained to the MNEs how they could act appropriately in the Mexican institutional and cultural environment and which steps they had to do to get what they want.
- Informant 12 used to work in the mining industry in the north of Mexico but decided to change jobs and worked in the tourism industry for a US American MNEs at the time when the interview was conducted.
- Informant 14 is a Mexican employee of a German MNE in the state of Puebla. He has spent the majority of his professional life in that enterprise. Methodology
- Informant 15 is a relatively young German top manager who leads the subsidiary of a German MNE in the state of Puebla.
- Informant 16 had worked for a US American accounting MNE in Mexico for most of his professional life and then became the vice-president of a Mexican elite university, focusing on the relations between the university and businesses.
- Informant 17 is a business student at a Mexican elite university. He had previously worked for MNEs in Mexico and in the USA (near Las Vegas). He aims to work for the Mexican subsidiary of a foreign MNE as soon as he has finished his studies.
- Informant 18 is a (Mexican) assistant of the (German) CEO of the subsidiary of a German MNE located in Puebla (near Mexico City).

10. Gaining Access and Interviewing Elites

10.1. Introduction

In their excellent article on “Corporate elites as informants in qualitative international business research”, Welch, Marschan-Piekkari, Penttinen and Tahvanainen note: “while most international business researchers interact with elite informants at some stage of their fieldwork, the challenge of conducting in-depth interviews with influential elites has received far too little scholarly attention” (Welch et al., 2002: 611).

Indeed, few articles on how to interview elites have been published to date (Morris, 2009). The aim of this chapter is to summarize the more practical aspects of how to prepare for the interviews, how to identify possible interview partners, how to get access to them and how to behave during the interview. This chapter explains the methods which were applied to gain access to the business elites and interview them successfully.

10.2. Construction and Design of the Questionnaire

At the beginning of the interview, easy-to-answer and non-sensitive questions should be asked to make the interviewee start talking freely, to make him feel relaxed and to build up trust. It is recommendable to ask the more sensitive questions at the middle of the interview and the most sensitive and controversial questions at the end of the interview. Furthermore, according to Healey and Rawlinson “Formulating questions in the respondent’s own language is preferable to assuming that the respondent can be taught to think within the researcher’s frame of reference” (Healey and Rawlinson, 1993: 349). Therefore, the questions should be formulated in a way that is easy to understand for the respondent. This may sometimes lead to formulations which do not use academic terminology and may be irritating for members of the scientific community, but the advantage is that the respondent is more likely to actually understand the meaning of

the question and what the interviewer is interested in – which is the most important precondition for a successful interview.

10.3. Identifying the Business Elite

In general it is more difficult and time-consuming to get access to elites than to most other social groups (but it is usually worth the effort as the information which can be obtained by interviewing elites are often particularly valuable). Therefore, “it is important be politely persistent. One should not be too put off when told that your potential respondent is too busy to see you when you call (after writing a letter) and call back in an attempt to arrange the interview” (Aberbach and Rockman, 2002: 673). Concerning the time that is needed to get access to elites, Welch et al. report from their own experience: “In the four projects, the length of time taken to negotiate access ranged from immediate to five months” (Welch et al., 2002: 617). In the case of Mexican elites, it was practically impossible to get access to them without gate-keepers, but as soon as I had found a gate-keeper, the elites themselves proposed to do the interview “tomorrow” or within one or two weeks’ time.

The first step is to identify who the elites are – that is, the most powerful individuals and most influential decision makers. Harvey provides a useful list of titles that business elites usually hold:

“Chief Executive Officer, Chief Financial Officer, Senior Director, Associate Director, Divisional Vice-President, President, Chief Business Officer, Director, Senior Vice-President, General Manager, Founder, Chief Scientific Officer, Executive Director, Vice-President, Head of Marketing, Principal, Chief Operating Officer, Executive Project Director, Executive Vice-President, Head of Research” (Harvey, 2010: 195).

When contacting the enterprise in order to ask for interviews with the business elites, it is recommendable to refer to the persons holding at least one the above mentioned titles and in this way increase the chances that the researcher is going to get interviews with real business elites instead of public relation speakers.

However, Harvey notes that: “these job titles are not synonymous from one company to another. A Senior Vice-President of Company A, for example, may well have a very different job function to a Senior Vice-President of Company B, despite both holding the same job title.” (Harvey, 2010: 196).

Another problem is that outside the English speaking countries and companies, other, non-English, titles will be used. In Spanish speaking countries, for example, top managers are usually called “altos directivos”, CEOs are called “directores ejecutivos”, “directivos generales” or “gerentes” and in French speaking countries they are often called “Président-Directeur Général” or “Chef de la direction”. A further problem is that elite job titles may not necessarily mean that the holder of the title is really a member of the elite. Today, many middle managers get paid (and motivated) by being awarded with new, posh sounding titles instead of salary increases, as it is much cheaper this way. Therefore, there are many more “vice-presidents” than there are true elites. So, it has to be taken into account that job titles are at best more like a proxy than an exact description of a person’s job, as Harvey points out: “job titles can entirely misrepresent the role of workers [and managers] and therefore are by no means an indicator of elite status” (Harvey, 2011: 433). Nonetheless, it can be assumed that job titles can give a hint of how probable it is whether somebody is part of the business-elite or not. Job titles can serve as proxies for the power of an individual in a certain organizational hierarchy. A CEO, for example, is likely to exert significant influence, although I recognize that grey eminences acting behind the scenes may be even more powerful.

10.4. Getting access to elites

A very effective way of getting access is to send the interview request letter directly to the elites, instead of sending it to the organization the elites work for. When the letter is directly sent to the CEO of a large enterprise, for example, the CEO can make his/her own direct decision whether to respond positively or to decline the interview request. In contrast, when the letter is sent to some general address (e.g. “info@company.com”) of the enterprise the CEO is working for, the letter will probably never even reach the CEO, as most messages are not forwarded (Kincaid and Bright, 1957: 305). According to Harvey “Personal assistants (Pas) [...] often make the decision of whether someone should speak to their bosses or not. In most cases they also have complete access to and control of the diaries of elites.” (Harvey, 2010: 198).

One problem that often appears when trying to contact the CEO directly is, that it can be difficult to get the email address or cell-phone number of the elite. But sometimes, a simple phone call to the personal assistant or secretary of the targeted elite does wonders. They are often helpful and pass on the email address or at least forward the message directly. In the second case, the interview request letter can be sent to the secretary’s

email address and he/she forwards it to the elite. In this way, many hierarchy levels and bureaucratic processes and obstacles can be jumped. When no answer is received, a reminder email should be sent to the secretary's email-address after one or two weeks. Interestingly, in Mexico it is sometimes more effective to speak English than Spanish when calling the secretary, probably because the English language has a connotation of power, prestige and superiority in Mexico, as most people who speak fluent English are richer and more powerful than the average Mexican citizens who only speak Spanish. The secretary may think that you are an important person from some US parent company and, therefore, treat you in a very kind way, fulfilling your wishes.

If it is impossible to get the personal email addresses of the elites in the official way, Harvey describes how James usually manages to get into direct contact with the business elites in order to ask them for an interview:

“James (2006, 298) found that mimicking the e-mail address format of certain contacts (e.g. john.smith@company.com) within a firm and applying that format to a person whom he wanted to contact at the same company (e.g. david.thompson@company.com) or e-mailing the webmaster of the company and generating a response from the webmaster's e-mail address (e.g. webmaster@company.com) enabled a very high proportion of his e-mails (around 90%) to reach the right person. He argues that there is never a wrong time to contact people because they will open an e-mail when they are ready.” (Harvey, 2010: 198).

If this method does not work, another effective way to get access is to put on a dark-blue business suit and a tie, shave, wear black leather shoes, go directly to the headquarters of the company, say that you are from some very important European or North American institution, hand over a copy of the interview request letter and your business card with the name of an important institution printed on it and ask directly for an interview. In countries like Mexico, employees are very helpful when you stand right in front of them and they see that you are a real person and not just an email. Furthermore, they may consider you to be an important and powerful person when they see that you are a white, European foreigner and that you wear a suit and thus they are likely to be very cooperative. Acting in a self-assured and sovereign way increases the chance of getting access. Just think “What I'm doing is really important!” when entering the headquarters and with this attitude speak to the secretary or receptionist. Act like an elite, but obviously without overstretching the show too far¹.

¹The movie “Dick and Jane” can be very instructive here. It shows in a funny way that it can be possible to get access even to the most discrete and protected parts of a company when acting like a boss who is able to fire any employee.

A further method to increase the chances of getting access is to mention in the interview request letter that the participation in the research project is in any way beneficial to the interviewed elites and their organizations and that the research results will be made available to them.² Welch et al. note: “The researcher is likely to be asked to present the pay-off of the project in very concrete terms. Our comparison of the four projects suggests that SME managers are particularly prone to demand that the project show immediate relevance.” (Welch et al., 2002: 624)

Kincaid and Bright have made similar experiences:

“A request is likely to be successful [...] if it stresses the practical aspects of the research problem and, insofar as possible, relates them to the company’s own particular interests. We have abundant evidence that executives are not accustomed to appreciating knowledge for its own sake.” (Kincaid and Bright, 1957: 306).

10.4.1. Business Professors of Elite Universities As Gate-Keepers

Kincaid and Bright report another effective method to get access to elites:

“we found that an excellent means of getting entree to a corporation is through persons in a well established business school or economics department or through members of a university’s administration at the higher echelons who often have personal acquaintances among businessmen. We found this an almost sure means of assuring interviews in large corporations, although a necessarily limited one.” (Kincaid and Bright, 1957: 306).

This method has been extremely effective in Mexico. The relation between business elites and professors of elite universities is very close in Mexican society and, indeed, the universities actively foster good relations with businesses and often appoint retired business elites to important positions within the university networks. The Mexican business elites send their children to these elite universities and often donate large sums. In return, these universities cooperate closely with the largest enterprises in Mexico in order to adapt the curriculum to the needs of the enterprises and to organize job and internship opportunities for their students. Therefore, there is a constant exchange and contact between business elites, large enterprises and elite universities in Mexico. Furthermore, the professors easily understand why research is important and often remember how

²Another trick to get access to elites and make tell information about the research question is to give them attention and flattery. As the Swedish journalist and book author Stieg Larsson wrote in one of his novels “He was like everyone else, he appreciated flattery. The trick was to make him feel that he had been specially chosen.” (Stieg Larsson, 3. Buch, 208).

hard it was when they themselves wrote their PhD thesis. Therefore, they are often willing to help by activating their social networks. This proved to be the most effective method of getting access.

10.4.2. A Practical Example: Harriet Zuckerman's Study on Nobel Prize Laureates in the USA

A lot can be learned from Harriet Zuckerman's study on Nobel prize laureates in the USA which is still quoted in almost every article on interviewing elites, although it was published already more than 50 years ago. Out of the 55 science Nobel prize laureates living in the USA in 1963, Zuckerman managed to get access to 41 – which is an excellent response rate and evidence of her impressive skills to get access to elites. She mentions that it may be easier to get access to scientific elites than to business elites, but, nonetheless, her success is impressive (Zuckerman, 1972: 161). Which methods did Zuckerman use to get access to the Nobel prize laureates?

First of all she sent a letter directly to each laureate inviting them to take part in the investigation. After she had sent a few letters she noticed that most laureates did not have the time to read more than one page. Therefore, she shortened the letter to one page, in which she explained what the research project is all about. Here, it is important to make the elites become interested in the research project. It has to awaken interest and to trigger the curiosity of the interview candidates.

Another crucial task is to build up “perceived credibility and prestige”. It is important to make the elites believe that the research project and the interviews are extremely important. Zuckerman identified herself as “a Fellow of the Social Science Research Council at Columbia University and a recipient of a grant from the National Science Foundation” (Zuckerman, 1972:162) in the interview request letter she sent to the laureates. In this way she uses the prestigious names of the “University of Columbia” and the “National Science Foundation” to add credibility and prestige to her , and research project.

10.4.3. Reminders, Confirmations and Setting the Date and Time for the Interview

In order to make the interview as convenient as possible for the laureates, Zuckerman asked at the end of the letter “when it would be ‘least inconvenient’ for them to be interviewed” (Zuckerman, 1972:162). On average, she received an answer 8 days after sending the letter (Zuckerman, 1972:161). She sent a letter of confirmation to all the

laureates who agreed to be interviewed in order to make the laureates feel sure that the interview was really going to take place – and probably also to show her determination (Zuckerman, 1972:162).

Within three weeks after sending the first letter, she sent a second, a reminder letter, in which she referred to the first letter, to those laureates, who did not respond to the first letter. On average she received an answer after 4 days. Those who did not answer the second letter “were reached by telephone and appointments were made at that time.” (Zuckerman, 1972: 163).

Zuckerman concludes that the “The principal factors affecting receptivity presumably were: the legitimacy of the interviewer’s request, judged by her affiliations; the laureates’ sense of obligation to other scientific investigators; and the self-contained character of the proposed interview. [...] Not least, as we shall see, was the sheer interest of the laureates in the subject of the inquiry” (Zuckerman, 1972: 163).

10.4.4. Networking and ‘Snowballing’ as Access Strategies to Elites

When a contact with an elite member has been established, it can be very effective to ask the elite member after the interview whether he/she knows anybody who may have further knowledge and insights concerning the research object and who might be willing to be interviewed as well. In this way, more contacts can be established and the researcher can ask the next elite member again whether he/she knows further persons who might be willing to be interviewed. According to Welch et al. “snowballing, a method of locating information-rich key informants by asking other interviewees [...] proved to be an effective way of finding additional interviewees.” (Welch et al., 2002: 620). The best moment for asking whether the interviewee knows somebody who may have additional information on the research question and whether he/she could help the researcher to establish contact, seems to be at the end of every interview – when trust has been built up.

Another advantage of being recommended by an elite member is that “it can help establish a degree of credibility in the eyes of potential interviewees and provides a ready answer to the question ‘how did you get my name?’” (Herod, 1999: 316).

Gate-keepers who are not themselves part of an elite, but who are in contact with them, can help to get access, as well. These gate-keepers may be very helpful and provide valuable contacts.

10.4.5. Access Through Former or Retired Elites

Some researchers recommend to contact former or retired elite members in order to get access to the current holders of elite positions. The retired elites usually have more free time and are, therefore, often more willing to respond to the researcher's request. They may recommend the researcher to the current elites and establish contacts. In addition, it can be very insightful to interview retired elites as they may be more willing to provide confidential and sometimes secret information which the current holders of elite positions may not be willing to provide. Furthermore, the retired elites have often moved on and have developed a certain critical distance to their former job and organization and may explain to the interviewer their point of view which may differ significantly from the ones' of the current elites (Walford, 2012, 1994).

10.5. Before the Interview

According to Zuckerman an "intensive and detailed preparation by the investigator" (Zuckerman, 1972:163) is crucial to the success of the interviews and the research project as a whole. The interviewer should have a profound knowledge of the life and work of the person she/he is going to interview. Elites demand that their conversational partners are well prepared and informed. Zuckerman studied thoroughly the research and CVs of the laureates she was going to interview. When, during the interviews, Zuckerman modestly mentioned what she had read about the life and work of the interviewee and, as a consequence, the laureate noticed that Zuckerman was well prepared, the interviewee was generally more willing to give profound insights into his/her points of view and took his/her time to answer the questions in more detail:

"Intensive preparation facilitated the process of interviewing in two principal ways. First, it gave evidence of the seriousness of the interviewer and [second] helped to legitimize expenditure of time on the interview." (Zuckerman, 1972:165).

Furthermore, as the elites often consider themselves to be superior, they continuously test the knowledge, education and preparation of the interviewer. Therefore it is particularly important for elite interviews to be well prepared in order to master the tests sovereignly. Zuckerman reports on the behavior of the interviewed elites :

"their commitment to the intellectually profitable use of their time led them to subject the interviewer to an almost continuous series of tests to ascertain the

degree of her competence and commitment. It was here that preparation for the interviews was especially important since the results of these tests affected both the laureates' willingness to continue and the quality of their responses. " (Zuckerman, 1972:165).

In addition, the interview preparation should also include the past and present political, economic and cultural developments and events of the regions and countries in which the elites live, because they may refer to these topics during the interview, taking it for granted that the interviewer is well informed and knowledgeable about what is going on in the country. They may also want to discuss these events with the researcher. Not knowing anything about the current political and economic situation will most probably interrupt the flow of the interview, disappoint the interviewee and decrease his/her willingness to provide further insights and valuable information (Herod, 1999: 318-319). Mikecz notes from his own elite interview research experience in other countries and cultures:

"I cannot emphasize enough the significance of in-depth knowledge of the country and familiarity with its language." (Mikecz, 2012: 489).

10.5.1. Pretesting

Before interviewing elites, it is highly recommended to pretest the interview questions with somebody who is in some way similar to the elites which are going to be interviewed. In a research project on Nobel prize laureates, for example, it might be reasonable to pretest the questionnaire interviewing other scientists, who have not won a noble prize, but who may behave in a similar way and have similar lives and research projects as the noble prize laureates. In this way, questions that are not formulated in a clear, definitive and unambiguous way or which do not lead to the desired information, can be identified and changed, modified or deleted from the questionnaire before interviewing the Nobel prize laureates.

10.6. During the Interview: Strategies and Advisable Behavior

10.6.1. Building up Trust before and during the Interview

In order to increase the probability of receiving honest answers and an in-depth understanding of the issue, one of the most important tasks is to build up trust before, during and even after the interview. Therefore, the interviewee should be informed before the interview that all interviews will be anonymized and that all interviewed persons will be assured absolute anonymity. The interviews should be conducted in places that are part of the everyday life of the interviewed persons in order to make them feel at ease and more confident. Some researchers argue that it is advisable to interview business elites outside of their offices (e.g. in their homes) because they may be interrupted less, talk more freely and disclose more sensitive information on the enterprise they are working for when they are far away from it and feel less observed by their colleagues (Elwood and Martin, 2000; Harvey, 2010; McDowell, 1998).³ Other researchers recommend the opposite arguing that interviewees may be interrupted more often in their homes (e.g. by their families), because it is an informal environment. As both settings have advantages and disadvantages, I usually left the decision to the interviewer, but I did ask for a quiet place, as this improves the quality of the recording and fosters more concentrated thinking and discussions.

10.6.2. Appearance and Behavior of the Interviewer

Concerning the appearance and behavior of the researcher, it is, above all, important that the interviewer dresses and acts in a way that does not irritate the interviewee. A little bit of adaption to the interviewee's dress code can be advisable. In Mexican culture, respect for the conversational partner is shown by dressing up formally and elegantly, therefore it is recommendable to wear a suit, black leather shoes, a shirt and a tie, even on warm days. In Mexican culture, the more you dress up, the more you show your respect for the appointment, as it shows that you have invested time and thoughts in order to look elegant.

³For an opposing point of view see, Dexter, 2006.

10.6.3. Dealing with Non-Cooperation and Hostility

When the interviewee does not give detailed answers or behaves in a hostile way, the interviewer should respond with sympathy and determination (Zuckerman, 1972:166). The interviewer should never let provoke himself and always act in a way that makes clear that he is doing the interview for a higher aim: he wants to know the truth and is working for the sake of science and, therefore, asks the interviewed person for cooperation and teamwork. A qualitative interview is always a social interaction and the outcome and success depend on both, the interviewee and the interviewer. They have to work together in order to find out what the truth really is.

10.6.4. Open Versus Closed Questions

In general, when doing exploratory research and interviewing elites about complex issues with the aim of receiving in-depth answers, open questions should be preferred to closed, standardized questions, because open questions are more likely to make the interviewees speak freely and to explain their point of view in a detailed and extensive way. Furthermore, open questions get the talk flow going. According to Aberbach and Rockman, “Open-ended questions provide a greater opportunity for respondents to organize their answers within their own frameworks. This increases validity of the responses and is best for the kind of exploratory and in-depth work” (Aberbach and Rockman, 2002: 674).

Another reason why to prefer open questions is that while open questions often please the interviewees because it signals interest in their personal opinions, standardized question may make them feel uncomfortable⁴:

“Members of this top elite [...] are accustomed to being treated as individuals who have a mind of their own, following their own bent. They soon detect whether questions are standardized or tailored to their interests and histories. They resent being encased in the straightjacket of standardized questions.” (Zuckerman, 1972:167).

⁴According to Aberbach and Rockman “Elites especially – but other highly educated people as well – do not like being put in the straightjacket of close-ended questions.” (Aberbach and Rockman, 2002: 674). Closed-ended questions seem to be perceived as a form of violence by many respondents because they force the respondent to choose between some prefabricated answers of which none convinces the respondent. And it prohibits the respondent to express his views in his/her own words.

10.6.5. Follow-Up Questions and Inquiries

If the answers given by the interviewee are not detailed enough, it is the task of the interviewer to ask follow-up questions and make inquiries. Possible follow-up questions aiming to extract more information and to gain a more profound understanding of the interviewee's point of view can be:

- “What do you exactly mean by saying X?”
- “That’s very interesting. Could you please explain a bit more how the mechanism/phenomenon/issue you have just mentioned really works?”
- “Are there any further factors that influence the issue that you have just mentioned?”
- “Why do you think X is the way you just described it? What are the reasons?”
- “How and why did the problem you just mentioned develop? How can it be solved? Why is it so hard to solve the problem?”
- “Can you give an example, so that it is easier for me to imagine the situation and how the whole thing works?”

Another technique is to summarize what the interviewee just said and ask him/her if you have understood and interpreted it correctly. According to Mikecz:

“Summarizing what has been discussed and its interpretation by the researcher helps to avoid misunderstanding of the answers. Ending the interview with an open-ended discussion can be a useful way to check the completeness of the information acquired” (Mikecz, 2012: 484).

10.6.6. Keeping the Conversation Flowing

Furthermore, it is very important to keep the conversational flow going. When the interviewee is not responding directly and precisely to the question asked by the interviewer, but talks about something else that is relevant to another question of the questionnaire, the interviewer should let the interviewee talk (at least for a few minutes) and, later, ask the question that the interviewee did not respond to, again. The interviewer should not rigidly follow the order of questions as they are written in the questionnaire, but adapt a bit to the preferences of the interviewee and ask the questions that fit into the current moment of the conversation in order to avoid abrupt ruptures and jumps between

topics during the interview. The order of the questions should seem natural and logic to the interviewee, one question leading quasi-automatically and logically to the next. The questions should fit in the conversational situation to make the interviewee keep talking and feeling like in a normal conversation. It makes sense to learn the central interview questions by heart so that they can be asked without needing to look at the paper. This adds to the flow and natural impression of the conversation, as eye-contact can be maintained.

Furthermore, the interviewed person should not feel like in a police interrogation, but experience the interview as an intellectually inspiring conversation with an attentive and well-prepared scholar. Aberbach and Rockman report that “in our experience the advantages of conversational flow and depth of response outweigh the disadvantages of inconsistent ordering” (Aberbach and Rockman, 2002: 674).

In summary, it can be concluded that the interviewees will not always answer the questions in the order the interviewer prepared them, but that is OK, as long as the interviewed persons give extensive and detailed answers which are relevant to the research project.

10.6.7. The Advantage of Being a Foreigner: Being Perceived and Accepted as a Neutral Observer

Several researchers report that it is easier to get access to elites and to be accepted as a neutral observer when the researcher is perceived as a foreigner by the targeted elites (Cunningham-Sabot, 1999; Herod, 1999; Morris, 2009; Welch et al., 2002). One reason is probably that a foreigner appears to be less threatening and less dangerous to the interviewee because the foreigner comes from ‘outside the game’. The foreign researcher does not belong to any group within the foreign country and it is assumed that he/she does not have any interest in attacking or damaging the interviewed elites as he/she does not have any stakes in the foreign country. Herod, a British researcher, working at a US university and doing research on elites in Eastern Europe (and other regions), mentions:

“‘playing up’ my Britishness - i.e. consciously emphasizing my status as a foreigner and ‘outsider’ - may also give some advantages in that interviewees perhaps perceive me precisely as something of a novelty, a harmless ‘foreign’ academic rather than, say, a

threatening ‘domestic’ investigator, and thus they may be more open and candid about particular issues” (Herod, 1999: 322)

Perhaps another reason is that a foreigner who does not know anybody in the foreign country and will leave the country in a short period of time anyways, is considered to be more confidential. To whom should he tell the sensitive details mentioned during the interview when he does not have any friends, family or colleagues in the foreign country? Welch et al. experienced that some interviewed persons “were willing to comment more freely on issues to a foreigner rather than to someone with local contacts and allegiances.” (Welch et al., 2002: 624).

Herod reports on his own research experience: “my position precisely as an ‘outsider’ has sometimes positively helped in the research process because it has allowed me, then, to appear as a ‘neutral’ or ‘impartial’ observer of events.” (Herod, 1999: 322).

Another advantage is, of course, that researchers who frequently conduct research projects in foreign countries, are used to act and interact in environments that are unknown to them and in which they feel at least slightly unsure – and the social milieu of elites is no more than another unknown environment (or “social milieu”) for them, just like another foreign country and culture.

10.6.8. Interviewing the Elites in Their Language of Choice

It is always recommendable to offer the interviewed person to conduct the interview in the language of their choice, e.g. their native language:

“Despite the rise of English as the international language of business [...], it cannot be assumed that elite interviewees will be comfortable expressing themselves in a foreign language. For example, in one project, the multinational corporation had used English as the common company language since the early 1970s. However, elites more than 20 years later in Spain and Mexico spoke poor English and preferred to be interviewed in Spanish.” (Welch et al., 2002: 622).

While the English language is spoken by many business elites in Mexico, it has a very formal connotation, it is a work-related language. In contrast, Spanish is “the language of the heart” and when Mexicans speak in Spanish they are more likely to just start speaking from their hearts without thinking about formalities too much. As the Spanish language is spoken within the family and among friends it has a connotation of confidence, trust and closeness.

10.6.9. How to Manage the Power Asymmetry between the Interviewer and the Interviewed Elite

When interviewing elites, the power asymmetry between interviewer and interviewee is rather obvious. The interviewed elite is not only more powerful but in most cases also a well-trained expert in public relations⁵. He/she is used to talk to journalists, to twist questions around, to avoid critical topics and to give answers similar to press releases and advertisement speeches which may have nothing to do with what is really going on in the company. Here, the researcher is in danger of being ensnared and enmeshed:

“Elite subjects may easily dominate the interview because they are ‘professional communicators’ (Fitz & Halpin, 1995, p. 68) used to addressing a wide range of audiences and developing elaborate and persuasive arguments (Ostrander, 1993). In this situation, it is the researcher who is at risk of being patronised, particularly if a gender difference is also present (McDowell, 1998). As a result, researchers may display a form of “hostage syndrome” by suspending their judgment in the face of an elite’s display of power. They risk “overestimating the importance of what elites have to say, assuming, for example, that they necessarily know more and better what is going on in an organization” (Welch et al., 2002: 615).

First of all, it is important that the interviewer does not let himself be intimidated by the interviewed elite’s power and persuasion skills. The interviewer should only focus on doing his/her job as a researcher. This also includes asking critical questions. The aim of the interview is not to make friends. The aim is to extract valuable information that contributes to a better understanding of the object of research, to understand the interviewee’s point of view, to search for and to get closer to the truth. It is about contributing to scientific findings and progress⁶. Having said that, it is equally important to note that the interviewer should act and behave as a modest learner when conducting the interview. It has to be fairly clear to the interviewed elite that the researcher is doing the interview in order to learn from the interviewed elites – not to teach them. According to Welch’s et al. experience “assuming the role of an informed outsider who is willing to listen may be considerably more effective and less threatening to the organization. In this way, the researcher has the insight of an insider but the neutrality of an outsider.” (Welch et al., 2002: 625). Furthermore they note that:

⁵For an opposing point of view, see Smith, 2006.

⁶Cultural clashes are common as “researchers who present themselves in their academic role may encounter a difference in professional values between the academic community they represent and the commercial culture with which they are attempting to communicate.” (620)

interview as an intellectual discussion different in nature to the manager's day-to-day routine of meetings. We found that, as in the case of access, a suitable approach for the researcher was that of the informed outsider. The challenge for researchers in an interview situation is to create a space for intellectual dialogue and reflection. Elites like to use the interviewer, who is up-to-date in the academic literature which they themselves often have little time to read, as a facilitator of their own thinking and a sounding board for ideas." (Welch et al., 2002: 625)

Again, it becomes clear how important a good preparation is for a successful interview because an intellectually inspiring discussion with the interviewed elite is only possible when the interviewer is well informed and able to discuss the research topic convincingly. When the interviewee is engaging in too much public-relation talk, it can help to ask very personal questions to which the PR department has not provided an answer yet. These personal questions force the interviewee to talk about his own experience instead of "presenting his company".

10.6.10. How the Interviewee Influences the Behavior of the Interviewer

The social interaction that takes place during the interview can be compared to what is happening within social relations between friends, colleagues, employees and employers, etc.:

Some people make us feel stupid, while other people make us feel confident when we are talking to them. We rapidly develop a trustful relationship with some conversational partners although we barely know them, because we feel that they have personalities similar to ours and because we think we know how these persons feel and think. While with some people we maintain an efficient, non-emotional, rational, calm work relation, we feel solidarity and sympathy with others. The development of any of these social relations is unavoidable during interviews, but it is important to reflect upon them and to observe them conscientiously and not let oneself be influenced too much by them. The number one priority is always to contribute to scientific progress by extracting valuable information during the interview and to understand the interviewee's point of view, whether we like him/her or not.

McDowell described from her own experience of interviewing elites in the City of London how she behaved differently depending on who she was interviewing:

“I think in practice I developed a way of relating to the different respondents that depended on a quick initial assessment of a range of visual and verbal clues and an establishment of a relationship as we progressed through the interview – which in most cases lasted for about an hour and a half to two hours. In some interviews I seemed to fall into the classic male-female pattern, for example with an older charming but rather patriarchal figure I found myself to some extent ‘playing dumb’; with an older and extremely fierce senior woman I was brusquely efficient, with other women I was ‘sisterly’ in the sense of same age – same position, with some of the younger men I was superfast, well-informed, and definitely not to be patronised. Several of my informants were very keen to impress and in a number of cases our interaction was cut short as calls came through from Paris or Frankfurt, or the respondent was called away. Almost everyone whom I interviewed was very keen to establish both how important their work or they themselves were and how busy they were, barely able to spare a minute or two but I was usually successful in persuading them to donate me an hour or so.” (McDowell, 1998: 2138).

10.6.11. Recording the Interviews

Of course, all interviews should be recorded. I would even recommend to use three recorders at the same time in order to minimize the risk of losing the interview due to technical errors and problems. If one recorder stops working suddenly because of a low battery and another one does not even start working due to some other kind of malfunctioning or due to user handling errors, you still have the recording from the third recorder. We should remember Murphy’s law⁷ here and therefore be prepared and expect two out of three recorders not to work properly when we are interviewing the CEO of the largest multinational enterprise on the planet or the president of the USA. According to Zuckerman the usual disadvantages of recording do not apply when interviewing elites:

“The usual disadvantages of recording – its tendency to provoke anxiety and inarticulateness – are not apt to be present for top elites, especially under conditions of confidentiality and especially for those parts of the interview focused on matters that are not sensitive. Laureates are accustomed to having their remarks recorded; some use tapes for their own work. They are not reticent and soon ignore the presence of the machine. Tape recording turned out to be beneficial both for interviewer and respondents. The full

⁷Murphy’s law is “Anything that can go wrong will go wrong”. Therefore, it is important to be prepared for possible problems even if they are very unlikely to occur.

attention of the interviewer was focused on what was being said, and the usual pauses required to transcribe the contents of the interview did not intrude. The laureates were probably more articulate and discursive than they would have been if they were pressed to adjust the pace of their remarks to the speed at which the interviewer could take notes. The advantages of complete accuracy are obvious and the tapes themselves are historical documents of some interest.” (Zuckerman, 1972: 169).

In order to further increase the acceptance of tape recording, Healey and Rawlinson recommend “explaining why it is used rather than asking for permission.” (Healey and Rawlinson, 1993: 351).

My experience was that most elites are completely fine with being recorded, it even adds a bit of professionalism to the situation, as recording the interview with several recorders shows that the researcher is serious about his work.

10.6.12. Photos and Observations during the Interview

If the interviewee agrees, it may be useful and add further value to the research project to take photos and later – during the analysis of the data – compare the way the interviewed persons dress, stand or sit, present themselves, the decoration of the office, etc. In this way, these characteristics, which all may carry relevant information and hints pointing to the interviewee’s habitus, distinction practices and personality can be compared in a better and more precise way. Another advantage is that, when the study is published, the readers of the study will have the opportunity to verify the author’s interpretation and come to his/her own conclusions by looking at the photos. Language is the most commonly used communication methods, but it does have its limits and faults. The ability of a text to communicate an idea to the reader is limited. Here photos, sounds and videos can be additional communication methods which deliver to the reader a more complete and comprehensive image of the research object, the ideas and conclusions of the researcher. Furthermore, it is easier for the reader to imagine how the interviews really took place and what the interview setting was like, when there are photos from the interview available and published within the research report (Girtler, 2001).

10.7. After the Interview

Mikecz (2012: 489) recommends to write down the impressions and observations made during the interview immediately after finishing the interview in order to make sure that

this information – which may turn out to be highly relevant for answering the research question – is not lost, but saved in a way so that it can be included later in the analysis of the data and contribute to a more multifaceted understanding of the research object: “After the interviews, I would find a quiet place – for instance a café – write down my impressions and reflect not only on the interview and its contribution to the whole picture but also on my evolving positionality in the research context.” (Mikecz, 2012: 489).

Zuckerman sent a thank-you letter to each interviewed laureate a few days after the interviews were conducted⁸ (Zuckerman, 1972: 162). This is not only a very kind way to thank the interviewees for their time and effort, but also helps to maintain the contact and keep the communication channel open. In case that during the analysis of the interview transcripts questions and doubts arise on the meaning of what the interviewees said, it is easier to get back to the interviewees and to ask them when a good contact has been maintained. Welch et al. (2002) recommend sending a summary of the research results back to the interviewed persons.

For more extensive information, guidelines and recommendations concerning the issue of how to interview elites, see the recently published books by Williams (2012) and Aguiar and Schneider (2012).

10.8. Some Notes on my Personal Fieldwork Experiences

Summarizing my experience in one sentence: social connections and relations are everything in Mexico. You need some gate-keepers who know the persons you want to interview and who can establish the connection and guarantee for your credibility and trustworthiness. If you know somebody who knows somebody who knows the person you would like to interview, then you usually get an interview in the next days. The two persons who helped me most getting further interviews were either interested in Germany or in Bremen: One was married to the daughter of an important business family from Bremen and the other one was interested in moving to Germany.

The next experience is that every email should be personalized, personally addressing the recipient of the email. This makes it more time consuming, as you cannot send the same email to every possible interview candidate, but it is vastly more effective.

⁸“Within a day or two after the interview was conducted, hand-written thank-you letters were sent to each laureate” (Zuckerman, 1972: 162).

As Mexico has a rather personal culture, people value real persons more than abstract institutions and organizations. Therefore, I often started the letter with a personal address, when I knew the name of the person I wanted to interview, and then I continued by presenting myself by “My name is Eike Heinze, I’m a doctoral student at the Center for Transnational Studies”. In this way, I made sure that the reader would immediately see that the email was coming from a real person, and not from an abstract institution. Adopting this approach, I often got some warm-hearted affirmative replies.

During the interviews, I often got into the dilemma that the interviewee talked in depth about an issue that was highly relevant for the research project, and I did not want to interrupt. At the same time, I was aware that if we stick to this issue, there will not be enough time to answer the other questions that I had on my questionnaire, as most interviewee had between 60 to 90 minutes time for the interview. In this case, I usually decided to get an in-depth insight into a few topics, leaving out others, instead of covering every topic only superficially.

Furthermore, if you stop the interview flow, it takes some time to make the interviewee talk freely and extensively again.

During the first interviews, it took my some courage to talk to people who are much richer and much more powerful than me, but after a few interviews, I got used to it and had all questions in mind, which enabled me to look into the interviewee’s eyes, showing interest, and making further inquiries and follow-up questions. After the interviews, I often realized that the interviewee, although he or she is in an extraordinary powerful position, is a human being similar to me – with strengths and weaknesses, joys and problems. In every case: looking in the interviewee’s eyes instead of looking at the questionnaire is very important, because it reveals more information, fosters the development of mutual understanding and trust and makes the interviewee talk more.

As distances are large and traffic jams are very common in Mexico City, it is not possible to conduct interviews in two different places on the same day. In general, it is always better to schedule not more than one interview per day, because I got invited to lunch after the interviews several times and that was where I got some very important additional information. Some interviewees talked more frankly and freely during lunch.

Concerning the interviews with the workers, it seems that, the lower the position of the worker, the less they talk during the interview. It is recommendable to prepare more follow-up questions and inquiries into details, as they do not go on talking without the interviewer asking more questions. This is quite different when compared to top

managers who are comfortable talking for more than half an hour just to answer one single question.

Sometimes, when access to the object of research is difficult, it makes sense to interview persons, who do not belong exactly to the group of persons you aim to interview, but who know them and who can help you to get access and establish contacts with the persons you primarily aim to interview. When the aim is to interview top managers of large multinational enterprises, for example, it can make sense to interview middle managers, too, as they may know the top managers and can establish the contact with them. After the interview they have often built up enough trust to activate their social networks and personal connections to help you getting access. Furthermore, the middle managers who take orders from the top managers and have worked together with them for several years may know a lot about these top managers and can give the researcher valuable information about their observations and experiences concerning the top managers.

One researcher who did extensive fieldwork in Brazil commented on her experience that everything is possible in Brazil, but that it takes at least three times as long as the same project would take in the USA or Western Europe (Moyser and Wagstaffe, 1987). The same is true in Mexico. In Mexico it is quite common that people promise you something and then forget about it. Therefore, it is important to be politely persistent and when they offer you an interview, you should immediately ask “ok, can we do it this week?”, because when they say “I call you when I have time to do the interview” they will usually forget about it and never call you.

Part III.

Analysis of the Collected Empirical Data

11. The Countries of Origin, Specialization, Career Paths and Habitus Formations of the Top Managers

This chapter analyzes the empirical data collected during the fieldwork and compares them with the findings of other studies and existing theories. Furthermore, new theories are developed on the ground and basis of the empirical findings. It contains six parts:

1. The socialization, world-view and lifestyle of top managers
2. Leadership and management styles of top managers in Mexico
3. Intercultural interactions and conflicts between Mexican and expatriate managers
4. The power relation between the subsidiaries' top managers in the host country and their superiors at the headquarters in the home countries
5. The impact of foreign MNEs and foreign top managers on their local employees and Mexican society: MNEs as agents of cultural change
6. A comparison of the lifestyles, interactions and distinction practices of "foreign" and "native" top managers in Mexico

11.1. The Countries of Origin of the Top Managers of Mexican Subsidiaries of Foreign MNEs

It is surprising that, except for two, all of the interviewed top managers of the Mexican subsidiaries of foreign MNEs were Mexican citizens. The two foreigners considered

themselves Germans (and managed German MNEs), although one of them grew up in a German business elite family which had previously migrated to Argentina and has worked for foreign MNEs in Mexico and other Latin-American countries for most of his life. The Mexican top managers worked for the subsidiaries of US American and Canadian MNEs.

Further investigations led to the insight that, indeed, the subsidiaries of German MNEs in Mexico, which were studied in this research project and which provided the necessary data, are led by German top managers, although they¹ have been operating in Mexico for more than 50 years already. While there are some non-Germans in the “consejo ejecutivo” (executive boards), the positions of the CEO and the president are always filled with German nationals. In the case of Mexican subsidiaries of US American and Canadian MNEs, the opposite was true, they are very often led by Latin American top managers.

Several theories may be applied to explain the empirical finding: assuming that German MNEs tend to have a more ethnocentric mindset, while US American and Canadian MNEs tend to have more polycentric mindsets, this finding is in accordance with Perlmutter’s (1969) old theory that “firms with an ethnocentric mindset tend to use large numbers of parent-company expatriates. Firms with a polycentric mindset tend to use host country nationals” (Sargent and Matthews, 1998: 75), although this may only be one of the reasons. With this theory one may explain why the subsidiary of Volkswagen in Mexico is mostly managed by German top managers (VW, 2015), although the subsidiary was set up in Mexico already in 1964 (VW, 2014)², while the president and most of the board members of Ford’s subsidiaries in Mexico are not US Americans, but Latin Americans (Ford, 2015). Now, of course, the question is whether Perlmutter’s theory does still describe and explain the empirical reality adequately as it was developed in the 1960s and the world, and MNEs in particular, have changed profoundly since that time. But the data gathered during the fieldwork suggests that still today, possibly due to the high uncertainty avoidance in German culture, German MNEs maintain a certain ethnocentric mindset which becomes apparent in the sublime conviction expressed after the formal interview was over and the recorders were switched off: “If somebody else manages the organization, I’m afraid it won’t work that efficiently. Therefore, we have to do it ourselves. If you want something to work reliably and efficiently, you need to do it our way” (Informant 15).

¹the subsidiaries of German MNEs

²VW 2014. Historia de Volkswagen de México

A further explanation may be that “the high need to control an important affiliate may motivate a multinational parent company to use more expatriates than host country nationals” (Martinez and Ricks, 1989: 469), but in the case of German MNEs this need may be more subjectively perceived than a real, ‘objective’ necessity. Due to the high uncertainty avoidance which is so pronounced in German culture (Hofstede Centre, 2013; Hofstede et al., 2010), German MNEs prefer to avoid the unknown by sending expatriates whom they know very well, instead of employing Mexican top managers, notwithstanding that this strategy of maintaining tight control of the subsidiaries by sending expatriates may be much more expensive than employing local managers (Black and Gregersen, 1992; Sims and Schraeder, 2005; Wederspahn, 1992).

An additional reason may be that, while most of the US American and Canadian MNEs included in this study were either producing for the Mexican market or engaging in highly controversial activities (e.g. environmentally dangerous mining operations) which required profound knowledge of the institutional and cultural environment in order to avoid conflicts, the German MNEs were producing for the world markets, and not, or only to a small degree for the local Mexican markets. While the US American and Canadian MNEs primarily need profound ‘social capital’, that is, powerful and influential friends within the Mexican government, and knowledge of the Mexican culture in order to be locally responsive, the German MNEs, therefore, primarily need to have efficient communication with the headquarters for smooth technology transfer and global efficiency. This would be in accordance with the “global integration – local responsiveness” theories (Ghoshal and Nohria, 1989; Harzing, 2000; Luo, 2002; Roth and Morrison, 1990).

But the most important reason is probably that there are many highly educated Mexican top managers who speak fluent English, have studied and worked in the USA and are, therefore, familiar with the culture of the home country of the US American MNEs, there are very few Mexican top managers who speak fluent German and are familiar with German culture. Therefore, in contrast to US American MNEs, German MNEs bring their own top managers from the home country, despite expatriates being usually significantly more expensive than managers from the host country (Black and Gregersen, 1999; Sims and Schraeder, 2005; Wederspahn, 1992).

Moreover, the lack of intercultural sensitivity and language skills among US American and Canadian expatriates may cause the MNEs from these countries to prefer Mexican managers: in one case, the top managers at the headquarters of the MNE (which is located in Canada) decided to lay off the expatriate managers after it had become apparent

that they were not able to run the operations in Mexico smoothly and successfully, and replaced them with Mexican top managers (Informant 13). This does not seem to be an exception, as, according to Sargent and Matthews, several US MNEs “found that many of their expatriates are failures in their overseas assignments because of a lack of foreign language and cross-cultural skills” (Sargent and Matthews, 1998: 76).

In addition, it is more convenient for the US American MNEs to employ Mexican top managers to run the subsidiaries in Mexico as resentments against US Americans are wide-spread in Mexican society. Due to the extreme racism Mexicans and their families have experienced in the USA, and which has shaped their image and view of the US American people and culture, Mexicans (managers, workers, and state officials alike) may not be willing to cooperate with US American top managers³. They may even sabotage the expatriate managers’ projects, as one interviewed Mexican top manager stated at the end of an interview, when we had built up trust and he decided to talk openly:

“You will notice that in Mexico, we have many different forms and modes, many unwritten codes of how we communicate, and when a foreigner comes he does not understand anything at all, because with a simple smile, with a saying, or with one word we are already saying it all. We hate the foreigners, effectively there is xenophobia because of our history of all the foreign interventions, they have come and conquered our country so many times, and when a US American director [from the headquarters of the MNE in the USA] comes here [to the Mexican subsidiary of the US American MNE] then we are all against the American! But in a very polite way! [He actually used the English word “polite” in order to show how he talks to the US American director, after having used the Spanish word “amable”]. And then he [the US American director] says “Listen, will you do this for me?”, and then I answer “Yes, yes, yes, we will do it”, but we don’t do it. It is very complicated [to understand why Mexicans act in this way]. We are a complicated

³A further issue that complicates the situation is that several Mexican top managers who lead the Mexican subsidiaries of USMNEs, reported being treated like illegal immigrants when they traveled to the USA in order to attend the meetings at the headquarters of the MNE they work for. They experienced severe racist behavior towards them. This stands in sharp contrast to how they are treated in Mexico where they have elite status. Therefore, several interviewees stated that they prefer not to travel to the USA, but to stay in Mexico. Furthermore, due to the racist discrimination and humiliation they experienced in the USA, they have developed a certain antipathy against the USA and its culture. As one interviewee put it “Our aim used to be to have a good job and to work in the USA. Now our aim is to have a good job and to stay in Mexico” (Informant 2, 2:14).

While most Mexicans are deeply disappointed by the Mexican state and often complain about the enormous corruption problem, the truth is that they feel profoundly connected to Mexico. There is a deep emotional connection. “Mexico is where my heart is” (informant 5) as one interviewee put it. It is advisable to be sensitive and respectful towards Mexicans’ feelings of national pride.

people. In this aspect [of being complicated], only the Brazilians can compete with us and win. The Brazilians are worse than the Mexicans. You never know whether what he is saying is the truth or whether he intends to make you understand something different. There is double meaning [the famous “doble sentido”] in everything. There are many wordplays and albur [an “albur” is a Mexican way of insulting somebody and making fun of that person without that person noticing it]” (1:21, Informant 1)⁴.

This statement is in accordance with the results of Sargent and Matthews’ (Sargent and Matthews, 1998) study on the interaction between Mexican and US American expatriate managers: “Overall, we found that there was considerable conflict between Mexican nationals and expatriate managers in the firms we studied. Mexican managers frequently stated that this conflict was due to the lack of Spanish-language skills on the part of expatriates and to the imposition of a North American managerial style on the Mexican subordinates. Because, at least in parts, of this conflict, U.S. MNCs were replacing their expatriate employees with host country nationals. At the same time that Mexican managers were resisting the cultural imposition represented by U.S. expatriates, they were wholeheartedly attempting to change company culture to support their efforts to adopt JMTs [Japanese Management techniques]” (Sargent and Matthews, 1998: 75).

This finding by Sargent and Matthews is consistent with the results of the present study, too: while Mexicans reject what they perceive as “US American managerial styles” which they often characterize by using the terms “unwillingness to learn our language and to learn about our culture, foreign rule, domination, humiliation, arrogance, lack of modesty and intercultural sensitivity” during the interviews, they highly appreciate and adapt to other cultures, e.g. to German and, apparently, Japanese organizational culture and managerial styles. One reason may be that the reputation of Germany and Japan are excellent in Mexico, as these countries are highly developed, but have never conquered

⁴“Contestando tu pregunta, cuales eran las diferencias de liderazgo, pues si tomamos en cuenta toda esta forma de creer y pensar, del mexicano, tu te vas a dar cuenta de que en México tenemos muchos, muchas formas, muchos modismos, codigos no escritos, de como nos comunicamos, y cuando llega un extranjero, entonces no entiende nada. porque con una simple sonrisa, o un dicho, o una palabra ya estamos diciendo todo. Odiamos a los extranjeros, efectivamente hay una xenophobia con x, hacia lo extranjero por nuestra historia de intervenciones ultimas, y cuando una empresa americana, cuando viene un director americano aqui, todos en contra del americano! pero muy polite.muy amable. entonces nos va a decir 'Oye, vas a hacer esto' entonces contestas 'Sí, sí, si, lo voy a hacer' y no lo haces. Es muy dificil. Somos un pueblo complicado. En este sentido solo nos ganan los brasileños nos. Son peores. Es brasileño no es peor que el mexicano en ese sentido de complicado, dificil, que no sabes si lo que está diciendo es la verdad o intentando a entender otra cosa, hay doble sentido en todo, hay muchos juegos de palabras, en el idioma, los albur [an "albur" is a way of insulting somebody and making fun of a person without that person noticing it.]” (Informant 1)

Mexico. It is a form of soft power: “the ability of a country to hold international sway not by brandishing hard (military) power but by getting others to want what it wants. It is the value of being attractive culturally, commercially, gastronomically, ideologically, or indeed linguistically” (Economist, 2015).

Applied to the field of International Business, the implication is that, when a nation and its culture is highly appreciated in the host countries, it is easier for the MNEs to build up smooth and efficient operations in the host countries as the host country nationals (e.g. workers, managers, state officials, journalists as well as the communities, neighborhoods, etc.) are more willing to cooperate and to accept and take over the management styles, organizational forms and other expressions and parts of the MNE’s home-country’s culture. From the start, there is a welcoming and optimistic attitude toward the MNE by the host country nationals, as the home country of the MNE and its culture are highly appreciated and admired as an example to follow. The host country nationals are willing to learn and adapt to the MNEs practices, because they admire the home country’s culture of the MNE. And, of course, there is a self-fulfilling prophecy taking place, too, as the warm welcome the expatriates receive by the host country nationals, is often replied and reciprocated by an equally warm greeting by the expatriate managers towards the host country nationals. This is often the beginning of a trustful relation which is the basis for efficient team work. This issue will be discussed in more detail in the section on Mexican attitudes towards different foreign cultures.

11.2. Socialization of Business Elites in Mexico

11.2.1. When and How Did the Interviewees Develop the Idea and Aim to Become Top Managers?

The interviews show very clearly that most top managers already decided at a very young age that they wanted to become top managers, either by building up their own enterprise or by leading an existing one. At least, that is what they stated during the interviews. It may also be possible that “knowing what you want” is a status symbol among top managers and that may be the true reason why they say that they already wanted to become top executives at a very young age, possibly glorifying and idealizing their own biography, ignoring the doubts they had on the way. Indeed, during the interviews it sometimes seemed that top managers tried to present themselves as persons who

successfully live the idea of ‘I set my aims and I reach my aims, without any self-doubt, failure or detour. I always take the direct way and I achieve what I want’⁵.

Two examples from the interviews may clarify the idea: after having studied and worked for only a few years, still being in his early 20s and not having finished his university degree so far, the CEO of the Mexican subsidiary of a large German MNE already had a clear plan and aim in his mind: “After a few years of studying and working, it was clear to me that there are only two options for me: I will either found my own enterprise, so that the success depends on me and it is my success, or I will lead an existing enterprise” (0:20, Informant 3).

In the second example, the top manager who derives from a Mexican business elite family states that the family influence, most notable the father’s occupation, was crucial for his aspirations, ambitions and career choices.

“Interviewer: When did you first develop the idea to become a top manager? Since my childhood I observed how my father, who was the director of [name of the enterprise] was dressed in a suit and was received and treated as the boss. When I visited him in his company I saw how he delegated work to his employees and acted as the boss. One day I asked him ‘What do I have to study in order to be the boss?’. He answered: ‘In order to become the boss you need to do two things: study a lot, learn and obey [to the rules of the game]’. At the beginning, I did not understand the advice of my father, but I started to study in a very hard and applied way. I did a lot of jobs, many of them unpaid. I studied marketing. During my studies, I developed an interest for the radio. I liked radio, so I started looking for opportunities in this branch. I presented projects to [name of a national radio chain] and I started working for Televisa and TV Azteca [the two biggest television broadcast enterprises in Mexico which have a de facto duopolia, controlling almost the complete Mexican market]. The work was unpaid. When I had finished about half of my studies, my father founded his own company, and that was when I decided that I wanted to start my own company, too.” (0:21, Informant 4)⁶.

⁵Similar patterns can often be found in the written autobiographies of top managers. The autobiography of Herbert Henzler, the former CEO of McKinsey Germany, reads like one big success story. There is very little self-criticism and self-doubt expressed in the auto-biography. (Henzler, 2011)

⁶“Desde mi infancia observé como mi padre, director [Name of the enterprise], vestía de traje y era recibido como jefe. En mis vistas a la [name of the enterprise] palpé como mi padre delegaba trabajo y me pregunté, ¿donde se deberá estudiar para ser jefe?. Un día le pregunte en casa, y tu para ser jefe ¿qué hiciste o qué estudiaste?, a lo que respondió. Para ser jefe necesitas dos cosas; estudiar mucho y aprender a obedecer. Al principio no entendí el consejo de mi padre, pero si me dediqué a estudiar. A lo largo del tiempo me dediqué a realizar diferentes trabajos, muchos de los cuales no cobré. Yo estudié la carrera en Mercadotecnia. Durante mis estudios se desarrolló mi gusto por la radio, así que comencé a buscar oportunidades en el sector, presenté proyectos y entré a EXA.FM, una cadena nacional en la que laboré como conductor y productor de dos programas. Después

These findings are consistent with Hartmann's research results on German top managers: The children of the top managers emulate the behavior and attitudes of their fathers and develop a similar habitus. They feel and enjoy how their fathers command respect everywhere they go. They like the admiration and recognition their fathers receive in the public (Hartmann, 2002, 2007). It helps them to develop a bold and self-assured self-regard and it motivates them to achieve the same.

11.2.2. Top Managers from Middle- and Lower-Class Families

As already mentioned, most top managers state that they already wanted to "be the boss" at a very early stage in their lives. Surprisingly, this even applies to the few top managers from middle or even humble lower-class families and social origins. One interviewee (informant 5) worked his way up since childhood, climbing the social ladder by studying engineering and working hard in a US American multinational enterprise active in the North of Mexico until he became vice-president:

"Interviewer: How did you get into the position in which you are today? How did it all happen [your career]? Top manager: The truth is that it has always been my goal, from the start. Since I started going to [elementary] school I always thought that I will be the boss later. [...] I always wanted to be it. I will tell you how it happened: I started working at the age of 6 years, I was walking around [in the city] selling chewing gum, later I brushed shoes [boleando zapatos], then I collected recyclable paper, I did everything to help my family. I come from a very humble family. The values of my family were that the only way to get forward and to leave poverty behind would be studying and working." (Informant 5, [0:2]).⁷

busqué trabajo en las empresas Televisa y Tv Azteca, donde realicé labores sin ser remunerados. A mitad de la carrera, mi padre dejó sus labores para crear su propia universidad, por lo que yo me propuse iniciar mi propia compañía, "

⁷¿Cómo llegó Usted a ocupar el puesto en donde trabaja ahora? ¿Cómo fue? ¿A cómo empecé a trabajar en un puesto directivo, te refieres?

Exactamente.Fíjate que siempre fue la meta, desde que inicié. Desde la escuela; yo siempre pensé que quería ser jefe.

Eso es muy interesante porque muchos jefes me dicen exactamente eso.

[FOBE?]Yo siempre quise serlo. Te platico, yo empecé a trabajar como a los seis años, como a los seis años ya andaba vendiendo chicles, después boleando zapatos, recolectando papeles, haciendo de todo, para ayudar en la casa, vengo de una familia, tú te imaginarás, muy humilde. Entonces, siempre en la escuela, desde la casa, esos fueron los valores de nuestros papás, de que la única forma de salir era estudiar y trabajar

11.2.3. The Boldness of the Top Managers from Upper-Class Business Elite Families

While the interviewee from a humble origin is equally successful as his peers who grew up in rich upper-class families, he nonetheless has developed a more modest and less self-assured attitude. Indeed, he later commented that he still has problems to knot his tie when he has to put on a suit. In contrast, a central aspect of the habitus formation of the top managers who grew up in business elite families is their enormous boldness, self-confidence and self-assurance. Since childhood they have learned how to act in business elite circles and how to interact with top managers. It is their quasi-natural environment, as their own fathers and many of the friends of their family are top managers themselves. So they had a lot of time and training opportunities to find out how to interact with this kind of people. They have absolutely no fears of contact (“Berührungängste”) and no inhibitions (“Hemmung”) when talking to elites. Even at a very young age, they approach and talk to business elites just as if they were talking to their own fathers (who are top managers, too, and have the typical top managers’ habitus and preferences). When the children of the business elite families were in their U20, studying their first degree and looking for a job, it was quasi-natural for them to directly go and talk to the elites and ask for a job that comes with a high degree of responsibility, power and pay, although they were not even asked or invited. This boldness and persistence is typical for their habitus. They insist and try again and again until they manage to get what they want, one way or another. While in other social milieus, this attitude and behavior would be considered “presumptuous”, in the upper-class elite circles it is appreciated as “persistent”. One very impressive example of this attitude is mentioned by a top manager who managed to get into a very important position already at a very young age, which is highly uncommon and practically impossible for most people who have nothing to offer except for a first university degree and very little experience:

“Well, when I was working at Lufthansa, I was 23 or 24 years old then, I had access to the VIP passengers’ list. So I looked at the list of VIP passengers and I saw that the number one [the CEO] of Bayer was flying from Buenos Aires to Frankfurt on Friday night. At that time, it was possible for Lufthansa employees to buy tickets at 10% of the official price. Today, this is not possible anymore. Well, and I had contacts, networks, you have to make them. Well, and then I had a friend, a colleague of mine, she worked in the ticket reservation office (“Buchungsabteilung”) [she was responsible for bookings and reservations and assigned the seats of the passengers in the plane], and I said to

her: 'Listen, I would like to sit next to Mister [the CEO of Bayer] in the plane on Friday night, can you organize that for my?' Well, and on Friday at 12:00, noon, she said 'you are on that machine [the plane]'. And I took my nicely saved money, bought my ticket in the first class, I sat down next to the CEO of Bayer, I had my CV with me, I tried to get in contact with him in the first 20 minutes of the flight, I know that top managers do not want to talk [and listen] much, quite the opposite: they don't like that at all, so I held myself briefly, so I made a brief summary, and then, I tried to make it look very 'by-the-way', I said 'may I give you my CV?'. At that time there were no computers. I made several of these journeys [booking a seat on a flight next to an important top manager who may provide a job opportunity] and I continued building up contacts and networks on an international level. I knew I wanted to be international, because I said 'when you are only active on a national level, you don't have the same chances'. I knew, this multicultural education that I have, the three languages I speak, and so on, I knew I needed to use and apply these skills in a job in which these skills are necessary. That would be the way up for me. That was not only luck. I have worked hard for it. And finally I was lucky and somebody [a top manager whom he met on a plane] gave me a chance and employed me." (Informant 3, 0:26).⁸

⁸"Also ich hab bei als ich bei Lufthansa gearbeitet habe, [da war ich] 23 oder 24, das hab ich mir die VIP-Liste der First-Class kunden ausgesucht, und da hab ich gesehen: Oh, da ist ja die Nummer eins von Bayer, der von Buenos Aires nach Frankfurt fliegt, am Freitagabend, und wir durften damals für 10% ein Ticket kaufen, heutzutage gibt's das nicht mehr, und dann hatte ich Kontakte, Netzwerke, die man machen muss, und dann hatte ich einen guten Freund, Freundin, Mitarbeiterin, Kollegin von mir, die hat in der Buchungsabteilung gearbeitet, ich hab ihr gesagt 'Hörzu, ich möchte neben Herrn X am Freitagabend in der Maschine sitzen, kannst du das für mich organisieren?', Und wenn die am Freitagmittag um 12 gesagt hat 'Du bist auf der Maschine', hab ich mein schön gespartes Geld genommen, hab mein Ticket in der First-Class gekauft, hab mich neben dem [der Nummer ein von Bayer, Vorstandsvorsitzender oder so] hingesetzt, hatte meinen Lebenslauf dabei, hab versucht in den ersten 20 Minuten nach Abflug mit dem in Kontakt zu kommen, ich wusste Geschäftsführer und Top-Manager haben nicht allzu viel Lust zu sprechen, im Gegenteil, es ist Ihnen sehr lästig, also habe ich versucht denen [Die Top-Manager, neben denen er im Flugzeug saß] eine ganz, ganz kurze Zusammenfassung zu machen, und so ganz 'by-the-way' (nebenbei) zu sagen, 'darf ich Ihnen meinen Lebenslauf geben?' Damals gab's keine Computer und nichts. Und von diesen Reisen habe ich mehrere gemacht, weiterhin habe ich versucht übers Netzwerk Kontakte aufzubauen, auf internationaler Ebene, ich wusste, ich wollte international werden, weil ich gesagt habe, 'Wenn man national ist, hat man nicht dieselben Chancen' und ich wusste, diese multikulturelle Bildung, die ich hatte, drei Sprachen beherrschen, usw., musste ich irgendwie anwenden, also ist nicht nur Zufall. Ich hab dafür gearbeitet. Ich habe damals das Glück gehabt, dass jemand nach viel Insistieren, zum Schluss mich gefunden hat [er meint: eingestellt hat]. "

11.2.4. How Top Managers Learned to be Top Managers

Are leaders born or made through socialization and education? In other words: “Is Leadership innate or can leaders be developed?” (Nohria and Khurana, 2013: 21). While most scholars agree that leaders are made by a certain type of socialization, education, and, above all, the social position and resources of their families and friends which give them a head-start as well as valuable information and opportunities most other people neither have nor know of (Nohria and Khurana, 2013: 21), during the interviews it became clear that most top managers have the opposite point of view. When asked how they learned the skills they need today to do their work as a top manager, most of the interviewees stated that “you need to have it in your blood” (Informant 6) or “you are born as a leader” (Informant 3). They feel like natural born leaders. They firmly believe that you cannot “learn” the right attitude of a successful top manager (and leader in general), you either have the right attitude or you do not have it. Some even go so far to argue that you need to have it in your DNA, if you want to have the chance to become a top manager. They do not attribute their success and their high hierarchical position to outer circumstances, but to their genes and their genuine character. Two examples may clarify the point. During the interview one German top manager expressed his point of view:

“Interviewer: If someone is 26 years old, or 20 years old, and he says to you: ‘I want to be as successful as you are. How can I achieve that goal?’ What would you recommend?
Top manager: First, you have to have it in your blood. This must be in your DNA. [A real top manager] will not ask what he has to do in order to succeed, he will just do it and he will prove it. And he will be sticking out somehow among the average [people]. I have two, three examples here, a while ago, we employed a young man, who was 24, maybe 25. I met him and I liked him and after half an hour I said: ‘that young man, I believe that we can make something out of him. He can become something bigger’. So I made him my personal assistant, a position that did not exist in the company, but I said: I want him to learn something, so I created that position, and, yes, after 6 months, I said ‘Your skills are even better, than I expected, you should work in marketing’, he studied marketing, yes, and after a further 6 months, so a year after he started working in marketing, he was head of marketing, after 3 years, he was the leader of the sales managers [“Verkaufsleiter”], after 4 years he was executive director of marketing [“Vorstand-Verkauf”], after 7 years he was responsible for sales in all of Latin America, and after exactly 10 years, he was managing director in Argentina, he is our manager of our subsidiary [“Gesellschaft”] in Argentina, so from the beginning that was already

there [his abilities, meaning 'you have to have it in your blood'] and I've employed him. And with his successors in the equal position it was just the same. Which personality traits and skills do these people bring with them: desire, discipline, 360 degree views, not only forward, not only on the sides, but also what is behind him, yeah, and they say: 'I'm not only doing my job, marketing work, or accounting, but: What can I learn furthermore? What can I contribute?' I remember that once a young employee came to me and he said: 'Can I do that for you?'. Without me noticing it, he came to me and said, 'I've seen you do this and that, I can do that for you, I will help you with it.' And when I needed to travel, he said "Should I travel there for you? Let me travel there and I'll bring you the results. 'Yes why not? [the top manager is nodding and thinking] then he went there and brought the results to me, and since I've seen that he can do that too, I do not need to do it myself anymore. So I said next time 'Listen to me, could you also do this for me? And he says 'Yeah, sure, let me see. I see no problem.' Yes, [...] he stuck out of the group. He was standing out of the mass. He was above average. So, what's special about these people: They take the initiative. They do not fear. They trust themselves and they believe that they can do things which other people would never try. Yes, and they play the entrepreneur. I say, everyone in his company if he is a rank-and-file worker or an executive manager, you should never be afraid to be the entrepreneur. In this company everybody should be an entrepreneur.' (Informant 3, 0:43)".⁹

⁹Original quote:

"Interviewer: Wenn jemand 26 Jahre, oder 20 Jahre alt ist, und zu Ihnen sagt 'Ich möchte genauso erfolgreich werden wie Sie, was muss ich tun, um das zu schaffen?' Was raten Sie ihm dann? T: Erstens muss man das im Blut haben. Das muss in der DNA sein, [Ein echter Top-Manager] wird nicht fragen, was er machen muss, er wird es beweisen. Und er wird innerhalb eines Durchschnitts [zwischen durchschnittlichen Personen] irgendwie rausragen. Ich habe zwei, drei Beispiele hier, Da haben wir einen eingestellt, einen jungen Mann, der war 24, vielleicht 25, und denn hab ich kennengelernt, hat mir gefallen, nach halber Stunde habe ich gesagt: 'Aus diesem jungen Mann glaube ich, dass man was machen kann', und hab ihn als meinen persönlichen Assistent, eingestellt. Eine Position, die es in der Firma nicht gab, aber ich hab gesagt: 'Ich möchte den, damit der was lernt, ja, und nach 6 Monaten, hab ich gesagt 'Deine Fähigkeiten sind viel besser noch, als was ich dachte, auf der Vertriebsseite, du müsstest, im Marketing arbeiten', er hat auch Marketing studiert, ja und nach weiteren 6 Monaten, also nach einem Jahr, nachdem ich angefangen hatte im Marketing zu arbeiten, war er Marketing-Leiter, Nach 3 Jahren, war er Verkaufsleiter, nach 4 Jahren war er 'Vorstand-Verkauf', nach 7 Jahren war er verantwortlich für den Vertrieb in ganz Lateinamerika, und nach genau 10 Jahren war er Geschäftsführer in Argentinien, er IST Geschäftsführer unserer Gesellschaft in Argentinien, also, das war schon da [seine Fähigkeiten, im Sinne von 'Das muss man im Blut haben'] und ich hab ihn eingestellt, und einer seine Nachfolger in der Position, gleich dasselbe. Was haben die gebracht: Lust, Disziplin, 360 Blick, nicht nur nach vorne, nicht nur auf die Seiten, sondern auch, was hinter ihm kommt, ja, und zu sagen: 'Ich mach nicht nur meine Marketing-Arbeit, oder Buchhaltung, sondern: Was kann ich dazu lernen, was kann ich beitragen'. und ohne es zu merken, kommt einer und sagt 'Kann ich das für dich machen?' Oder dieser junge Mann kam und sagt 'Ich hab gesehen, du machst das und das, das kann ich aber auch,

In other word: he appreciates and promotes those employees who bring with them a typical business-elite habitus which he himself has incorporated when he grew up in a business family: a big self-esteem and no fear to approach and talk directly to top managers or other upper-class members, without being asked. It is appreciated that the new, young employees have the typical top manager attitude even before they become top managers. Those who learned and adopted this attitude already during their childhood from their fathers who were top managers themselves, have an advantage. A Mexican top manager made a similar statement:

“Interviewer: Where did you learn the skills and knowledge that you need today to do your job as a top manager? Top manager: You bring that with you. It is already in your DNA. You may take some courses where they teach you ‘you should do this in this way and not in that way’, but by the end of the day you just do it your way. And then you will see if you are really a leader and top managers. For many years I thought about how I should be. Should I be like my brother or like my father or like anybody else. But I realized that I should be just me, because in any case, success or failure will be mine, I will have to live with that. Some people can do it and others don’t. No university can teach you that. It’s in you or it’s not. You need to have the right instinct.”¹⁰ (Informant 6, 0:8).

soll ich dir behilflich sein damit? Soll ich für dich dorthin reisen? Lass mich mal hinreisen und ich bringe dir die Ergebnisse’. Ja warum nicht [hat der Top-Manager sich daraufhin gedacht] dann ist er hingereist und hat mir die Ergebnisse gebracht, und da hab ich erkannt er kann das auch machen, muss ich nicht mehr machen. Da hab ich beim nächsten Mal gesagt ‘Hörzu, könntest du das auch machen? Da sagt er ‘Ja, klar, lass mich mal sehen. Da sehe ich kein Problem’. Ja, und das was ich eigentlich gemacht hatte, das hat er gezeigt, dass er das im Kleinformat auch, und irgendwie ragte er heraus, und da habe ich gesagt: Ja, du bist. Was gehört dazu? Die Eigeninitiative. Sich nicht fürchten. Sachen sich zutrauen, die man vielleicht unter normaler Perspektive nicht macht, ja, und den Entrepreneur spielen. Ich sage, jeder in seinem Unternehmen, ob er selbstständig ist, oder er in meinem Falle, in unseren Fällen, im Angestellten-Verhältnis ist, muss man nie Angst haben, Entrepreneur zu sein, denn in uns ist immer ein Entrepreneur. Und ich sage Ihnen, bei uns, für die, die wir das Geld anderer verwalten, ist es noch viel schwieriger. Man sagt immer ‘Ja, das eigene Geld, steht auf der Kippe wenn man selbst sein eigenes Unternehmen hat, wenn man es verdient oder verliert, und wenn man die Entscheidung trifft, dann weiß man Wenn schlecht läuft passiert das, wenn gut läuft passiert das.’ “ (43:11- 47:00).

¹⁰“ Interviewer: ¿Dónde aprendiste las capacidades, el conocimiento que tienes hoy?

Top-manager: Eso lo traes, cuando eres emprendedor lo traes en la sangre, lo traes en tu ADN, porque si vas y tomas cursos, pero al final terminas acoplando lo que vistes en el curso a cómo eres tú: “estas cosas no aplican a como soy yo y estas cosas si aplican y refuerzan como soy yo”. Y al último, cuando eres empresario o emprendedor, por muchos años yo he pensado: “bueno, y ¿cómo debería de ser? Debería de ser como mi hermano, o debería de ser como aquel...” y andas con muchas ideas en el aire, y final llegue a la conclusión de que yo debo ser como soy yo, porque el éxito o el fracaso van a ser míos, y si yo soy como es aquel, ¿cómo voy a saber si el éxito o el fracaso es por mí? Por eso decidí ser como soy yo, cada vez tratar de ser mejor, pero como soy yo.

In conclusion, we may say that the self-recruitment of business elites and the closed social milieu from which most top managers derive is enforced by their preference for habitual similarities. The above mentioned quotation makes it very obvious that top managers promote employees who have similar habitus and personality traits which they have probably developed because they were educated and socialized in similar business elite families. Traits like taking the initiative, high self-esteem, self-confidence, sticking out of the group, entrepreneurial thinking and going to the boss and telling him “I can do that work for you” without being asked, are typical habitus attitudes learned in top managers’ families. An employee from a working-class family would probably not go straight to the CEO in order to present his idea of how to restructure the whole enterprise, because he has a lower self-esteem and self-confidence, and he was taught that he should obey, be loyal and quiet, instead of sticking out of the group and coming up with new ideas about areas which are not closely related to his manual work. Moreover, a behavior like the one of the young upper-class students who go straight to the boss because they firmly believe that their ideas will please the top executives, would be considered boastful and overbearing (“überheblich”) when a young employee from a working-class family proposed the same idea. It seems that they themselves as well as their superior do not consider it appropriate that an employee with a working-class background makes a significant suggestion.

Having said that, it is also important to mention that this is more than only the self-recruitment and reproduction of an elite, because from a purely business and economic point of view it can make sense, too, to recruit candidates for top-management positions who have incorporated this habitus which is already prevalent and predominant among top managers because it facilitates communication and the development of trust and may lead to better business results. Somebody who has an excellent academic education and is highly intelligent but lacks the self-assurance, boldness and social skills of interacting with other top managers, may be less successful as he may not be able to create trustful working relations. In the worst case, he may be excluded from the social group, e.g. he may not be invited to the important social events taking place after work during which some very important information are communicated and decisions are made.

This seems to be the blind spot in some of Hartmann’s studies (Hartmann, 2002, 1996): he essentially argues (and proves empirically) that the best educated candidates with the

Cuando mis hijos estaban chiquitos me preguntaban : oye papá ¿por qué tienes tantos trabajos? Porque yo siempre estaba en muchas cosas y unas fracasaban y otras tenían éxito, y así es, hasta que se alinean los astros. “

(Maqsa, 8:30)

highest educational degrees (PhDs in engineering, business or law) do usually not become the CEOs of the largest enterprises in Germany and other western societies. On the basis of this empirical data he concludes that the “merit principal” (“Leistungsprinzip”) is a myth. While the empirical data is correct, his conclusion has a blind spot, because in order to be an excellent top manager one does not only need a high degree of academic education and intelligence, but also excellent social skills and a certain habitus. Therefore it can make sense from a purely business and economic point of view and it is not necessarily contradicting the merit principal to choose a candidate for a top-management position who may have a lower level of education (e.g. no PhD) but stronger and more developed social skills as well as more social capital and the habitus that is needed to foster trust and communicate efficiently with other top managers and business partners.

11.2.5. Formal Education Versus Practical Experience

Most of the interviewed top managers, above all, those who studied business related subjects¹¹, mentioned that they have learned most of their skills on the job. They have applied “learning by doing” and many Mexican top managers indeed only have a “licenciatura” degree, the equivalent of a Bachelor’s degree. Here, a clear difference between Mexican and German top managers becomes apparent: While both emphasize the importance of practical experience and attitude, German top managers value high educational titles – above all doctoral and “Honorarprofessor” titles which allow them to bear the abbreviation “Prof. Dr.” in their passports and identity cards – much more than their Mexican colleagues/counterparts do. Indeed, one of the German top managers (Informant 3) stated that after retiring he would like to work as a lecturer in order to pass on his knowledge and experience to the next generation. Giving classes at a university seems to be a rather common habit among retired German top managers (Niederstadt, 2008). Educational titles are highly appreciated status symbols within the German business elite: The ex-chairmen of Siemens (Heinrich von Pierer), Deutsche Bank (Josef Ackermann), Volkswagen (Martin Winterkorn), Roland Berger (Burkhard Schwenker), Linde (Wolfgang Reitzle) all have “Prof. Dr.” titles and occasionally give lectures at their respective universities. Overall, about half of the chairmen of the enterprises listed in the DAX bear doctoral titles (Niederstadt, 2008).

In contrast, one Mexican interviewee stated: “Studying a Master’s degree is a waste of time. You learn things when you do them. When people graduate from university they

¹¹The ones who studied engineering or geology are an exception. Most of them said that their education helped them enormously to do their job well.

know a lot of things, but they can't do them. Here [on the job] is where you really learn." (Informant 7, 1:32).

A further Mexican top manager described how he puts the first priority on practical skills and experience:

"Interviewer: Where did you learn the skills that you need to do your job well?

Top manager: Obviously, the school and the courses you take help you a bit, but most of my skills and knowledge I have acquired from day to day in real business life in the company. Having gone through several departments, having had the opportunity to interact with many departments, with many people, with many other companies, I have learned a lot. I tried to read and teach myself some things. I did not study a master's degree. I finished my degree in financial analysis and I did not do any other degree or course. I just read, try to learn things from day to day, trying to learn new things, chatting, exchanging opinions with others; real life teaches you many things.

One can say that these skills and capabilities to motivate and organize teams, communicate, be a leader, you learn in practice. In business you're developing yourself in practice, most importantly, interact with other people, you learn from them [...] you have to keep constantly learning, you learn from the people and from reading cases." (Informant 8, 0:54).¹²

The findings are consistent with Buß' (2007) research results and raise the question whether studying a business-related subject actually makes sense when the aim is to become a top executive. Mexican top managers value practical experience more than theoretical knowledge and university education and report that they have learned most of their skills on the job and not while studying. But the opposite may also be true: first, some of the interviewees may not be aware of how the study of a business related subject has helped them to perform their work today and, second, possibly some informants

¹²--¿Dónde aprendiste las capacidades que hoy necesitas para hacer bien tu trabajo?

R= Obviamente te ayuda algo la escuela, pero la mayor parte de mi aprendizaje ha sido en el día a día, en la vida real de negocios en la empresa, en el haber pasado por varios departamentos, el haber tenido la oportunidad de interactuar con muchos departamentos, con mucha gente, con muchas otras empresas; tratas de leer, de ser autodidacta. No hice ninguna maestría, yo termine mi carrera de Análisis Financiero, no estudie ningún otro diplomado, solamente leer, tratar de aprender cosas en el día a día, tratando de aprender nuevas cosas también leyendo, platicando, intercambiando opiniones con otras personas; la vida real te enseña muchas cosas.

--Se puede decir que estas capacidades de motivar, organizar equipos, comunicar, ser un líder, lo aprendiste en la práctica. . .

R= En la empresa lo vas desarrollando en la práctica, lo más importante es interactuar con otras personas, vas aprendiendo de ellos, lees que hacen en otras empresas, lees casos, lees peligros en general. . . tienes que seguir aprendiendo constantemente, aprendes de la gente y aprendes de la misma lectura o de otro tipo de casos.

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simply have not understood yet that a high level of education may actually help them to be better managers and that is why they have not given a higher priority to their studies and, therefore, they have not invested the time to study a Master's degree. Furthermore, the quality of their university education may have been below average, and indeed such a low-quality education may not help much when working as a top manager. A constant problem is that Mexican universities teach their students to follow and to execute repetitive tasks, but they usually do not teach how to lead. Possibly, if the interviewed Mexican top managers had experienced excellent education during their studies, they would now value education much more.

While the German top managers mentioned frequently that they highly value university education and educational titles, they also admitted that, as most people who start working in a new position and in a new organization, they had to do a lot of learning-on-the-job, too. First as an assistant and later as the CEO, but, as one of them explained: his solution was that he had the self-esteem and courage to ask when he did not know how to do something. He was not afraid to admit that he did not know or that he did not understand something. In this way, he learned fast. And he admitted that he simply applied common sense in many situations. This stands in stark contrast to the attitudes of most employees in Mexico who are usually afraid to ask when they do not understand something because they fear being laughed at, losing their face and being insulted and punished by their bosses. One German top manager stated:

“Of course, I had studied, but when I sat in the position on the first day, I said, ‘My goodness! Now I have to read all these balance sheets, etc., and I said ‘shit!’ where do I start?’ And like anything you do when you are 26 or 30 years old, you have to work twice as much, and ask here and ask there, you just have to be able to ask the right questions always, so that the boss suddenly says, ‘Well, he knows something and he is ambitious. What does he want and what are his aims?’. And after having worked in controlling you get the experience you need, you always ask because you do not know the process and you learn fairly quickly how to deal with issues and you slowly but surely get a comprehensive picture of the company. Unfortunately, the company was in a problematic situation, so I had to restructure it. I had no idea of restructuring. Because what one learns in the university course does only work in “normal situations” when everything is going well and normal. We had lost money with this subsidiary, so in a year we had to restructure it, applying simply common sense” (Informant 3, 0:35).

11.3. What Top Managers Actually Do During Their Work Time

During the weeks in which the vice-president of a US America multinational enterprise (Informant 5) gave me the opportunity to follow him every day and to observe the way he works, it became rather clear that there is no long-term plan or strategy that is rigorously realized, implemented and followed every day. Instead of doing what is considered “important”, he often did what is considered “urgent”, e.g. when there is an accident he rushes to the site in order to resolve the problem and talk to the press. Furthermore, he explained that he receives so many emails every hour and so many phone calls, that he spends a large part of his time answering emails and phone calls. In general, there seems to be so much urgent work to do, that it becomes difficult to focus on long-term goals and plans. In addition, large quantities of time are invested into building, maintaining and fostering social relations with different interest and power groups. He reflected on the problem during the interview:

“There are days when I have the impression that I haven’t worked at all. It’s funny, first I make to-do lists, and then the phone rings, and then suddenly there is an important unscheduled visit or meeting, and another and another thing. Suddenly, I’m tired, it’s about seven in the evening and I did nothing all day.

Interviewer: Because you have to work like a firefighter? There is one urgent problem, and then there is another one, and you have to run and rush from one problem to the next?

Top manager: Oh, I just noted that there is actually a good definition for my work and for what I’m doing, that is: fireman, because, for example: the media, I have to tap, lit and hide the bad news and tell them about the good news, I have to convince them that we are the good guys, for example that we received a prize for social responsibility, but suddenly unexpected bad news spring up [e.g. an accident at the operations] and I have to make them think that we are the good guys of the movie. I want to show you a picture [the interviewee shows me a newspaper and points at a picture], look, for example, that is a ‘socially responsible company event’ (“empresa socialmente responsable”), that’s part of my job, saying that we’re the good guys. [...]. Things like this, this was last Wednesday, ‘The Company of [name of his enterprise] received on Wednesday the corporate social responsibility recognition award [...]’ The interesting thing about this paper is that this is PROFEPA [a Mexican state agency, that awarded the prize], they gave it to [name of the enterprise he works for] and to [name of another, competing

enterprise] and to [name of third enterprise]. There are the big three national groups, and in the note on the Internet and in print and in all notes they only mention our enterprise [although the award price was given to three different enterprises at the same time]. The media do not publish the truth, they publish what is convenient for them. They have their own interests and they want to benefit. You have to care for them, invite them to eat. So that's very much part of my work, promote the enterprise in the good news and defend it when there are bad news and make sure that there are no bad news. Build up connections ["vinculos"] with the media guys." (Informant 5, 1:32).¹³

This quotation does not only show that top managers often have to act as a firefighter when an accident happens or something else does not go as it was planned, but also that a large part of their work is to 'cultivate trustful and reciprocal friendship' relations with relevant persons from different sectors (or "fields" to use Bourdieu's terminology) of society: politics, media, business and community leaders (such as the local priests). They try to influence journalists, controllers and government officials by inviting them to dinner, spending time with them, giving presents to them and finally by 'establishing friendship' which means that from that moment on no one is allowed to do something

¹³"Hay días que tengo la impresión de que no trabajé ninguna. Es curioso pero hace uno su lista de pendientes y suena el teléfono, y es una visita, y otro y otro. De repente está uno cansado, a eso de las siete de la tarde y no hice nada en todo el día.

Interviewer: Porque tuviste que trabajar como bombero?, aquí hay un problema voy, aquí hay otro, ahí voy también. . . ?Fíjate que si hay una definición para mi trabajo es esa, de bombero, porque por ejemplo los medios, es estar tapando las noticias malas y es estar diciendo las buenas, somos los buenos, recibimos un premio de responsabilidad social, así. Pero las malas esas salen de repente y nunca las tiene uno. . . te quería mostrar una foto, mira, por ejemplo ese, ese es un evento de empresa socialmente responsable, eso es parte de mi trabajo, decir somos los buenos de la película. Este es el nieto, a propósito, es el mayor. Cosas como esta, esto fue el pasado miércoles "La Empresa de Coeur Mexicana recibió el pasado miércoles un reconocimiento. . . por un tiempo de cinco años. . ." Lo interesante de esta nota es que esta se le la PROFEPA, esta es Coeur Mexicana, este es Peñoles, Peñoles es el grupo grandote a nivel nacional, y en la nota en internet y en la impreza y en todas las notas se menciona nada más a nosotros, manejar a la prensa tiene su chiste, la prensa no publica la verdad, no son benefactores ni publican las cosas de manera objetiva: tienen sus intereses como todo y al que va y les da la palmadita, y al que tiene la atención de llamarles e invitarles a comer. Entonces, eso es mucho parte de mi trabajo, promocionar a la empresa en las buenas noticias, y en las malas defenderla, pero para responder tu pregunta de cuántas horas trabajo para la empresa, pues no sé, cualquier número, 50, 60, hay veces, no hay número, hay una cosa, la gente emprendedora, y yo me considero emprendedor a pesar de estar en una empresa ahora, se apasiona y le gusta lo que hace que el tiempo no es factor, acomoda uno todo que gira alrededor de unos ejes, la familia es muy importante, el trabajo y los valores, lo que quieres dejar para tu familia, lo que quieres dejar. En mi caso yo tengo 55 años, voy a cumplirlos, a mi esposa la conocí cuando tenía como 12 años, éramos vecinos, de novios, de amigos, de esposos, desde siempre la familia ha sido fundamental en mi carrera, y el trabajo lo complementa, si quiero sacar la familia, hay que echarle ganas en el trabajo. Y la realidad es que no es un sacrificio, no estoy picando piedra para sacar a mi familia adelante. No. De alguna manera si te gusta lo complementas bien, haces un trabajo que te guste y al mismo tiempo sacas adelante a tu familia y tus proyectos, por ahí va. " (Informant 5)

that may bother the other one, or cause any other kinds of problems. In Mexican Spanish this method is called “compadrazo”.

The firefighter activity in which top managers engage most of the time, seems to be coherent with the results of other studies concerning the same issue:

"Mintzberg studied the minute-by-minute activities of five experienced CEOs, each for a week. What he found was that CEOs are not buffered from daily minutiae and crises, they do not engage in much reflective planning, and decision making is but a modest portion of what they do. Instead, CEOs were found to work at a hectic and unrelenting pace on a wide array of tasks; their activity is characterized by brevity, fragmentation, and interruption; they gravitate toward the current and well-specified and away from the distant and vague; they are attracted to and place credence in oral media; and they spend a great deal of time interacting— talking, cajoling, soothing, selling, listening, and nodding— with a wide array of parties inside and outside the organization. On the basis of his data, Mintzberg distilled a set of ten managerial roles that he placed in three broad categories: interpersonal (figurehead, leader, and liaison), informational (monitor, disseminator, and spokesperson), and decisional (entrepreneur, disturbance handler, resource allocator, and negotiator)" (Cannella et al., 2008: 17).

And there is one further factor that is very time-consuming for top managers in Mexico: they have to spend a considerable part of their time “being present” at symbolic events without having any other task than shaking hands, smiling and having small-talks because they symbolize the enterprise they work for. Their presence is simply important as a symbol, not because any special skill is needed except for shaking hands, smiling and small-talking. This finding is similar to Cannella et al. findings:

“Some top executive actions are expressly symbolic, such as hosting a farewell dinner for a much-loved employee, holding a recognition ceremony to honor some extraordinary achievement, or personally appearing in the company’s advertisements. However, to some extent, all executive actions carry added meaning, or what might be called ‘symbolic fallout’, conveying surplus messages to observers who are trying to detect the executive’s intentions, values, predispositions, and where he or she is headed. Executive decisions, for example to promote one person but not another, to close one plant but not another, or to have an important meeting in a given location but not another, all convey meaning beyond their inherent substance to parties inside and possibly even outside the organization.” (Cannella et al., 2008: 19).

Especially in Mexican culture, which is so obsessed with hierarchies, status symbols, symbolic events and ceremonies emphasizing the form more than the content, a large

part of the CEOs' time is used for symbolic actions that do not have any direct economic impact. Except for the skill of "self-presentation" and representing the enterprise they lead, the CEOs do not need to apply any of their business skills. The only reasons they spend considerable amounts of time symbolizing and representing their enterprises is that it is considered appropriate that the CEO takes part in certain symbolic events in order to give it more symbolic weight and that by participating in these events, important social connections can be build up. Moreover, while most top managers, Mexican and foreign ones alike, stated that they work up to 70 hours or more per week, they also mentioned that they travel about half of the time, so 50% of the work time is actually spent in airplanes, cars, airports, taxis, check-ins, hotel receptions, on elevators and floors, trying to find the right room, etc. Therefore, this time is usually not spent in a real productive and creative way, that is: working in the original sense. While one may work while traveling, using laptops, smartphones, etc. it is usually not as productive as when one is in a fixed, not-moving and calm place as they are frequently interrupted and have to recover from jet-lags, etc. Furthermore, most top managers mentioned that a large part of their work consists of doing diplomacy within their own enterprise with other top executives in order to avoid or at least calm down conflicts and they invest time into mollifying and placating politicians and inspectors. Here, what matters most is emotional and social intelligence and the skill to build up trust and to persuade other people. In addition, they noted that a big part of their work simply consists in applying common sense, GMV (Gesunder Menschen Verstand) as one German top manager (Informant 15) called it when he made fun about it. This raises the question how much of what the top managers have learned during their studies at university, is actually of use in their job as a top manager now.

11.4. The Children of Top Managers

It is striking that that Mexican (and German) top managers have significantly more children than the national average. Having three or four children seems to be quite normal for top managers in Mexico and in Germany. It is something they are proud of. They want their family history to continue into the far future, and they invest large amount of money into their children: All top managers stated that their children study in the most expensive schools and universities in Mexico and/or abroad. Interestingly, even the top managers who were born in lower middle-class families and studied at public universities (which are free of charge), insist that all of their children study at private

universities now (Informant 13, 0:50). As tuition fees at Mexican elite universities are as high as in the USA, it is easy to imagine the enormous amount of money they invest into the education of their children. This is quite different when compared to the children of German top managers who mostly study at public schools and universities, although this may be slowly changing, too (Soares, 2015) (Informant 1, 13:15). They equally strengthen and emphasize the importance of education, but up to date they prefer that their children study at public German universities. The number of top managers who send their children to exclusive elite colleges in the USA or UK is relatively small (Soares, 2015).

11.5. Political Viewpoints of Top Managers in Mexico

During the interviews it became clear that there is a correlation between the political viewpoints of the business elites and the markets their enterprises serve: the business elites whose enterprises serve classical upper-class luxury markets (luxury watches, cars, expensive real estate as well as other extremely exclusive status symbols) have conservative viewpoints, defending the privileges of their clients. The business elites whose enterprises serve middle-class markets (e.g. pens and pencils for students) have social democratic viewpoints strengthening and enlarging the middle class – and thus strengthening and enlarging their market and clients. The business elites whose enterprises serve the lower classes (e.g. tortillas and other basic foods and commodities) have paternalistic viewpoints. They lobby for state programs guaranteeing the lower classes food and some other basic commodities. They have extensive clientelistic networks, making sure everybody gets his/her share of food, but expecting absolute loyalty.

They all defend the markets they serve. In order to be able to sell to their clients, be liked by them and to build up trust, they need to have a similar habitus formation, mindset, political viewpoints and preferences. Somebody who aims to sell luxury watches to the upper-class needs to give the clients the idea that they are really superior to the middle and lower classes. A socialist with deeply incorporated egalitarian values is not likely to build up a successful jewelry enterprise because he is less likely to be able to build up a trustful relationship with conservative upper-class clients who want to be convinced that they are not equal, but superior to the middle and lower classes. Furthermore, the clients want to be served by somebody who is similar to themselves, here, the homophily effect (Feld and Grofman, 2009; McPherson et al., 2001) is rather pronounced. In conclusion

we may say that: if you want to sell to them, you need to be liked by them. And in order to be liked by them, you need to be like them. The business elites whose enterprises serve the upper class have a tendency towards voting for the PAN (the business party), those whose enterprises serve the middle classes vote for the PRD (the social-democratic party, especially in Mexico City) and the business elites who serve the lower classes vote for the PRI (the paternalistic party). Again, they all defend their markets and clients. And because Mexican society has a strong upper class and a large lower class, most business elites either vote for PAN or PRI.

11.5.1. What Top Managers Perceive to be Mexico's Biggest Problems

Concerning the question how top managers perceive Mexican society and what they identify as its biggest problems, it became clear during the interviews that for most top managers corruption and insecurity (which is what is most visible to them) are the biggest problem. Some mentioned further issues, such as the low level of education of the rank-and-file workers (which is highly relevant to them as they need skilled employees who can fulfill the more complex tasks, too). Only very few mentioned poverty (in which half of the Mexican people live) and none mentioned climate change as a problem. Here is a typical response to the question:

“Interviewer: The last question: What do you think are the major problems which Mexican society is facing today?”

Top manager: “The most serious problem we have in Mexico is corruption, you could say insecurity, too, but that is the consequence of corruption. Corruption and political groups not doing what the country needs, but the political problems are also caused by the apathy of citizens who do not participate in order to change politics and this group of politicians. Those are the big problems, corruption and lack of citizen participation” (Informant 9, 2:55).

11.6. How Top Managers Take Decisions: The Enormous Importance Attributed to Intuition, Instinct and “Gespür”

Surprisingly, most top managers, Mexicans and foreign ones alike, stated during the interviews that what matters most in their profession – the most important skill – is “instinct” or “Gespür” (which is difficult to translate, it means something like sensing and having intuition):

“Interviewer: What do you think, which is the most important skill you need to do your job as the CEO well? Top manager: The one most important skill is “Gespür” (sensing and intuition), but I’m not even sure if that is a skill. It is more a personality trait: You have it or you don’t”. (Informant 3, 0:20).¹⁴

A Mexican top manager mentioned something similar: Interviewer: When you choose one person among several candidates for a senior top-management position, how do you take this decision? How do you choose the right person? Top manager: I’m not very structured when taking these kinds of decisions [...] it’s more a decision by feeling [he uses the English word “feeling”]. (Informant 6, 1:27).¹⁵

The enormous importance of intuition, instincts and “Gespür” is usually overlooked or ignored in the management literature and not taught at universities. Indeed, it is difficult to assess whether it can be taught at all. The irony is that while most business textbooks emphasize the importance of precise analysis using mostly quantitative data in order to apply rational decision-making methods, the empirical reality seems to be that most top managers usually apply intuitive decision-making methods and later look for some “rationally” and “logically” looking arguments for defending and “selling” their decision to the different stakeholders. One reason why top managers apply intuitive decision-making methods more often than analytical ones, is that they simply do not have enough time to thoroughly analyze the different alternatives before taking a decision. They are usually in a hurry, running from one urgent issue to the next, similar to firefighters. Another reason is probably that most of the interviewed managers have a habitus formation that emphasizes “doing, making and deciding immediately”, instead of “carefully collecting

¹⁴Original quote:

“Und was sind die Fähigkeiten, bei denen Sie sagen "Das sind die Fähigkeiten, um meinen Job gut zu machen"? Top-Manager: “Eine, ich weiß nicht, ob das ne Fähigkeit ist: ist Gespür.” (00:10:20)

¹⁵“Interviewer: ¿Cuándo eliges un empleado para un puesto importante como alta dirección, como tiene que ser ese empleado? Top-Manager: Yo no soy muy estructurado para tomar ese tipo de decisiones, alguien que no sea como yo, es más por feeling, “

and thoroughly analyzing data, listening to different points of view, discussing possible options and thinking about new concepts, ideas and practices, before visualizing the alternatives in order to finally take a well-informed decision". That would be more the typical habitus of university professors, who are the ones who write the business textbooks. That may also explain why the decision-making methods presented in the textbooks are so far away from the methods used by the top managers in practice, in business life: the textbooks are not written by active top managers (who do not have the time to do it anyway), but by university professors. There are only very few studies on the role of intuition as a management skill (Agor, 1987, 1989; Dane and Pratt, 2007; Issack, 1978; Simon, 1987), but it seems that top managers highly appreciate it and use it rather often. Indeed, one interviewee joked about young university graduates who are "textbook smart" (Informant 7) and fail in business because they only focus on the factors which were taught in the textbooks and run their business not taking into account the empirical reality but only their textbook theories. According to this informant, by sticking to their textbook theory, they become blind for reality. They do not take into account many important factors and do not become aware of changing situations fast enough as they were not mentioned in the textbook. They feel that they do not have to observe and listen anymore because their textbook theories already told them everything they need to know.

12. Leadership- and Management Styles

12.1. Leadership Styles in Mexico

Although Mexico has a reputation for authoritarian macho-style leadership which uses repression and brute force to get results (e.g. the use of threats and violence, the repression of independent unions, plurality, discussions, different points of view, etc.), the empirical findings point to a different direction. While the authoritarian macho leadership style certainly exists (Davila and Elvira, 2005; Pieper, 1990; Rao, 2012), during the fieldwork it became clear that a somewhat different leadership style is much more typical for Mexican top managers.

12.1.1. “Supportive” or “Empathetic” Leadership Style

One interviewee described and explained it by saying: “you have to make sure that your employee feels that you care for him as a human, not just as an employee. When he has a headache, you give him a headache pill, when he has a problem with his family, you give him advice on how to solve that problem.” (Informant 10, 1:57).

Howell et al. (Howell et al., 2007) call this leadership style “supportive”:

“Several cultural characteristics explain a consistent finding by leadership researchers in Mexico – effective leaders in Mexico make extensive use of supportive/relationship oriented leader behavior in influencing their followers [...]. Although many traditional authoritarian leaders in Mexico are not supportive of their followers, recent studies show that supportiveness is an important part of effective leadership in Mexico. Supportiveness reflects the importance of interpersonal relations with a high value placed on caring, listening, and understanding (*simpático*)” (Howell et al., 2007).

They conclude that “supportive behavior by the leader such as helping followers and facilitating a feeling of belongingness and harmony” (Howell et al., 2007) is the most

effective leadership style in Mexico. In her excellent study on Mexican entrepreneurs, Martinez et al. (Martinez and de la Torre, 2011; Martinez and Dorfman, 1998) describe the typical Mexican leadership style which they observed and how the organizational model of the family is transferred to other social sectors such as business or politics in general and to the organizational model of the enterprise in particular:

“The patriarchal organizational model, in which the manager/owner provides security and protection for employees in exchange for loyalty and hard work, is still prevalent. Recognizing that the family system serves as the model for business organizations assists us in understanding the codes of behavior that characterize relationships between managers and subordinates, particularly the importance accorded to trust (*confianza*), harmony, and solidarity in the workplace (Kras, 1994). Moreover, empresarios [entrepreneurs] frequently choose to hire family members; they partner and share stock ownership with them, and they include them on corporate boards because of the importance accorded to relationships of trust in Mexican business practice” (Martinez and Dorfman, 1998: 101).

It is not surprising that Mexican top managers bring this leadership style with them when they are hired by a foreign MNE, and they will implement the leadership style they know into the subsidiary they lead. It is rather common that the superior managers become the godfathers of the children of their subordinated employees (Boll, 2012). This affectionate relationship is what motivates the employees. This leadership style is often called “paternalistic” or “supportive” in the literature, but Mexican top managers usually call it “empathetic”:

“And one of the main ones [skills that top managers need in Mexico] is just empathy, be empathetic, you have to have emotional intelligence. because if you don’t have emotional intelligence, than you’re thinking about you, your problems. An empathetic person forgets about himself and sees the other person. This is the most important quality. And if you really look [at your employee], and ask ‘How do you feel?’, and ‘How can I help you? Tell me, what can I do for you?’. And if they see that there is a genuine intention to help [by your side], then the person is willing to give his life for you, because he says ‘this man cares for me’. I say about my employee: ‘he is not an employee, he is my friend’. Then you begin to develop a relationship that goes beyond, that is strong and long-lasting. And you start to lead with love. This is the secret of the authentic leader.” (Informant 1, 1:26).¹

¹“Y una de las principales es justamente empatía. pero para ser empatico, tienes que tener inteligencia emocional. porque si no tienes inteligencia emocional, entonces estás pensando en ti, tus problemas, y el empático se olvida de su persona y observa la otra persona. esto es la calidad más importante.

Another top manager added: “In Mexico, the work and the person become one, so if you have an issue with the work you have an issue with me. Interpersonal relation problems affect workers’ morale and vice versa. You have to use tact and emotional intelligence. On the other hand, if you manage to win the heart of a Mexican, there is nothing that he will not do for you. Whatever and whenever you need him, he will be there and give you all he can give, because he considers you his friend. It is very important to win the hearts of the people, it is difficult, but when it happens, best results are achieved; you can get the best results with an inter-personal style of leadership. And this is achieved through communication. On several occasions, Asians do not want to converse with their employees, but if the worker knows what the significance of his work is and why it is important for the final result [the final product], then he will do it as good as he can. When you explain it to them, this communication makes people participate much more, instead of only assembling things, if they feel that with their work they make great things possible and that it has a value, then they do everything they can. The Mexican people are very sensitive, if you give them information, talk to them, communicate, then they will give you love, respect and commitment to do things.”² (Informant 11, 0:40).

Emphasizing the difference between the Mexican, the German and the Japanese leadership styles, he further states: “The fundamental difference is the way they treat human resources. Germans and Japanese view people as components of the manufacturing line, not so much as people. The worker is a part, a piece, a component of the production process.”³ (Informant 11, 0:57).

Y si realmente lo ves, y le preguntas ‘como te sientes?’. Como te puedo ayudar? Tu dime, que puedo hacer más?. Y si vean que hay una intención autentica de ayuda, la persona después da la vida por ti , porque dice ‘este hombre se preocupa por mi persona’, ‘no es un empleado, es mi amigo’. entonces empiezas a desarrollar relaciones interpersonales que van más alla. Y empiezas a liderar con amor. esto es el secreto de lider autentico. “

²En México, el trabajo y la persona se une, así que si tienes un tema con el trabajo tienes algo conmigo, por lo que ciertos eventos afectan la moral personal del trabajador. Hay que usar mucho tacto e inteligencia emocional. Por otro lado, si logras ganar el corazón de un mexicano, no hay nada que no va a hacer esa persona por ti, cuando lo necesites ahí estará y te dará todo lo que pueda dar, al que considera su amigo. Es muy importante ganar el corazón de las personas, es difícil, pero cuando se hace, se logran mejores resultados; mejores a los que podrías alcanzar con un estilo de liderazgo impersonal. Y esto se logra con comunicación. En varias ocasiones, los asiáticos no desean que se converse con sus empleados, pero si el trabajador conoce que importancia tiene su trabajo en el resultado final, este lo realizará de mejor manera. Esta comunicación hace que la gente participe, no que sólo ensamblen cosas, si no que se sientan que su trabajo realiza grandes cosas y tiene un valor. La gente mexicana es muy sensible, si le das información ganas cariño, respeto y su compromiso en realizar las cosas.

³La diferencia fundamental es la forma en que tratan a los recursos humanos. El alemán y el japonés ven a las personas como componentes de la línea de manufactura, no tanto como personas. El obrero es una pieza.

12.1.2. Authoritarian "Macho" Leadership style

Having mentioned this “benevolent father” or paternalistic leadership style, it should not go unmentioned that the old-style authoritarian, aggressive and intimidating leadership was also found during the fieldwork as this quotation from one interview with a Mexican top manager makes clear. The aggressive language he chooses to use (“I put a burning rocket in their assholes”) gives an adequate impression of his leadership style. This metaphor describes the old way of making employees work faster by using intimidations and violence. He uses the whip-and-stick methods in order to get results and he enjoys talking about his power and his actions during the interview:

“Interviewer: How would you describe your leadership style?

Top manager: When I came here [when I started working as the CEO of this enterprise], I gave it a twist to the company, I put it upside down, that was in 2004, the company began in 1945, I came here when the company was already 49 years old. At its peak year, it sold 10 [the unit of the number cannot be understood from the recording] and four years later, after I had taken over control, it sold 40 [unit cannot be understood or is not mentioned properly by the interviewee], well what changed? The economy did not grow 4 times as much as it usually does, so they [the top executives at the headquarters of the MNE in the USA] asked me what I had done and how I achieved to grow so much and I told them I applied to the ‘proctologic pyrotechnics’ therapy or, in other words, I put some burning firecracker rockets in their [his subordinated employees’] asses. That means that all depends on how fast you’re used to working.”(Informant 6, 0:17).⁴

12.1.3. Participatory-Democratic Leadership Style

There seems to be a new tendency, too: especially in the multinational enterprises serving rapidly changing markets which are influenced by new trends and changing aesthetic perceptions of their clients, and which are led by relatively young top managers, a new, more democratic and participative leadership styles is evolving. It seems that these new leadership styles, which are characterized by a lesser degree of power distance, can pri-

⁴(17 :00)--¿Cómo describes tu estilo de liderazgo?

R=Cuando yo entré aquí le dimos un vuelco a la empresa, esto fue en el 2004, esta empresa empezó en 1945, yo entré aquí cuando la empresa tenía 49 años, en su máximo año llegó a vender 10, y en 4 años vendió 40, bueno ¿en qué cambió? La economía no creció 4 veces, a mí me preguntaban y yo les decía que era la “pirotecnia proctológica” o sea que tenían un “cuete en el colón”. Eso quiere decir que todo depende a qué ritmo estés acostumbrado a trabajar. La empresa la trabajaba un hermano, yo entre a los 42 y él tenía 52, a él no le interesaba crecer y yo quería crecer, no sabía ni cómo ni si se podía. (Maqsa)

marily be found in highly innovative multinational enterprises, foreign and Mexican ones alike. They need more culturally sensitive employees and management styles in order to be innovative, responsive and to operate smoothly in many different cultural contexts and countries. Furthermore, they need to detect and adapt to changing customers' demands as fast as possible. The development of these capabilities seems to require a more participative and democratic leadership style and corporate culture, which is less brutal and violent than the old authoritarian leadership style. A very vivid example of the newly evolving participative and democratic leadership style was given during one interview:

“Interviewer: How would you describe the way you make decisions?”

Top manager: You could say that nothing is black or white... not everything is intuitive, not everything is reasoned. Everything is in balance. Any decision process has certain intuitive elements and must have many well-reasoned elements, the most important thing is that decisions are not taken by one single person. For our company, we try to keep more teamwork and avoid that one person is making all the decisions. What we try to do is that our people have all the elements, all the necessary information, we want all of them to reason about things concerning our company, we want them to analyze the pros and cons, effects, consequences. We want to involve them into the decision-making process and we want to teach them to take their own decisions, so it is important to motivate people to participate in the decision-making process. Obviously, there are mistakes, especially when people are new and just starting out, we all make mistakes, but it is very important that people learn, including mistakes, so that they themselves grow, they themselves make experiences. For creating a better decision-making process, I think that's the most important task which leaders have to do: guide your people, motivate them to make their own decision, do not tell them how to decide, but motivate and guide them to collect all the necessary information and items they need to make a good decision, so that they learn. The team should continue deciding and advancing. Obviously when important decisions reach a certain level of the company, they need to be validated and confirmed, but what I always try to do is encouraging people to apply what they have learned in order to make better decisions. [...]

Interviewer: So, one may say that your leadership style is to empower people so that they themselves can make decisions?

Top manager: More than that, I think it develops our people so that they themselves will make decisions within the company and grow [...] senior managers do not have the knowledge of what's going on down in the operations, on the floor; so it is very

important that all people are involved in your decision process, it is important to take into account and listen to the views and opinions of the persons who are working on the assembly line. And often the best decisions are driven directly by the people who are on the assembly line or who are trading and selling [the product the MNE produces].

Interviewer: So, one may say that you apply a participatory decision-making style in [name of the enterprise]?

Top manager: Definitely. Sometimes it's a little slower, because making people work in teams takes time to communicate, organize everything, sometimes you spend more time than when you simply show up and you decide according to a guideline, but in the medium and long term I believe and we are convinced that it is better to involve our people in the decision-making process because people will thrive, they will develop themselves and their skills while learning how to make decisions. It is impossible for an organization to depend on only one or four people; the organization is very large, and must rely on many people who are capable of self-motivation, self-direction, auto-organizing, self-leading, and teamwork. It is crucial that there is excellent communication across all departments so that they can work together and can make the right decisions for the company. Sometimes you spend a little more time, but once it works, it runs better.' (Informant 9, 1:54).⁵

5

“--¿Cómo tomas decisiones, es racional, analizando muchos datos o es intuitivo? ¿Cómo describes tu manera de tomar decisiones?

R= te podría decir que nada es negro o blanco... ni todo es intuitivo, ni todo es razonado. Todo está en una balanza. Cualquier proceso de decisión tiene ciertos elementos intuitivos y tiene que tener muchos elementos también razonados, lo más importante es tratar de que las decisiones no las tome una sola persona. En el caso de nuestra empresa, lo que tratamos de mantener es más el trabajo en equipo y no estar tomando todas las decisiones, lo que tratamos de hacer es que la gente tenga todos los elementos, a que razonen las cosas, a que analicen los pros y contras, efectos, consecuencias, etc... para que la gente tome decisiones propias, por eso es importante motivar a que la gente sea la que esté decidiendo. Obviamente hay equivocaciones, sobre todo cuando la gente es nueva y está empezando, todos nos equivocamos, pero es muy importante que la gente aprenda, inclusive equivocándose, para que ellos mismos crezcan, ellos mismos tomen experiencias. Para tener un mejor proceso de toma de decisiones, yo creo que esa es la parte más importante como líderes; como debes guiar a tu gente, como motivarlos, no decirles cómo deben de decidir, sino motivarlos y guiarlos a que reúnan todos los elementos para que ellos aprendan y sea el resto del equipo el que continuamente esté decidiendo y esté avanzando.

Obviamente cuando hay decisiones importantes pues tienen que llegar a cierto nivel de la empresa y ser validadas, pero lo que siempre tratamos de hacer es motivar a que la gente lo haga y vaya aprendiendo de lo que hicieron.

--Entonces se puede decir que tu estilo de liderazgo es capacitar a la gente para que ellos mismos puedan tomar las decisiones... .

R= Más que capacitarlos, yo creo que es desarrollar a la gente para que ellos mismos vayan tomando decisiones dentro de la empresa y vayan creciendo.

(10:30)--Y como piensas, una empresa tiene que cumplir con ciertos requisitos y tiene que ser competitiva y lucrativa. Cómo ves, ¿Qué tan grande es la libertad que se da a los altos directivos

Howell et al. made similar observations concerning this newly developing leadership style in Mexico: although there are problems when the participatory leadership style is implemented for the first time, it seems to be evolving slowly, which signals a huge cultural shift, a slow tectonic movement towards less power distance: “The increasing importance of leaders developing followers’ potential was evident in the ethnographic interviews and probably signals a move towards less machismo in Mexican leadership styles.” (Howell et al., 2007: 461). But the problems when implementing this new, lower-power distance leadership style into a high-power distance culture and society have been substantial:

“Prior research has shown that Mexican workers do not respond well to participative approaches by their managerial leaders [...], although the media analysis showed that some Mexican managers may be trying participative approaches in order to compete in the global economy.” (Howell et al., 2007: 457).

Lee Crawford, Managing director of General Motors’ Delphi Division in Mexico, described the different management styles in the USA and Mexico and how leadership styles have slowly evolved and changed in Mexico ever since. The observed development is consistent with the findings of this study:

“In Ohio, I was very participatory. When I came here [to Mexico], I had to become sort of the benevolent dictator for a period of time. I think we as a company have evolved now

en poner sus propias ideas en la empresa? ¿Piensas que la personalidad de los altos directivos hace una diferencia significativa en el rendimiento de una empresa?

R= Si, definitivamente es importante porque el estilo que comento no es un estilo personal, es un estilo “Interceramic”. En “Interceramic” lo que tratamos de hacer es motivar a la gente, es desarrollar líderes, que la gente sea líder de sus equipos de trabajo y que eso se vaya permeando hacia toda la organización. Eso es importante porque en la medida que haces eso, vas desarrollando a toda tu gente, es más fácil que la gente que está abajo, que es la que está operando emita sus puntos de vista, se involucre en las decisiones, sea tomada en cuenta.

Si tratas de hacer que nada más los altos directivos sean los que estén decidiendo, los altos directivos no tienen el conocimiento de lo que está pasando abajo, en la operación; por eso es muy importante que involucren a toda la gente en su proceso de decisión, es muy importante que tomen en cuenta, que escuchen los puntos de vista y las opiniones y muchas veces las mejores decisiones vienen motivadas directamente por la gente que está en el piso de operaciones.

--Entonces se puede decir que son decisiones participativas. . .

R= Definitivamente. Es a veces un poco más lento, porque hacer que la gente trabaje en equipo, dedicar el tiempo a la comunicación, a veces le dedicas más tiempo que simplemente llegar y decidir tú, fijar una directriz, pero en el mediano y en el largo plazo creemos y estamos convencidos de que es mejor, porque la gente se desarrolla. Es imposible que una organización dependa de una o cuatro personas; una organización es muy grande, y debe depender de mucha gente que sean capaces de auto motivarse, auto dirigirse y de trabajar en equipo, que haya excelente comunicación en todos los departamentos para que puedan trabajar en equipo y puedan tomar las decisiones adecuadas para la empresa. A veces le dedicas un poco más de tiempo, pero una vez que eso arranca, funciona mejor.” (Interceramic)

through understanding and education and training of the Mexican managers. Now, I am more participatory again. But, I can be very flexible. I can be a benevolent dictator or totally participatory. I would say my style overall is more participatory. I have seen the Mexican managers mature. As they have matured, they have gained confidence in their management style and we have been able to phase in more participatory management.” (Gowan et al., 1996: 75).

Crawford’s statement is consistent with one of Martinez’ informants who argues that: “Mexicans have a tendency to interpret the attempts of Jefes (chiefs, leaders, bosses, superiors, heads) to be participative and democratic as a sign of weakness. In order to transform an organizational culture in Mexico to one that is less patriarchal and less centralized, it is necessary for a leader first to establish his authority in an autocratic fashion. Once the confidence and trust of the subordinates are won, a more participative system can be initiated with greater possibilities for success.” (Martinez and Dorfman, 1998: 112).

12.1.4. Conclusion

We may conclude that there are three common leadership styles in Mexico:

- The aggressive brute-force leadership style which uses intimations and violence to get results. Instead of trust, appreciation, recognition and rewards, it uses fear and punishment to make employees obey, follow orders and work harder.
- The empathetic and supportive leadership style (“benevolent father” style) which makes the employee feel that his superior manager cares for him as a human being, giving him advice and support in every situation in his life and thereby building up a long-term trustful relation. The employee is treated like a son of the family of the manager. The employee works and accepts the manager’s decisions because he likes and appreciates him and wants to give something back, like it is predicted by the law of reciprocity. Although the employee cannot participate in the decision-making process, has few democratic rights and different opinions and independent unions are usually not accepted, the employee obeys because he feels that his superior has good intentions and means it well with him. It is the Mexican version of the paternalistic leadership style.
- The participative and democratic leadership style which involves the employee in the decision-making process. This newly developing leadership style can be found

in highly innovative multinational enterprises which are often led by young managers and need to be able to respond rapidly to changing situations and to act tactfully and smoothly in many different cultural contexts. The top manager acts as a teacher, teaching the employees how to make excellent decisions and how to manage their work themselves. He gives a part of his job as a manager into the hands of the employees, sharing with them discretionary competence and power. Discussions, plurality and different points of view are appreciated and encouraged. Enterprises in which this leadership style is applied, seem to be very responsive and adaptive to new situations (e.g. changing trends and customers' demands,) as the communication between all levels within the enterprise is rather fast and decisions can be made "on the ground" where the action is happening without the necessity to consult the top management. The "decision distance" is rather small. The decisions are made close to the places where the decisions are needed and implemented. Furthermore, the eyes, ears and observations of all employees, including the rank-and-file workers, are used to detect problems within the enterprise as well as changes in the environments in which the enterprise is acting. Solutions can thus be developed and implemented quickly and the enterprise can respond before the environmental changes and the problems these changes cause grow further and become overwhelming.

This study comes to the conclusion that the truly new leadership styles are coming from highly innovative, modern and globally competitive multinational enterprises and not so much from the maquiladora industry and other older industries. Howell et al., however, come to a slightly different conclusion: "Other themes and leadership styles are emerging as Mexico is becoming highly involved in international business activities through maquiladora operations, joint ventures, Mexican multinational corporations, international agreements" (Howell et al., 2007: 458).

An additional factor that may accelerate this change is the emergence of the Mexican version of "Generation Y" or "Millenials" (Armour, 2005; Downing, 2006; Hanks et al., 2008; Wolburg and Pokrywczynski, 2001) which presses for less power distance and more participation in business and politics. Among the students who were born in the 1990s, there is a clear preference for democracy and participation as well as for organizational models built on low-power distance social relations. There is a slow tectonic shift which is currently leading to a tectonic clash in Mexican society: a new generation of Mexicans who value equality is emerging and clashes with the old Mexican power structure which aims to maintain the old hierarchies and inequalities. When in 2012, it became clear

that the PRI, the dictatorship party which ruled Mexico for more than 70 years without interruption, was going to return to power, the resistance movement “#yosoy132” was led by young students from all social classes. This movement united upper-class students from private universities and schools with the students from public universities from the middle and lower classes. Although, they have very different backgrounds, habitus formations, dress codes, lifestyles and world-views, they were united in their resistance against the return of dictatorship and agreed on the urgent need to democratize Mexican society on all levels. Here, the modern and innovative MNEs bring more participative and lower-power distance organizational forms to Mexico, which are then experienced by the Mexican employees, and seem to work as an accelerator, a boost engine. They show and prove that a more participative way of working and living is possible.

12.2. Excursus: Managing the Drug Cartels - the Relation and Interaction between Top Managers of Foreign MNEs and Mexican Drug Lords

Following Delios: “To develop context, IB scholars need to enter the nether regions of the countries in which their research is situated to generate a visceral feel for the important issues of the country. By engaging tactilely with organizations and people in the settings being studied, real learning can occur, and be passed onto IB colleagues through vivid writing about the context. Reporting context adds colour to our writing. We do not want to read another study that quantifies the factors that influence MNC localization. But we will want to read a study that describes in detail how foreign mining companies in Indonesia manage multi-billion dollar investments when formal and informal institutions are opaque, when national, provincial, local and indigenous authorities each pull the company in different directions suited to their own interests, and when the local workforce has deep-seated enmities that lead to physical confrontations and murders.

Reporting on context in this way would enable IB researchers to lead, not mimic, research on stakeholder management.” (Delios, 2017: 394-395).

In this section, a similar research question will be explored in depth: how the subsidiaries’ managers of foreign MNEs deal with drug cartels in Mexico which demand “protection”

money and try to blackmail the MNEs. I addressed this issue during the interviews with top managers in the Mexican state of Chihuahua, but most interviewees were reluctant to talk about how they dealt with the drug cartels, although it was clear that at least some of them somehow dealt with the issue. Although Chihuahua is one of the states with most drug cartel activity (partly due to its proximity to the US border where many smuggling routes meet), and therefore kidnapping, murder, extortion, blackmailing, etc. are very frequent, foreign MNEs keep investing in Chihuahua: “Despite [...] continuing violence, FDI into the most violent state (Chihuahua) in 2010 rose to record levels” (Ashby and Ramos, 2013: 81). So the MNEs must have found a way to deal with the problem and to settle the situation. In their quantitative study on industry response to organized crime in Mexico, Ashby and Ramos find some very interesting correlations: “We find diversity across industries, with organized crime deterring foreign investment in financial services, commerce, and agriculture but not in oil and mining sectors for which we find increased crime associated with increased investment.” (Ashby and Ramos, 2013: 81).

This leads to the question: why is there a correlation between the rise of FDI in the mining sector and a rise of organized crime? While most industries can relocate their operations to other, safer regions, mining MNEs cannot go elsewhere as the natural resources they aim to extract can only be found in some very special regions. But why does organized crime rise, when FDI into the mining sector rises? The authors of the study explain that “MNCs in such old globalized extractive industries involving high sunk costs have accumulated experience in coping with difficult regional institutional conditions, including violent conflict and crime.”(Ashby and Ramos, 2013: 88).

While this may explain why the mining MNEs do not relocate, it does not explain why there is a correlation between the rising levels of FDI and the rise of organized crime. Possibly, the answers lies in how the MNEs cope with organized crime, that is, the drug cartels. While the authors do not go into more detail and do not specify how mining MNEs cope with organized crime, one interview with a top manager of a US American mining MNE active in Chihuahua (Informant 5) provides some insights and evidence: after a long interview with the top manager of the US American mining company in Chihuahua, he offered to drive me back to my hotel. We got stuck in a traffic jam and, therefore, started to talk. It was already late at night and we had a lot of time. When he had built up trust, he explained how top managers deal with the drug cartels who threaten the enterprises by kidnapping employees and top managers, assaulting the operations and stealing the extracted minerals. My audio recorders were already

switched off, so I cannot make exact quotations, but as soon as I got to the hotel I wrote down everything he had told me:

The gold and silver mines in the north of Mexico are highly profitable. The job of the top managers is to make sure that the mines keep running and to avoid that the extraction of gold and silver is interrupted in any way, no matter what the cost. There are three main actors who may interrupt the production and are, therefore, considered threats: government officials who control the mines and tax the mining enterprises, communities which may be discontent and, therefore, protest around the mines, and drug cartels (“narcos”) who may assault the mines and kidnap employees and top managers in order to blackmail and extract money. The top managers communicate and negotiate with all of them. The communication channel they use in order to communicate with the drug lords is the local priest from the Catholic Church. The local priest is the middle-man between the top managers and the drug lords, that is, between the legal and the illegal business elite. It works like this:

first, they bribe the local priest by giving him presents such as an expensive SUV car and paying for the maintenance cost. The money is taken out of the “community development” fund of the enterprise. In this way, they win over the priest.

The local drug lord is either in prison, from where he can safely manage the operations of his cartel, or hides. His wife visits him every day and acts as a messenger, facilitating the communication between the drug lord and his organization and employees. He organizes and moves his drug traffickers and armed forces by giving the orders to his wife who will bring them to his “employees” and “team-leaders” who will then follow the orders of the drug lord and take action.

Later, the wife goes to the local priest and confesses everything in order to save her soul and the one of her husband. In northern Mexico (especially in Sinaloa, but also in other “headquarters states” of the drug lords), the local priest usually says that God will forgive you everything as long as you confess everything (Grillo, 2012). Therefore, the drug lords and their families confess regularly in order to make sure they will come to heaven despite of all the killings they have committed. Drug lords and their families usually come from humble origins and – like most of the poor – are deeply religious. In this way, the priest obtains valuable information about the newest plans of the drug lords, and he gives advices to the wife, who will again act as a messenger and bring these advices to the prison (or hide-out) where the drug lord is. Now, the business elites bribe the local priest, by paying for his SUV etc., in order to receive the information the priest has about the drug lord’s plans. When these plans affect the production of the gold and

silver mines, the top managers will ask the priest if he can do “something” in order to protect the mines. The priest then, grateful for his new SUV and other presents, will influence the wife of the drug lord trying to persuade her to influence her husband (the drug lord) to change his plans and to do other activities and to kidnap other people, instead of attacking the gold and silver mines and kidnapping the employees of the mining enterprise. Furthermore, contracts and the flow of money are organized through the local priest of the Catholic Church. For the enterprises, it is much cheaper and more efficient to make contracts with the drug lords and in this way ensure that the production is going smoothly, than to risk a confrontation with the drug cartels and to spend large amounts of money on private security firms as the state police is often corrupted, infiltrated and subverted by drug cartels.

Furthermore, the drug lords often donate large sums to the Catholic Church which are thankfully accepted by the local priests, although everybody knows that the money comes from violent and illegal activities. Even the Vatican has already criticized these practices, but that has not stopped the Catholic Church from thankfully accepting money from the drug cartels (Grillo, 2012).

One year after the interview was conducted, the Mexican newspaper *La Jornada* published an article in which the CEO of a Canadian mining MNE active in Chihuahua, Mexico, is quoted:

“Rob McEwen, CEO of the Canadian McEwen Mining Inc., told a financial news channel in Canada [...]”⁶: “The cartels are active there. We usually have a good relationship with them” (*La Jornada*, 2015).

He did not mention whether his MNE actually bribes the drug cartels in any way, but he confirmed that they have a “good relation” with them, which may hint to an exchange of favors. These favors may fuel the drug cartels and help them grow and increase their operations which results in more organized crime activity and a higher homicide rate. Already in 2013, a report was published stating that mining companies pay extortion fees in five Mexican states:

“Sources linked to the industry recognized that [in the states of] Tamaulipas, Chihuahua, Guerrero, Morelos and Michoacan, serious problems exist due to extortion by drug cartels. [...] The companies have agreed to pay danegeld [extortion, protection money]

⁶Rob McEwen, director general de la canadiense McEwen Mining Inc., dijo a un canal de noticias financieras de Canadá que grupos del narcotráfico dicen -por ejemplo- cuándo pueden explorar en ciertas áreas. “Los cárteles están activos ahí. Generalmente tenemos una buena relación con ellos”

to groups [drug cartels] like the Knights Templars, Zetas and the Gulf Cartel, because it is handled as losses inherent in the operation.” (Villanueva and Gómez, 2013)⁷.

It seems to be very common among elites from different social fields (politics, business, etc.) to communicate, negotiate and make contracts with drug lords through middlemen. In this way, the elites feel that they do not get their hands dirty, because they are not negotiating directly with the drug lords. They “only” talk to the local priest, who then talks to the wife of the drug lord, who then brings the information to the drug lord himself who is in prison or in a hide-out.

According to *The Economist* something similar is happening in Michoacán, in the south of Mexico: Several enterprises pay the drug lords money in order to be left in peace. While it is perfectly understandable that the enterprises and their top managers want to make sure they are not attacked by the drug cartels, by paying “protection money” or “danegeld” to the drug lords, they finance further operations of the drug cartels as well as new weapons, mercenaries, etc. :

“For years, Michoacán, the state where Lázaro Cárdenas [the biggest port on Mexico’s pacific coast] is located, has been lawless. Even though the port is the biggest on Mexico’s Pacific coast, the area surrounding it has been a battleground for drug gangs fighting over its strategic location. The Templars, who in recent years won the turf battle, took advantage of the fact that Michoacán is Mexico’s biggest producer of iron ore. Officials say they muscled in and forced the local mine bosses, some of whom are Chinese, to pay from \$4 to \$7 per tonne of mineral extracted.” (*Economist*, 2014).

We may conclude that at least some mining MNEs finance the drug cartels by paying extortion fees, “danegeld” or “protection money” to them. This may explain why the rise of organized crime correlates with the rise of FDI in the mining sector: the more foreign MNEs set up operations in Mexico, the more opportunities exist for drug cartels to extort “danegeld” and “protection money”, as the foreign mining MNEs seem to be willing to pay these extortion fees they consider to be a kind of tax. Then the drug cartels use the protection money they received from the mining MNEs to increase their own operations: they employ more personnel (above all, sicarios, that is hit-men and contract killers, and smugglers), buy more weapons and have more money for bribing police,

⁷“Fuentes vinculados a la industria reconocieron que Tamaulipas, Chihuahua, Guerrero, Morelos y Michoacán, sufren graves problemas de extorsión por parte de cárteles del narcotráfico. [...] Hasta ahora, coincidieron, las compañías han aceptado el pago de extorsiones a grupos como Los Caballeros Templarios, Zetas y Cártel del Golfo, porque son manejadas como pérdidas inherentes a la operación; sin embargo la inseguridad de sus empleados ha crecido, lo mismo que sus operaciones, por lo que evalúan qué posición adoptarán.”

<http://www.24-horas.mx/controla-narcotrafico-minas-en-cinco-estados/>

politicians, judges, and other powerful actors which they need to make the drug trade run successfully. This results in higher organized crime activity and higher homicide rates. The more inward FDI increases, the more opportunities exist for drug cartels to extort danegeld, or so called, “protection money”. Similar behaviors have been reported about mining and the oil industry in Africa (Berman et al., 2015; Peluso and Watts, 2001; Watts, 1999; Zalik, 2004). In a follow-up interview, I raised the issue again. The informant answered: “It’s a taboo in Mexico. So many people secretly cooperate with the drug cartels, they make deals to protect their own business, but nobody talks about it.” (Informant 12).

This quotation may give an idea of how deeply the drug cartels have penetrated Mexican society. More and more businesses and other organizations make arrangements with them just as if the drug lords were the new state authority. The Wall Street Journal quoted Manuel Reyes, president of a Mexican association of mining engineers:

“‘The rule of law we have right now is very lax,’ Mr Reyes said. ‘The question is why don’t the foreign companies complain openly?’” (MacDonald and Althaus, 2015).

Now we may know why they do not complain: they strive to build-up and maintain good relations with their “business partners” (that is, the drug cartels) and complaining openly about having to pay extortion fees to the drug cartels may harm this business relation. The drug lords may not be happy to hear that and stop cooperating, which would jeopardize the MNEs’ operations in Mexico.

13. Business Elites within the Social Distinction System in Mexican Society

13.1. Introduction

It is difficult to write about distinction practices without offending someone because most people do not want to see their distinction practices as such, but rather as a 'naturally superior lifestyle and taste'. They aim to convince themselves and other people that their distinction practices (e.g. drinking champagne, wearing designer clothes, walking and talking in a way intended to express high self-esteem and self-confidence) are simply a natural expression of their excellent taste and superiority.

While there are some works on distinction practices in Mexico – most notably the excellent studies by Nutini and Isaac (Nutini, 2004, 2009; Nutini and Isaac, 2010) – no comparative research has been done on the distinction practices of “native” and “foreign” top managers of multinational enterprises in Mexico to date. In this aspect, the present work is truly exploratory. Whenever possible, I tried to apply a further comparative perspective comparing the findings I made in Mexico with the findings published on business elites in other countries.

13.1.1. Notes on the Fieldwork Experiences

The vice-president of the subsidiary of a large US-American multinational enterprise invited me to follow him through his work day for one week. I got to know his many offices, how he negotiates, what he actually does during the day, his family and his assistants. He invited me to eat in his favorite restaurant and he drove me in his car to several places. He even wanted me to listen how he makes phone calls and how social interactions between top managers in the same enterprise take place and how

they work. For a European observer it is surprising that behind all the courtesy the top managers [and most other people in Mexico] exchange during their conversations, there is a very clear strategy to achieve their goals and how they handle and deal with other top managers who have opposing aims and styles. It is often a very tactical and calculating approach – disguised behind a mask of courtesy and played emotions.

After the top manager realized that I was living in the cheapest hotel in town, he wanted me to move to one of the best hotels in the city. His enterprise had a contract with that hotel and paid for it. This offered further insights into the “Lebenswelt” (the subjectively perceived world that top managers experience and in which they live) of top managers. I sometimes felt dizzy because I was entering a world that was so different from everything I had known before. For a while, I was unsure how to act in this environment, as this social milieu was unknown to me. In the hotel, I met friends of the governor of the state who stayed in the hotel “because the light did not work” in their homes. And the governor paid for it, which probably means that the state and the Mexican tax-payers paid for the governor’s friends’ stay in one of the most luxurious hotels in town.

In order to understand the meaning of distinction practices and the resulting lifestyles of business elites in Mexico, one has to understand from what they are trying actually try to distinguish themselves. It is not enough to only study the players, you also need to understand the game in order to understand why the players act the way they do. Therefore, I took into account the hierarchical social system in which the different players – in this case the business elites – are trying to reach, maintain or defend their positions and status, applying different distinction and group-affiliation methods.

It was difficult to categorize the empirical findings because I put the empirical data first and then defined categories and a grounded theory on the basis of the empirical data I had collected. In other words, I applied a clearly inductive approach. When ordering the findings, I came to the conclusion that it was best to apply the structure developed by Daloz in “The Sociology of Elite Distinction”: that is embodied signs of distinction, external signs of distinction and Vicarious Display. In addition, I defined the “miscellaneous” category for distinction practices that do not fit in the previous categories.

The structure of this chapter is as follows:

1. Overarching dimensions of distinction practices in Mexican culture
2. Embodied signs and symbols of distinction and superiority
3. Prestigious commodities and other external symbols of distinction

4. Vicarious display
5. Miscellaneous distinction practices
6. Comparisons

Furthermore, I discuss the ruptures and contradictions of the distinction system which occur at certain events, e.g. during important traditional Mexican fiestas where social hierarchies are forgotten for one night (the hierarchies “start dancing” as Mexicans say) or the impact of the rising levels of violence in recent years which made top managers in the most affected areas hide and cover their wealth and buy a smaller car in order to draw less attention, hoping that in this way they can reduce the risk of becoming a target for the cartels and other organized crime organizations.

Moreover, I investigate and discuss how the massive arrival of foreign MNEs and foreign top managers has influenced the social hierarchies and distinctions system in Mexican society.

13.1.1.1. The Wider Cultural Context

In Northern European countries where social equality and “being part of the group instead of sticking out of it” is highly valued (one may actually argue that it has developed into a distinction practice in itself), distinction practices and status symbols are often prudent, discreet and “hidden” and are, therefore, only recognized as such by the group in which they are used. An elaborated linguistic style, for example, may only be considered a symbol of high social status within highly educated social milieus, while outside these milieus it may just be considered “weird” and “not masculine” enough. But this reaction may not bother those who practice distinction, as the upper-class members in these societies may not primarily aim to receive social recognition from lower classes anyway. They actually sometimes try to hide their status and wealth because they fear that showing it publicly would lead to indignation by the general public and finally to policies which could reduce social inequality and their wealth advantage furthermore. They primarily value social recognition within their own and from other upper-class milieus. Their material status symbols are often hidden within their houses (e.g. concert grand pianos). As Daloz put it:

“in some societies (including contemporary ones) there is unquestionably a profound tendency toward unobtrusiveness. In Nordic countries, for instance, the foreign observer can only be struck by the fact that, more often than not, social differentiations

are under-communicated while sameness is over-communicated. This sameness is not equivalent to egalitarianism or likeness, since Nordic societies indisputably stress the importance of individuality alongside that of the collective. It cannot be reduced either to the notion of equal opportunity or to a mere emphasis on civic equality. Crucially for our theme, it is rather a matter of similitude, of avoiding distinction from one's peers – which may go as far as claiming 'ordinariness'. It is obviously a deeply anchored mentality irreducible to the sociological and political factors presented previously" (Daloz, 2013: 39).¹

Among elites in Mexico², and in many other Latin American countries, the opposite is true, when being compared to Northern European elites. Indeed, not only elites, but most people – through most social classes and most social milieus – prefer distinction practices and status symbols that can be recognized as such immediately by everybody (an exception being the indigenous communities and some highly educated milieus). Most people aim to show their status symbols to everybody and if somebody does not recognize them immediately, they explain that the item they just acquired is very expensive and rather exclusive. Everything has to be rather obvious to make sure everybody understands that a certain symbol is meant to signal high social status (e.g. it is common to actively show one's new smartphone and claim that it is 'the best in the world'). That may be one reason why the Mexican middle class often spends more on their cars than on their house. The car can be seen by hundreds or even thousands of people every day when it is driven around, while the house can only be seen by those who come close to it. Furthermore, Mexican middle-class members spend even less money on the interior furniture of their houses. This makes perfect sense within this inherent logic of distinction practices in Mexico, as the interior of the house is seen by even less persons than the exterior. Therefore, less money is invested in the interior decoration and furniture.

¹For the clarity of the argument I have not included the contradiction of modesty in Northern countries in the main text, which is mentioned here in the footnote: "One paradox concerning what I deliberately call 'conspicuous modesty' in those countries (Daloz, 2007) is that people sometimes do not hesitate to boast about their lack of pretentiousness! For instance, Norwegians frequently take pride in being deemed 'even more modest' and 'less formal' than their neighbours" (Daloz, 2013: 39).

²As mentioned in an earlier chapter, elites in Mexico can be categorized into "liberal" and "conservative" elites. The distinction practices of the liberal elites are often quite similar to the liberal elites in Northern Europe, which have been researched fairly well already. Therefore, this chapter focuses primarily on the distinction practices of the conservative elites in Mexico.

13.1.2. Which Elite Groups do Compete with Each Other for the Most “Superior” Lifestyle in Mexico?

While in most emerging market countries it is usually the business and the political elites that compete with each other for the most ostentatious and impressive lifestyle, in Mexico, workers’ union leaders have joined the game. Apparently, they have similar amounts of disposable income available for competing in the game for the most impressive, expensive and exclusive lifestyle. Forbes Magazine gives two examples of the lifestyle of union leaders in Mexico, which may clarify the situation and give an adequate impression of the competition among elites from different social fields in Mexico:

“Carlos Romero Deschamps is the powerful Pemex [Petroleros Mexicanos, the state petrol enterprise] workers union leader and one of the most notorious PRI [The dictatorship party that ruled Mexico for more than 70 years] members long suspected of influence-peddling for personal enrichment. Paulina Romero, his daughter, displays on Facebook her travels around the world in private jets – accompanied by her three English bulldogs Keiko, Boli and Morgancita – her voyages on yachts, dining in first class restaurants and sporting \$12,000 Hermes luxury bags. Her brother drives a \$2 million limited edition red Enzo Ferrari sport car, a gift from their father, whose trade union monthly salary is \$1,864. Romero Deschamps, a federal senator, is reported to have a ‘cottage’ in Cancun with a value close to \$1.5 million. According to political analyst Denise Dresser, in 2011 he received \$21.6 million for ‘aid to the union executive committee’ and \$15.3 million from union dues. My ‘hands are clean’ Romero Deschamps claims. The Peña Nieto administration seems to agree. He is not under investigation [...].

Elba Esther Gordillo, [f]ormer teacher’s union leader known as La Maestra (the Teacher) was charged in February with embezzling \$200 million from union funds to pay for her lavish lifestyle. She is notorious for her \$5,000 Hermes bags and expensive plastic surgeries in California clinics. Three residences connected to Gordillo have been identified in California. The main one, where the now jailed teacher spent most of her time, is a \$4.7 million house on a cul-de-sac in Coronado Cays that features a private dock with a boat and jet ski” (Estevez, 2013).

While in more collective cultures (e.g. China, Singapore, etc.) it is considered acceptable among upper-class members to have and present the exact same status symbols (e.g. a certain expensive bag from a French luxury brand) as other people do, in the individualistic Mexican culture, a status symbol is only a true status symbol when it cannot be acquired by anyone else. This is probably the main reason why a “limited

edition Ferrari” is preferred over a “normal” Ferrari, although the price may be much higher for what is essentially the same product. This is referred to as the ‘Veblen effect’: by increasing the price, the product gains exclusivity, which makes it become a better status symbol and is therefore preferred by some members of the upper class.

13.1.3. Overarching Dimensions of Distinction Practices in Mexican Culture

There are some overarching dimensions and practices which cannot be categorized in embodied, external or vicarious display because they are present in all of them. Mexican society is soaked by them. Therefore, they will be presented and discussed first.

13.1.3.1. “Abstract Versus Concrete”

In most offices of Mexican business elites very large abstract paintings can be seen by the visitors. In fact, it is impossible to ignore them because they are surprisingly big and located at such prominent positions that they catch the visitor’s attention inevitably. The paintings signal and convey the idea that the owner of the office has a profound knowledge of art, because these paintings are not self-explaining as they are too abstract. Later, I learned that the top managers themselves do not even choose these paintings. The office outfitter companies do it for them. In general, abstract, unique and very expensive artworks are often used for the self-representation of the business elite. The most extreme expression of this distinction practice is the art collection of Carlos Slim Helú, which is one of the largest in the world presented in his own museum “Museo Soumaya”. The shape of the museum is a very pure expression of extravagance and costs 34 million dollars. The collection includes works by Pablo Picasso, Joan Miró, Salvador Dalí, Camille Pissarro, Claude Monet, Edgar Degas, Paul Cézanne, Paul Signac, Pierre-Auguste Renoir und Vincent van Gogh, among many other renowned and worldwide famous artists (Kremp, 2011; Tuckman, 2011).

In contrast, the middle and lower classes usually prefer less abstract and more self-explaining and concrete paintings in their work places and houses: usually paintings of “La virgen Guadalupe” and “Jesus Christ”, accompanied by some extremely “kitchy” and digitally manipulated photos of the wedding and the 15-year celebration of the daughters of the family.

In general, the upper class seems to distinguish itself by signaling that they think in a more abstract and rational way and have long-term goals concerning their life plans

and focus on careers and invest money. They often argue that the middle and the lower classes usually spend all their money immediately and “live into the day” instead of making and sticking to plans and having long-term goals. Therefore, according to most members of the upper class, “the poor are poor because they spend all their money immediately without investing anything”.

The elites prefer the abstract to the concrete not only when it comes to art, but also in terms of linguistic style, leaving the listeners wondering what they really mean when they use abstract or poetic terms and speak in riddles.

13.1.3.2. “Completeness” Versus “Synecdochism”

Daloz (2013, 2009) created and introduced the term “synecdochism” which refers to a distinction strategy that focuses on concentrating all resources on acquiring one status symbol and one aspect of life, and to consequently neglect others. By hiding all the other aspects of life, the individuals who apply this distinction strategy hope that people around them may interpret and categorize them as members of the upper class, although they belong to the middle class. By showing one or two upper-class status symbols, for example an expensive smartphone and an even more expensive car, they hope to convince everybody else that they are members of the upper class and that all their other aspects of life (their homes, their jobs, their saving, etc.) are also on upper-class level, although that may not be the case in reality.

In Mexican culture, the neighborhood is usually considered more important as a status symbol than the house one lives in. I often observed that many Mexicans prefer to live in a small, shabby house in an upper-class neighborhood rather than in a large, luxurious house in a middle-class neighborhood. In a famous property advertisement in the city of Puebla, the slogan was “No es guapo, pero vive en Lomas!” (“He is not handsome, but he lives in Lomas, on the hill [an upper-class city-district in Puebla]” which implies that even if you are not handsome, you can be popular with women when you own a house in this upper-class district, because women will be impressed by the address reflecting wealth and will tell their best friends the above mentioned sentence.

For the average middle-class family, their car is often more important than their house and for the poor, owning the latest smartphone is more important than food. Indeed, as incredible as it may sound, I have observed – and it was confirmed when I brought up the topic during discussions – that it is common that poor Mexicans prefer to buy the newest smartphone instead of buying food. After having bought the smartphone, they starve for extended periods of time because they have to pay back the credit/loan they took out.

Similarly, when traveling through Guatemala with the cheapest “chicken busses” without any lights inside the bus, the night was illuminated by the many bright smartphone screens most passengers held in their hands. It becomes even more extreme when they have children, but decide to use the little money they have to buy a smartphone instead of buying food for their children, or investing into their education.

In general, Mexicans lean heavily towards synecdochism. There are several explanations as to where this individualism comes from. One explanation is that it is caused by the proximity to the USA and the cultural influence that comes with it. But according to Camp, the opposite is true:

“Spain bequeathed to Mexico an individualistic, cultural mind-set. North Americans, although characterized by self-initiative and independence, exhibited a strong sense of community. That is, throughout the western expansion, U.S. settlers saw surviving together as in the interest of the group as well as in the interest of its members. Mexicans, on the other hand, exhibited a strong sense of self. This, combined with the sharper social-class divisions and social inequality, led to a preeminence of individual or familial preservation, unassociated with the protection of larger groups. The lack of communal ties reinforced the primacy of personal ties” (Camp, 2007: 33).

Of course, the indigenous communities with their strong communitarian culture and their own languages and lifestyles form an exception.

In general, it seems that the upper class counters the distinction practices of the middle class by “having it all”. Especially the business elites usually own most of the status symbols valued in Mexican society, which often results in a very expensive ‘race to having it all’. Indeed, the upper class often makes fun of the distinction practices of the middle class that are so obviously structured by the distinction strategy termed “synecdochism” by Daloz (2013). This term essentially implies that it is better to buy one absolute upper-class status symbol that is very visible in public and then to hope people think you are upper class, because they do not know that you are living in a small, shabby house in a lower-class neighborhood.

13.1.3.3. “Old” vs “New”

Mexican elites often seem to prefer old furniture, old oil paintings and old buildings. When I accessed the restricted area on the second floor of the headquarters of one of Mexico’s largest banks, I was stunned to see so many old oil paintings of Mexican presidents and even of the emperor of Mexico, Maximilian. Furthermore, they highly value and appreciate old traditions and rituals which are rather exclusive gatherings often tak-

ing place in Clubs with a long tradition and significance in Mexican history, such as the Club de Industriales in Mexico City. Some of its slogans are “Tradición y Vanguardia”, “Intelecto y Paladar”, “Sofisticación y Elegancia”, which all signal exclusivity, sophistication and superiority. But this does not mean that these elites are not modern. They all use the newest smartphone (usually Samsung Galaxy S3, 4 or 5 or Iphone 5 or 6, at the time of writing), tablets, laptop, etc., have studied in the USA and Europe, often speak several languages fluently and drive a new Audi, Hummer, Mercedes or other modern luxury car. Nonetheless, when it comes to furniture, paintings, habits, traditions and family names, the uniqueness of the old is preferred.

13.2. Embodied Signs and Symbols of Distinction and Superiority

13.2.1. Status Symbols Related to Physical Appearance

13.2.1.1. “White Skin” Versus “Dark Skin“

Although it is not present in every social milieu, brighter skin seems to be preferred over darker skin. When somebody is called “moreno” (“brown skinned”) it may be interpreted as an offense, while it is considered perfectly acceptable to call somebody “güero” (“pale skin”). This expression is indeed often used as a way of flattering somebody, just like saying “Junger Mann” (young man) to an old or at least not-so-young man, in German culture. It is a way of communicating to somebody else that you see him or her the way he or she wants to be seen. Of course, most old men in Germany know that they are old, but they like being called “young man”, although they know that it is not true. They simply enjoy imagining that they are still young for one moment. And it is similar with Mexicans enjoying being called “güero” (pale, white, light skinned). Furthermore, most Mexicans prefer standing in the shade because they do not want to become “negrito” (the diminutive of “black”). Even the Mexican dictator Porfirio Diaz used to put white powder on his skin before a photo was taken in order to make his skin color appear to be brighter than it was. Most Mexican business elites have white skin while the political elites have mestizo-brown skin. Furthermore, there are entrepreneurs with mestizo skin color who have often made their fortune thanks to a career in politics or have at least extensive political connections, which made it easier to receive concessions, contracts, permits, etc. This is particularly visible in the center of Mexico (above all in Mexico City and Puebla)

where the state is strong and can provide wealth, while in the North of Mexico, where the state is weaker and less present and cannot provide so many business opportunities, the business elite remains largely white-skinned. Other, non-white business elites are often of Lebanese descent (e.g. the Slim family).

13.2.1.2. Having a Desirable Body

Northern European observers are usually very surprised how openly many women present their bodies on facebook and in public spaces in Mexico. Men often upload photos of themselves in which they appear with a naked upper body, showing off their muscles. These photos of oneself, the so-called “selfies”, are immensely popular in Mexican society. The development of this social practice, the presentation of the self, should not surprise in a society that highly values individualism. Usually, Mexicans do not worry about their privacy, anonymity or what happens to the data and photos after they uploaded them to facebook. Most of them have registered at facebook with their real and complete name, while in Northern Europe, where most people care more about privacy, it is more common to register at facebook with anonymous fantasy names and they usually do not upload so many photos showing their face and naked body.

13.2.1.3. Being “Clean” as a Status Symbol

Even the poorest Mexicans in the rural areas usually wear very clean and impeccable clothes. Their white shirts are shiny and without any spots. Furthermore, Mexicans often wash themselves several times daily and use a lot of deodorant because they do not want to “apestar” (stink). For most Mexicans, even the idea of not washing themselves for one day is unthinkable. In contrast, in Northern Europe it is common that people only take a shower every second day and yet they do not fear that they start stinking (this may be caused by the colder weather too, of course). The same is true to clothes: Mexicans rarely wear the same shirt twice, while in Germany it is common practice. Again, the appearance seems to be of particular importance for most Mexicans.

13.2.2. Attitude Related Status Symbols

13.2.2.1. “Controlling One’s Emotions” Versus “Letting One’s Emotions Out”

In countries like Germany, Switzerland and most of Northern Europe, it is highly appreciated to control one’s emotions and to act in a “rational”, calm and analytical way. It

is considered a proof of being “civilized” and “mature”. Not controlling one’s emotions is associated with “monkey-like” animal behavior, which is obviously considered inferior to controlled, rational and analytical ways of acting. When somebody loses control over his emotions just once, he will have a hard time rebuilding his credibility in German society. And as people know this consequence, they make great efforts to repress and hide their emotions in order to keep and maintain their social recognition and credibility. This behavior may be more pronounced in the protestant north than in the catholic south of Germany, though. In contrast, in the Mexican middle and lower class it is considered perfectly acceptable and “natural” to give free rein to one’s emotions during certain events (fiestas, “borracheras”, etc.). To vent one’s emotions can even be expected as it signals primal strength, courage and power. In this aspect, the Mexican business elite is somewhere in the middle of the two extremes, showing emotions, but controlling them more than middle and lower classes in Mexico. One reason may be that a large part of the Mexican upper class has studied in the USA or Europe, where they adopted the “controlled attitude” of the north.

13.2.2.2. “To Walk Tall” versus “To Walk with a Stoop”

On the campus of the prestigious private elite universities UDLAP and Tec de Monterrey, I noticed that the rich students walk exaggeratedly tall and upright, while the few students from poor families, who can study at that private elite university thanks to scholarships, usually walk with a stoop. It seems that they do not want to be seen. They try to hide and not raise attention. They feel uncomfortable and probably fear the symbolic violence that surrounds them. In contrast, the rich students swagger assertively – when they are not driving their SUVs over the campus. The typical Mexican rich-kid swagger style walking emphasizes the movement of the upper body and letting the arms swing widely, making room and taking room for oneself. If another person approaches the swaggering person too much, he will be hit by the widely and assertively swinging arms. This is very nicely shown in the recent movie on the Mexican upper-class kids “Nosotros, los nobles”.

13.2.2.3. The Presentation of an “Optimistic” Mindset in Contrast to the “Pessimistic” Mindsets of “the People”

Top managers and most parts of the upper class are forcefully trying to show an optimistic mindset while the lower class is more pessimistic.

This presentation of an extremely optimistic attitude towards life is expressed by the frequent repetition of phrases, mottos and mantras they believe to be genuinely American, e.g. "I believe that anything is possible!" or "Be the best you can be!". In this way they distinguish themselves from the pessimism and fatalism, which is associated with the popular classes and which is also reflected in Latin American literature. The famous book "Las Venas abiertas de America Latina"(Galeano, 1971) ("The Open Veins of Latin America"), for example, starts with the sentences:

"The division of labor among nations is that some specialize in winning and others in losing. Our part of the world, known today as Latin America, was precocious: it has specialized in losing ever since those remote times when Renaissance Europeans ventured across the ocean and buried their teeth in the throats of the Indian civilizations." (Galeano, 1997:1: English Version).

One may think that it cannot possibly get more pessimistic than that, but the book "El laberinto de la soledad" (Paz et al., 1999) ("The Labyrinth of Solitude") by the Mexican poet and Nobel prize laureate Octavio Paz does go and dive even deeper into the national/cultural psyche: it has many very impressive paragraphs on the meaning of defeat, resignation, depression, low self-esteem and self-respect in Mexican culture:

"Stoicism is the most exalted of our military and political attributes. Our history is full of expressions and incidents that demonstrate the indifference of our heroes toward suffering or danger. We are taught from childhood to accept defeat with dignity, a conception that is certainly not ignoble. And if we are not all good stoics like Juarez and Cuauhtémoc, at least we can be resigned and patient and long-suffering. Resignation is one of our most popular virtues. We admire fortitude in the face of adversity more than the most brilliant triumph" (Paz, 1985: 31).

And even within the magic realism genre that originated in Latin America (and, in my opinion, is one of the best ways of understanding Latin American culture), the idea of constant and ever repeating failure is very present, e.g. in "Cien años de soledad" ("One Hundred Years of Solitude") (Marquez, 2003) by the Colombian Noble prize laureate Gabriel García Márquez. In this book, a family struggles and fails to solve its problems over several generations and finally perishes. They lose the battle against their inner demons and against outside forces like foreign US-American Banana MNEs that invade their village and exploit the soil for several years before moving on and leaving everybody else behind in misery. The political turmoil and conflicts between liberal and conservative forces cause even more problems, confusion, violence and discontent and end in ever-repeating corruption, repression and depression. In contrast, top managers and most

persons who belong to the milieu from which the top managers have originated are trying to distinguish themselves by forcefully presenting themselves as optimistic. It is difficult to find out whether they really believe what they say or whether it is a mask behind which they are hiding their true feelings, mindsets and world views. It may be similar to the US-American paradox where most people usually state that they are doing and feeling great and at the same time the USA is one of the countries with the highest numbers anti-depressant prescriptions (CDC, 2017; Mundell, 2017; Wilkinson and Pickett, 2010).

13.2.2.4. Being a “Brave” Leader

One status symbol shared by practically all top managers is that they believe they are the brave decision makers who courageously take the tough decisions and the responsibility that comes along with it, in a time in which most “other” people are afraid of taking even the smallest decision and accepting the responsibility for it. Although top managers often proudly announce and claim that they assume the responsibility for their decisions, it is usually not them who will have to live with the consequences. In case their decision will make the enterprise they lead go bankrupt, they will most probably receive “golden handshakes”, “golden parachutes” or any other form of compensation, while the rank-and-file workers will be unemployed without receiving millions in compensation. In a way, it is easy to take decisions, when you do not have to live with the consequences and risks attached to them.

13.2.2.5. Appearing to be Happy as a Status Symbol

I often observed the attitude that most Mexicans can be happy while having a pessimistic outlook concerning societal and economic developments. It is their way of not giving in, not giving up, their way of not getting beaten down. And at the same time, they do not want to give their adversaries the pleasure of seeing them being in despair and pain. One may argue that among all social classes in Mexico – from the business elites to the rank-and-file workers – it is a status symbol to appear to be happy when being outside one’s house. Even when Mexicans are deeply depressed, they usually try to keep up appearances by smiling and saying that they feel well, when leaving their houses and talking to somebody in the streets or at work. Appearing and saying that one is happy is not a way of opening oneself up, but of hiding one’s true emotional state. It is a “happy” mask that Mexicans wear in public because being sad or depressed would be interpreted as defeat. And they aim to avoid that somebody may enjoy their defeat. As one young

Mexican woman told me: “Everybody wants you to go down. So many people beat you, but you should never give these persons the satisfaction of showing your emotions and that you are hurt”. Paz wrote about this aspect of Mexican culture:

“The Mexican, whether young or old, criollo or mestizo, general or laborer or lawyer, seems to me to be a person who shuts himself away to protect himself: his face is a mask and so is his smile. In his harsh solitude, which is both barbed and courteous, everything serves him as a defense: silence and words, politeness and disdain, irony and resignation” (Paz, 1985: 29).

This attitude of always trying to appear being happy stands in sharp contrast with German culture in general and German business elites in particular, who usually do not smile when they are not happy. Indeed – similar to Russian culture – looking in a serious way is considered a way to communicate that one is serious about the work he is doing. It indicates that you are profoundly focused on the work, instead of “smiling around”. Several Mexican managers who work for German multinational enterprises have mentioned during the interviews that when they enter the meetings they are often irritated when they see that nobody of the German top managers is smiling. This makes them either think “Have I done anything wrong? Why do they not smile at me?” or they consider it to be simply brutally offensive and a lack of good manners, which may cause intercultural conflicts.

13.2.3. Education-Related Status Symbols

13.2.3.1. “Private Education” Versus “Public Education”

Most upper-class children study at private kindergartens, elementary, secondary, preparatory schools and private universities. Although the quality of the courses offered by private elite universities is not necessarily better than those offered by public universities, upper-class families prefer to send their children to private elite institutions and pay the tuition fees, similar to those charged by US-American universities. They want their children to make friends with other upper-class children and build up social capital which is of great importance for economic success. “Para que se relacionen” (“so that they make connections with the children of other rich families”) is a very common explanation I was given rather often when they explained to me why they want to send their children to these kindergartens and schools.

The social composition of the student body is rather homogeneous, as there are only few full scholarships. It is almost impossible to find an indigenous woman at a Mexican

elite university, school or kindergarten. Practically, no student and no professor of any elite university is of indigenous descent. Among the middle classes it is very common to somehow find a way to put the own children into these private education schools, hoping that they will make friends with the children of Mexico's richest families. But most of them fail as the tuition fees are too high and those who somehow manage to enter are usually socially excluded as even at a very young age, the Mexican upper-class children are already very status-conscious and will only allow social contact with somebody who brings certain status symbols. Therefore, even within these elite schools, the few students who are not from upper-class families are sharply excluded from the social groups of the upper-class offspring.

Among political elites it used to be more common to study at the public National University (UNAM), but the situation started to change since Vicente Fox from the PAN Party won the presidency in 2000. Many of the PAN's members are business elites with private education, which is typical for this political party. According to Camp:

"private institutions have begun to make serious inroads. This trend is enhanced by the fact that many PAN politicians are private school graduates, and as more businesspeople choose political careers, private university degrees will increase. Vicente Fox is a case in point. His educational origin are reflected in his cabinet choices. Nearly half have graduated from private schools, with Ibero-American University, his alma mater, the Monterrey Technological Institute of Higher Studies, the Free Law School, the Autonomous Technological University of Mexico, and the Anahuac University, the most important." (Camp, 2007: 127).

In general, one may conclude that most Mexicans prefer the "private" over the "public" in most occasions and aspects. There is a lot of trust in the "private" and very little trust in the "public". It is already considered a derogative term to say that something is "del gobierno" (from the government), which means that it cannot be really good, and surely not as good as the "private" alternative.

13.2.3.2. "Foreign Education" Versus "Native Education"

During more than 300 years of colonial rule, members of the Mexican upper class were either foreigners or the Mexican-born children of foreigners. This tradition has left its marks in Mexican culture and is visible in many different dimensions of social distinction practices: in terms of material status symbols, educational titles and marriage partners, Mexicans often prefer foreign products, titles and partners (that is: US-American and European, not Guatemalan). This is particularly true to the Mexican upper class:

educational titles from prestigious US-American or European universities are very highly valued. This value orientation is shared not only by the business, but also by the political and academic elite. It becomes increasingly clear, when the educational achievements of several Mexican ex-presidents are studied: “De la Madrid, Salinas, and Zedillo obtained graduate degrees. De la Madrid has an M.A. degree in public administration from Harvard; his disciple and successor, Salinas, has two M.A. degrees as well as a Ph.D degree from Harvard; and Salinas’ successor, Zedillo, received his M.A. And Ph.D from Yale” (Camp, 2007: 125).

Several business elites (and the academic elites) told me how important it is for them to have studied at prestigious US-American or European universities. One of them, who studied his M.A. degree “only” at a Mexican elite university, was so unsatisfied, sad and angry at himself because he had not studied in the USA, that he finally decided to make a great effort to receive his Ph.D from a US-American university, like many of his friends had done before:

“Then I studied engineering, mechanical engineering, the 5 of his [his closest friend circle, his best friends] we studied at the Ibero-American University [a very expensive elite university in Mexico], Pancho [the name of a friend] also studied at the Ibero. We studied at the same schools. Previously, we were at the Simon Bolivar [an elite preparatory school], [...] and then we went to the Ibero together, although he [his friend Pancho] studied accounting and I studied engineering. All of my friends finished their first degree and then studied a postgraduate degree abroad; they studied MBAs at different US Top-Ten Universities in the USA. But I didn’t because I didn’t speak English well. I did not even try to do the TOEFL test and I went to study administration in a good school, the Tec de Monterrey [widely considered being the best Latin American University for business administration related subjects]. I finished my MBA, started working, got married, my daughter was born, but I had so much frustration, grief and loathing within myself for not having studied in the USA. Then I met a friend, he was a genius, he finished his MBA at the MIT with Summa Cum Laude, and one day after having graduated and after he had received his degree, he said to me “Listen to me, I do not see that you are satisfied and happy. Why are you sad?” I answered: “because I wanted to have an MBA from abroad [in the USA], you got one [one MBA title from a US-American university], my boss has one, all of my friends have one, too, and I’m here with my Mexican MBA [he pronounces the last word ("Mexican") in a depreciative tone of voice].” And then my friend said “If you have so much frustration inside you, why don’t you just go [abroad and get a degree there in the USA]?” I said “no, I’m already

married, I have a daughter” and he said “so what? The company supports you, you can ask for a scholarship, you study English and you go!” And then I started. I asked “What do I have to do to achieve that?” And we sat down for two hours making a plan” (Informant 1).³

Later during the interview he told me happily and in much detail how he received a scholarship from the Mexican government thanks to personal connections and sympathy, one employee in the office liked him. And the boss of the company he worked for liked him, too, and made the company support him financially, and gave him the opportunity to study for several years abroad with the option to return to his workplace later. This enabled him to take his wife and his daughter with him and to live together with them without anybody needing to work and earn money, so that he could do his PhD at a prestigious US-American university.

The importance of educational titles from famous US-American or European universities has risen enormously as status symbols among the Mexican elite in the last 40 years. Among business and political elites alike, degrees from US-American universities have become rather popular and are usually preferred over degrees from Mexican universities:

“In 1972, 58 percent of Mexico’s national political figures with Ph.Ds. received them from the National [Mexican] University, and only 13 percent from U.S. Universities. By 1989, only 29 percent had graduated from an institution in their native country, compared with 48 percent from U.S. institutions. In the 1990s, 55 percent of national politicians received their Ph.D.s in the United States” (Camp, 2007: 126). “Most politicians have

³“Entonces estudié ingeniería, ingeniería mecánica, 5 años en la universidad ibero-americana, Pancho también estudié en la Ibero. Estudiamos en las mismas escuelas. Estuvimos en el Simon Bolivar, (...) y luego nos fuimos a la Ibero, aunque él era contador público y yo era ingeniero. Terminando ingeniería, todos mi amigos, yo no hablaba bien el inglés, entonces prácticamente todo mi grupo de amigos se fueron a estudiar su MBA a diferentes universidades [en Estados Unidos], las Top Ten, y como yo no hablaba bien el inglés, ni siquiera quería presentar TOEFL, entonces me metí a estudiar la maestría en administración, en una escuela mexicana buena, que es el Tec de Monterrey, aquí en México, pero terminé el MBA y ya trabajaba yo, me casé ya tenía una hija, y tenía yo una frustración muy grande de no haber estudiado en Estados Unidos, entonces me acuerdo muy bien de un amigo, un tipo genio, muy joven, ya había sacado Summa Cum Laude en el MIT, en su MBA. Al otro de haber graduado, de haber recibido el diploma de grado de MBA, él me dijo “Oye, pero no te veo contento. Por qué estás triste?” Le dije, “pues yo hubiera querido un MBA en el extranjero. Tú lo tienes, mi jefe fulano lo tiene, todos lo tienen, mis amigos también, y pues yo aquí con mi MBA mexicano (he says the last word (“mexicano”) in a depreciative tone of voice).” Y él me dijo “Pues si tienes tanta frustración por qué no te vas?” Y yo le dije “no, es que ya estoy casado, tengo una hija” y él dijo “y qué?” “La empresa te apoya, pide una beca, estudia inglés, y vete”. Y empecé. en este momento. Entonces yo le pregunté “Que tengo que hacer para lograr esto?” Y estábamos allá como dos horas haciendo el plan. “ (Informant 1)

studied law – similar to the politicians in many other “western” countries, but in the last 20-30 years there seems to be a shift towards studying economics” (Camp, 2007: 126). In public places where people see each other and want to be seen (e.g. clubs, bars, discos) foreign beverages (e.g. Jack Daniel’s, Johnny Walker, Torres 11, Coca-Cola) are preferred over Mexican ones (e.g. pulque, mezcal and “Big Cola”, a Cola invented and produced in Latin America). The more expensive, exclusive and “stuck-up” the place is, the less likely it is to find traditional Mexican drinks which have a pre-Hispanic history like Pulque or Mezcal.

13.2.3.3. The Lesser Importance of Doctoral Degrees as a Status Symbol in Mexico when Compared to German Society

While in countries like Germany educational achievements such as doctoral degrees serve as status symbols and are used by the upper and middle classes to distinguish themselves from the lower classes, the Mexican business and political elites put less emphasis on this kind of status symbols. According to Hartmann, almost half of Germany’s business elites have doctoral title (Hartmann, 2002), while for most Mexican business elites a “licenciatura” degree (similar to a bachelor degree) is considered to be absolutely sufficient. Instead of acquiring high educational achievements, Mexican upper and middle classes put more emphasis on practical experiences and physical appearance, like wearing expensive watches and, of course, driving expensive and big cars. Even in places like Mexico City, where it is usually faster to go by metro transportation than by car due to extreme traffic jams, most upper-class members prefer to travel by car as the metro is seen as a lower-class transportation mean.

13.2.3.4. Being an “Intellectual Rebel” as a Status Symbol

In some academic milieus, in particular in the big state universities, it is considered a status symbol to be an “intellectual rebel”. The paradox of this distinction practice is that the people who practice it are pursuing academic careers, usually in the large state universities like the UNAM, UAM, BUAP and the “National Researchers’ System” (“Sistema nacional de investigadores”) and at the same time see themselves as “anti-systemic rebels” fighting against capitalism, inequality and against the national state. Even when they already have highly paid and secure jobs as “National researchers” (“investigadores nacionales”) and university professors, they continue seeing and promoting themselves as “anti-systemic intellectual rebels” fighting (that is: writing and talking) against capitalism. They have successfully pursued an academic career, made it into the upper

class and now enjoy the benefits and high pay of being a “Level 3 National researcher”. Although they are now part of the Mexican upper class, when talking to them, one has the impressions that they still see themselves as intellectual rebels who live “outside” society and do not care about what the other people think “who have adapted their lives, thinking and world views to the system because it is more comfortable“. Their self-image and identity seems to be a mix of Che Guevara, Jesus Christ and Karl Marx, combining values, moral, ethics and adventure with intelligence and education.

Their behavior seems to be contradictory to outside observers because – although they constantly state that they are fighting against social inequalities and hierarchies – they do not seem to be able to establish a horizontal relation with other persons. While condemning inequalities, they see themselves as superior saviors who have come to save the people and preach the truth. In this aspect, they seem to believe that they are similar to Jesus Christ.

They often have a glorified and romanticized idea of a social revolution, in which they want to be the leaders (with all the benefits elites usually enjoy). They have a relatively fixed and closed world view and do not tolerate dissent or dissidents who do not share their view. They are often similar to gurus of religious sects. Some students follow them and try to achieve the same. The Mexican history (and Latin American history in general) is full of revolutionary guerrilla leaders who had intelligence, power, social recognition, women and, above all, the subjectively perceived “moral and truth on their side“. These historical persons serve as role models for those who practice social distinction by being an “intellectual rebel“.

13.2.4. Status Symbols Related to Public Social Interaction

13.2.4.1. “Waiting in Line” Versus “Getting Access Immediately”

One distinction practice that can be observed at prestigious clubs, but also in government offices, is that – while most people have to wait in line for a long time (up to several hours in some cases) in order to be granted access – others get access immediately. There are usually long waiting queues in front of prestigious clubs and discos (often called “antros” in Mexico), for example, and most people have to wait for a long time before they are allowed to enter, but sometimes huge SUVs park in front of the club, highly dressed up women and men get off the car and enter the club immediately, without waiting. They enjoy being seen as they pass by the waiting line and enter the club directly. The reason why the doormen grant immediate access is the huge SUV. When somebody drives up

with a large SUV in front of a club, the probability is high that this person will get into the club immediately – and the driver and his friends practice this ritual publicly and in front of the eyes of everybody else standing in the waiting queue. Often, the doormen and bouncers receive clear orders from their boss to let rich-looking people into the club immediately because they expect them to consume more and thus leave more money at the club. It is also a kind of humiliation for the people who have to wait in the queue because the SUV driver and his friends signal the other people that they stand above them and, therefore, deserve being served first, special treatment, and immediate access. These distinction practices are continued inside the club to an almost absurd degree: special tables and areas are reserved for those who order an expensive bottle of alcohol, most notably big bottles of “Moët Chardonnay” champagne.

13.2.4.2. Not Looking Somebody in the Eyes as a Distinction Practice (avoiding eye contact)

In Mexican culture, it can often be observed that, when somebody has to interact with someone else, but wants to distinguish and distance him- or herself from that person at the same time, he or she does not look into the eyes of the person with whom he or she is interacting. This often happens in certain clubs, in which the upper-class members sit on the same table with persons who are not considered to be members of the same social milieu or class. They may have to interact with the other persons, e.g. by touching (clinking) glasses or saying “salud!” (“Cheers!”). They do it by raising their glass without looking into the eyes of the other person. It also happens in the street when the upper-class members have to interact with lower-class persons. They do interact by talking or making non-verbal signals, but they do not look their conversational partners into the eyes. They avoid eye contact because they may feel uncomfortable or even disgusted by having to interact with lower- or with middle-class persons which are considered “dirty”, “rude” or at least have “bad” manners and style, so they try to reduce the interaction to the most necessary actions. By avoiding eye contact they also shield themselves off. As soon as they look somebody in the eyes and the other person sees the eyes of them, they reveal something about themselves, because the eyes and the facial expression may hint to the mood, the feelings and the thoughts that run through their head at that moment. Furthermore, establishing eye contact is the first step towards a social relation, which they want to avoid at all costs.

13.2.4.3. Who Greets Whom First? Hierarchical Order of Greeting

In more conservative milieus in Mexican society, those who have a higher social status usually decide whether they greet somebody who has a much lower social status (e.g. waiters, cleaning ladies, etc.). It would be considered presumptuous if the person with a much lower social status greets the one with a higher social status first. In Mexican Spanish there is even a word for this behavior: “igualados”, which means: “equalizing” or “becoming equal”. When a socially inferior person talks extensively to a socially superior person in public, it is considered as if they become equals in the eyes of the spectators, or at least that the socially inferior has the intention of climbing up to the level of his superior conversational partner. In general, in Mexican culture socially inferior persons need permission to speak to socially superior persons. This permission is usually granted by the greeting the superior person sends to the inferior one first. The greeting signals that the socially inferior person is now allowed to return the greeting and to talk to the superior person. This ritual is conducted because it may be uncomfortable and embarrassing for the socially superior person to be seen in public interacting and talking with someone who has a much lower social status. Interestingly, in German culture, the ritual is performed the other way around: the socially inferior person greets the socially superior person first in order to show loyalty and respect (like in the military). By greeting first, the socially inferior person shows that he is gravitating towards the socially superior person and in this way reaffirms the superiority of that person. It indicated that the superior person is the center of social interaction around and towards which everybody else is gravitating.

A further observation is that several travel guides (Hutchison, 2009; Sainsbury and Armstrong, 2018) advise European travelers not to greet and talk too much to the waiters in restaurants. It would be confusing and disturbing for Mexicans that somebody with a high social status talks extensively in public with somebody who has a lower social status in a way that looks like both were on the same level. Of course, the European travelers are usually not aware of the faux pas they are committing because in European countries it is quite common that even students from upper-class families work as waiters for some time before they finish their studies.

A last observation is that persons with similar social status usually greet each other at the same time.

13.3. Prestigious Commodities and Other External Symbols of Distinction

13.3.1. Residence and Dwelling

13.3.1.1. “Fraccionamientos” (Mexican gated communities)

Gated communities that are only accessible to the persons living inside and their friends and which are protected and patrolled by private security forces and surrounded by high walls with NATO razor barbed wire, are very common in large Mexican cities. Gated communities in Mexico are often land grabs because they are usually established in the following way: first, the neighbors of one or more streets decide to make a gated community out of their neighborhood, then they close the streets (which are public and property of the Mexican state), build up walls and fences and pay a private security company to guard the entrance and not to let anyone in who is not a resident or a friend of a resident of the newly created gated community. In this way, they turn public streets and even public parks located next to these streets into private property without paying for it. Mexican people who live outside these gated communities cannot enter, walk and enjoy these streets, plazas and parks anymore although these places are public and property of the Mexican state and the Mexican constitution guarantees every Mexican citizen the right to use these public places. This even happens at the beaches: the neighbors build fences around public beaches and pay private security firms to avoid (if necessary, with violent means) that other Mexicans, who do not own a house within the neighborhood, enter the beach. It is an illegal annexation and appropriation of public spaces.

13.3.1.2. Living in Certain City Districts as a Status Symbol

According to Ai Camp, most members of the upper class live in Mexico City and some in Monterrey and Guadalajara (Camp, 2002). After Camp’s study was published, the drug cartels war intensified in Monterrey and large parts of the upper class and elites escaped from the city, most of them moved to Mexico City. While in many European capitals the districts near the city center are expensive and populated by relatively rich persons as everything can be reached comfortably in a short time, in Mexico City, the districts around the city center – above all “Tepito” – are mostly populated by relatively poor persons. They have a reputation for being dangerous and the rich upper-class members usually live in districts far away from the city center like “Santa Fe“. Santa Fe is situated

practically outside of Mexico City and for many years could not be reached by public transportation. However, this does not seem a problem for the inhabitants of Santa Fe because they do not leave their city district often, as they do not go to the city center daily. Instead, their employees visit them. Santa Fe offers better air quality than most districts in Mexico City and looks like a rich district of a US-American city. “Lomas de Chapultepec” is another very wealthy district that offers vast areas of wood and green parks. Carlos Slim, currently the richest business man in the world according to Forbes Magazine (Forbes, 2012), owns at least one house in Lomas de Chapultepec.

One cannot but be struck by the fact that in Mexico some of the most expensive upper-class city districts border directly to very poor slums. The luxurious skyscrapers are only separated from the poor slums by one street. As soon as one crosses this street, one has traveled from the apex of society to the bottom of the same society. There is no middle-class neighborhood as a “buffer zone” or “cushion” between the upper-class and lower-class city districts.

Furthermore, in most upper-class neighborhoods (e.g. Polanco, Lomas de Chapultepec, Santa Fe and parts of Coyoacán) the skin color of the population is much lighter and brighter than in the lower-class neighborhoods (e.g. Itzapalapa, Tepito). When traveling by underground metro for one hour, e.g. from Coyoacán to Itzapalapa, one is surprised how much the color of the other passengers, who enter and leave, changes: when I entered the metro, most persons had bright skin color, when I left the metro after a one-hour ride, most other passengers had much darker skin colors.

The tendency of the upper class in Mexico to live far away from the city centers of the richest cities seems to be similar to the preferences of the upper class in the USA. According to one study:

“Nearly all of the wealthiest school districts are within a short distance of one of the richest cities in the country. Other than one suburb of Portland, Ore., all of the wealthiest school districts are commuter towns of New York City, located in either Fairfield County, Conn., or Westchester County, N.Y. [...] Compared to the national median income, the families in the most well-off districts are incredibly wealthy. In the 10 richest school districts, median incomes ranged from \$175,766 to \$238,000. By comparison, the national median household income from 2006 to 2010 was \$51,914” (Fox Business, 2012).

13.3.1.3. Having a Residence abroad as a Status Symbol

The majority of Mexican millionaires have residences abroad (usually in the USA and/or Europe) and many of them spend most of their time abroad, returning only occasionally to Mexico. It seems to be a contradiction: their enterprises are mainly active in Mexico, although they themselves are usually abroad. One may speak of an “absent elite”, as many of them spend most of the year outside Mexico and brag about it – which is unthinkable in other countries. Living outside Mexico is a very strong distinction strategy, as it creates physical distance between Mexican elites and the people who live and work in Mexico: It is supposed to signal “We are not really Mexicans, we are much more European, actually. And surely we are not like the people who work in Mexico the whole year”. A further reason for this practice may be the difficult security situation in some parts of Mexico. This “exodus of the multimillionaires” is not only happening in Mexico, but in many ‘emerging market’ countries:

“Millionaires have been voting with their feet. Between 2003 and 2013, 76,200 Chinese millionaires emigrated, representing 15% of China’s total and the largest exodus of millionaires of any country. Over the same span, 27% of Indian millionaires, some 43,400 people, left as well. In third place, France saw 13% of its millionaire population leave, perhaps due to what they viewed as excessive taxation on the wealthiest. Russia came fifth in sheer number of departing millionaires; they accounted for 17% of Russia’s millionaire population. Where are they all heading? Mainly the UK, the U.S., Australia and Singapore. The number of UK fast-track or Tier 1 visas (which require a \$3 million investment in British assets) provided to Russians increased nearly 70% last year” (Frank, 2015).

13.3.1.4. “Living Wide” (owning land as a status symbol) instead of “Living High” (owning high houses)

When I traveled to Chihuahua to interview several managers of foreign MNEs which are active in the precious metals extraction industry, the gatekeeper explained the status symbols and cultural characteristics of Chihuahua to me, while we were driving from the airport into the town of Chihuahua. When the car passed by tiny little houses on vast pieces of land far away from the city, he declared that many people prefer to live like that: in a tiny house on a vast piece of land. They prefer owning a vast piece of land and a small house to living in a big house on a small piece of land. For many in people in Chihuahua, in the north of Mexico, it is more important to own “tierra” (“earth”, a

piece of land) than a big house. Therefore, they buy a relatively big piece of land with a tiny one-room house on it which often does not even have electricity, gas or running water and that is not connected to the city's sewerage system because it is located too far away from the city. They would never buy an apartment above ground level (e.g. on the second or third floor of the building) because they feel that when their apartment is not directly on the ground they do not own the land below it. In general, they do not see any sense in building or buying a house that has more floors than the ground level, and consequentially, houses with more floors than the ground level are rarely seen in Chihuahua (except in the city centers). This is in stark contrast to other cultures, where living on the highest floor is usually preferred over living on the ground floor. Living in a penthouse where one has a great view and where one is "above" the city is very popular in New York, London and Berlin, for example.

For most people in Chihuahua living "high", above the others, is not a status symbol, while living "wide" (that is: owning lots of land) is. This preference possibly originated during the time when the ownership of land meant wealth, as land made agriculture and cattle raising possible which was the main economic activity then in Chihuahua. The meaning and importance of the "rancho" is similar to the importance and meaning of the "ranch" in Texas, on the other side of the border.

13.3.2. Food-Related Status Symbols

13.3.2.1. "Eating Meat" Versus "Eating Black Beans"

In general, eating meat is a status symbol in Mexico, but there are regional differences within the business elite. In the north, where cattle are raised, only extra-high-quality meat (e.g. rip-eye cuts) is an upper-class status symbol highly desired by most classes. In central Mexico, where European trends are much more widely spread than in the conservative north, the tendency towards "healthy food" leads elites to consume more salads, vegetables and fruits.

Interestingly, the Mexican state statistical institute classifies the population into upper, middle and lower classes by asking them about their habits, lifestyles and belongings (and not about their income). One of the questions the statistical institute applies when it sends its researchers to remote areas of Mexico in order to investigate the social-economic status of the population, is whether they eat meat on a regular basis. As most people know that eating meat gets them into a higher social-economic category, even the poor try to eat meat: they buy the claws of chicken which hardly contain any meat, but

are categorized as meat. And then they proudly report that they eat meat on a regular basis. Black beans (“frijoles”) are the cheapest food available in Mexico and, therefore, considered the food of the poor in some milieus.

Most of the things the researcher ask the population (e.g. do you have shoes? A mobile phone? Cars? House? How often do you go for a haircut? How many rooms does your house have?) turn into status symbols within the Mexican population, because they know they need them in order to being categorized as “middle class”. Interestingly, the researchers do not ask for educational achievements. It is not necessary to have educational title in order to ascend into the middle class.

13.3.2.2. “Natural Food” Versus “Processed and Industrialized Food”

Mexicans often prefer processed and industrialized food over natural food. They prefer, for instance, “Nescafe instant coffee” packed in small plastic bags over coffee made of freshly ground coffee beans grown in the south of Mexico. Possibly, because processed and industrialized is somehow associated with “modernity” and with the highly industrialized countries (where this kind of food is indeed often processed before being exported to Mexico), while natural food (e.g. fresh fruits and vegetables, coffee beans, etc.) is associated with indigenous people who have a low social status in Mexican society (and who indeed often grow and sell natural foods).

Among the upper class, a slowly changing habit towards natural products can be observed at least within the liberal milieu of the business elites. They now drink water with “shia” seeds in it, for example, because of the health benefits associated with these seeds.

13.3.3. Further External Status Symbols

13.3.3.1. The Meaning and Role of Cars in Mexico

The meaning of cars is of great importance to social distinction practices in Mexico. It is a very complex, multilayered practice, which is difficult to understand. I will start by describing some important aspects of cars in Mexico:

In Mexico, it is common that people pay more for their car than for their house. A car dealer explained to me why: Middle-class people do not have enough money to buy an upper-class house/mansion which may cost up to three million US-Dollars in the best upper-class neighborhoods in Mexico. But they often do have the money to buy an upper-class car which “only” costs about 60.000 US-Dollars and gives them the

opportunity to appear to be upper-class to the people around them. This distinction strategy is clearly influenced by synecdochism: They invest most of their resources into one aspect of their lifestyle, aiming to make at least this aspect (e.g. the car and mobility in general) appear upper-class and they accept that as a consequence they will lack resources when it comes to other aspects of life, e.g. the house, food, education, etc. They hope that the people around them will simply judge them by the car they drive.

Another reason for Mexicans to spend huge sums on huge SUV trucks is safety:

In Mexico, more people die in traffic accidents every year than in most modern wars. One may argue that at least in some aspects the traffic is similar to a war. The biggest risk for the life of human beings in Mexico are not the drug cartels or thieves, but the car drivers. This is one reason why many Mexicans who can afford it, drive a rather big SUV – the Hummer H2 being the king of the road and the dream of many Mexicans. This has several reasons. The most obvious one is that such a huge SUV gives the driver a sense of protection and power in an extremely dangerous environment: the streets of Mexico. It is similar to Schulz' observation on the meaning of the Hummer H2 in the region around L.A. in the USA:

“Along with its intimidating bulk, the sheer mass and height of the H2 gave owners and drivers a sense of security and power they found deeply gratifying [...]. The car's connotations of combat and survival are not lost on owners and buyers. Both men and women find the car attractive because, in the words of one female driver from LA, ‘no matter what happens in this town [LA] – earthquake, fire, civil unrest, flood, I can get through it, under it or over it’ (Schulz, 2006b: 66).

This can be said about the meaning of cars in Mexico, too. Many women in several Mexican cities (above all in Puebla and Mexico City) told me that they want to drive a big “camioneta” (a SUV). “I enjoy to be seen” as one young woman explained to me. And with a huge SUV it is easy to be seen. She enjoys the attention the car raises. Another young woman explained to me repeatedly that she wants to have a “Lincoln” SUV in white color. This SUV, which is unknown in Europe, corresponds to the Hummer (possibly even a bit bigger) but is designed in a more civilian style that does not remind of war and military directly as the Hummer does, because that is where it originated. Often women seem to be more keen on buying an SUV than men. This observation is similar to Schulz research results, too:

“Moreover, among couples, the encouragement of a wife or girlfriend was instrumental in getting a man to purchase the H2. Several dealers confirmed that the wife of a prominent

Beverly Hills plastic surgeon had bought his H2 in response to his wife's ultimatum. She had threatened a divorce unless he came home with an H2 for her. Two of the female H2 owners from Northern California estimated that some 75 percent–80 percent of the H2 drivers were women and that most of the

men who had bought one did so because they wanted to please their wives or girlfriends. A man's purchase of an H2, as I discovered through my interviews with both dealers and owners, was often spurred directly or indirectly by the preferences of the women most important to him. Single or

professional women, on the other hand, almost invariably passed over the H2 in favor of something less ostentatious. Salesmen lamented the fact that the H2's unique virtues failed to win over such women, who usually preferred other luxury SUVs like Range Rovers or ordinary luxury passenger vehicles such as BMWs" (Schulz, 2006).

„Another aspect of the importance of the car in Mexican society is that, according to most interviewees, Mexican women are often very receptive and responsive to visible status symbols such as cars (and smartphones, tablet computers, suits which appear to be expensive and provide an aura of professionalism and power, etc.). This may be one of the central motivations for men to acquire and show these status symbols in Mexico: they know that they will most probably be rewarded with affection, attention and sexual relationships. The CEO of a car-repair company explained to me: "You just have to be in a big car, and the girls will jump in. You don't have to do anything". This observation is similar to one of Schulz findings, too: "The ownership of an H2 seemed to enhance men's sexual appeal in the eyes of women, whether the man was wealthy or not" (Schulz, 2006).

The first thing one sees when entering a Mexican middle- or upper-class home is usually the car parked in the first room which typically has a tiled and very clean floor. Sometimes, the car (often a SUV) is so big that it is difficult to walk by in order to get into the living room, but this is not considered to be a problem by most Mexicans. The Brazilian billionaire Eike Batista even parks cars in his living room. It is uncommon for Mexicans (and I guess for Latin Americans in general) to leave a car in the streets or to station it in a garage. In contrast, in present Germany cars are usually 'hidden' inconspicuously in a relatively dirty and dark garage behind the house (which has a cement floor and is surely not tiled) or they are stationed in the streets altogether. This may have something to do with the improved security situation in Europe when compared to Mexico, but also with the decline of the car as a distinction symbol in Germany and other European countries. Because those who are still obsessed with cars in Germany

are usually immigrants, driving and owning a once prestigious car (e.g. a used Mercedes or BMW), which is often considered to be “prollig” (a derogatory term for uneducated and pretentious “proletarians” who lack legitimate taste) by the educated and well-off middle and upper classes. Indeed, old and used Mercedes cars are sometimes called “Türken-Autos” (“cars of the Turks”) because they are often driven and owned by Turkish and Arab migrant families that live in Germany already in the third generation. It can be counter-productive to drive such a car when aspiring a career in the educated German middle- and upper-class milieus, as it may reveal proletarian and migrant social origins. The studies by Kruse on the decline of the car as a highly emotional status symbol in German society is eye-opening and illuminating:

"According to Kruse, who explored the influence of intuitive preferences on consumer decisions, the car is not among the most highly emotionally charged consumer goods anymore. Specially for the younger and highly educated generations in German society it is not a desirable status-symbol anymore. Kruse summarized its finding, arguing that even in Germany the relationship which the people have with cars is changing from an emotional love-relationship towards a rational decision which interprets the car as only one mobility option among several others" (Schneider, 2009).

As 'protecting the environment' and 'being socially responsible' seem to become new distinction practices in Germany (although Germans use air-flights more than ever before, among other activities which harm the environment), traditional cars do not fit into this lifestyle anymore:

“Germans today have very different ideas about status in relation to cars: 'It is attractive because it's functional'; 'a return to social responsibility'; 'protecting the environment using innovative technology' – are some of the typical statements from consumers on the topic. Having a powerful car in front of your house used to mean you had gone up a rung or two on the social ladder. Today, it is more likely to be perceived as an embarrassment. In the future, carmakers will have to offer personal expression and quality of life in addition to state-of-the-art technology.“ (German Times, 2009).

The irony is that while in Germany the car lost its value as a distinction symbol and may even become the opposite, in Mexico the exact same German cars are considered symbols of a successful life. In many middle- and upper-class professions one needs to drive such a car when arriving at work or doing any other kind of serious business, because it conveys credibility, trustworthiness and seriousness. Furthermore, driving such a car serves as the proof that the driver is very good at his job, because if he were

not good and successful at his job, how could he afford such an expensive car? Even in the USA, there seems to be a trend similar to the one found in Germany:

“In 2008, just 31 percent of American 16-year-olds had their driver’s licenses, down from 46 percent in 1983, according to a new study in the journal *Traffic Injury Prevention*. The numbers were down for 18-year-olds too, from 80 percent in 1983 to 65 percent in 2008, and the percentage of twenty- and thirtysomethings with driver’s licenses fell as well. And even those with driver’s licenses are trying to drive less; a new survey by car-sharing company Zipcar found that more than half of drivers under the age of 44 are making efforts to reduce the time they spend packed like lemmings into shiny metal boxes” (Hymas, 2012).

When I traveled from Mexico to Guatemala I noticed that the driver of the bus had screwed three big Mercedes Stars onto the front of his bus. Of course, everybody knows, including the bus driver, that screwing or gluing three big Mercedes stars onto your 30 years old US school bus (these busses are re-painted and then commonly used for people transportation in Central America) does not make it become a real Mercedes, but it seemed that the bus driver already gained satisfaction just from seeing these stars stuck onto his bus. There seems to be some sacred fetish about these stars. Similarly, in Mexico City it is very common to see people wearing “Ferrari” shoes, jackets and shirts which do not even exist in Europe. One may summarize that in Mexico a big SUV car symbolizes:

Protection (because the bigger the mass of the car, the better one is protected in case of accidents that happen frequently in Mexico)

Power and Aggression (many SUV drivers, especially in the city of Puebla, intimidate pedestrians by increasing the velocity of their car when they see people crossing the street in front of them. In this way, they force the pedestrians to suddenly run in panic in order to avoid being run over and possibly be killed by the car. This presumably gives the SUV driver a feeling of raw and violent superiority. There seems to be a mixture of sadism and narcissism at work here. Making other people fear death and by threatening to overrun them, seems to give a certain satisfaction to the car driver. At the same time, by driving aggressively he states that he is the king of the road and the center of the social interaction to whom everybody else has to obey, which nourishes his narcissism.

Affection and Sex (because, according to the interviewees, certain women in Mexico are usually very receptive and responsive to men who drive big, new, shiny SUV cars)

Social status (at least within the middle- and lower-class milieus. Possibly, in the near future, in the upper class the car will slowly lose its capability to serve as a status symbol because there are just too many big SUV cars in Mexico nowadays)

Individuality (because the car drivers believe they can drive wherever *they* want, although this may not be entirely true as they depend on gas stations, roads, etc., what matters is their subjective perception of reality, which is that with their car they are free)

13.3.3.2. Shining Shoes as a Status Symbol in Mexico

In most “Zócalos” (the central plazas in almost every Mexican city) one can observe people getting their shoes polished until they shine like a mirror. It catches the attention of the pedestrians passing by, as the person who gets his shoes polished is sitting on a little “throne” (or high chair) ca. one meter above the ground while the shoe polisher sits below him. And as it happens in the central plaza, every pedestrian sees it.

Especially in the bigger cities, Mexicans prefer closed shoes even in the summer, because sandals are associated with the indigenous population, rural areas and poverty.

Furthermore, eating habits like consuming meat on a daily basis are still used by the official Mexican statistics bureau today as a proxy for the social status of individuals in rural areas of Mexico. Indeed, there is a fierce debate going on in Mexico about how to measure the middle class. The national statistics institute (INEGI) is currently developing a new definition and new methods to measure how large the middle class in Mexico really is (Economist, 2013).

13.3.3.3. General Overarching Trends Concerning External Signs of Distinction

“Bigger is better” versus “Quality instead of quantity”

Within the less educated social milieus (rich and poor), the status symbols seem to follow the logic of “bigger is better”. For example, a bigger car, a bigger house, a bigger smartphone, a bigger television, bigger muscles, bigger portions of meat and food in general, a wife with bigger breasts, and boots with bigger boot toes in the north of Mexico. Bigger belt buckles used to be a status symbol in the north of Mexico, but they have gone out of style a few years ago. It is not clear why they are not fashionable anymore. Today, wearing a huge belt buckle is generally considered “naco” (which translates into something like “chav, bogan or nacker”).

With increasing educational achievement, most people seem to abandon this logic of “bigger is better” and turn to “quality instead of quantity” when choosing status symbols.

This “bigger is better” strategy is probably applied in uneducated social milieus, because it is the only way to make sure that the social environment recognizes one’s status symbols as such. The bigger they are, the bigger the chance that they attract attention. In contrast, in more educated social milieus, status symbols do not need to be as big and obvious as possible, because already slight and subtle differences are likely to be noted and recognized by the social environment. A very good example is the size of the brand name printed on brand-name clothes: While in uneducated milieus brand-conscious costumers want the brand (e.g. “Nike”, “Polo”, etc.) to be printed as big as possible on the clothes so that everybody is surely going to see it immediately, people within the more educated milieus prefer clothes with the brand name printed in much smaller letters. Their educated social environment will notice the brand anyway. Sometimes they even waive/abstain from the brand names printed on the outside of their clothes. Within the business elites I have studied in Mexico, there seems to be a clear development towards “quality instead of quantity”.

13.3.3.4. Emphasis on Form Over Functionality

In Scandinavian countries, functionality and simplicity are often considered beautiful. In contrast, in Mexico, a pretentious and ostentatious appearance seems to be much more appreciated than functionality, according to the interviewees. I have observed this value orientation throughout all social classes and milieus in Mexico, including the business and political elites. One typical example is the recently constructed new central library of the state university of Puebla (BUAP). Great emphasis has been put on the beauty of the building: it consists of bright big white rooms, huge paintings, elegant sofas, new Apple computers, touch screen displays on the walls, elegant and large balconies, huge windows going from the ceiling to the floor etc. About one year after the inauguration, the roof of the library collapsed. The construction of the library is beautiful, but not built to last. What mattered most for the decision makers was to build a beautiful building that can be proudly presented to the public. What mattered less was the functionality and stability of the building.

The director of a working group in the congress of Puebla mentioned that Mexican politicians often prefer to spend large parts of the state budget on prestigious projects (e.g. the city center, huge bridges and buildings) than on poverty reduction (e.g. health care and education for the poor). As a rule, most money of the state budget is spent on the “Zócalo” (the historic city center) and other tourist attractions. The further the city district is located from the city center, the less money is spent on it. The result is that even the city centers of poor cities often look like the centers of a rich European

town. However, the city districts located on the fringe of the city lack asphalted and bitumenized roads, drinkable water and there is no garbage collection system and many stray dogs are a threat to the people who live there – all of these factors cause several health risks for the population. Nonetheless, the government prefers to spend large parts of the budget on beautifying the city center, instead of resolving the most severe problems of the marginalized quarters where at least half (or more) of the population lives. It seems to be of greatest importance for them to have something that is “presentable” to outside observers. Therefore, most politicians value a beautiful city center to be presented to rich tourists more than a functional road, which can be used by the majority of the population.

A further observation is that, in general, when Mexicans want to say that something is bad or incorrect, they often use the word “feo” which literally translate into “ugly”. This makes sense, because in Mexican culture “beauty” is of great importance and it is considered a huge problem when something is ugly. Therefore, saying that something is “feo” means that it is a huge problem. “Bonito” which literally translates into “beautiful” is often used to say “good”. The reasoning behind the use of these words seems to be “When something is not beautiful, it cannot be good, and vice-versa”.

When I asked why most women spend so much time and money on make-up, clothes, shoes and sometimes even decide to undergo plastic surgery, most answered: “como te ven, te tratan” (“They treat you the way they see you”). “They explained to me that “Women have to dress up and put on make-up in order to be respected by the people around them”. Again, the superficial appearance is what decides how a woman is treated by most people around her. What may be the symbolic and historical origin of the preference of form over function in Mexican culture? According to Octavio Paz: “This predominance of the closed over the open manifests itself not only as impassivity and distrust, irony and suspicion but also as love for Form. Form surrounds and sets bounds to our privacy, limiting its excesses, curbing its explosions, isolating and preserving it. Both our Spanish and Indian heritages have influenced our fondness for ceremony, formulas, and order. A superficial examination of our history might suggest otherwise, but actually the Mexican aspires to create an orderly world regulated by clearly stated principles. The turbulence and rancor of our political struggles prove that juridical ideas play an important role in our public life. The Mexican also strives to be formal in his daily life, and his formalities are very apt to become formulas. This is not difficult to understand. Order - juridical, social, religious or artistic - brings security and stability, and a person has only to adjust to the models and principles that regulate life;

he can express himself without resorting to the perpetual inventiveness demanded by a free society. Perhaps our traditionalism, which is one of the constants of our national character, giving coherence to our people and our history, results from our professed love for Form.

The ritual complications of our courtesy, the persistence of classical Humanism, our fondness for closed poetic forms (the sonnet and the decima, for example), our love for geometry in the decorative arts and for design and composition in painting, the poverty of our Romantic art compared with the excellence of our Baroque art, the formalism of our political institutions, and, finally, our dangerous inclination toward formalism, whether social, moral or bureaucratic, are further expressions of that tendency in our character. The Mexican not only does not open himself up to the outside world, he also refuses to emerge from himself, to 'let himself go' (Paz, 1985: 31-32).

It is a seemingly contradictory behavior of Mexicans that they are notorious for arriving late to appointments or forgetting meetings, arrangements and agreements altogether and constantly changing plans, but at the same time they are very strict with traditions, which are repeated every year on the same day and in the same way. The fiestas of the different villages are always held on the same day of the year, following a strict ceremony. These traditions seem to give Mexicans a sense of certainty and clear structure in their life on which they can hold on. It gives them hold and a basic orientation and structure in life. Most Mexicans firmly believe that these traditions have to be repeated in life. This is what gives order to them.

Being the first to acquire a new product as a status symbol

When the release of the new high-end smartphone "Samsung Galaxy S4" was announced, surprisingly many Mexicans in my social environment immediately tried to sell their "Samsung Galaxy S3" smartphones and took out a loan in order to gather the money to buy the S4. Interestingly, the S3 is very similar to the S4 that is the direct successor of the S3, so there is hardly anything that one can do with the S4 that cannot be done with the S3. Furthermore, as electronic devices get cheaper already just a few months after their initial release date, it would be economically rational to wait a few months until the product is sold at a much lower price. Nonetheless, many Mexicans fiercely tried to be the first to buy the new S4 smartphone and wanted everybody to know when they finally got it. For example, when a divorced father who hardly sees his children because they live in the house of their mother, finally got the new S4 smartphone, he called his daughter and organized a gathering so that he could show her the new smartphone. This

observation is similar to what Jeremy Schulz observed about the “first wave of Hummer H2 buyers”:

“Many of the firstwave buyers hunted down H2s with a feverish avidity equaled by zealous sports fans. In LA and San Francisco, first-wave buyers made every effort to get their hands on an H2 before other consumers could beat them to the punch. It was not enough for many of the wealthy clients to get their hands on a US\$55,000 Hummer H2, they wanted to beat the other customers. Several customers burst in on a Los Angeles dealer demanding to know why they couldn’t take possession of their H2s immediately. Apparently, in spite of their high positions on the waiting list, they had been pushed backwards in the queue and people behind them had gotten their cars first.” (Schulz, 2006)

They want to be the first who owns the product, no matter what the costs are. Of course, when one is the first to have a new product, the product is more exclusive, at least until the moment when other people have bought the same product, too.

Interestingly, the Samsung Galaxy S4 (probably soon to be replaced by the S5) is used as a status symbol throughout several social classes from the upper class to the lower middle class. I saw top managers of a large Mexican bank, full-time professors of private elite universities, students from public universities and even workers using it. It is often preferred over the iPhone because it has a bigger screen and therefore fits nicely into the “bigger is better” logic. I was surprised to see how many of the top managers and other members of the business elites always have the newest and most expensive electronic toys at hand and play and work with them.

13.3.3.5. Vicarious Display as Distinction Practice in Mexican Society

“Having many women” versus “Having the most beautiful woman from the ‘best’ family”

For several hundred years, it has been a status symbol to have sexual relations with as many women as possible. Several heroes of the Mexican revolution are famous for their many wives and children, most notably Francisco “Pancho” Villa, who had more than 26 wives and more than 50 children (Katz, 1998) and who is therefore still admired by some parts of the population. But this tradition is slowly changing: in the upper-class milieus, fidelity, trust and a long lasting relationship among couples is highly valued (almost as much as business success is valued). During one interview, the president of an important bank mentioned proudly that within his closest circle of friends all the couples continue being together and that there has not been any divorce:

“In my group of friends we are seven friends. Seven couples and none has divorced, that’s a rare and very special thing, we all maintain our marriages! We all stay together with our original wives! And all the wives have become good friends, too. And curiously, we still make journeys and vacations together! Now we are going to take the Chihuahua Pacifico Train, one of us cannot come because he is in Malaysia or Indonesia, but six of us will go together. We will see the copper canyon, it’s the most beautiful! And curiously, we seven, all of the friends, we are all leaders in our families, without being necessarily the oldest. Pancho [the nickname of a friend] is the second oldest, another friend is the oldest of his brothers and sisters in his family, one is the oldest, one is the youngest, and I’m the seventh, That means it’s not about being the oldest, it is about being the one who has most motivation, most drive”⁴ (Informant 1).

Other interviewees made similar statements. The social upward climbers from the middle and the lower classes often work incredibly hard in order to make it into the upper class, but the extreme stress, long working hours and the resulting lack of time for the family, which is the downside of their enormous ambitions and motivation, often result in broken marriages and psychological problems.

Older men within the lower Mexican middle classes (aged between 50 and 60) are usually still completely attached to the old status symbol of having as many women as possible. They aim to marry a “virgin” wife from a “good family” and have many secret concubines (“amantes”) at the same time. When referring to “a good family”, what they usually mean is a family of high social status with bright skin color and vast amounts of economic and social capital. This has several reasons: first, the brighter skin color of the partner is thought to lead to brighter offspring, which is one of the primary indicators of social status in Mexico. The social capital is useful for all sorts of things as “knowing people” and having social relations with them is crucial in the economic, political and judicial systems.

But the younger, better educated generations who have ascended into the middle class seem to reorient away from their fathers’ lifestyle towards an attitude similar to the one

⁴“el grupo de amigos en el que somos, somos 7 amigos, siete parejas, ninguna se ha divorciada, cosa rara, seguimos casados los siete, con las siete mujeres originales, y las mujeres se hicieron muy amigas también, ahora curiosamente, nos vamos, solo va a faltar uno que está en indonesia o Malaysia, nos vamos los 6, parejas al tren Chihuahua Pacifico, es lo más bonito, el gran canyon de cobre. las barancas del cobre. es maravilloso. nos vamos los 6. Te comentaba, curiosamente que, los 6, los 7 amigos, cada uno, es lider en su familia. Curioso, no? Lider en el sentido que ayuda a todos, resuelve problemas. Todos eramos lideres en nuestras familias, sin ser los mayores necesariamente, Pancho es el segundo, hay otro que es el mayor, hay otro que es el menor de todos, y es el lider, yo soy el séptimo, otro es el cuarto. osea no tiene que ver el lugar en la familia, sino tú eres la persona que más movida, más "drive". “ (Informant 1)

of the upper classes, aiming to build up a trustful, serious and faithful relationship with one woman. There may be a trickle-down effect taking place currently: the new middle class is slowly copying and emulating the lifestyle of the upper class in terms of romantic relationships. Another indicator is the decline of the fertility rate in Mexico. Concerning the education offspring of the families, a similar tendency towards “quality instead of quantity” can be observed: the younger generations aim to have fewer children, but to give more attention and education to them. While it used to be a status symbol to have many children, today it is a status symbol to have successful children. Indeed, there was a government program to motivate the Mexican population to have “fewer, but better children” (“menos pero mejores”), urging the parents to invest more into childcare and the education of their children.

Having a marital partner of European descent and with lighter skin color

Another expression of the preference for the “foreign” is that Mexican often aim to marry somebody who is foreign, although the foreigner may even be poorer than the “Mexican” marry candidates from the local upper class.

A Mexican woman mentioned during a conversation that she was finally accepted and respected by the richer members of her family, when she married a Swiss man who has no university education. She, in contrast, has an M.A. degree and is from an academic family. Her family said to her proudly “estás mejorando la raza” (“you are improving the (genetic) race of our family”) and therefore finally accepted her, because her children will have a lighter skin color and look more European, which is considered a form of successful social ascent. It is surprising how many Mexican women marry European or US-American partners. Furthermore, it is a status symbol to have “international friends” (again, that means, European or US-American friends, not Central American).⁵

Having “important friends” as a status symbol

Among all social classes in Mexico – including the business elite – a very important ritual is how friends and family members greet each other in public. There are quite sophisticated and extensive forms of greeting each other in Mexico, including kissing, hugging, slapping each other, hitting each other’s fists gently after touching each other’s palms. These different ways of greeting each other in public show and signal the degree of closeness, strength and confidence of the friendship. It can be observed that many people aim to be seen in public places greeting somebody of higher social status and applying a greeting ritual that signals special friendship. The long double hug with a double slap on the back on either side simultaneously repeating two times the expression

⁵Personal note: one of my Mexican ex-girlfriends mentioned once that I will surely be accepted by her family as I am a white European and therefore “mejorando la raza”.

“Cómo estás, bien, qué bien” (“How are you – good – that’s good”) is usually supposed to indicate trustful friendship.

Having a warm and trustful relation with one’s own family and showing it in public as a status symbol

Probably the most important status symbol in Mexico – throughout all classes including the business elite – is to have a warm and trustful relation with one’s family and to show it in public and to publish it on facebook and in other social networks. It is very common in Mexico that even grown-up adults repetitively mention on facebook and other social media sites how much they love their father and mother and how much they are attached to them. For example, one grown up woman posted: “el amor d mi vida, mi padre... el primer hombre q ame, amo y amare x el resto d mi vida”. (“The love of my life, my father... the first man I loved, love and that I will love until the end of my life”). In other cultures, it would appear rather unusual for a grown-up woman to publish that she is in love with her father and that he will always be the love of her life. Possibly, it would be interpreted as a symptom of a psychological problem: a woman who lacks emancipation from her father and therefore remains too attached to him, unable to build up a close relationship with another man. In Mexico, this behavior is not interpreted as the symptom of a psychological problem, but as a status symbol: the girl shows off her great relationship with her father and thereby hopes to appear more desirable to other facebook users.

Families are rather large in Mexican culture and usually include several hundreds of persons who regularly see each other. As one Mexican woman explained to me: “In Mexico we live in clans.” It seems that when Mexicans get to know somebody new, they first categorize the person into the in-group or the out-group, in other words: into one of the two categories: “belongs to my family” or “does not belong to my family”. Most Mexicans are more loyal to their families than to the state and they value social recognition from their families more than social recognition from the general public. Therefore, in this value system it may be “rational” to steal money from the state and give it to one’s family, because most Mexicans are first and foremost loyal to their families and less to the state. First, they care for their families, later they care for their country (“Todos cuidan a sus families, nadie cuida a su país”). One conversational partner explained it to me with the words “Mientras que mi familia está bien, no me importa la politica” (“As long as my family is fine, I don’t care about politics”). They do not care much about whether the public might appreciate or loath their actions, but they attribute great importance to their standing and reputation within their families.

According to Camp: “if loyalty to family is excessive, it makes transferring loyalty to government institutions difficult. It could be argued that this might be the case in Mexico” (Camp, 2007: 57).

Why are northern Europeans so detached from their families and why are Mexicans so attached to their families? In northern Germany, bragging about one’s family is despised as “cowardly hiding behind one’s family’s back instead of earning one’s own merits”. It is considered embarrassing to mention continuously how much one loves his or her family. In contrast, in Mexico it is quite common. One may hypothesize (without having empirical findings to back it) that on average Germans trust in the state more than they trust their family. In Mexico, the opposite is true. But it is difficult to identify what is the cause and what is the effect, because as Mexico’s political institutions are generally rather closed, it is very difficult for average citizens to enter and participate effectively in the formal political system. This causes alienation, distance and withdrawal from politics and an orientation towards private life, family and business. Entire political parties, e.g. “el partido verde” are controlled by only one family, the most important positions are inherited from the fathers to the sons of the same family, and it is almost impossible to make a career in these parties and to achieve a high position without being part of the family. This makes it less attractive for the rest of the population to participate actively in politics. Instead, they are more likely to copy this kind of action and to found their own family-controlled political parties.

Having ancestors of foreign descent

Many Mexican interviewees made great efforts and took their time during the interviews to explain to me that their great-grandfathers were Spanish, US-American or Lebanese, although I had not asked for it. It seemed to be an important need for them to distinguish themselves from “average Mexicans” by mentioning that some of their ancestors were foreigners.

Between 80% and 90% of Mexicans are mestizos, a genetic mix of Spanish and indigenous ancestors, but telling a mestizo Mexican that he does not only have European ancestors, but also indigenous ones and that the indigenous genes are part of him, is usually considered a serious offense. They do not like to be reminded that they are – at least partly – the descendants of the indigenous population, because the first thought usually connected and associated with the Mexican indigenous population is that they were conquered, violated and raped by the Spanish soldiers in the 16th century, as they often explained to me. “Tienes que saber que nos conquistaron” (“You have to know that we were conquered”) is a phrase that is very often used by Mexicans.

They frequently deny this part of their origin and despise their indigenous roots and culture. In general, it seems that many Mexicans want and try to be as US-American or as European as possible (in terms of lifestyle, skin color, attitude, language, etc.). According to the Mexican writer and Nobel prize laureate Octavio Paz, Mexicans fear to be who they really are and therefore constantly fight severe battles against themselves: “Servants, slaves or races victimized by an outside power (the North American Negro, for example) struggle against a concrete reality. We, however, struggle with imaginary entities, with vestiges of the past or self-engendered phantasms. This vestiges and phantasms are real, at least to us. Their reality is of a subtle and cruel order, because it is a phantasmagoric reality. They are impalpable and invincible because they are not outside us but within us. In the struggle which our will-to-be carries on against them, they are supported by a secret and powerful ally, our fear of being. Everything that makes up the present-day Mexican, as we have seen, can be reduced to this: the Mexican does not want or does not dare to be himself” (Paz, 1985: 72-73).

13.4. Miscellaneous Status Symbols

13.4.1. Work-Related Distinction Practices

13.4.1.1. Being an “Emprendedor” (successful founder and entrepreneur) as a status symbol

When neoliberalism and crisis perforated the Mexican economy and society, jobs became less secure, and even the graduates of elite universities had problems finding a job that provided a relatively high salary and job security. After paying vast amounts of money in order to be able to study at elite universities, the graduates felt betrayed and disappointed when they realized that despite investing more than 20.000 dollars in their university education, they could not find a good job. They blamed their alma mater university for this problem, claiming that they were not prepared, educated and trained well enough during their university course. The elite universities, closely followed by the middle-class universities, responded by creating the image of the “successful entrepreneur”. The message is: “If you cannot find a job, create your own job! It is your own responsibility! Don’t blame us!”

In addition, American MNEs have long been promoting the image of the “successful business person” which fits nicely with the image of the “emprendedor” promoted by private universities. These two factors have profoundly penetrated and soaked Mexican society and trying to imitate and live up to this image and lifestyle is now common

practice, particularly among young business students. The creation of this new image and “desirable lifestyle” may be a cultural spillover effect from the USA that has been brought to Mexico by the American MNEs in combination with the efforts of private universities to make their graduates create their own jobs, as jobs in the state enterprises and bureaucracies are getting scarce and less secure.

In his study on local employees of foreign MNEs in Romania, Caprar made a similar observation: “some participants [of his study] indicated a remarkable fascination with the ‘business person’ image promoted by American multinationals all over the world” (Caprar, 2007, 93).

He quotes one of his interviewees:

“I always wanted to be like that woman in commercials, the super business woman, who I don’t know what she does or doesn’t, she goes to meetings, and everything about her is perfect, that was my image... that I will look like her, that I will travel a lot, that I will only meet people in high level jobs, that... well all those things” (Caprar, 2007, 93).

13.4.1.2. Making Profound and Radical Changes as a Symbol of Power and Status

When a top manager is appointed CEO or president, or when a new governor takes office every six years, he usually makes profound and radical changes, even when it is not necessary and even if he is from the same party or group as the last governor/top manager. He often even terminates highly successful programs, just to show that he can do it, thus, demonstrating his power. This causes a severe lack of continuity in Mexican business and/or government policies. The reason is probably that power is most visible and impressive when it is used to make radical changes.

Furthermore, when the new governors and presidents take office, they often fire a large part of the people who are working within the organization and replace them by their “own” people, usually family members, friends and loyal followers. The effect is that most of the services and large parts of the bureaucracy stop working for some months, because the new employees are unable to do their jobs and have to learn everything from scratch first. The “old” employees who have accumulated significant and valuable experiences and skills and who could teach the new employees were fired. This rupture is repeated every six years when new governors and presidents are elected in politics, and it happens on an irregular basis in Mexican enterprises with the appointment of new top managers.

13.4.1.3. Being Busy and Working More than 70 Hours as a Status Symbol

Saying that they are “very busy” and “working more than 70 or 80 hours” is a typical status symbol and distinction practice of top managers around the world. They try to justify their high salaries with their long working hours, but during the interviews it became clear that what they are actually doing during their work time also includes sleeping in airplanes, taxis and trains, waiting at the check-in at airports or at hotel lobbies and receptions, attending symbolic official events without having any other task than shaking hands, smiling and “being present” etc. We may conclude that when they say they “work” 80 hours, it may mean and include activities which do not require full concentration and focus.

13.4.1.4. The Meaning of Wearing a Bathrobe During Business Meetings as a Distinction Symbol

The director and a sales agent of a business association (Informant 4) remarked casually that for top executives it is very important to stay in hotels which offer bathrobes to their guests. In the advertisement of a hotel where I stayed the bathrobe was mentioned as one of the advantages of the executive suite. I wondered why it was so important for the business men to stay in hotels which offer bathrobes. Later, the director explained it to me: Top managers like wearing bathrobes when holding their meetings with their employees. Their employees all wear suits, ties and black shoes, while their boss appears in a bathrobe. The boss shows his superiority by not playing by the dress-code rules. This behavior reminds of European kings during the middle ages who held their meetings with nobles in their sleeping room, still wearing their sleeping wear. The bathrobe is also meant to signal coolness and a somewhat “rogue” attitude: “When you are the boss, you don’t need to care about social norms and rules anymore, you just do what you want. As long as you are successful, you don’t have to care about the dress-code.” The bathrobe is the Mexican version of the story Daloz mentioned:

“False modesty may also be linked to the demonstration of a relative freedom and a capacity to cut with dominant codes and expectations. An enlightening story in this regard is that of the director of a large firm who invites his main collaborators to a formal dinner but who himself appears in casual clothes, thereby instantly setting himself apart from all his ‘suitably’ dressed guests. Here again, we come across the key role played by the pre-awareness of superior social status. If prominent members of the elite know that the people they are facing are already conscious of their actual position, demonstrations

of simplicity are likely to beget astonishment and may partake of a strategy of distinction. In this, falsely modest individuals seem to compel their audience to give them the respect that they apparently refuse to claim for themselves” (Daloz, 2013: 34).

13.4.1.5. Working for a Foreign Multinational Enterprise as a Status Symbol and Social Distinction Practice

During the interviews with the business students at Mexican elite universities, it became rather clear that working for a prestigious European or US-American multinational enterprise is an important status symbol for them. As many young upper-class students at Mexican elite universities are torn apart between going to Europe or the USA in order to find a prestigious job there (because it is highly appreciated and desired by most people around them) and staying with their families (because the importance of the own family is extremely high in Mexican culture), working for a foreign multinational enterprise in Mexico seems to be a good solution for them. In this way they can work for a European or US-American enterprise (and in this way “become” a bit more European in their subjective perception) and at the same time stay together with their family. So they “can have their cake and eat it, too”: working for a European enterprise and bragging about it (because it is almost as desirable as living in Europe) and at the same time enjoy time with their family. As one student explained his motivation:

“I have already worked in Las Vegas, you know. I want to work in an international enterprise [he emphasizes the word “international”], but here in Mexico. I have my family here. I want to be present at the “fiesta de 15 años [huge celebration when I girl turns 15 and is officially presented to society] and at the weddings. I want to see myself in the wedding videos. I want to say “Look I was there! I was at your wedding!” That’s important for us here, you know. But I cannot always take a flight from Europe or from the US. When you leave, you are somehow not a real member of the family anymore. I don’t know. You cannot take part in the important events anymore. We “convivir” a lot in Mexico [the Mexican word “convivir” is difficult to translate. It means something like “doing enjoyable things together” and “spending time together” and remembering all the experiences you have shared with your loved ones]. When everybody remembers the events they do not remember me, because I was not there. I was far away. And when I’m back, they [his family members] say ‘your uncle or aunt has married and you were not there’. We always remember these events. For our whole lives we remember the weddings and other fiestas. But I also want to be in Europe. Therefore, I want to work

in a European enterprise here in Mexico! That's perfect! [he smiles with satisfaction as if he just found a solution for a pressing problem] (Informant 4).

In his study on local employees of the Romanian subsidiaries of foreign MNEs, Caprar describes something similar: working for a foreign MNEs from a "first-world country" is counted/interpreted by some local employees as becoming a citizen of the "first world", in other words: becoming a "first-class citizen", although they stay and continue living in Romania. Caprar cites one of the local employees he interviewed, and who works for a US-American MNE active in Romania:

"Working here is really like working in the US. I know there is no difference between this *office* and the *office* in New York, and I feel great knowing that I live just the same life as my colleagues there. It feels great to say, '*my colleagues from New York*'! I might not see the Empire State Building when I look out the window, but you know, I don't even look out the window, I don't need to. It just wonderful to come to work and see this *glass building* and think *wow, I work there!* I mean not everyone gets to work in a place where you need a badge to get in! Everything here is *perfect*, from the way the office looks, the computer I got, the phone, I get into the elevator and I completely forget I am in Romania, it's just like in the US" (Caprar, 2006: 70-71).

Another quotation from Caprar's interviews goes into the same direction:

"These companies [the foreign MNEs] saved our economy! Those who don't understand that are just jealous. They wish they worked here, and because they couldn't they say the grapes are sour, you know. You should stop listening to those *losers*" (Caprar, 2006: 71).

And a third quotation from the interviews Caprar conducted shows how some employees of foreign MNEs try to isolate themselves from their home culture and aim to live in the culture of the foreign MNE almost all of the time. They aim to live like in a foreign country, although they are only working for a foreign MNE:

"I try to deal as little as possible with the outside world. I have my own apartment at home, which I decorated just like my friend's apartment in US. I actually bought quite a few things there. I get in my car, I drive to work (I would never take the bus or the underground, *no way*), here I am like under a *glass bowl*, it's an environment I like, I do my *shopping* at the new *mall*, or over the Internet, I never go to the stores I used to go, it is more expensive, but I can afford it... and try to interact only with those people I have something in common with – actually my best friend is one of the expatriates here, and the other one is my friend who moved to the US. One day, I'll probably move too

– and *I'm actually looking for jobs* in the US. I just haven't found a good opportunity yet" (Caprar, 73).

Caprar concludes:

"These employees seemed [to] completely emulate the lifestyle of the expatriates living in Bucharest: the restaurants and bars they go to are the ones patronized by expatriates, and they join the gym at expensive hotels, where one is often welcomed in English – a reflection of the expected clientele. They seem to be very connected to the expatriate community and relate to Romanian traditions in a very detached way, resembling the attitude of a foreign tourist rather than a local" (Caprar, 2007: 73).

This is exactly what I have observed in Mexico, too, when talking to young politicians, business men and students of elite universities: they talked to me about Mexico as if they were tourists or expatriates from Europe or the USA. It felt like talking to tourists, not like talking to somebody who grew up and lived most of his life in Mexico.

13.4.2. Politics-Related Status Symbols

13.4.2.1. Standing Above the Law as a Status Symbol

In certain social milieus, it is a status symbol to stand above the law, to be able to break the law without being persecuted. It is a status symbol to show that the law does not apply to oneself – similar to the Spanish rulers during colonial times who officially stood above the law. Here, some people are imitating the lifestyle of the foreign colonial rulers in some aspects. Many upper-class persons ostentatiously show that they bribe policemen and government officials. It is as if they want to say "Look, I can buy that guy and tell him what to do. I have the money and the power".

Furthermore, it is often considered to be "smart" and "intelligent" to find ways to circumvent and bend the law. A popular saying among aspiring and ambitious families in business and politics is "Él que no transa, no avanza." which essentially means "The one who neither cheats nor breaks the law, will never get forward and get on (in business and in politics)". When somebody is mentioning this saying within her or his family, it is usually not considered to be an example of a lack of ethical education and character, but as a smart advice and wise recommendation. Respecting the law and not being corrupt when you have the opportunity to steal money is often considered "pendejo" ("stupid"), because one is not taking the chance to get rich – like "most other people would do" as it was explained to me in several occasions. It all fits into the "Get rich or die trying logic" that is so dominant in the status-conscious social milieus in Mexico. People who were

socialized in these social milieus appreciate money without asking where it comes from. Even when somebody made his fortune in drug-related businesses, murdering hundreds of people, he may be considered a “smart and successful” business person.

13.4.2.2. Being the Local “chingón” (“Big Man”) as a Status Symbol in Lesser Developed Rural Communities in Mexico

Similar to Daloz’ findings on elites and distinction practices in Nigeria (Daloz, 2003), in the lesser developed rural areas of Mexico, people tend to vote for a strong, authoritarian leader as their political representative (“diputado”) who rules with “mano dura” (“hard hand”), drives a huge, aggressive looking SUV (e.g. Chevrolet Suburban), wears a big hat, big boots, a big belt buckle, and other ostentatious status symbols. The people seem to think that only a strong and aggressive leader can represent their interests effectively and successfully in parliament. Furthermore, they feel proud to be represented by a “shiny” and impressive looking figure. This may be hard to understand for outside observers, as the inhabitants of the village do not benefit in any material way from the Big Man’s luxury, but it may be understood and explained when it is compared to a wider family (Großfamilie): the whole family may be proud to see that one of their relatives is having extraordinary success, even if he does not share any of his wealth. The leader is the flagship, the walking advertisement of the village. For the villagers it may generate the gratifying feeling that “one of us” has made it. In addition, they may hope that someday in the future they may be rewarded for their loyalty to the Big Man and receive a little bit of the wealth or power of him (e.g. some corrugated iron for their home or a modest political position with some power and salary). According to Daloz: “When observing the phenomenon of representation from a bottom-up perspective, we find people aspiring to elevate themselves by identifying with representatives who embody higher ambitions. They appear anxious to gain a greater sense of dignity and a measure of pride through association with someone whose function or image transcends their own. Much as servants or personal secretaries sometimes derive a kind of vicarious satisfaction from the fame of their boss, it seems that a certain amount of distinction (of whatever nature) serves to endear some representatives to their followers. The latter may indeed trust superior actors for their alleged competence or hope that they will use their socio-political power to the direct benefit of supporters. They may also believe that these actors are an incarnation of their ideals. From a more symbolic perspective however, as we have seen regarding patrimonial networks, even the most destitute people may revel in the idea that their leader possesses prestigious and impressive goods –

which are taken in some way as a credit to the community or faction as a whole. For instance, people may identify with successful representatives who come from the same background or the same place and therefore appear to be simultaneously 'one of them' and 'above them'" (Daloz, 2013: 58-59).

Mexican culture is not abstract. Instead of believing in institutions and organizations, Mexicans prefer to believe in strong men and personal relationships. It seems that when a man does not have a "strong" representation, people usually believe that he is not strong enough to enforce and push through the interests of his local community in the parliament of the state.

The local Big Man is often called "el chingón" in Mexico, which originally means "the violator" or "the rapist". The historical root is that when the Spanish conquered what is today known as Mexico, they raped indigenous women, killed indigenous men and they were undoubtedly the rulers and the "Big Men" at that time. Therefore, the word for "rapist" or "violator" means "ruler" at the same time and vice-versa in Mexico. The "chingón" does whatever he wants, because he is so powerful that laws do not apply to him and, therefore, he can violate and rape. Instead of detesting him, it is common that people admire him and want to be like him. They are awestruck by both, his physical (non-symbolic) and his symbolic violence. Still today the word "el chingón" is used to praise and compliment someone. Drug lords play a similar role and generate a similar kind of admiration in some parts and milieus of Mexican society. In the big and progressive cities, the lifestyles, presentations of the self and distinction practices of politicians have changed. They now tend to prefer a more modest and "professional", businesslike and sober lifestyle and self-presentation. Their style seems to gravitate more towards sophistication.

13.4.3. Further Status Symbols

13.4.3.1. Being a "Cristiano" (evangelical) as a Distinction Practice

Top managers who perceive themselves as "cristianos", especially those in northern Mexico who are strongly influenced by US-American evangelicals, describe themselves as "clean, honest and hard-working". They contrast and compare themselves to "the Indians" they describe as "dirty, lazy, dishonest, and therefore poor". They attribute their success to Jesus. "Jesus has changed my life" is one of their favorite sentences. And they want to spread their religion and make other people "get to know Jesus". It was difficult to interview them as they talked about Jesus most of the time instead of

answering the interview questions. They are opposed to Catholicism and the “Virgin Guadalupe” (“La virgín Guadalupe”), which is very important among the middle and lower classes and the catholic part of the upper class in Mexico. They are extremely intolerant against atheists and fight against evolutionary theory. They told me proudly and with joy that when discussing evolution with atheists, they say "You can believe that mankind derives from monkeys, and I believe that mankind derives directly from God: then you are the son of a monkey bitch ("Hijo de la changada") and I am a son of God. “ (the word “changada” is a coinage, a neologism that merges the word “chingada” i.e. “bitch” or “violated woman” with the word “chango” i.e. “monkey”). They educate their children in a very strict way and often seem to be addicted to alcohol. They have a lot in common with the evangelicals in the state of Texas bordering directly on Mexico. They often say that their grandparents are Europeans, but when they talk about their family history, contradictions become obvious. First of all, they usually describe their grandparents as "Europeans", but real Europeans usually identify more with a particular European country instead of the continent. They rather say they are French, Italian, Spanish or German, for instance, instead of saying that they are from “Europe”.

13.4.3.2. “Knowing Europe” as a Status Symbol

In the Mexican upper class and in some milieus of the middle class, it is quite popular to “know” certain places in Europe and to talk about it. These places usually include: Venice, the Eiffel tower, Rome and Neuschwanstein Castle. The preferred countries are usually the large worldwide known European countries like Spain, Italy, France, Germany and sometimes some Northern European countries. The upper-class members often enjoy months-long stays in Europe. The aspiring and ambitious middle-class members want to compete and emulate this leisure-time lifestyle. But while they have the money to do so, they lack time, therefore they travel through Europe in one week or ten days, trying to take pictures of themselves in front of the most widely known tourist attractions in several countries. They often spend more time in transportation (mostly in planes, buses and trains) than on the ground in Europe. It may be difficult to understand how they can enjoy to rush through Europe, but obtaining this status symbol of “knowing Europe” apparently gives them a feeling of satisfaction and personal progress. Their main aim seems to be to acquire this status symbol of “knowing Europe” and publishing the corresponding photos on facebook and other social media networks.

13.4.4. The Competition of the Dead: Modest Tombs and Impressive Graves

There is a competition for who has the most impressive grave and mausoleum, above all in Culiacán in the northwestern state of Sinaloa, which is one of the main headquarter states of drug cartels (Grillo, 2012). Presumably because the death is very present in their minds due to their dangerous business, drug lords spend huge amounts of money on the graves in which they plan to be buried. Angulo described the “Jardines del Humaya” cemetery as follows:

“Jardines del Humaya in the Mexican state of Sinaloa seem to have been inspired by the great pyramids of Egypt. Both sites were built to symbolize the ascent of powerful rulers to heaven, but in Humaya’s case most of the departed oversaw a kingdom of illegal drugs and extreme violence. Located on the outskirts of Culiacán, the largest city in Sinaloa, this cemetery is the site of grandiose mausoleums that resemble one-bedroom apartments with gaudy elevated domes (...). Those who commission these structures are willing to spend whatever it takes to ensure that their patriarchs – some politicians and businessmen but mostly Sinaloa’s most infamous traffickers of narcotics – spend the afterlife in a place that reflects their unsustainable lifestyles. If this requires installing central air conditioning and a kitchenette, so be it. One-upmanship has gotten out of hand in Humaya. Families continually try to build bigger structures than their neighbors, a morbid version of keeping up with the Joneses” (Angulo, 2011).

The architectural style is typical for the taste of the Mexican lower middle class milieus that favor material goods over education and prefer strong, shining colors, and many small ornamental spirals, squiggles and scrollwork making the graves and mausoleums look like miniature versions of “kitchy” cathedrals. This makes sense as most drug lords are from catholic families and since their baptismal service churches and cathedrals have played a vital role throughout their life.

A further influence and aim of the architectural style is to bring modern-life luxury and comfort to the dead, which leads to graves looking like “wellness hotels” resulting in a mixture of architectural symbols of catholic religiosity and up-to-date comfort (e.g. air-conditioning systems, completely equipped kitchens, satellite television, Wi-Fi, and music systems within the graves). There seems to be a “I want to have it all” mentality at work as some graves even feature Greek pillars (MacFarlan, 2018); the resulting architectural style combines elements from catholic churches with modern luxury mansions and antique Greek constructions. Holden described the “El Velador” cemetery:

“the cemetery (...) looks beautiful despite the vulgarity of its structures, one of which has a chandelier beneath its dome. Silhouetted in fading pink and blue light, the necropolis skyline stirs up a complicated mixture of awe and despair (...). Not all of the dead are drug lords. One is a policeman who was corrupted by them. Most of the tombs have blown-up photographs of the occupants, many in their teens and 20s. Even as crypts are being dug and the dead buried, life buzzes around the cemetery. During the day children and pets frolic among the tombs that devoted family members methodically clean and polish. The image of an impoverished worker in torn flip-flops, perilously perched on a rickety ladder, speaks volumes about class divisions in a country that threatens to become a narco-state dominated by a wealthy criminal elite.” (Holden, 2012).

A further factor which may have influenced the graves is the wide-spread Mexican belief that life is not over after death, but that one can still communicate, eat and even party together with the loved ones who have died. That may explain why certain families spend more money on the dead than on the living, as Angulo points out:

“Some might find it excessive to entomb a loved one inside a two-story edifice covered in plants – roses, dahlias, daisies, and other decorative flowers are frequently arranged along the perimeter – but the celebration of overabundance is precisely the point. Mexico has a rich history of commemorating the dead by celebrating life, and it’s no exception here. Parties with live music that last for days are frequent occurrences on birthdays, novenas, and the Day of the Dead” (Angulo, 2011).

13.4.4.1. Being a Drug Lord as a Status Symbol

While investigating the impressively huge tombs and mausoleums of Mexican millionaires, I realized that being a drug lord is an important distinction practice and status symbol among the Mexican middle- and lower-class youths in several regions where drug lords are the de-facto authority and state. They command respect and as the state is largely corrupt, the drug lords are often seen as "the good guys" similar to Robin Hood or similar to the "gangster rappers" in some parts of the USA. They donate large sums of money to the church, help their families and friends to have and, in the eyes of many employed young men, create job opportunities, albeit risky ones. The governor of Sinaloa, Mario Lopez Valdez, explained in an interview: “Many young people want to emulate them as idols in some way ... and they want to be drug traffickers. And there are a lot of young girls who want to be the girlfriends of drug traffickers” (Stevenson, 2011).

Furthermore, the fascination for the drug-lord lifestyle seems to derive from the “going rogue” attitude, as they “can do everything they want”. They can express and live

every desire they have. Rules do not apply to them and they do not need to control any impulse or instinct. For many, this seems to be the truest expression of freedom. Interestingly, in the home states of the drug cartels, the “narcos” (the persons engaged in drug business) are called “los valientes” (the “brave ones”) by the locals who often admire them (Neuman and Ahmed, 2015).

Moreover, there seem to be many free riders who want to look like drug lords so that they get the same respect; therefore they try to emulate the dress, linguistic style and attitude of drug lords:

“‘Narco Polo’ is the new fashion trend sweeping lower-class neighborhoods in Mexico, inspired by seven high-ranking drug traffickers who were arrested over a three-month stretch wearing open-neck, short-sleeved jerseys with the familiar horseman-with-a-stick emblem” (Stevenson, 2011).

The Mexican psychologist Galicia Castillo concluded in an interview with NBC:

“it’s all about standing out, identifying oneself as a member of a certain sector of a crowded world (...) : ‘That’s why I wear it, so that everyone will look at me, will see that I can afford this. And I could be a narco, so don’t mess with me’”(Stevenson, 2011).

Another reason for the rise of narco-culture and drug lords as role models that fascinate so many young boys may be the hugely popular narco-telenovelas, which have become famous in Mexico in recent years.

13.4.5. The Role of Facebook and Other Social Media Sites in Mexican Society

Facebook is, through all classes of Mexican society, a catalyst of distinction practices, status battles, symbolic violence and dominance. It is the ultimate competition for the “best” or most “legitimate” lifestyle. It is the purest form of the “presentation of the self”. The “selfie-density” is very high as many Mexicans, even older professionals like university professors and CEOs, publish at least one photo of their own face per day. It is the place where all status symbols come together. A very wide range of status symbols are applied to win this battle for having the “best” life. Mexicans publish surprisingly large amount of their data and activities on facebook, aiming to convey the impression that their lives are desirable. Usually, they focus on the following most dominant status symbols in Mexican society:

13.4.5.1. Having a Great Relation with One's Family, Closeness and Harmony

This is a common distinction practice among all social classes and milieus, from the business elites to the rank-and-file workers, from the apex of society to the lower end of the social hierarchy.

13.4.5.2. Having a Great Relation with One's Partner

Like in many other catholic countries, there is a cult around finding the “right” partner, the love of one's life who will fulfill and satisfy all of one's wishes, desires and necessities. As this idea has deeply penetrated and soaked Mexican culture, it comes as no surprise that people often brag about having found “el amor de mi vida” (the “love of one's life”) and all the happiness and harmony associated with it. Posting photos in which one appears together with the partner is also a non-verbal way to communicate to all other facebook users that they should not try to flirt with one's partner, perhaps it has a somehow similar function as a wedding ring. Indeed, several conversational partners mentioned that when their boyfriends are not willing to publish photos of them being together on their facebook account, they will usually think that there is something wrong and that the boyfriends has another girlfriend and therefore does not want to upload photos of him together with his partner.

13.4.5.3. Having “lots of Fun” and Many Friends of High Social Status

Photos of any kind of social gathering (parties, fiestas, family reunions, dinners, graduations, travels, vacations, etc.) are constantly uploaded on facebook with every person appearing in the photos being neatly tagged, so that all the audience can see the names of the people in the photo. Even photos from the most common and insignificant social gatherings (e.g. “Today I drank a beer with two friends. It was great fun”) are often uploaded and published. There may be many motivations for this practice, presumably one motivation is to present oneself as a person with many friends and social relations in general, having a fun life.

13.4.6. Differences Between Mexican and German Business Elites' Preferred Status Symbols and Distinction Practices

There are two status symbols that are very popular among German top managers, but almost absent among Mexican top managers: doctoral titles and practicing extreme sports or at least high-performance sports:

About 50% of the CEOs of the 100 largest German enterprises have doctoral titles (Hartmann, 2002, 2007) and many of them do mountaineering (Henzler, 2011), marathon, skiing, flying sport airplanes, etc. Indeed, the photo on cover of the autobiography of Herbert Henzler, the former CEO of McKinsey Germany, does not show him in his office, but in full mountaineering gear, climbing up a high, snow-covered mountain. In this autobiography, he repeats several times that although he is a bit older now, he is not less ambitious concerning his mountaineering challenges. Many pages of his autobiography are dedicated to describing the climbing adventures he did together with Reinhold Messner (one of the most famous and successful mountain climbers). It seems to be important for him. Heinrich von Pierer, the former Siemens CEO, cares a lot about his athletic and sporty appearance. He mentions from time to time that he was the tennis youth champion in Bavaria and that he is still particularly good at it and that the real life is like tennis (Spiller and Weishaupt, 2006). Wolfgang Reitzle, the Linde AG CEO and former top manager at BMW often emphasizes that he is particularly good at skiing, much better than in golf (Spiller and Weishaupt, 2006). And of course, von Pierer and Reitzle have PhD titles. In contrast, Mexican top managers usually play golf and do not have PhD titles. Furthermore, having a "Prof." title that is stated in German passports and identity cards is less common in Mexico, possibly, because they are not mentioned in the passport, just like in most countries.

13.4.7. Ruptures, Contradictions and Changes of the Distinction System

The distinction practices a family uses may lead to an identity and ideological conflict when they start excluding a part of the family. As families (or more precisely: the number of persons who are considered family members) are usually very large in Mexico, including several hundred persons, it may happen that certain members of the family may descend socially, which makes them become a part of a lower social class from which the rest of the family is usually trying to distinguish itself sharply and with great efforts. Something similar happens when a part of the family ascends socially and changes its distinction practices, suddenly distinguishing itself from the social class to which the rest of the family belongs. For example, when a part of the family ascends socially and – as is typical for some upper-class milieus – starts distinguishing itself from the indigenous lower classes by accusing them of being “lazy, dirty and stupid”, this may cause an ideological problem when their own grandmother, the ‘founder’ of the family was of indigenous descent.

In the case of a business elite family studied by Lomnitz and Lizaur, in which some family members changed from the landed gentry to the new bourgeoisie, switching not only professions, but also lifestyles, ideologies and distinction practices, identity conflicts occurred within the family:

“eventually, these values conflict and then merge with bourgeois values, for example, in the self-made man who rises in the world by sheer effort and thrift. Ethnic prejudices of the old gentry are tempered by the acceptance of ‘good’ Indians who are clean, hard-working, and right-thinking like the family ancestor, Mamá Inés” (Lomnitz and Lizaur, 1987: 10).

In other words: when the family ascended into the bourgeoisie and took over the bourgeoisie’s distinction practices, which include looking down on indigenous people considered as being “lazy, stupid and dirty”, they were in conflict with the family tradition founded by the grandmother of indigenous origin and descent. Their solution for this identity conflict was to add a new side-story to the bourgeoisie’s distinction strategy, telling that – while most Indians are indeed “lazy, stupid and dirty” – there are also some exceptions, the “good Indians” who are “clean, hard-working and right-thinking” like their grandmother. In this way, they brought their own family history in line and in accordance with the distinction practices and self-image of the bourgeoisie and rec-

onciled the family with the new social milieu, by changing the story of the distinction practice and world view a little bit.

This distinction and identity conflict is usually covered, concealed and obscured by constructing myths which offer an 'explanation' and legitimization to explain why the own family members of low status are not like other persons of the same status. Furthermore, as through the centuries families may move up and down in the hierarchy, change professions and the social milieu to which they feel affiliated, e.g. changing from the landed gentry to the bourgeoisie, the family collects and mixes different distinction practices picked up/acquired through its history. As Lomnitz and Lizaur found out in their study on the development of a Mexican business elite family from 1820 to 1980: "The family ideology is a hodgepodge of original and borrowed elements. Some pertain to Mexican history as interpreted from a specific class position; others derive from the values of the landed gentry that was once the dominant class in Mexico. These values both clash and merge with the 'protestant ethic' of the new bourgeoisie: thrift versus conspicuous consumption, hard work versus gentlemanly leisure, and so on. Another area of ideological tension concerns ethnicity: the superiority attributed to white skin, blue eyes, and blond hair is confronted by the fact that the most revered female ancestor of family was an Indian" (Lomnitz and Lizaur, 1987: 6).

13.4.8. Effect of Rising Levels of Violence on the Distinction Practices of the Business Elite and Upper Class in General

The rising levels of violence have led to a more inconspicuous form of distinction among the upper class in Northern Mexico, which translates into the use of smaller cars. After the end one interview, the manager offered to drive me to the hotel in his relatively small SUV in Chihuahua and explained that since kidnappings ("secuestro") and other forms of crime and violence have increased sharply in Chihuahua, most top managers stopped driving extra-large SUVs and instead opted for more modest cars. They also stopped meeting in public spaces for leisure activities and social representation and instead meet at home or in hotels now. They try to avoid drawing attention to themselves in public, in order to reduce the risk of becoming a possible kidnapping or blackmailing target for the many violent criminal organizations that have increased in Chihuahua in the last years. Here, it can clearly be seen that, as Daloz put it:

“strategies of envy-avoidance are not just a phenomenon of the past. The necessity to maintain a low profile vis-à-vis social actors who have power over you has been an enduring reality. Indeed, quite often it is as if people put themselves under self-imposed sumptuary laws” (Daloz, 2013: 35).

Against this background, we can formulate the hypothesis that when upper-class members feel threatened by other groups (e.g. criminal organizations or strong social movements pushing hard for social equality), they are likely to adapt a more inconspicuous form of distinction in order to reduce the risk of becoming a target.

One may assume that the business elites have not to worry about kidnappings because of their bodyguards and gated communities, but as the drug cartels and mafias work in highly professionalized ways, they simply observe the business elites’ families and friends as long as necessary to find a weak moment in which they can attack and kidnap them. The interviewed manager told me that it was only the short moment when his wife arrived at a shopping mall and opened the door of the car in order to go the few meters to the door of the mall located in a supposedly “safe” part of an expensive city district. When she got out of the car in front of the shopping mall, she was assaulted by armed gunmen.

13.4.9. The Social Meaning of Mexican “Fiestas”

In order to understand Mexican culture, one has to understand traditional Mexican “fiestas”. There is hardly any other country on earth that has as many fiestas as Mexico. And to understand Mexican fiestas, one has to understand what seems to be the opposite: Mexico is one of the most unequal societies on earth. The Gini coefficient, which measures the economic inequality of the population of a country, gives some evidence. The higher it is, the more economically unequal is the population. In Mexico, this coefficient amounted to 54.6 in 2000 and 47.2 in 2010 (compared to 28.3 in Germany in 2008). According to the study by Hofstede, the power distance in Mexico is 81 (out of 100). In Hofstede’s terminology “Power distance is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Hofstede Centre, 2013).

The study by Hofstede was often criticized with good reasons and it definitely does not contribute to a profound understanding of Mexican culture, nonetheless, some findings can be useful and some of their characterizations of Mexico’s culture are similar to my own observations:

“Mexico is a hierarchical society. This means that people accept a hierarchical order in which everybody has a place and which needs no further justification. Hierarchy in an organization is seen as reflecting inherent inequalities, centralization is popular, subordinates expect to be told what to do and the ideal boss is a benevolent autocrat” (Hofstede Centre, 2013).

Social distinctions are sharp. The poor fear the rich because of the huge power distance and economic dependence. And the rich fear the poor because of possible assaults and uprisings, because of the illnesses the poor may have due to the lack of high-quality general health care systems and the supposedly “uncivilized behavior” caused by the lack of general high-quality education. Due to the strong influence of the Catholic Church, Mexican society is neither liberal, nor pluralistic or tolerant. Mexican society is soaked with strict social norms and rules. Mexico was a colony and today is a post-colonial society with pronounced social distinction practices, little tolerance and steep social downward gradient. Furthermore, the general trust in Mexican society is rather low. As Mexican poet and Nobel prize laureate Octavio Paz put it: “The colonial world has disappeared, but not the fear, the mistrust, the suspicion” (Paz, 1985: 43).

During the fiestas, these strict social norms and distinction practices are suspended for a short period of time, in which people are allowed to break out of the strict corset of social norms and distinction practices they have to wear every day and act the way they always wanted to act, but never dared to. The strict rules, norms and sharp social distinctions descend into chaos. According to Octavio Paz:

“In certain fiestas the very notion of order disappears. Chaos comes back and license rules. Anything is permitted: the customary hierarchies vanish, along with all social, sex, caste, and trade distinctions. Men disguise themselves as women, gentlemen as slaves, the poor as the rich. The army, the clergy, and the law are ridiculed. Obligatory sacrilege, ritual profanation is committed. Love becomes promiscuity. Sometimes, the fiesta turns into a Black Mass. Regulations, habits and customs are violated. Respectable people put away the dignified expressions and conservative clothes that isolate them, dress up in gaudy colors, hide behind a mask, and escape from themselves. Therefore, the fiesta is not only an excess, a ritual squandering of the goods painfully accumulated during the rest of the year; it is also a revolt, a sudden immersion in the formless, in pure being. By means of the fiesta, society frees itself from the norms it has established. It ridicules its gods, its principles, and its laws: it denies its own self. The fiesta is a revolution in the most literal sense of the word. In the confusion that it

generates, society is dissolved, is drowned, insofar as it is an organism ruled according to certain laws and principles.” (Paz, 1985: 51).⁶

The fiestas show that most Mexicans actually suffer from the sharp social distinctions and the mistrust that makes them feel lonely. The fiesta gives them a break, a time-out. It is the moment when they can relax and regenerate from the rigid social structure, which drains their energy and well-being. Paz further comments: “Society communes with itself, during the fiesta. Its members return to original chaos and freedom.

Social structures break down and new relationships, unexpected rules, capricious hierarchies are created. In the general disorder, everybody forgets himself and enters into otherwise forbidden situations and places. The bounds between audience and actors, officials and servants, are erased. Everybody takes part in the fiesta, everybody is caught up in its whirlwind. Whatever its mood, its character, its meaning, the fiesta is participation, and this trait distinguishes it from all other ceremonies and social phenomena” (Paz, 1985: 52).⁷

According to some interviewees, many Mexicans need alcohol and fiestas in order to stop following social norms and fulfilling other’s expectations and to finally start being themselves. When they are drunk at a fiesta, they let all the emotions out, which they usually repress in order to avoid conflicts: the anger, the sadness, the deceptions, the feeling of being hurt and disappointed by someone. They cry and scream, fight and quarrel, hug their friends and say “Eres como mi hermano” (You are like my brother). Suddenly, rich and poor start talking to each other, and sometimes even hug each other. Rich and

⁶ Original text :“En ciertas fiestas desaparece la noción misma de Orden. El caos regresa y reina la licencia. Todo se permite : desaparecen las jerarquías habituales, las distinciones sociales, los sexos, las clases, los gremios. Los hombres se disfrazan de mujeres, los señores de esclavos, los pobres de ricos. Se ridiculiza al ejército, al clero, a la magistratura. Gobiernan los niños o los locos. Se cometen profanaciones rituales, sacrilegios obligatorios. El amor se vuelve promiscuo. A veces la Fiesta se convierte en Misa Negra. Se violan reglamentos, hábitos, costumbres. El individuo respetable arroja su máscara de carne y la ropa oscura que lo aísla y, vestido de colorines, se esconde en una careta, que lo libera de sí mismo. Así pues, la Fiesta no es solamente un exceso, un desperdicio ritual de los bienes penosamente acumulados durante todo el año; también es una revuelta, una súbita inmersión en lo informe, en la vida pura. A través de la Fiesta la sociedad se libera de las normas que se ha impuesto. Se burla de sus dioses, de sus principios y de sus leyes : se niega a sí misma. La Fiesta es una Revuelta, en el sentido literal de la palabra. En la confusión que engendra, la sociedad se disuelve, se ahoga, en tanto que organismo regido conforme a ciertas reglas y principios. ” (Paz et al., 1999: 19-20).

⁷ Original text:“La sociedad comulga consigo misma en la Fiesta. Todos sus miembros vuelven a la confusión y libertad originales. La estructura social se deshace y se crean nuevas formas de relación, reglas inesperadas, jerarquías caprichosas. En el desorden general, cada quien se abandona y atraviesa por situaciones y lugares que habitualmente le estaban vedados. Las fronteras entre espectadores y actores, entre oficiantes y asistentes, se borran. Todos forman parte de la Fiesta, todos se disuelven en su torbellino. ” (Paz et al., 1999: 20).

poor start dancing and laughing together. The sharp and strict social hierarchies start dancing and end in chaos. It is the moment when they forget about social distinctions and norms. One interviewee told me that the fiesta is the night when the rich upper-class girl has sex with the poor taxi driver and the powerful top manager sleeps with a lower-class woman. It is the moment when people cross or jump over the borders that separate them and which they themselves have created so meticulously during the rest of the year by practicing social distinction.

13.4.10. Correlation between Political Viewpoints of the Business Elites and the Markets their Enterprises Serve

There seems to be a correlation between the political viewpoints of the business elites and the markets their enterprises serve:

The business elites whose enterprises serve classical upper-class luxury markets (luxury watches, jewelry, etc.) have conservative viewpoints – defending the privileges of their clients.

The business elites whose enterprises serve middle-class markets (e.g. pens and pencils for students) have social democratic viewpoints strengthening and enlarging the middle class – and thus their market and clients.

The business elites whose enterprises serve the lower classes (e.g. tortillas and other most basic commodities) have paternalistic viewpoints. They lobby for state programs guaranteeing the lower classes food and some other basic necessities. They have extensive clientelistic networks, making sure everybody gets his/her share of food, but expecting absolute loyalty.

In summary: they all defend the markets they serve.

These different political viewpoints of business elites that correlate with their clients, seem to translate into voting behavior, too: The business elites whose enterprises serve the upper class have a tendency towards voting for the conservative PAN party, those whose enterprises serve the middle classes vote for the social-democratic PRD party (especially in Mexico City) and the business elites who serve the lower classes vote for the paternalistic PRI party. Again, all defend their markets and clients. And because Mexico has a strong upper class and a large lower class, most business elites either vote for PAN or PRI.

Moreover, the business elites adopt to a certain extent the habitus of the clients they serve. The idea behind it seems to be: “You need to know the people you sell your

products to”. And it helps to be a bit similar in order generate sympathy and mutual understanding. It would be impossible, for example, to have a social-democratic attitude when selling luxury watches or cars to upper-class people. One needs to be a bit like them in order to evoke trust and sympathy. The more they think they understand you and the more they think you are similar to them, the more they are likely to trust you and be loyal customers. In order to be liked by them, you need to be like them.

The talks about Mexico being a middle-class country are not convincing when the empirical reality is taken into account. It is wishful thinking. According to *The Economist*, those who claim that Mexico is a middle-class society have bent the numbers and statistics until they fit their ideology (*Economist*, 2013).

13.4.11. The Meaning of Death in Mexico

Relatively poor Mexicans from lower classes have told me “*Todos somos iguales, porque todos vamos a morir*” (“We are all equal, because we are all going to die”).

According to them, in the moment of death, all social distinctions and hierarchies disappear, because all dead bodies become earth. No matter whether the dead person was rich or poor, they share the same destiny.

In most countries on earth, including the highly industrialized ones, rich people die later than poor people, because of several reasons like access to high-quality health care services, lower stress levels, more security and education, to name but a few. I got the impression that death is generally interpreted as the silent and secret victory of the poor, because when everybody is dead, they are all equal again.

13.4.12. International Status Confusion: when Mexicans Travel to Northern Europe

My impression from the fieldwork is that Mexicans are usually very status-conscious in terms of their own social status and the status of other people (like in most highly unequal societies). But when they travel to Northern Europe, they report having fundamental problems identifying the social status of the people they meet there, because social status symbols are not as visible in Northern Europe as they are in Mexico. Social status is expressed in less obvious ways (e.g. linguistic styles and educational titles instead of cars and clothes). This is why Mexicans often have problems recognizing the status symbols in Northern Europe. There is “confusion with regard to symbolic hierarchies – what some analysts see as characteristic of ‘postmodernity’” (Daloz, 2013: 37).

13.4.13. Differences between the Current Generation of Young Mexicans (15 to 25 years old) and Their Grandparents

The distinction practices used by most young persons from the middle and lower classes as well as parts of the upper classes are rather materialistic and ostentatious (owning three or more SUVs is quiet common among those who can afford it), following the “bigger is better” pattern (bigger car, house, smartphone, property, bigger meals, bigger breasts, bigger muscles, etc.). However, the grandparents of the currently young generation often reject this value orientation and lifestyle. The grandparents who are about 80 years old today were born during or shortly after the Mexican revolution and were socialized during the aftermath of the revolution when the revolutionaries built a revolutionary state and became politicians. This generation of grandparents has strong work ethics and the role of women is different, e.g. it was common that women worked as soldiers and were growing corn and beans on the Milpas and Ejidos (small farms in the communal land in the countryside) and they started working again already a few weeks after giving birth to their children. They tied their babies to their backs with a piece of cloth (something similar to a blanket) and continued working on the fields seeding and harvesting corn and beans – working from sunrise to sunset. This generation does not complain, it has a “fighter attitude” and values reliability, solidarity, straight talk, equality, modesty and focusing on “the essential things” (community, food, shelter, etc.) instead of getting distracted by smartphones and other modern gadgets. They are very proud of their own country for which they have fought and risked their lives. And they distrust the USA. They want a culture in which Mexicans want to be Mexicans instead of trying to be like US-Americans or Europeans. They are surprisingly brave when they criticize the Mexican and US-American governments openly and directly. They detest falling into the material temptation and showing off. They do not like seeing how their children and grandchildren undergo plastic surgery, show off their cars and smartphones and try to appear “upper class” on their facebook pages and accounts. The grandparents do not want to be part of a sophisticated upper class. They want to be simple Mexican citizens in an equal society. While the grandparents grew up in rural areas, working on farms, their grandchildren now usually grow up in urban areas and work in service-related industries. While the grandparents have a strong foundation of values, their grandchildren are getting lost among all the new opportunities and information of the digital world. They are losing themselves and their identity trying to receive as much

social recognition from as many people as possible. It is similar to what Daloz has observed:

“[In] countries that have suddenly benefited from economic growth after centuries of poverty, what is often witnessed is a general eagerness to over-consume conspicuously, accompanied by the simoniac hope that distinction can be acquired simply by paying for it. But there are also situations where elders remain unwilling to engage in any form of ostentation and are indeed shocked by the materialistic behaviour of some of their youth” (Daloz, 2013: 27).

Summary of the research results:

The preferred distinction strategies and practices of Mexican business elites are:

1. They often want to appear as “European” or as “US-American” as possible (the business elites of Lebanese origin being an exception). The white business elites often see themselves as Europeans who have nothing to do with the mestizo and indigenous population. When asked about what they think about social inequality and poverty in Mexico, most interviewed business elites usually answered "that they have nothing to do with that". They do not consider it to be their problem, arguing that “the only way to reduce social inequality and poverty is to create jobs, not to redistribute wealth". They usually continued arguing that they are against the redistribution of wealth because they are convinced that the middle and lower classes would spend the money immediately anyway and would therefore stay poor. Their central line of reasoning and thought is that the reason why the poor are poor is that they have "the wrong attitude". The business elites believe that they are fundamentally different from the mestizo middle class and the, mostly indigenous, lower class.
2. Several interviewees mentioned that most members of the elite want their children to study in Europe or in the USA and are proud when they talk about their relatives living in Europe or in the USA, or about their own stay or vacations in Europe. While the USA used to be the preferred destiny, this has changed in the last years due to increased racism, which does not spare (and does not stop at) the Mexican business elites. Although many of them have permanent residence permits or even the US nationality, they do not want to live there anymore. They do not want their children to grow up there either due to the rejection and increasing racism they experienced, as they have made clear during the interviews. Therefore, they have reoriented towards Spain, France, Germany and the Scandinavian countries,

as well as the relatively save parts of Mexico, primarily: Puebla, Mexico City and Guadalajara. While Monterrey used to be a business elite center, most elites have fled from the city due to massive uncontrolled violence.

3. Most interviewees agreed that elites in general do almost everything to put their children into important positions. But their children often participate in the so-called “Junior” activities of extreme parties, excess and playing with luxury instead of studying and working. Many top managers complained about their own children but nonetheless give them the most important positions within their enterprises. And they continue paying for everything their children want to have. There is no culture of constraint. They want their children to have “a good life” and therefore pay them large amounts of money. Even if the children have not finished their licenciatura degree (similar to a Bachelor’s degree) by the age of 30, their business elite fathers will still put them into an extremely important position within their enterprises. As one rather successful top manager put it: “My children had the opportunities to become everything, and they have become nothing.” He had paid his children all the university courses they wanted to study in the USA and Europe and they have not finished any of them.
4. Driving huge SUVs like the Hummer H2 is still a rather important status symbol and distinction practice, due to several reasons explained in the previous section. However, in extremely violent regions where kidnappings have become more common, many business elites have switched cars and now drive more modest vehicles, which do not signal wealth so strongly and draw less attention.
5. Living in large gated communities in order to increase privacy and security and have a physical barrier between them and the rest of society. Often, gated communities are created in this way: the neighborhood decides to close the street, to build fences and walls and to employ a provide security company to guard the entrance. By setting up gated communities, they privatize public spaces owned by the state without paying for it, which is an illegal land grab.
6. According to some interviewees, the white members of the business elite believe that they have the ‘right attitude’, while arguing that mestizos and indigenous people lack work ethics and do not know how to lead an enterprise. In their worldview and self-image “being part of the elite is first and foremost an attitude. The accumulated wealth and power is only the logical consequence of this attitude.

The 'right attitude' is the cause and the beginning, the success is the result and the end."

7. Some business elites, above all those who are influenced by Evangelical religions which are widespread in the north of Mexico, believe that they are the chosen ones ("I'm a son of god"), feel sacredly superior and are very aggressive when they talk about Catholics, atheists and indigenous people.
8. Educational titles are less important. Most consider a "Licenciatura" degree (the Mexican equivalent of a Bachelor's degree) to be perfectly adequate. In contrast, ca. 50% of the CEOs of the largest German enterprises (DAX listed Unternehmen) have doctoral degrees and most of the other half usually have a "Diplom" or a "Magister" degree (the old German equivalents of a Master's degree). German elites feel that they are lacking and missing something without these titles, while Mexican elites often tend to consider acquiring them to be a "waste of time" as they value practical experience more than formal education. Interestingly, in Mexican Spanish, the meaning of the word "educación" is closer to "good manners" than to "education", which is usually called and referred to by saying "nivel de estudios" ("level of studies"). When somebody says "Él es muy educado" ("He is very educated") this usually refers to his good manners and impeccable self-presentation. This may indicate the enormous importance of appearances in Mexican culture, in contrast to the lesser importance of "invisible" content, such as education, which cannot be seen intermediately. It does not contribute to a more shiny appearance and is therefore of secondary importance, as some interviewees stated.

13.5. Conclusion

13.5.1. Family, Individualism and Non-Cooperation

Highly skilled colleagues, applicants or possible business partners who are not members of the own family are usually excluded from any kind of trustful and close cooperation. There is no fully developed "culture of cooperation", as one interviewed Mexican top manager who had previously worked in Northern Europe, described it. They are often not willing to cooperate and to make middle-ground agreements that are acceptable for everyone. One interviewee had worked in the Netherlands for a large Northern European multinational enterprise for several years, and is now the director of one of the largest

multinational enterprises active in Mexico. He described his observation concerning this cultural difference extensively during the interview:

“the solution [for Mexico’s problems] is collaboration and cooperation. We Mexicans don’t know how to collaborate and cooperate with each other. We are very selfish, we see our own benefit and do not care about others. If the cooperation’s spirit began to flourish in Mexico, the country would change radically. We are a very rich country, but we don’t know how to make something out of it, how to use it. I want to spend the rest of my life figuring out how to make Mexicans work together as a team so that they start collaborating and cooperating with each other. I will write a book about it: learning how to collaborate. [Today] Mexicans only cooperate and truly work together with the persons they want. In a Nordic country no! It’s different! [There] you collaborate because you have to! Period! It is your job and your responsibility. If here [in Mexico] you do not like somebody, you simply do not collaborate with that person. You collaborate with your brothers, your cousins, and friends.

Interviewer: The family [in Mexican culture] is the most important [social and economic] organization.

Top manager: It is the most important [way society and groups are organized]. I’m giving a workshop called “super collaboration” where I’m driving and strengthening the collaborative gene. We have a collaborative gene and a competitive gene. You can lessen the competitive and encourage the collaborative gene, if you develop a loving relationship with your partners. Otherwise, no: I mean, than you are not going to sacrifice yourself for the other, you’re not going to care if you see that somebody is run over [by a car]. That’s not the spirit of collaboration. The spirit of collaboration is an altruistic, generous spirit, helping others without the others asking for it. When you have a team working in this way, then you have a high-performance team. [He actually used the English word “high-performance team”). And that’s what I’m working on: how to develop high-performance teams in Mexico with Mexicans.

Interviewer: So, does that mean that in any group it is most important to generate this feeling of “we’ll work together in order to achieve our goal together. It is the only possible way, we will work together so that we will all together achieve our aim”?

Top manager: Exactly, there is no other way to collaborating. The football team is the best example. The players’ relationship is very intimate, it is important to be friends, so that it does not hurt the other players, when somebody else scores the goal and I gave him the pass so that he could score the goal. It should not matter at all who scores the goal. What’s important is that the team wins. All the work that the team does

in order to make it possible for one player to score the goal is just as important as the goal. Forgoing, quitting and renouncing personal glory so that the team can reach its goal, that's the crucial characteristic of collaboration." (Informant 1).

The interviewee went on to explain that Mexican society does not exist if it is imagined as one common social group. Mexican society can rather be imagined as many different family clans, some of which have extensive clientelistic networks they use and employ in their battles for power and other resources in all social fields [economy, politics, science, art, educational system journalism, etc.), using the terminology of Bourdieu. Several interviewees mentioned that betraying, defrauding and deceiving another group (any group that is not one's own family) is usually not considered morally reprehensible, but a "smart" move. Morals do only apply within one's group, the own in-group. It is not accepted to deceive and cheat on one's own family, but business partners from outside the family may be betrayed, if it helps the own family. Sometimes, these power struggles do not only make cooperation and teamwork (outside the family) impossible, but they may also block and jam whole enterprises and sometimes the entire country.

Although Mexico experienced a profound social revolution with strong egalitarian values, it is still a highly unequal society with families and social classes being most occupied with practicing distinction and building social walls between each other. It is as if the revolution never happened. Most interviewees concluded that Mexico remains one of the most unequal societies on the planet and most Mexicans, above all middle- and upper-class members do not consider their compatriots as truly equal. Instead, they mistrust each other, as several studies have shown (Wike, 2008). As Paz put it:

"The Revolution has not succeeded in changing our country into a community, or even in offering any hope of doing so. By community, I mean a world in which men recognize themselves in each other, and in which the "principle of authority" - that is, force, whatever its origin and justification - concedes its place to a responsible form of liberty" (Paz, 1985: 175).

14. Intercultural Conflicts and Misunderstandings between Foreign Top Managers and Mexican Top Managers and Workers

In order to understand why foreign top managers experience problems when leading a subsidiary in Mexico, why they experience conflicts with their Mexican colleagues and why Mexican top executives act the way they do, one needs to study the cultural context in which they act and the cultural difference between the actors. There are seven crucial 'predetermined breaking points' which are caused by cultural differences and lead to different priorities at work. Here are the findings from the fieldwork and a comparison and discussion with the findings of other studies:

1. Constantly reaffirming friendship versus a functional approach towards social relations at work
2. Structured work methods versus unstructured work methods
3. Functionality versus beauty: the importance put on sensory perception and aesthetic sensibility in Mexican culture as opposed to the "analytical" approach of German top managers
4. Putting top priority on the present versus putting top priority on the future
5. Hierarchies as a means versus hierarchies as an end
6. Conflict management: willingness to compromise as a sign of strength or as a sign of weakness

7. Demanding better results without providing the necessary means (e.g. investments)

14.1. The Importance of Constantly Confirming and Reaffirming Friendship in Mexican Work Culture

Foreign top managers (above all, from Germany) are often considered to be “frío” (which means “cold” and refers to a person one cannot get in touch with emotionally which makes it practically impossible for Mexicans to build up a trustful relation), although this may not be the intention of the expatriates. One interviewed top executive summarized the way social interaction functions in Mexican culture in general and in business-related contexts in particular, with the words: “in Mexico everything is personal. If you do not like somebody, you do not work together with that person. Before doing business together or cooperating in any other way, we want to know each other fairly well first” (Informant 1, 1:43).

Other interviewees made similar statements (Informants 3, 5, 6). In Mexico, interpersonal work relations are often highly emotional. This stands in sharp contrast with Northern European work cultures in which people tend to separate the professional from the emotional and private life (Hofstede et al., 2010; Lewis, 2005; Palazzo, 2002). They work together and cooperate because it makes sense from an economic point of view. Whether they personally like each other is a different question. They may not smile at each other, but they work together as a team. In Mexico, when somebody arrives at the office and does not smile and greet everybody, his colleagues will most likely start thinking about and interpreting why he is not smiling and why he did not greet everybody. They may assume “Maybe he does not like me anymore”, or “Why is he against me? What have I done wrong? Why is he angry? What is he planning to do?”. A Mexican top manager who worked in Northern Europe for several years compared the social relations at work in the two cultures: “[In Northern Europe] you take nothing personal, everything is much more objective. Here [in Mexico] everything is personal! If he [the boss] smiled at me, if he did not smile at me. If I was greeted or why he has not greeted me? If he did not greet me, what is he going to bring up against me? Why is

he against me? We are more emotional” (Informant 1, 0:54).¹

During an interview with “Academy of Management”, Lee Crawford, managing director of General Motors’ Delphi Division in Mexico, mentioned something similar:

“when I first came here [to Mexico] and was walking through a plant – one of my first visits with Armando Puentes, newly named Director of Mexico East Operations – I’d be walking along and people wouldn’t say anything to me. I would say ‘hello’ and people wouldn’t respond. These were 16, 17, and 18 year old kids. So, I said to Armando, ‘Why won’t they talk to me?’ He said, ‘Jefe, you gotta smile.’” (Gowan et al., 1996: 76).

One may conclude that in Mexican culture non-verbal communication and symbols play a much bigger role in interpersonal work relations than it is the case in Northern European countries or in the USA. It is a “high-context culture” (Chua and Gudykunst, 1987; Gudykunst, 1983; Hall, 1976). It is not so much about what you say, but how you say it. If you say something without smiling, people may interpret it as an aggressive attack. If the tone of your voice is not relaxed, Mexicans may conclude that you are angry at them, if you praise somebody or something without enthusiasm in your voice (a high-pitched note needs to be audible in the voice in order to show that it is meant seriously), then Mexicans will usually think that you are not meaning it. They may assume that you are not seriously feeling what you say. It only takes a very subliminal signal or symbol to make Mexicans think that the social relation is damaged and that there is a conflict. According to most interviewees, Mexicans feel the need to reaffirm friendships and the harmony of social relations much more often than people in Northern European cultures usually do.

One reason why Mexicans feel the need to reaffirm friendship more often than Northern European is probably caused by a further characteristic of Mexican culture: conflicts and annoyance are usually not addressed and mentioned openly, so when Mexicans are annoyed or when there is a problem, they simply keep quiet. Therefore, when somebody else is quiet, they usually assume that the person is annoyed or that there is a lingering subliminal conflict.

At the bottom of this phenomenon there may be a certain unsureness and fear of conflicts and disharmony.

In order to understand this central aspect of Mexican culture, one has to take into account the effects of the enormous power distance (Hofstede Centre, 2013) which was created during more than 300 years of violent colonial rule and repression and the follow-

¹“[En el norte de Europa] No te tomas nada personal, todo es mucho más objetivo, acá todo es personal! Si me sonrió, si no me sonrió, Si me saludó o no me saludó? Si no me saludó, pues que trae contra me? Somos más emocionales.” (Informant 1).

ing dictatorship (Russell, 2010). In general, one reason why Mexicans have a tendency towards not saying it openly and directly, when they disagree with somebody or when something is bothering them, is that they often fear serious and violent punishments, insults and other undesirable reactions (Diaz-Guerrero, 2014; Mirowsky and Ross, 1984; Ross et al., 1983). This habit is present during work interaction, too: even when employees are asked for their honest opinion by their superior, they usually do not say openly what they think because they fear they may lose their job and, in extreme cases, even be killed for doing so. As plurality, liberalism, freedom of opinion and peaceful conflict-resolution methods have not been fully developed in Mexican society yet, most employees cannot believe that their superior really wants to know their honest opinion. During colonial rule, standing up and disagreeing was extremely dangerous for one's health and during the violent dictatorships that came after colonial rule (Porfiriato and later the PRI dictatorship), the situation was not much better. Even today, the situation has not improved significantly, at least concerning the power distance, violence and repression. Indeed, the old party that ruled during the dictatorship (the PRI Party) has recently won the presidential elections again, using doubtful methods (Camp, 2013). Therefore, Mexicans often communicate their disagreement in a hidden, camouflage way and they organize resistance silently when they feel that their honor and dignity is at stake. This only changes when anger builds up and emotions heat up too much which may cause them to explode and conflicts turn severe. But usually, they do not risk open disagreements and conflicts because they may be fatal. This habit is present during work interactions, too. Both expatriate top managers have stated that sometimes they are in despair when they ask their employees what the problem is and the employees simply do not tell them openly what they think, because they are afraid that their honest opinion may infuriate their superiors.

Openly expressing disagreement in a calm way requires confidence and trust because it means that the person who expresses his or her dissent believes that the boss will not punish or repress him or her for saying what he or she really thinks. Based on these explanations of Mexican culture, we may develop one practical recommendation for foreign top managers whose task it is to manage a Mexican subsidiary: in order to make Mexican employees cooperate with you, you first need to win their hearts and affection. You need to find out what it is that is bothering them, because they will most probably not say it themselves, because they fear that you will not understand and that you will punish them for saying it. Therefore, you first need to take the time that it is necessary to win their confidence and trust and then, in a second step,

carefully ask what it is that bothers them. Often they simply do not feel valued and appreciated enough and would like to be invited to more social gatherings. Or they are afraid that their superiors do not like them because the top managers never smile and do not ask them how they are and how they feel. According to one Mexican top manager: “if you are not willing to invest the necessary time and effort to explore the emotions and needs of your Mexican colleagues and employees, you will never be able to form a high-performance team with them” (Informant 1, 2:32). Mexicans do not make much of a difference between private and professional life. They usually only trust and cooperate with friends. Cooperating and working together with somebody they barely know, seems rather awkward to them. And you cannot change this deep structure of Mexican culture: one Mexican top manager who had previously worked in the Netherlands for a large northern European MNE mentioned: “The Latin-American leadership style is more informal, less punctual, more fun, there is a much closer personal relation. In Mexico, you can develop friendships with your subordinated that will last for your entire life, or not, depending on whether there is special communication. Having worked together with Americans, Dutch men and with Spaniards, I have learned that there [in the USA and Europe] everything is much more distanced, the relation, it is a work relation, and you don’t talk about your personal life. And they do not get into it. Here, it is different. Here, when a new child is born in your family, your grandchild [“nieta”], then everybody will get to know it, everyone! [And they will say] “Let’s see! Congratulations!”. It’s like, you get more into the personal lives of everybody. On your birthday, everybody will put balloons everywhere.” (Informant 1, 2:14).²

This Mexican approach and interpretation of a work relation, the way they build up trust and confidence (which is the basis for building a successful high-performance team) is the opposite of the German habit of separating professional and private life. This is very apparent in the old German saying “Dienst ist Dienst und Schnaps ist Schnaps” (“Duty is duty and booze is booze”) which means that you should not mix business with pleasure, because professional life and private life are two different pairs of shoes. They should have nothing to do with each other, and they should not be mixed. You may disagree strongly with one of your colleagues on a professional level, while maintaining an

²“el estilo del liderazgo del latino, es más informal, menos puntual, más divertido, hay una relacion personal mucho más estrecha. tu puedes desarrollar en Mexico amistades con tus subordinados, que pueden durar toda tu vida. oh no. dependiendo de que si hay alguna comunicación especial. y me doy cuenta por haber trabajado con americanos y holandeses y con españoles que allá es mucho más distante la relación, es una relación de trabajo, y no hablas de tu vida personal. y no se enteran. Aquí no. Aquí nació tu nieta y todos se enteran de que nació tu nieta, y todo el mundo ‘A ver! Felicidades!’ como que te involucras más. el día del cumpleaños te ponen globos.” (Informant 1).

excellent friendship relation on a personal and private level. Or you may work together with a colleague very well, practicing excellent communication and teamwork, but you do not have any relation in private life: no common activities, no friendship and no social gatherings. When it comes to work relations, Germans often follow the rule “Don’t let emotions get into the way!”, while for Mexicans, when there are no emotions, there is no social relation. Not showing emotions is similar to not speaking and not listening in Mexican culture. It does not work for a trustful social relation. Now, when German expatriates go to Mexico they will have to adapt to the Mexican way of maintaining work relations, if they want to be successful, although it may seem awkward, time-consuming and less efficient to the Germans. When arriving in Mexico, a substantial number of Germans have problems adapting to the Mexican way, which then causes conflicts and misunderstandings. Several Mexican employees of German subsidiaries have complained that there is a lack of empathy. They reported that they feel that their German superiors do not see them as humans. They see their Mexican employees more as a tool within the production process.

14.2. Structured Work Methods Versus Unstructured Work Methods

A further conflict between Mexican and foreign managers is caused by the clash of structured and unstructured work methods. While German and US American top managers usually apply structured work methods, Mexican managers and their subordinates prefer unstructured work methods. Although they work for the subsidiaries of foreign multinational enterprises, several Mexican top managers mentioned during the interview, that they have a rather unstructured work approach and as they are the “altos directivos” (the top executives) they can decide how to do the work. Furthermore, they stated that, as most of their subordinated employees work in a rather unstructured way, too, they could not even rigorously work in a rigid and structured way, because it would not be compatible with the people who work around and for them. They apply a work method and approach that puts the current situation and the present moment in the middle of their attention, and then they decide on the basis of the empirical reality, what they are going to do next, how they are going to structure their work day and what they are going to work on. There are surprisingly often no serious long-term plans, no really strict deadlines that cannot be changed, no strict office hours and special times for doing certain tasks. Most Mexicans do not even use agendas. It is a flexible, polychronic

and intuitive work approach. Plans are more frequently changed than is the norm in Northern European work cultures. One Mexican top manager who was interrupted by two employees during the interview, mentioned:

“You think that these two girls who just entered the room [and interrupted the interview] had an appointment with me? No! They just came in because they wanted to talk about an organizational business issue with me and they needed me to sign some documents. That’s how we work in Mexico. I don’t work in a structured way. I just look at the day and I ask myself ‘What do we have to do now?’ I just work into the day. And sometimes, I get interrupted and then I do something else. There is not so much structure. (Informant 1, 0:11).³

Although most Mexican top managers have studied abroad where they surely learned structured work methods, they do not complain about the unstructured work approach. They actually seem to like it because it is more exciting as every moment something new may happen and they may suddenly start working on something that is more interesting. It is similar to the “realismo magico” (“magical realism”) literature that originated in Latin America and in which the storyline is constantly interrupted. A new line of action is started after a few pages because, in this way, the whole book becomes more exciting for most Latin American readers and the author can avoid that the readers will be bored by the plot. The Germans and other foreign top managers have serious problems with this work method, but as soon as they understand how Mexicans work, they find ways to work around it. While some adapt more to the Mexican work methods, other foreign top managers prefer to make their Mexican employees work in a rather structured and rigid way, instead of changing their own work method. However, this second option seems to be less successful, as they mentioned during the interviews. This is where different cultures and work methods clash seriously. Therefore, the more successful expatriate managers apply a few tricks: they set a fiesta the day after the deadline, so that the Mexican employees will meet the deadline, because they want to enjoy the fiesta, or they set fictitious deadlines: one German top managers mentioned that, as Mexicans often do not comply with deadlines, he tells them that the deadline is one month before the real deadline. So he indicates a fictitious deadline which gives the employees some pressure, and when they finish the task three weeks after the deadline they were told, it is not a problem because the real deadline has not arrived yet: “During the first years, I really had to fight, because I never really understood them [his Mexican employees].

³“Piensas que estás dos chicas que acaban de entrar tenían cita conmigo? No. Ellas simplemente entran. Así se trabaja en México. Yo no trabajo de manera estructurado. Yo voy más al día. No hay tanta estructura.” (Informant 1, 11:30-12:00)

Later, I understood that for them it [working culture] is a mixture of fiesta and working together. It is not as strict as when Germans say “This has to be like this now!” You always have to give a little bit of buffer, yes, that has to be, and it is important that you involve everybody. I always say: When I say that we have to finish the project on 26 September, sharp, then that project will never be ready and done on 26 September, although I said it 3 months ago. It will never be finished on 26 September. Well, therefore I know that when I want that something to be done in November, then I have to say “It has to be done on 26 September.’ But, when I come here on the 22 September and I say “Tomorrow we will make a great fiesta for 600 people, we don’t have much money, but we have to make and organize that fiesta” then I don’t have to say or do anything else anymore and in 48 hours we have the best fiesta in the world! Yes, well, that’s the mentality! Mexicans are really good at organizing and improvising when they really want it. When you understand that, that work should be fun, or at least contain a certain part that is fun, then everything works out fine. That should be part of the company’s culture. It should not only be in the official guidelines, you have to do it. Everybody who works for the enterprise makes the culture of the enterprise. Well, yes, I would say Mexico has potential and big chances. I would again, then with a bit more experience, recommend to invest and work in Mexico, build something up in Mexico.” (Informant 3, 2:54).⁴

To give one last example of the Mexican work approach and group dynamics, one interviewed top manager states: “Starting with the plans I make, I’m very disorganized. Well, I go to my people [his employees] and I tell them what I have in my head. I give them my ideas. I go after them and follow them. I’m really the worst case, in this aspect

⁴“Ich habe sehr die ersten Jahre gekämpft, weil ich sie [die mexikanischen Mitarbeiter] nie richtig verstanden habe. Ich hab danach verstanden, dass ne Mischung aus Feiern nicht wie Deutsche so strikt ‘Jetzt muss das sein’, sondern sich immer noch ein bisschen Puffer geben, ja, dass das dabei sein muss, dass sie die Leute relativ schnell mit involvieren können. Ich sag immer: Wenn ich sage, ‘wir müssen das am 26 September abgeben’, wird das nie am 26. September fertig sein, obwohl ich das 3 Monate im Voraus gesagt habe, das wird nie am 26 September fertig sein. Also, [deshalb] weiß ich, wenn ich es im November haben möchte, dann muss ich sagen: Es muss am 26. September fertig sein.

Aber wenn ich am 22. hierher komme und sage ‘Wir machen morgen hier eine Fiesta für 600 Leute, haben aber nicht viel Geld, aber wir müssen die Fiesta machen’, da brauch ich nichts zu sagen, innerhalb von 48 Stunden haben wir die beste Party der Welt! Ja, gut, [das ist] Mentalität! [Die Mexikaner können sehr gut etwas organisieren, wenn sie es wirklich wollen]. Wenn man das versteht, dass man immer wieder versuchen muss zu überzeugen, dass Arbeit Spaß sein soll, oder zumindest einen gewissen Anteil Spaß soll bei der Arbeit sein. Und dazu gehört auch die Unternehmenskultur, und die wird nicht durch Richtlinien gemacht, sondern die macht jeder, der für das Unternehmen arbeitet. Also, ja, ich glaube, Mexiko hat große Chancen, ich würde wieder, mit ein bisschen Erfahrung dann, ich würde jetzt noch empfehlen in Mexiko zu investieren und in Mexiko aufzubauen. “ (Informant 3).

I'm really disorganized, but, of course I achieve a lot of things because when I set a goal I go after it. Well, but, I tell you in Mexico you put together working groups and they kill each other or they love each other, and when two groups hate each other, then, uff [he sighs, emulates a sound of despair], the company does not matter anymore! They just fight. You have to enter there [into that conflict between the two groups] and make an intervention, coaching, create a new group dynamic, so that they overcome their aggressions and come to terms and you are ok. When I worked in Holland, I noticed that it was different: You like your colleague or you don't, I don't know, you neither like or dislike each other, he is just somebody you know from work and period, that's it." (Informant 1, 0:32).⁵

14.3. Functionality Versus Beauty: the Importance of Sensory Perception and Aesthetic Sensibility in Mexican Culture as Opposed to the “Analytical” Approach of German Top Managers

A source of irritations, antipathy and conflict between Mexican top managers and employees on the one side and foreign top managers and employees on the other side is the different priority they put on aesthetics and sensory perception. While US Americans and Germans primarily focus on functionality, Mexicans highly appreciate beauty and put more attention on their aesthetic perception.

Martinez and Dorfman already described the meaning of beauty and aesthetic perception in Mexican culture which can be observed in many parts of Mexican life, including business life: “Related to the previous two characteristics is the pronounced emotional sensitivity and aesthetic nature that characterizes Mexicans (Kras, 1994). Thus, manifestations of the Mexican aesthetic can be observed in their baroque luxuriance of verbal

⁵T: Desde los planes que hacemos, yo soy muy desorganizado, entonces yo a mi gente los estoy persiguiendo con las cosas que yo traigo aquí en la cabeza, pero no voy siempre un plan. Yo soy el caso peor de todo. En este sentido soy muy desorganizado, pero claro que logro muchas cosas, porque cuando me fijo una meta, voy por ella. Y es de, pero te digo que se arman grupos de trabajo que, o se matan o se aman, y cuando dos grupos se odian, uf, la empresa no importa, tienes que entrar allí con intervención de coaches, hacer dinamica de grupos hay para que limen asperesas, de otra manera no se ponen de acuerdo, y trabajando en Holanda yo me di cuenta que es era, te cae bien o te cae mal, no sé, ni me cae ni bien ni mal, osea es un conocido del trabajo y punto.

expression, an elaborate ritual in ceremonial festivities, and creative and innovative solutions to organizational processes. The Mexican manager resents being criticized for his behavior or having his work criticized, especially in public. Such criticism would be viewed as a sign of a lack of respect and could be regarded as a loss of face. Sometimes this concern for appearance and reputation leads to a reluctance to admit that problems exist. Kras adds, however, that once confidence and trust are established between superiors and subordinates, sensitivity to criticism diminishes.” (Martinez and Dorfman, 1998: 102).

Problems are often ignored because they are not beautiful. During the fieldwork, I sometimes had the impression that some Mexicans have developed an impressive ability to focus on the beautiful things and to ignore the problems which they consider "feo", which literally means "ugly“. They often try to forget and hide the problems. While focusing on the beautiful things is certainly good for the current mood and emotional well-being, it avoids a rigorous analysis of the problems, which would be necessary to solve them. One Mexican top manager who had worked together with expatriates from many different countries, explained it in more detail during the interview:

“It’s sensory perception, not analytical perception that matters to us. That is how we perceive the world; that is the issue, everything that satisfies our taste, our senses. We are sensitive to the senses; so are we, the Latinos. Other cultures focus on the analytical, and they neglect the sensory experience. They do not pay much attention to their senses. But you cannot detach things, we are human beings and we should pay attention to feelings and our senses. The sensory experience in Mexico is crucial, we want to feel good and enjoy with pleasure when we do business, therefore when we start to do business, the negotiations always begin at a restaurant, trust is established, and when we trust and feel well, we can start doing business and making contracts. During these talks in the restaurant we talk about our family, sports, travel, experience, luxury, feelings. They [the business partners] become friends and then you can do business.” (Informant 11, 1:01).

These “delights to the senses” are much more valued by Mexican business elites than by Germans. One interviewee mentioned that it is common, that Mexican top managers bring beautiful women to the business dinners to please and delight the senses of their business partners and one interviewed Mexican top manager even mentioned that it is rather common to go to a table-dance club with one’s business partners before signing the contracts (Informant 4). They do everything that may “delight the senses” and give pleasure, before they sign a contract. Obviously, this stands in sharp contrast with

German business culture which follows the rule of “Erst die Arbeit, dann das Vergnügen” (“First the work, then the pleasure”) which emphasizes that you first have to get the work done, and then you can enjoy the pleasures. So, when Germans refuse to join their Mexican colleagues enjoying extensive dinners and visiting table-dance bars, the Mexicans may find it difficult to build up trust with the Germans. Summarizing the difference in a nutshell, we may say: while Mexicans drink alcohol before signing the contract, Germans are used to open the bottle of champagne after the contract is signed.

14.4. Putting Top Priority on the Present Versus Putting the Top Priority on the Future

A further characteristic of Mexican culture which is closely linked to the previous one is that Mexicans highly appreciate comfort and “taking one’s time”. It is considered rude to end a meeting because “time is up” (although not everything has been discussed yet), or to finish a conversation abruptly with the words “I gotta go” as one intends to arrive on time to the next appointment. In Mexican culture, it is appreciated when you take your time for your conversational partner until he stops talking. This may lead to conversations becoming much longer and extensive than it was previously planned, but this is not considered a serious problem because arriving late at the next meeting, which may be scheduled immediately afterward, is considered to be much more acceptable than in German culture. Mexicans focus more on the present and, therefore, put top priority on pleasing the current conversational partner (accepting and hazarding the consequence that they may arrive late at the next meeting). Germans focus more on the future and, therefore prefer, to end a conversation abruptly (although this may disappoint the current conversational partner and leave questions unanswered) in order to arrive on time to the next meeting, because they want to show their commitment, respect and reliability to their next conversational partner.

14.5. Hierarchies as a Means Versus Hierarchies as an End

Exaggerating mildly for the sake of a clear argument, one may say that in Northern Europe the prevailing view on hierarchies is that hierarchies are a tool to ensure the efficient operation and functioning of an organization (e.g. an enterprise or a state

agency). One may further argue that while hierarchies do not fit nicely into a democratic and egalitarian society, they are necessary evils to make organizations work efficiently. Hierarchies are created, e.g. by appointing leaders for a limited period of time, but when it is not necessary anymore, the hierarchies may be reduced or abolished altogether. Additionally, hierarchies and hierarchical positions are less frequently present, confirmed and expressed in Northern European culture.

Similar to Max Weber's ideal type of the "legal-rational authority" ("legale Herrschaft") (Weber, 1980), all members of an organization (even the most powerful ones, e.g. the president or CEO) are expected to subdue and submit themselves to the aims and rules of the organization – like soldiers in an army. They are only allowed to act in the interest of the organization and in accordance with all the rules. The moment an elite stops acting in accordance to the rules of the organization, he loses legitimacy and will most likely be removed and replaced immediately. So, in the ideal case, the power which the elites have, is purely functional: they received it in order to be able to do their job, but they cannot use it for any other purpose. In a way, it is a strongly limited power, a power strictly limited by rules, which can only be used to enforce the existing rules. In other words: in German culture, an organization is supposed to work as a "well-oiled machine" (Hofstede, 2001: 375): it should work in the most efficient way possible, smoothly and quietly. The aesthetic dimension of the organization is negligible, what matters is efficiency. Summarizing the concept of the organizational form which is based on the principles of the legal-rational authority, one may say that: all members serve a higher authority and purpose, the aims of the organization, and were selected and appointed because they were the best suited applicants with the best skills and qualifications. They have to act in an impersonal way because they are responsible for the impartial execution of assigned tasks. In the ideal case, it should make no difference which individual carries out and executes the task. In a way, the bureaucratic "legal-rational authority" is the opposite of the personal and charismatic authority as an organizational principle, because the legal-rational organizational form aims to make the organization work and function in a way that is strictly determined by rules and not by individuals and their personal preferences.

Several scholars argue that in Mexico the opposite seems to be true: the hierarchy is not a means but an end. The point of the hierarchy is to climb up to a high position and to stay there as long as possible, enjoying the benefits and power over others. It has little to do with efficiency. There needs to be some efficiency to maintain the hierarchy and to ensure the continuing existence of privileges, because resources are limited, but

the hierarchy is the purpose and not the tool. It can be observed on a daily basis how people enjoy their position in the hierarchy by constantly presenting themselves and their symbols of superiority that come with their position and signal their power to others. One's own status, titles and position are presented in daily rituals and during communication. Not addressing someone with his title, e.g. "licenciado", which is similar to a Bachelor's degree, is often considered offensive and a lack of respect. According to Lomnitz and Lizaur (1987), this makes clear how in certain milieus of Mexico's society, the persons who are at least a bit higher on the social hierarchy than the lowest strata, care about maintaining their position and signaling their group affiliation as well as distinction practices. There is a strong habit and idea of "the hierarchies are sacred and have to be maintained". Presenting one's status and making it appear as high as possible (instead of being modest and practicing understatement) is considered a sign of a healthy self-esteem and self-assurance. Especially in family enterprises, maintaining the hierarchical order is often much more important to the owners and managers, than efficiency and the generation of profits, as Lomnitz and Lizaur point out: "The meaningful element in business for these industrialists [Mexican family business elites] is status and personal power; capital is not valued in itself, but rather as a means of gaining status. Gómez entrepreneurs [a Mexican elite business family] resist forming conglomerates or 'going public' because these decisions imply forfeiting individual power over their businesses. A corporate executive can no longer provide jobs for his nephews and nieces; he cannot withdraw capital for real estate deals or for a daughter's wedding. None of this makes business sense in a world that is being overrun by multinational corporations. As a result of acting according to this cultural logic [as opposed to the logic of an economic system which focuses on efficiency and competitiveness], some old-style Mexican industrialists go under and are bought out by the multinational corporations they had wanted to remain separate from." (Lomnitz and Lizaur, 1987: 14).

14.6. Comparing Conflict - Management and Conflict - Resolution Strategies

In order to understand how conflicts are generated, waged and solved in the subsidiaries of foreign MNEs in Mexico led by Mexican top managers, one has to understand the Mexican way of dealing with conflicts, as it widely differs from Northern European approaches. As already mentioned above, Mexicans usually avoid open conflicts in their social relations (including, of course, work relations). Conflicts are not addressed and

talked about openly as long as it is possible to bear and ignore them. People bottle up their anger until they cannot hold it anymore. It is uncommon to solve conflicts in a rational, calm and impersonal way, trying to make a middle-ground agreement that is acceptable for all stakeholders. Everything is taken personally in Mexico and there is no social-democratic culture similar to the ones found in most Northern European countries. The idea that willingness to compromise and to make a middle-ground agreement is a sign of strength and intelligence which is so wide-spread in German business and political culture as can be recognized in the saying “Der Klügere gibt nach” (“The wiser head gives in”), is almost completely absent in Mexican culture. Instead, the different groups try to dominate one another and there is little interpersonal and intergroup trust. According to the Mexican poet and Nobel prize laureate Octavio Paz, aggressiveness is appreciated as a masculine virtue, while the willingness to compromise is often interpreted as a sign of cowardice and weakness. This becomes rather obvious when the meaning of the Mexican word “chingón” is examined: today it is used by Mexicans to express that they believe that something is rather “cool and impressive”. And when it is used to describe a person, it means that the person is a “great winner”. But the original meaning is “violator” and “rapist”:

“The chingón is the macho, the male, he rips open the chingada [the raped person], the female, who is pure passivity, defenseless against the exterior world. The relationship between them is violent and it is determined by the cynical power of the first and the impotence of the second. The idea of violence rules darkly over all meanings of the word, and the dialectic of the “closed” and the “open” thus fulfills itself with an almost ferocious precision.” (Paz, 1985: 77).

Instead of trust, empathy, opening up, mutual understanding and the shared community feeling of “we are in this together”, the struggle for power and control and the fear of being exploited, used and harmed is what structures conflict culture in Mexico. There are two possible roles: being the “chingón” (the violator, the rapist) or the “chingada” (the violated and raped). And during conflicts, they fear ending up as the chingada and, therefore, try to be the chingón because they suspect the other to do the same. In a social relation, there are only two possible roles: being omnipotent or being impotent. More egalitarian and democratic models for social relations in which the power is more equally distributed have not yet fully developed in Mexican culture. Due to the extreme power distance and colonial rule heritage, aggressions and conflicts are often repressed and fought in a subliminal way. There is more mistrust and, therefore, people do not open up and talk openly about what they feel and what has bothered and hurt them.

Instead, they close themselves in order to avoid being exploited and ending up as the “chingada”. Indeed, in Mexican Spanish there is no real translation for the English word “to discuss” or the German word “diskutieren”, because the Spanish word “discutir” actually means “fighting, quarreling” in Mexican culture, rather than “having a calm, rational and analytical discussion”. As the director of one of Mexico’s largest business associations put it:

“There is a saying in Mexico: ‘the probability that miracles exist is higher than the probability that Mexicans start agreeing with each other and start working together for the country’. Perhaps this saying helps to understand why there is no consensus and no political agreement which may lead to the development of the country. Mexico lacks a culture of reconciliation between the conflicting and warring parties” (Informant 5, 1:50).

The interviewee went on to explain that conflicts in Mexican culture are either repressed and ignored, or they explode and turn violent. In other words: there are mainly two states in which a social relation can be in: complete harmony (“we are friends”, conflicts will not be mentioned in order to maintain the harmony, and, therefore, conflicts cannot be solved) or complete war (“we are enemies”, emotions that were repressed for a long time suddenly break out and there is no rational control, no trust and no limit anymore). There is no state of “we may not like each other, but we work together because we both understand that it is better for both of us and for the organization we work for”.

It sometimes causes significant discontent among European and US American top managers when Mexican colleagues tell them “Yes, yes, I will do that. Ok. Consider it done, I promise” and then, later, it becomes obvious that they have not done what they promised. Then they will promise again that they will do it and invent some excuse why they have not done it yet. But the truth is that they will try to avoid doing it again, because that is their way of fighting a conflict the European and US American top managers are not even aware of. Saying that they agree and that they will do what is asked of them, and then not doing it, is a typical Mexican way of resisting what they perceive as foreign rule. This practice (or way of resistance) has a long tradition which can be traced back to colonial rule, during which the Mexican government characterized its relation with the Spanish rule with the words “obedecemos pero no cumplimos” (“We obey, but we do not comply”) which means “we say yes to what you say, but we do not do what you want”).

These cultural conflicts often occur when top managers from the US American headquarters visit the Mexican subsidiaries of their enterprise. While the Mexican top managers

seem to cooperate and agree with the US American superior top managers, behind the scenes they are doing everything possible to sabotage the US American projects, as one Mexican top manager explained during the interview:

“Answering your question concerning the differences between the leadership styles [and what is particular about the Mexican leadership styles], you have to take into account the Mexican ways of believing and thinking. You will notice that in Mexico we have many different forms and modes, many unwritten codes of how we communicate, and when a foreigner comes he does not understand anything at all, because with a simple smile, with a saying, or with one word we are already saying it all. We hate the foreigners, effectively there is xenophobia because of our history of all the foreign interventions [they have come and conquered our country so many times], and when a US American director [from the headquarters of the MNE in the USA] comes here [to the Mexican subsidiary of the US American MNE] then we are all against the American! But in a very polite way! [He actually uses the English word “polite” in order to show how he talks to the US American director, after using the Spanish word “amable”]. And then he [the US American director] says “Listen, will you do this?”, and then I answer “Yes, yes, yes, we will do it”, but we don’t do it. It is very complicated [to understand why Mexicans act in this way]. We are a complicated people. In this aspect [of being complicated], only the Brazilians can compete with us and win. The Brazilians are worse than the Mexicans. You never know whether what he is saying is the truth or whether he intends to make you understand something different. There is double meaning [the famous “doble sentido”] in everything. There are many word plays and albur [an “albur” is a Mexican way of insulting somebody and making fun of that person without that person noticing it].” (Informant 1, 1:21).⁶

⁶“Contestando tu pregunta, cuales eran las diferencias de liderazgo, pues si tomamos en cuenta toda esta forma de creer y pensar, del mexicano, tu te vas a dar cuenta de que en México tenemos muchos, muchas formas, muchos modismos, codigos no escritos, de como nos comunicamos, y cuando llega un extranjero, entonces no entiende nada. porque con una simple sonrisa, o un dicho, o una palabra ya estamos diciendo todo. Odiamos a los extranjeros, efectivamente hay una xenophobia con x, hacia lo extranjero por nuestra historia de intervenciones ultimas, y cuando una empresa americana, cuando viene un director americano aqui, todos en contra del americano! pero muy polite.muy amable. entonces nos va a decir ‘Oye, vas a hacer esto’ entonces contestas ‘Sí, sí, si, lo voy a hacer’ y no lo haces. Es muy dificil. Somos un pueblo complicado. En este sentido solo nos ganan los brasile~nos. Son peores. Es brasile~no es peor que el mexicano en ese sentido de complicado, dificil, que no sabes si lo que está diciendo es la verdad o intentando a entender otra cosa, hay doble sentido en todo, hay muchos juegos de palabras, en el idioma, los albur [an “albur” is a way of insulting somebody and making fun of a person without that person noticing it.]” (Informant 1).

14.7. Demanding Better Results without Providing the Necessary Investments

Several subsidiaries' managers (Informants 3,5,14 and 15) were slightly unsatisfied with their jobs because of the pressure put on them by the headquarters' managers. In particular they complained that while the headquarters is constantly demanding better results of the subsidiaries – “continuous improvement” (Informant 15) and “you are only as good as your last balance sheet” (Informant 3) were the words most often quoted by the interviewees to describe what their superiors from the headquarters demanded of them – the headquarters does not provide the means, e.g. the necessary investments, to achieve the demanded continuous improvements. Furthermore, they complained about the headquarters giving instructions to increase productivity and to decrease costs, but without taking into account that this measure would lead to outrage among several stakeholders at the subsidiaries. It is similar to Roth and Nigh's findings that “on a day-to-day basis, the subsidiary manager must balance the sometimes conflicting demands of local customers, employees, and government officials, as well as those of headquarters managers who are intent on seeing the subsidiary plays its appropriate role in the MNC's strategy and operations.” (Roth and Nigh, 1992: 278).

What the younger subsidiaries' managers (the “generation Y”) most complained about is that the headquarters does not respond to their requests and improvement proposals. Even very urgent requests are often not fulfilled. In one case, there was an urgent need to install new machinery but the headquarters was not willing to do the investment, despite the repeated requests of the subsidiary's managers. Due to the lack of adequate machines, heavy auto parts had to be lifted and moved manually, which required at least five workers per piece, who all had to stop doing the task they were doing the moment before. It was reported to be highly inefficient and a source of risk for accidents (Informant 15). Furthermore, they felt very constrained and limited by the headquarters when they intended to respond to local circumstances. As the subsidiaries' managers do only see the needs of the subsidiary, without knowing the overall situation of the MNE and the needs of other subsidiaries in other host countries, it is difficult for them to understand and comprehend the headquarters' decision. Here, “the contested allocation of limited resources to multiple MNC subunits and strategic dilemmas resulting from the innate contradiction between local responsiveness and global integration” (Blazewski and Becker-Ritterspach, 2011: 139) causes conflicts and discontent. As Doz and Prahalad predicted: “[n]eeds for responsiveness typically enter the MNC via subsidiary

managers, whereas needs for integration are usually more acutely perceived by headquarters executives” (Doz and Prahalad, 1984: 56; quoted in accordance with Blazejewski and Becker-Ritterspach, 2011: 148).

15. The Power Relation between the Subsidiaries' Managers and the Headquarters' Managers

Although studying the power relations is crucial for a better understanding of the dynamics between subsidiaries and headquarters, this field is still underresearched:

“On the one hand, power development in a subsidiary hinges on individual manager behavior, and on the other hand national cultural identity impacts manager behavior. Despite this, our understanding of how national culture influences power relations and political interactions during ongoing operations within the MNC remains weak.” (Williams, 2011: 284).

About half of the 100 largest enterprises active in Mexico are the subsidiaries of foreign MNEs (CNN Expansión, 2011). The managers who lead these subsidiaries are often Mexican nationals who enjoy absolute elite status in Mexican society and are, therefore, treated by Mexicans in an extraordinary way which emphasizes their superiority. They are usually members of exclusive elite clubs, have direct access to political elites (indeed, often it is the political elite that seeks to establish friendship ties with the business elite, and not vice versa) and experience preferential treatment almost everywhere they go [e.g. in restaurants, public events, etc.]. The enormous recognition, respect and admiration they receive in daily life in Mexico flatters their vanity. But while the subsidiaries of the foreign MNEs they lead, are among the largest and most prestigious enterprises active in Mexico, they are subordinated to the headquarters of the parent company which is located far away in the home country of the MNE. In some cases, this leads to wounded vanity and the wish to increase one's independence and power vis-à-vis the headquarters, by strategically using one's resources. A further factor is that while the managers at the headquarters feel primarily loyal to the headquarters, the subsidiaries' managers tend to feel primarily loyal to the subsidiaries and, in some cases, to the community in which they live and would like to maintain their good reputation and

that of their family, as the citation below makes clear. While the formal power relation is rather clear – the headquarters’ managers are superior to the subsidiaries’ managers – the real power relation is much more complex. It can be better understood as “an interdependence between the subsidiary and its parent” (Roth and Nigh, 1992). There is “mutual vulnerability” (Ghoshal and Nohria, 1989): the failure of one harms the success of the other and vice versa (Luo, 2002; Prahalad and Doz, 1999). Usually, the relation between them is similar to that of players in a team: they either win together or they lose together. The headquarters’ top managers need somebody to run the subsidiaries and it is often only the subsidiaries’ managers who have the skills, knowledge and experience to run the subsidiaries smoothly and efficiently in the host country. Therefore, laying them off can be risky as it may lead to severe business disasters in the subsidiary. The knowledge and experience the subsidiaries’ managers possess, is their base of power – and they are usually very well aware of that. In the words of Blazejewski and Becker-Ritterspach:

“subsidiaries (as agents) might make use of their local market knowledge and resources to pursue idiosyncratic interests which are not necessarily in line with the headquarters’ global strategy. Cultural and geographical distance increases information asymmetries so that in an MNC context it is even more difficult for the principal (headquarters) to observe and assess the agent’s intentions and actual behavior, creating space for opportunistic maneuvers.” (Blazejewski and Becker-Ritterspach, 2011: 154).

As the CEO of the subsidiary of a Canadian mining MNE explained during an interview:

“We could make more profits, but I like it better this way: we provide training and benefits for our employees and their families and they like me. They like us [the top executives of the subsidiary]. It makes me feel good. It creates a good atmosphere. I get invited and walk through the streets and people are so grateful. We spend time together with the workers in the mines, for example on Christmas. And the headquarters in Canada, they are happy as long as the numbers are good. They don’t understand what’s going on here anyways, and they know that, so they just don’t interfere, they just let us do. First, when they set up the subsidiaries they employed purely Canadian and American managers. They sent many expatriates, but they didn’t know how you behave in Mexico and how you work and how you organize everything here in Chihuahua and therefore the subsidiary never really worked well and it finally ended in a mess [he used the word “desmadre”, which is difficult to translate]. Then the headquarters called me, I was working for a Mexican enterprise at that time, and they said to me “Repair it!” [Arréglalo!]. I answered “Ok, but I want to do it my way”. And they said “yes”. So I

called my best friends in the business and asked them if they could help me, and now they sit here [he points with his hand to the other top executives who are in the room. [The interview was conducted at the end of an executive meeting when most of the top executives were still in the room and some of them even contributed some comments and their points of view]. And then we repaired the operation and now it is running fine and Canada [he refers to the headquarters of the MNE) is content and they let us do whatever we want because they know that they have already messed it up once. We are a group of friends here and we do what we want” (Informant 13, 1:20).

In the case of this subsidiary, all top executives are personal friends who have known each other for a very long time: most of them grew up in the same area, were socialized in similar social milieus and have studied at the same or similar universities. They form a cult-like, sworn clan community with high levels of cohesion, commitment and trust. This gives them considerable power vis-à-vis the headquarters as they act like one actor, one man. They coordinate their actions precisely and only give the information they want to the headquarters thus managing exactly the impression the headquarters has of the subsidiary. Here, one thing becomes clear: unity is strength. The more united the managers of the subsidiary are, the more they can enforce and assert their will against the will of the headquarters.

Dunning and Lundan have already pointed out: “that the success of knowledge transfer within the firm depends on the willingness and motivation of both the transferor and the transferee, which are strongly influenced by the incentives that are part of the Oi of a firm.” (Dunning and Lundan, 2008: 257). In the subsidiaries led by informants 13, 5 and 1, it became clear that subsidiaries’ top managers were not willing to provide the information that really matters because that would have decreased their discretion and power. They were pursuing different aims and, therefore, protected their power bases, that is, their exclusive knowledge.

The case of the Canadian mining MNE provides further evidence that “knowledge-intensive affiliates may gain considerable bargaining power vis-à-vis their parent, and use this power to engage in rent-seeking activities.” (Dunning and Lundan, 2008: 258). Only the local Mexican managers knew how to manage the drug lords. Furthermore, the findings support Mudambi’s and Peterson’s (Mudambi and Pedersen, 2007) theory that subsidiary managers may “develop their own power bases locally or through their idiosyncratic business network and put them to use in bargaining conflicts with headquarters.” (Blazejewski and Becker-Ritterspach, 2011: 156).

15.1. The Increasing Autonomy of the Subsidiaries, Loyalty and the ‘Thirst for Increasing One’s Power’

According to Dunning and Lundan “[t]he increasing autonomy of MNE affiliates has been documented in a number of studies” (Dunning and Lundan, 2008: 254). This was confirmed during the fieldwork: several of the studied subsidiaries were surprisingly autonomous and the subsidiaries’ managers were aiming to further increase the autonomy of the subsidiary they led. Of course, there may be good organizational and economic reasons for increasing the power and autonomy of the subsidiaries’ managers (Dunning and Lundan, 2008: 255), as Roth and Nigh, among many others, have shown:

“The foreign subsidiary operates, by definition, in a different country environment than the parent company. Considerable differences often exist between the host country environment and the home country environment. Furthermore, the subsidiary will be staffed, at least to some degree, with nationals of the host country. The combined differences in these two contexts, the external country environments and the internal organization cultures, increase task uncertainty/performance from the headquarters’ perspective. Given this uncertainty, it becomes more efficient to “bring points of decision to points of action” (Galbraith, 1973, p. 12), which is accomplished through increasing the discretion exercised by the foreign subsidiary.” (Roth and Nigh, 1992: 282-283).

But during the fieldwork, it became apparent that the subsidiaries’ managers use this argument in almost any situation in order to increase their power – no matter whether there are real economic or organizational reasons for doing so. The findings support Schmid’s and Daniel’s view:

“a subsidiary manager might be interested in increasing and emphasizing a subsidiary’s power within the MNC, as his own power is directly linked to the subsidiary’s power. This personal motivation might bias his perception of the subsidiary’s role. As an example, a subsidiary manager might be inclined to overestimate the subsidiary’s capabilities in specific areas. Bouquet and Birkinshaw outline that controlling valuable resources (including specific capabilities or leading to specific capabilities) is one possibility for low-power actors in MNCs to increase their influence within the MNC (Bouquet and Birkinshaw 2008: 479).” (Schmid and Daniel, 2011: 256).

15.2. Power Struggles and Politics between the Different Power Groups within the Subsidiaries

In the subsidiaries included in this study it was usually not the case that all managers subordinated their personal aims to the company's aims, quite the opposite: the empirical findings support much more Morgan and Kristensen's view that the "MNC as a totality may be seen as a highly complex configuration of ongoing micro-political power conflicts at different levels in which strategizing social actors/groups inside and outside the firm interact with each other and create temporary balances of power that shape how formal organizational relationships and processes actually work in practice" (Morgan and Kristensen, 2006: 1473; quoted according to Blazejewski and Becker-Ritterspach, 2011: 161).

In one subsidiary, which had a very heterogeneous management team in which widespread mistrust, interpersonal conflicts and power struggles were commonplace, the power politics of the different top managers and their followers consumed a large part of their working time. It was surprising how many different methods were applied by different top managers to secure and increase their own power bases against those colleagues they mistrusted. Williams, who referred to Mintzberg's findings, described this power-base building methods quite accurately:

"games played to build a power base include sponsorship (an individual attaching to someone else with a higher status or power base with the intention of gaining more power), alliance building (carefully constructed contracts intending to support within peer groups for mutual benefit), empire building (building a power base by relying on subordinates), budgeting (gaining resources in an overt manner and pitting line manager against line manager), expertise (using knowledge in a specialist and non-replaceable way or alternatively refusing to use knowledge) and lording (using "legitimate power in illegitimate ways" such as a technical expert over someone who is not skilled in the specific area)." (Williams, 2011: 286).

After the interviews were over and the recorders were switched off, one top manager started explaining extensively how the power struggles and politics in the subsidiaries really work:

According to this top manager, the vice-president of the Mexican subsidiary of a US American mining MNE, a large part of his work consists in doing "la politica", that is managing the different power groups within the enterprise. As Mexican culture (including the business culture) is soaked with nepotism, employees are usually connected to

at least one power group and clientilistic network. Each of these networks and power groups usually include managers, rank-and-file workers as well as their families and friends. This finding is consistent with Gowan et al. findings:

“In conversations with U.S. managers in the maquiladoras, we frequently have been told that Mexican nationals give their loyalty to their individual managers, not to the company” (Gowan et al., 1996: 76).

This is not surprising as Mexican culture is highly personalized and it is an deeply ingrained survival strategy to stick to one strong and powerful “chingón” (‘big-man’), who may provide jobs, security and other benefits. This leads to a situation in which, if a manager makes adjustments, lays off or changes the position or task of someone, he may enrage the power group of the employee he just laid off. The power group will look for revenge and therefore sabotage the work and projects of the manager when it has the opportunity to do so. Therefore, the manager has to make management decisions in a way that does not enrage the other power groups. He will have to make deals and give and offer something to the power groups and networks in order to buy their consent. Or, he at least has to present his decisions in a way that makes the affected power groups think that the decisions are in their interest.

It is possible – for a short period of time – to make decisions against the will and resistance of other power groups once, but afterwards the power groups will stop cooperating and seek revenge which will make work difficult and reduce efficiency. Therefore, it may often be better (and more efficient in the long run) to make less-than-perfect decisions which are acceptable for every power group in the enterprise and ensures ongoing and continuing cooperation and peace, than to make perfect decisions (from a purely “rational” and “academic” management point of view), which will cause conflict, non-cooperation, sabotage and eventually war within the enterprise.

According to this manager the preferred management method in a Mexican enterprise or Mexican subsidiary of a foreign MNE is:

1. Analyze what has to be done and which decisions and changes have to be made.
2. Try to sense and figure out which power groups and clientilistic networks are in favor and which are against these changes and decisions.
3. Try to find out what can be done to make the opposing power groups agree to the changes.
4. Make concessions, buy the consent of the opposing power groups, and if necessary, only implement the most important changes and leave the more controversial de-

cisions for a later point in time, in order to maintain peace and cooperation in the enterprise.

In summary: make changes slowly and try to circumvent resistance instead of breaking it head-on. Mexicans usually do not make a big difference between work and private life and will, therefore, take things personally.

16. The Impact of Foreign MNEs and Foreign Top Managers on Mexican Workers, Their Communities and Culture

16.1. Mexican Attitudes Towards Foreign Cultures: Adapting to Some, Rejecting Others

In order to understand the impact of foreign MNEs on Mexican culture and society, one has to study both sides, as the impact does not only depend on the MNEs which bring new cultural practices to Mexico and impact Mexican society, but also on the reaction of Mexicans to the foreign MNEs and the culture they bring with them. While Mexicans are eager to adapt to some foreign cultures and gratefully embrace them, they reject others. This, obviously, impacts the influence these foreign cultures have on Mexican society. The final impact is the result of the social interaction between foreign MNEs, their foreign top managers and the practices they bring with them, on the one side, and the reaction of Mexican workers, managers, communities and state officials on the other side.

Certain attitudes towards foreigners from different countries have developed throughout most milieus and segments of Mexican society, facilitating or complicating the interaction: due to wide-spread resentments on both sides, US American MNEs are at a disadvantage when setting up operations in Mexico. While they may still succeed, they have to be more careful and tactful than MNEs from other countries, as they are more closely observed by Mexicans, who are often distrustful and suspicious of “gringos”, due to the severe discrimination and humiliation Mexicans experience when they are in the USA. Furthermore, certain habits which are very common and perfectly acceptable in

US American culture, are considered extremely offensive in Mexican culture (Sargent and Matthews, 1998). One Mexican manager who has worked as an adviser for several foreign MNEs which set up subsidiaries in Mexico gave an example during the interview: “A very clear example concerning the Americans: when you need a document and they have it, then the US American manager does this [visual gestures of throwing a document onto the table of the Mexican colleague, which is considered rude by the interviewee]. Americans tend to throw things on your table, instead of giving them to you, directly in your hand, and that is frowned upon in Mexican culture. If you do that with a Mexican manager, or when he observes this practices, it will bother him, although he will remain silent. While in the United States this practice is normal and acceptable, Mexicans are going to be offended. Throwing things is taken as something personal, something against them.” (Informant 11, 1:42).

Martinez and Dorfman already observed that Mexicans attribute more meaning to certain small movement and gestures:

“Courtesy and signs of respect are highly valued. An effective manager in Mexico is expected to show respect for individuals at all levels of the hierarchy. Ritual greetings are part of a well-developed formal code of behavior. Abrasive behavior is generally not tolerated and can lead to the rejection of a manager by the entire work force (DeForest, 1991; Kras, 1994; Stepbens and Greer, 1995)” (Martinez and Dorfman, 1998: 102).

Another culture that is at a disadvantage in Mexico, is the Korean culture. Due to incidents in which the Korean supervisors beat Mexican workers, anti-Korean sentiments have developed (Chávez, 2012; Proceso, 2012). Several surveillance videos in which a Korean supervisor can be seen beating a Mexican worker, were published in Mexican television, causing a national outcry. Although violence is – unfortunately – a common problem in Mexican enterprises, too, (it is usually overlooked, ignored and surely not published on television) when a Korean supervisor beats a Mexican worker, then it is considered an attack on the national pride. Therefore, among Mexicans there is a certain suspicion concerning Korean MNEs. The interviewed manager commented on that issue: “I don’t like the Korean management style: they have the habit of beating the workers when they do something incorrectly. We cannot accept that. I think nowhere in the world you would accept that. They should respect us, we cannot tolerate that.” (Informant 11, 1:44).

Concerning the Japanese culture, there is generally great acceptance among Mexicans, except that there is one practice that is considered deeply humiliating among Mexicans, but seems to be common in Japanese work culture:

“When a supervisor sees that a worker does not do his work in the most efficient and correct way, then he calls the whole team and explains it in front of the team so that everybody will learn how to do it 100% correctly, because the supervisor assumes that the one worker he observed is not the only one doing the mistake. But in Mexico you should never do that. It is extremely humiliating for the worker. You have to take him aside and explain it to him without the others listening. Or you call the whole team and explain it in front of the team, but without mentioning that you saw that one worker made the mistake” (Informant 11, 1:48).

Apart from these cases, it became very clear during the fieldwork that Mexicans are usually very adaptive to foreign cultures. They often admire and try to emulate them. One Mexican top manager who has worked for several foreign MNEs which have set up operations in Mexico, summarized his experiences and observations concerning this phenomenon:

“Mexicans always aspire to be something. Mexicans often emulate things and practices they see, like the attitudes of successful foreigners. He [the Mexican] tries to adapt to and to take over the identity of the successful foreigner. You can see how several of the workers who work in foreign companies here in Mexico, lose their Mexican identity and try to be similar to the successful foreigners they meet in the foreign company. I have seen it, I see my friends who, a few years ago, were 100% Mexican, and then they started assimilating various elements of the foreign culture. We want to be better, therefore we try to emulate what we see and admire. While the Europeans don’t want to be Mexicans, Mexicans try to be Europeans. I think this characteristic [of Mexican culture and attitudes] has something to do with our past, with the conquest of Mexico and the Spanish rule. The Spaniards made us think that being Mexican is something inferior, something you have to be ashamed of. Something that is not good. In contrast, the Europeans have this conqueror mentality because in their histories they were conquerors. The Mexicans are different because they were conquered. One example: When Mexicans do not understand what you say, they say “mánde” or “mándame” [which literally means: “Command me!” or “give me orders!”, because saying “what?”, like people do it commonly in other cultures, is considered disrespectful and gross in Mexican culture. In a way, our history has made us malinchistas [‘malinchista’ is a Mexican term that describe the wide-spread habit of Mexicans to appreciate cultures and products that come from Europe or the USA more than their own culture and the products produced by Mexican enterprises]. We value more what is not Mexican. We want to be like the foreigner to elevate our self-worth. We want to be like the conqueror [who conquered us]. Although

there are Mexican flags in many places in Mexico, in our national identity there is not so much the desire or the love of our country when compared to other cultures, in the sense that loving your homeland means doing all the small details like not littering the streets. In Mexico many people think that everything that comes from outside is better. And in that sense, if the foreign company detects and recognizes this need of Mexican aspirations, when they show a model to emulate, then they can capitalize on it for their own purposes. Mexicans will emulate those same concepts and they will do everything they can to learn and emulate the foreign model as good as they can. And when they have achieved that, they will be very content and happy with their jobs. So if you give Mexicans the opportunity to adept to the culture they admire, they will do it as good as they can. They want to have that chance. They do not want to be only cheap labor.” (Informant 11, 2:01).

In conclusion we may say that, apart from certain exceptions, many Mexicans who work for foreign MNEs and observe the successful expatriate manager, eventually start emulating their foreign superiors and are willing and grateful for having the chance to learn from them, above all, from the foreign top managers, as will be further explored and analyzed in the subsequent chapter.

16.1.1. The Impact of the Foreign MNEs and Foreign Top Managers on Mexican Employees and Communities

Elites and leading organizations (such as e.g. the worlds’ leading MNEs) have a role-model function which spreads beyond the limits of the organization. And while in countries with strong institutions what they spread is restricted and constrained to a behavior that is considered desirable for society (and in case they do not comply, they are usually removed quickly), in countries with weak institutions they can unfold their true values and personalities as they are less restrained and restricted by institutions and laws. This finding is consistent with the recently published studies which conclude that CEOs and other top executives establish and disseminate their own values and norms throughout the enterprise they lead and beyond (Agle et al., 1999; Desai and Rittenburg, 1997; Duarte, 2010; Hemingway, 2013). Values can be “contagious” and the top managers may “infect” their employees with the values which the top managers express through their actions and attitude. Of course, newly appointed top managers cannot completely change the traditions and culture of an enterprise which have developed through a long period of time and are deeply ingrained in the habits of all persons associated with the

enterprise. Neither can they easily change the environment where the enterprise acts, but nonetheless the impact of the top executives on the values which will be disseminated throughout the enterprise seems to be highly significant. Top managers can educate their employees about social and environmental responsibility. The employees, for example, seem to take over these new values and mindsets quite often. A local Mexican employee of a German MNE talked extensively about how his attitude and mindset have changed due to the experiences he has made since he started working for the German MNE:

“I’ve been 13 years in the same area, I have been growing slowly. It was very interesting, the best thing is the education we are given, you get formed, educated and you realize that in the end, that’s the most valuable thing. What keeps you in the company is not so much what they pay you, but the values that you were given for your life and which then lead the way, allowing you to sustain and maintain that pace. With my children what I value now is that, they are well trained, well educated, and I think that’s an opportunity, I’m looking at this company as a big opportunity, somehow there might be opportunities for my children. It is a really cool combination and learning is unlimited, increasingly the world gets smaller and a company of that caliber is all the time evolving and moving between systems, handling, languages, cultures, it is very nice being able to live it and to be among the people who are experiencing these changes, because not everyone has that opportunity, there are many people who are stuck in a development of lower growth [...].

Something I’ve learned a lot in the [name of the MNE] is really how to form groups, they [the German managers] train us, they have shown that people have to be very disciplined, very organized, because they don’t leave us anything hollow [The expression means that they do not give them time to be lazy, and they do not give them more resources than they really need to do the job. Efficiency is strictly enforced.], every time they ask us to do more with less, sometimes it is very stressful, though, but that’s how we have to act as human beings: do more and more with less, to have more people who have better things but at the same time we have to save all the resources and what we are leaving for the generations to come. It is a strong change in all aspects. Everything is changing now. What we do know, will impact the life in the future. 10 or 20 years ago what once looked good, now it’s completely new and different. We did not think about many things. We thought they do not matter. They [the German top managers] explained to us that it is important to separate the waste, so that it can be recycled and the overall amount of waste can be reduced. It is very good. The waste recycling and separation system at the plant is excellent. I do it at home now, too. We separate

the waste now. The only problem is that the Mexican garbage collection system does not do waste separation. That is a problem, but at least we do the composting in our garden [...].

Interviewer: What are these values you have learned and adopted?

Employee: One of the most important values I think is the responsibility, even just to reflect on that issue on the ground, we were just given a training course [...]. Many people in Germany have the philosophy that you want to take responsibility for themselves [for yourself], that is a value that must always be present in any change, because if we begin to place responsibility outside of ourselves then you go to a point of comfort or down, you stay static or go down, you're losing track. Knowing what you're doing is what matters and that will influence others because we live in a group in a society, we do not live in isolation, but it depends mainly on you to make a change, you modify something, you have the responsibility, you.

Interviewer: Is there anything else that you have learned?

Employee: Yes, I think that the philosophy of order and tidiness is very interesting, the Germans when they say something, they mean it, they comply, but at the same time, if you commit to something, they expect that you do what you promised. That the promise is fulfilled. It has become a philosophy of life to me, I like this sequence order when I see it in the company, I like it, for me it has become my passion but suddenly it has also been my pain, I could spend a lifetime sorting everything and apply it but in Mexico it is really a challenge, but it can be done. Maybe in Germany they follow a plan and everything must be in the way it was planned, and everybody is fighting so that it is done well. Here in Mexico, when you make a plan, you have to have 1, 2, 3, 4, 5 plans, if something does not work at a certain point, then you go with this other plan and another, or you do a mixture of this and that plan, but you have to get through, how? I don't know, but you have to have that mentality [...]. In planning [in Mexico] you have to find the right spot, you have to have the A, B and C plan, a mixture of the three at the right time gives you the certainty of achieving what you want. In the [name of the German MNE] there are the committed Germans who have to achieve the goals, but the complexity of culture and resources is challenging, it is how human beings are and that mixture [of the two cultures] is very interesting [...]" (Informant 14: 1:20).

The interviewee further mentioned that he wants his children to learn German and to study abroad, but his wife does not agree as she does not want the children to leave the house. She prefers to stick to the traditional Mexican family model in which the children stay in the house of their parents until they marry. This clash between the

new “germanized” mindset of the employee who works at a German subsidiary and the traditional mindset of his wife causes intercultural conflicts. He noted that he is constantly working on convincing his wife that studying abroad and learning foreign languages are a great opportunity for their children. Another change the employee has adopted is long-term planning and an investing mindset: he prefers to save money and to invest it instead of spending at all at the huge Mexican fiestas. He had a long discussion with his wife whether to spend a large amount of money on their wedding or to buy a house instead. He argued that buying a house is a better long-term investment as even their children and grandchildren will be able to live in the house. It provides safety and assurance and it is likely to have a rising value over the years. His wife argued that the marriage is the most important event of their life and that only now they can invite all their family and friends to the wedding and celebrate together with them. It is a unique experience and nobody knows what will happen in the future. If loved friends or family members die, it will never be possible again to celebrate the wedding together with them.

Here, we see how the German view on life collides with the Mexican view. Both views are equally correct or incorrect in emphasizing different aspects of life: while the German view puts the top priority on the future, the Mexican view tends to put the main priority on the present because the future cannot be foreseen. Why renouncing to enjoy life now in order to save the money for a supposedly better future which is uncertain anyways? You may die tomorrow, so why make long-term plans? As several family members were present during the interview and sometimes commented on certain issues, it became apparent how much the whole family is affected and influenced by the new culture which the husband who works for a German MNE brings home every day when he leaves the plant and returns to his family. The daughter and the sister of the employee mentioned that they have learned a completely new way of seeing life, planning and the world around them because of the things the employee has told them. He is eager to spread and pass on the knowledge and capacities he has learned at the MNE as he believes that this is the way of achieving a better life for his family. Even the neighborhood is influenced as the friends have witnessed the success and now try to emulate and copy it by making their children learn German and study engineering. They have formed study groups and share their knowledge. It is considered the way up, the way to achieve social ascent. They have learned at the subsidiaries that cooperation and teamwork can be beneficial for every individual involved, that it is rational behavior. Together everyone can get much further than anyone alone could. You do not lose your knowledge when

you share it. And by sharing it, one may receive new knowledge or skills in return. Furthermore, some employees have started lobbying the local government to introduce garbage-separation systems, eventually changing the structure on the meso level, and, at a later point of time, possibly even the structures on the national, macro level. Another employee of the same MNE commented that he has used a part of his salary to found a small business, a “purificadora”, a small shop in which tap water is purified through a sophisticated filter system and then sold at a lower price as compared to the price of the purified water sold at supermarkets. First, there was a dissent among the neighbors as some had the opinion that water should not be sold because it is a basic necessity, but other argued that it is better to buy purified water than to drink contaminated water from the tap for free.

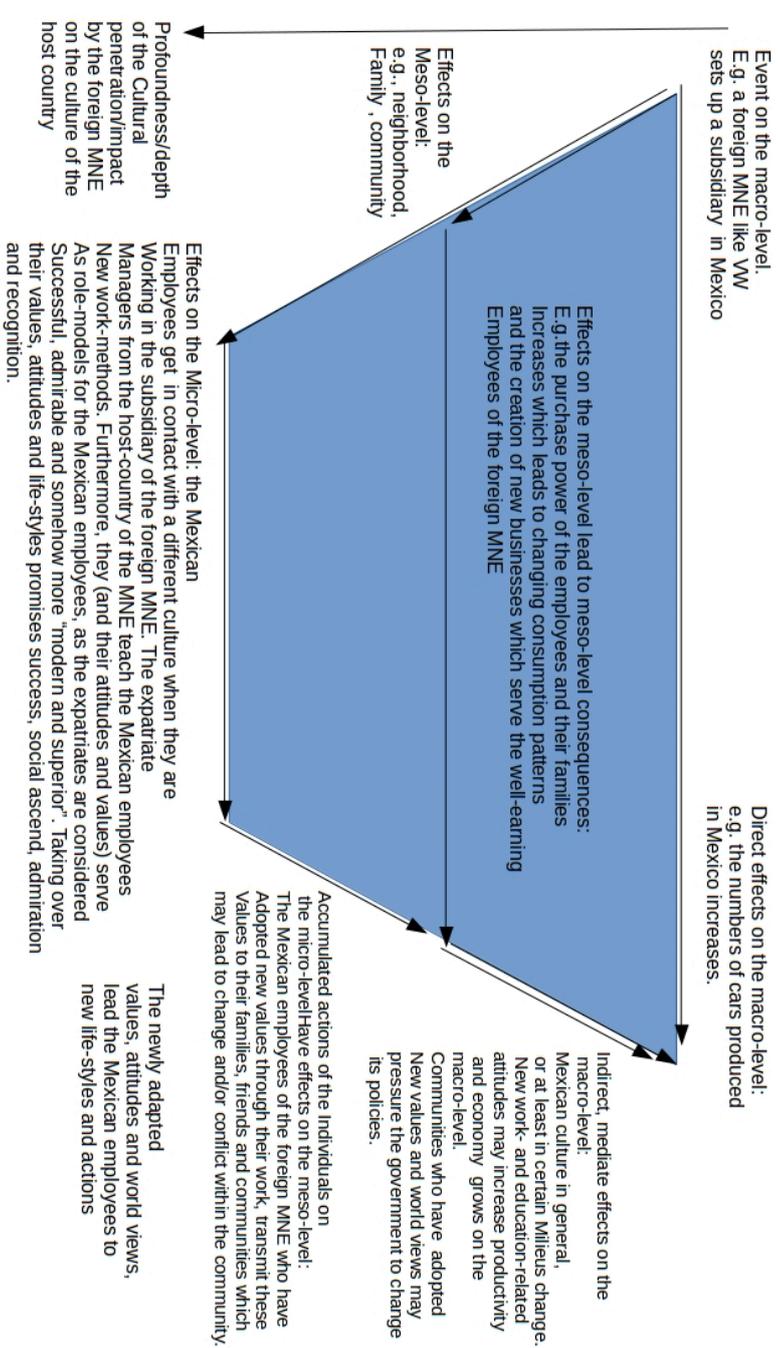
16.1.2. The Macro-Micro-Macro Model

Explanation of the "profound bathtub" model

This model is based and developed upon Coleman's "Macro-Micro-Macro" model. It aims to show the effects which the subsidiary of a foreign MNE and its expatriate top managers from the home country of the MNE have on the Mexican employees as well as on their families, neighborhoods, communities and, eventually, on the macro level on Mexican culture and society in general. It was developed by studying the impact of the subsidiaries of German MNEs in Puebla.

1. Events on the macro level: MNE enters Mexico and employs the most skilled applicants regardless of their social origin. The expatriate managers who select the employees neither understand nor care about the complex social hierarchies in Mexican society. They simply employ the employees who are best suited to get the job done.
2. Immediate, direct effects on the macro level: the production of a certain product increases in Mexico, possibly tax revenues and jobs increase, too, because in the ideal case, the MNE as well as the employees pay taxes. Higher demand and consumption of certain resources, etc.
3. Effects on the meso level: the meritocratic employment practice of the foreign MNE opens up opportunities for ambitious Mexicans from the middle and lower classes who do not have the necessary social capital and connections to get a well-paying job in a Mexican enterprise. By working for the foreign MNE, they receive higher salaries, more training, long-term work contracts, etc. This leads to a change and partial transformation of the social hierarchy in Mexican society. A new "professional class" emerges that is made up of studious and diligent people from the lower and middle classes who have studied at public universities and, therefore, lack the social capital to ascend within Mexican enterprises or the state bureaucracy.
4. The higher salaries make the employees ascend socially. Their purchasing power increases and they change their lifestyle. The demand for middle-class products increases.
5. The Mexican employees are exposed to a different culture when working within the subsidiary of the foreign MNEs, they have contact with a different organizational model, work approach as well as with expatriate managers from the home

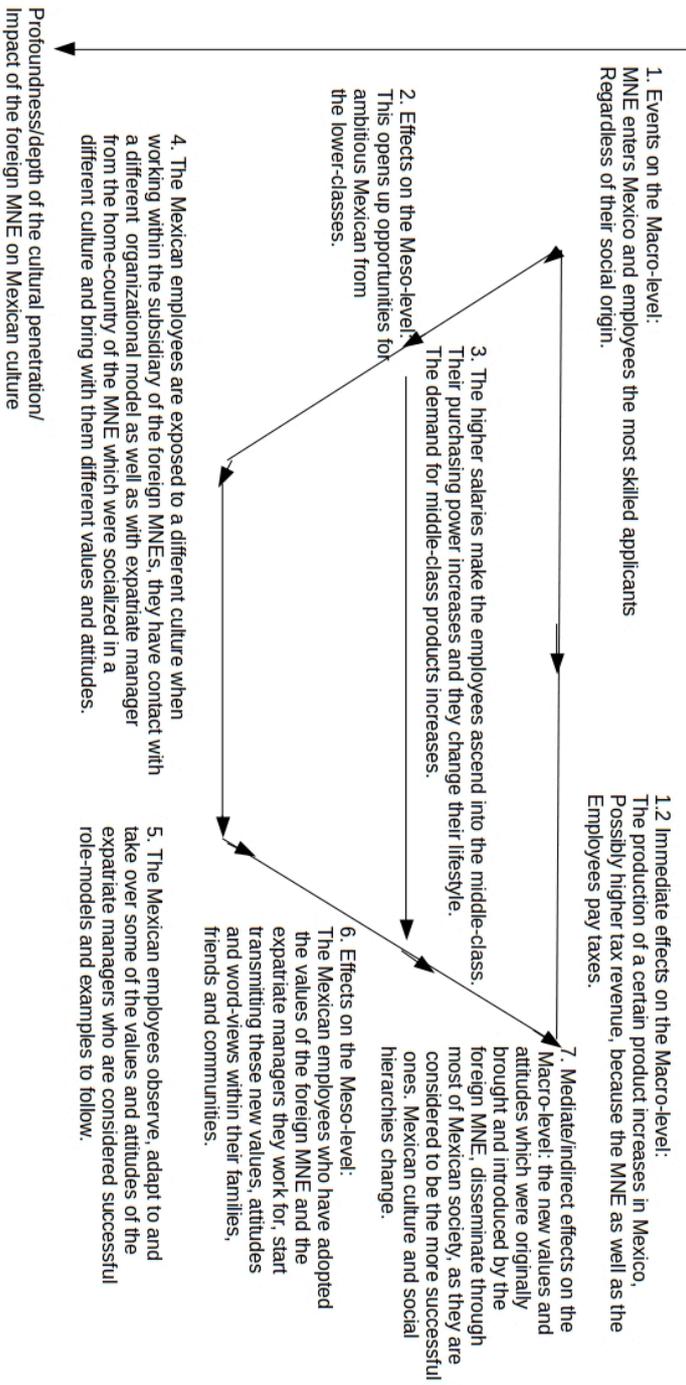
The “profound-bathtub”-model, based and developed upon Coleman’s “macro-micro-macro” model.



The impact of foreign MNEs and expatriate managers on the Mexican employees and Mexican culture

Figure 16.1.: First profound bathtub model

The “profound bath-tub” model. Based and developed upon Coleman’s “Macro-Micro” model



The impact of a subsidiary of a foreign MNE and its expatriate top-managers from the home-country on Mexican culture and society. It was developed by studying the effects of the VW plant in Puebla.

Figure 16.2.: Second profound bathtub model

country of the MNE who were socialized in a different culture and bring with them different values and attitudes and views on and interpretations of life. (Instead of enjoying the present moment, for example, they prioritize saving money, studying and working hard for a better future. Abstain and forgo immediate pleasures and satisfactions (spending large amounts of money on fiestas) in order to achieve long-term aims and satisfactions (e.g. saving the money in order to buy a house, studying foreign languages and acquiring new skills in order to obtain a better job eventually, instead of spending time at fiestas, family reunions, etc.)

The Mexican employees observe and take over some of the values and attitudes of the expatriate managers who are considered successful role models and examples to follow: Punctuality, thorough and precise work styles, long-term plans for private and professional life, self-responsibility instead of fatalist world-views, rational and calm analysis of problems, instead of immediate emotional responses, saving money in order to invest it, instead of spending it all on marriages, fiestas and other social gatherings. Environmental protection, appreciation of education as means of further social ascent for themselves as well as for their children. The study of the German language, for example, is very common in Puebla as it opens up career opportunities in the many subsidiaries of German MNEs in Puebla (VW, Audi, Thyssenkrupp, etc.). Furthermore, the Mexican employees get to know and learn about the garbage-separation system which is practiced in the VW plant.

6. Effects on the meso level: The Mexican employees who have adopted the values of the foreign MNE and the expatriate managers they work for, start transmitting these new values, attitudes and world-views within their families, friends and communities. They influence their children to study German and engineering and to go abroad for learning, studying and working, because they assume that with these skills their own children can ascend socially even more than they themselves have achieved to do by working in the foreign MNE. Indeed, several expatriate top managers have proudly mentioned that their enterprise actively supports the children of their employees by paying for the tuition fees, so that the children can study at Mexico's best universities and make student exchanges as well as internships abroad. One CEO gave an impressive example: One of his employees has very little formal education, but works hard, is willing to learn new skills, is reliable and wants a better life for her child. Therefore, the CEO decided to fund the education of her child. Now the child is finishing his PhD in Europe. Several

top managers have mentioned proudly how their enterprises pay for the education of their employees and their children, making possible a groundbreaking social ascent. One employee mentioned that before he started working for the foreign MNE, he was working illegally in the USA until he was detained and deported back to Mexico. That was when some friends who were already working for the foreign MNE told him that he might have a chance to work there as well and recommended him to the managers. He received a chance to work there and was later offered a long-term contract which allowed him to make long-term plans for his life and his family. He started focusing more on the education of his children and after a while he started saving his salary, which is significantly higher than the national average as the MNE pays relatively high salaries, in order to found his own small business instead of spending it in ostentatious status symbols such as luxury brand cars and fiestas.

But the new values may also cause conflicts within the communities as e.g. the wives often do not want their children to leave the house and study abroad. They would feel lonely and anxious and, therefore, prefer the traditional Mexican model, in which the children stay living in their parents' house for as long as possible.

Subsequent effects: the neighbors of the MNE's employees observe that by studying German and engineering and by adapting to certain attitudes one can get an excellent job at a German MNE. Therefore, they either try to seize the opportunity themselves and take action or pressure their kids to study these subjects in order to have the opportunity to get a well-paid and prestigious job at the subsidiary of the foreign MNE and ascend socially, too, just like they observed it in their neighborhood and community. More and more people start garbage separation in their houses (just like they have observed it in in the subsidiary) and ask the rubbish collection service to introduce garbage-separation systems.

7. Mediate/indirect effects on the macro level: Mexico's social hierarchies change, as the foreign MNEs give skilled applicants from the lower classes the opportunity to get well-paid jobs and support the children of the employees. Social ascents from the lower to the upper class are possible within two generations (and very seldom even within one generation).

Conflicts arise as those Mexicans who have adopted the values of the foreign MNE clash with those Mexicans who stick to traditional values. The newly "germanized Mexicans", for example, are more punctual, prefer to save their money and value self-responsibility

and long-term plans. The others consider these values to be stingy and thrifty as they expect everybody to spend large amounts of money on fiestas. Moreover, as long as everybody arrives late to a meeting, nobody has to wait. But as soon as certain persons arrive on time, they may be bothered by the others' unpunctuality. As the employees of the foreign MNEs liberate themselves from traditional Mexican culture, they cannot live in synchrony and harmony with the ones who continue living in accordance with the traditional values.

Eventually, the new values and attitudes which were originally brought and introduced by the foreign MNE and its expatriate managers, may disseminate through more and more communities, milieus and classes of Mexican society, as they are considered to be the more successful ones.

Two German-Mexican communities develop as many German engineers marry Mexican women. While some stay in Puebla (Mexico), other relocate to Wolfsburg (Germany). Further effects: as more and more Mexicans in Puebla study German and engineering and are accustomed to German organizational forms and work methods, the location becomes more attractive for further German MNEs, which eventually set up their own operations in Puebla (e.g. Audi, Pelikan, Thyssen-Krupp, etc.), further strengthening and increasing all previous effects. The whole dynamic gains more momentum.

16.1.3. Comparing the Findings with the Results of Similar Studies

Caprar (2008) reports findings which are similar to the ones presented in this study. He conducted interviews with the families of local, Romanian employees who work for foreign MNEs which have set up subsidiaries in Romania. He investigated how the foreign MNE "export" their "home culture" to the host countries in which they set up subsidiaries. Several of his interviewees reported bringing values, skills, lifestyles, attitudes and even world-views which they acquired and adopted during their work at the foreign MNE, home to their families. Some MNE employees even try to make their families adopt the values, attitudes and practices they have learned at work, because they believe these "new" values and attitudes which they got to know at the MNE are somehow 'superior'. One quotation from an interview conducted with the husband of a local employee of a foreign MNE describes how the employee is eager to make her husband adopt the culture, mindset and attitude which she has learned while working at the subsidiary of a US American MNE:

“My wife now makes me have objectives for each year – she wants to know what I am going to achieve. I never did that before... not even at work, what to say about private life? But now we have a clear plan: this year we will learn to ski; this year we will read 5 books. She makes me write down objectives, and she wants me to make them measurable, and reasonable, and I don’t remember what else, there is some scheme to it, just like she does at work. It’s crazy!” (Caprar, 2008: 82).

In another interview which he conducted with the wife of a local employee of a foreign MNE the respondent describes something that goes into a similar direction:

“You can see I’m a talkative person: I like to interact, to exchange ideas, to react to ideas without having to edit myself all the time. And that was all ok, until he [the husband, MNC employee] went to some communication training. Now he is very annoyed with my approach: he constantly tells me that I interrupt too much, and that it is very impolite to do so. So we go to a gathering with our friends (who are majority colleagues from his work), and of course, I talk to them. I saw how he gets very embarrassed, because I just don’t communicate like they do... he explained it to me this way: my dear, effective communication means that each person in the group takes turns, you don’t jump in whenever you feel like – what happens is that everyone ends up talking at the same time and no one understands anything. He even showed me some handouts from that course he took! A few times I got really upset – I thought he thinks I am stupid, because I am not in an MNC. But you know what? I’ve noticed that that’s how they communicate, and it might be boring at times, but there is something to it. So now we have a secret code: whenever I jump in – I still do – he scratches his nose. That is a reminder for me that I need to wait for my turn.” (Caprar, 2008: 82).

Again, this finding is strikingly similar to my findings concerning the same process in Mexico: In traditional Mexican culture, everybody can talk and interrupt the others any time. It is simply an expression of emotions and ideas and not a disrespectful act, as the others can also interrupt and say what they want to express anytime during the conversation. Indeed, talking a lot, expressing one’s emotions and sharing one’s point of view is considered a gift. It is a way of showing that one appreciates the presence of the others. Because you care about them, you tell them what you think and feel. It is the opposite of ignoring them. But in monochronic cultures, like the German culture, listening is the way to show respect. You listen as long as the other person is talking, before you express your point of view. As long as the other person is talking, you do not interrupt, because that would be considered a disrespectful act. Now, in German MNEs, the second communication method is practiced and the local employees are taught to

adapt to it. But after adapting to it, they may get into conflict with the Mexicans who continue practicing the polychronic mindset.

In a further interview, one employee explains how he applies the techniques he has learned at the foreign MNE to educate his son in Romania: "I am using the positive feedback technique with my son, instead of telling him he's an idiot, as I used to." (Caprar, 2008: 83). Caprar concludes that there is "the tendency of these employees [of foreign MNEs] to try to change those at home in line with their own changes [which they have experienced during their work time at the foreign MNEs]" (Caprar, 2008: 82).

Moreover, Caprar has made observations in Romania which are very similar to the ones I have made in Mexico. He correctly points out that Romanian culture seems to be very similar to Latin culture:

"It is known that Romanian culture, very similar to Latin cultures (given the common Latin origins), is characterized by a very relaxed attitude towards time, matching more closely to polychronic cultures (where many things are done at the same time and constant changes in schedules are expected) than monochronic cultures (where time is viewed as limited and sequential, 'one-thing-at-a-time', and there is high commitment to schedules; Hall, 1959). However, there was plenty of evidence for a more monochronic approach in the case of MNC employees. The interviews with the HR professionals revealed that the multinational companies make significant efforts to reinforce such an attitude toward time, first of all by the example offered by expatriates, but also via specific training programs on time management" (Caprar, 2008: 68).

Similar to the Mexican case, Caprar reports that after the Romanian employees have adopted the monochronic attitude which they were taught at the foreign MNE (e.g. doing one task at a time and focusing completely on doing that task in order to do it as correctly and perfectly as possible, being punctual and expecting others to be punctual, making long-term plans and sticking to these plans, instead of changing them constantly), they get into conflicts with the Romanians who stick to the traditional Romanian polychronic mindset and try to change that. It is surprising that these results are so similar to the one on the impact of MNEs in Mexico, although Mexico and Romania are located more than 10.000 kilometers away from each other and have different histories and traditions. The only thing they have in common is that they were once conquered by a catholic country which brought a catholic culture to these countries.

16.1.4. The Downside of Working for a Foreign MNE: the Disenchantment of Life and the World

The rational, efficient and scientific approach, world-view and lifestyle which is promoted by most modern western MNEs and which has been taken over by a considerable number of their local workers, does solve some of the local employees' problems (e.g. financial problems), but it takes away the "magic" from their lives. The employees stop practicing the social rituals of their culture, either because it is not consistent with their new world-view, or because the MNE does not give permission. The employees cannot take two hours free (usually from 1 to 3 pm), for example, to eat lunch, laugh and talk to their colleagues, friends and families. They cannot go on the traditional Mexican holidays [e.g. Semana Santa] with the whole family anymore, because the MNEs do not give these traditional holidays. As the father has to work during Semana Santa, the whole family usually decides not to enjoy these holidays at the beach anymore, but to stay at home. Moreover, the employees are not allowed to phone and talk to their families (above all, their mothers) during work time anymore (which is something rather common in Mexican culture) and they stop organizing huge fiestas, because at work they have learned that it is important to save money and make long-term plans.

Thanks to the MNEs they receive relatively high salaries and significantly more training and education, but they lose their traditional lifestyles and rituals which, for many of them, makes life worth living. They become similar to the millions of US American or Northern European citizens who are highly assertive, competitive, successful and rich, but at the same time lonely, depressed and without firm cultural and social roots or identity. Furthermore, many Mexican employees would like to receive more social recognition and build up friendship ties at work, instead of being treated as a tool or a 'human resource' or "Humankapital" whose only purpose is to function and work. In their perception, the MNEs and its managers are only interested in purely functional social relations and they are nice to the workers and build up social relations with them only because it may increase the efficiency and profitability of the MNE. This finding, too, is similar to Caprar's research results on the impact of foreign MNEs on their local employees in Romania:

"While they [the interviewed Romanian employees] appreciate the American politeness and the focus on making relationships work, they consider Americans to be 'fake', 'perfidious', and 'superficial' [...]. Most participants indicated regrets about not having time anymore for their 'real' Romanian friends, who seem to be frustrated with their

limited availability for leisure activities. Most have stories of lost relationships for this reason. They indicate a certain level of ‘loneliness’ associated with superficial and meaningless interactions at work, which are not as fulfilling as the relationships they used to have. They attribute this regretful change to their focus on work and career, along with a difficulty in fitting culturally with those friends who don’t share the experience of working in an MNC” (Caprar, 2008: 60).

It is similar to what Max Weber (2014) called the “Disenchantment of the World” (“Die Entzauberung der Welt“): the rationalization, the scientific and analytical approach which is brought by “first-world MNEs” to the host countries takes away the magic and mystery of the traditional societies and cultures. But it were these traditions which provided meaning, reassurance, orientation and joy to the people. The local employees of the foreign MNEs leave the traditional culture in order to achieve a modern life with all the advantages of the Western world, but they lose the old friendship and family ties which were regularly reinforced during traditional fiestas and ceremonies during which “time stands still” as Octavio Paz (1985) described it: everybody lives the moment and nobody thinks about tomorrow. Everybody has unlimited time during that moment. The modern MNEs offer social ascent, progress and material goods, but for many employees it is also a lonely and cold world in which nobody has time anymore. The mysticism which is so wide spread in Latin American cultures¹ provides meaning and serves as a glue and connection between people. It helps them making sense of life and the things which happen around them. When some individuals step out of this mystical world and enter modernity, they lose the connection to the other people because they do not have the same way of seeing and interpreting life and the world around them anymore.

16.2. Foreign MNEs Create a New Type of Top Manager in Mexico: Foreign MNEs as Vehicles of Social Ascent in Mexican Society

The traditional Mexican elite-recruitment practices favor the self-recruitment and reproduction of the traditional elite as family members are preferred over non-family members. And as most Mexican enterprises are family businesses, the top-management positions

¹It can be very nicely studied by reading the “magical realism” literature which has originated in Latin America and which describes impressively the world-view, thoughts and mindsets which are common in Latina American cultures.

are usually filled with family members, close friends and members of allied families who usually all come from the same social class, that is, the Mexican upper class. Social upward mobility through legal means such as rising through the ranks of a large enterprise is rather uncommon. For high-performing employees who have studied at public universities and have no family members in a top-management position, it is difficult to make a steep ascent. Camp provides some evidence:

"Fifty-six percent of capitalists were the children of capitalists, not just ordinary upper-class businessmen, but extremely wealthy Mexicans. Another fourth of capitalists' fathers held management positions in the private sector [...]. Furthermore, the overwhelming majority of capitalist fathers were parents of power elite capitalists. The self-perpetuating family quality of Mexican business leaders is characteristic of the business leadership culture in many societies" (Camp, 2002: 73). According to Camp's further findings:

"Mexican capitalists who work together on corporate boards and socialize through their professional and social clubs establish closer personal contacts and expand their range of personal networks beyond the day-to-day corporate setting. Leading capitalists in Mexico's top regional centers, such as Monterrey, also share numerous memberships in locally prominent clubs. In fact, one of Mexico's largest banking chains, Bancomer, was originally founded by a capitalist after conversations with various friends at the Casino of Chihuahua, the leading social club in this economically important northern state" (Camp, 2002: 42).

Furthermore, there is no clear separation between ownership and management in Mexico, as it is known in the USA and Europe:

"The business families do not only own the largest Mexican enterprises, but they also exercise direct control over the largest Mexican enterprises. The way power is exercised in the largest Mexican multinational enterprises is very different from the US American way: even in the largest Mexican enterprises, not employed top managers exercise power but the owner's family: The management control model [...] has little relevance in Mexico since leading capitalists [in other words: the owners] or their children directly manage most of the powerful Mexican-owned firms." (Camp, 2002: 13).

But when foreign MNEs set up operations in Mexico and send expatriates to do the recruitment (instead of Mexican managers), they usually do not act in the same way. They apply different recruitment practices because of two reasons: first, they are not integrated into the Mexican 'family-clan' system and are, therefore, solely looking for

candidates who bring with them the skills necessary to do the job well, regardless of their social origin. They employ highly skilled engineers who are willing to work for a relatively low salary. And as upper-class members rarely study engineering and are not willing to work for a low salary, an opportunity for engineers from middle- and lower-class origins opens up.

The second reason is that expatriates who set up the subsidiaries in Mexico usually do not understand the Mexican social hierarchy and, therefore, cannot act according to them.

In Mexican enterprises, it takes much longer to rise through the ranks as hierarchies and positions are more rigid and less. Often the only way to ascend within a Mexican enterprise is to wait until persons in superior positions retire. Professional, economic and social ascent in Mexican enterprises is possible, but it may take much longer and is less probable.

In contrast, in the mining industries in northern Mexico, which are mainly in the hands of Canadian and US American enterprises, social and economic ascent is quite common. I had the chance to participate in a top-management team meeting of the Mexican subsidiary of a Canadian mining company and to talk to every top executive most of which were of humble social origins. It became clear that some foreign multinational enterprises, especially those in which engineers are needed, seem to be vehicles of social and economic ascent for Mexican employees. They all studied at state universities which are free of charge (but all now send their children to expensive private universities). They did not plan to become top managers. Their parents were no top managers, but rank-and-file workers who taught them that education is the way up and that they should do their job well. So they simply studied a lot (most of them studied engineering, geology or a related subject), looked for a job, because they needed to earn some money, and started working hard. Their bosses noted that they were doing their job well and gave them more responsibility and power. Then they realized that they like to organize and manage, they like to see that they can make a difference. They like to make changes and see that their actions have an impact for many people. They slowly started to like being a leader and over the years they slowly ascended in the hierarchy of the enterprise. As soon as the CEOs of the Mexican subsidiary and of the US American or Canadian mother company noted that these people were increasing production and profits, they promoted them even more and, in this way, they became top managers. Their clothes and the way they talk are still modest and the humble origin is still noticeable. Most of them have not studied management and many of them mentioned that the most

difficult part of their work is not the technical part (the geology and engineering related tasks), but leading and organizing their employees. They have learned management and leadership techniques on the job. They have learned it the practical way when they suddenly were in the position in which they had to lead, manage and organize a team. They like that their actions have a large impact on the employees, their families and communities. As the director of the Mexican subsidiary of a Canadian mining MNE put it “I don’t like mining very much, but doing this job I can impact the lives of more than thousand employees and their families and communities and that is what motivates me. I can make big difference” (Informant 13, 0:40).

One reason why in the mining industry it is rather common that engineers and geologists from humble social origins ascend socially and become top executives, is that this industry is usually avoided by upper-class children. The children of the upper class are usually not interested in this industry and, therefore, leave the top-management positions in this industry to the middle and lower classes, because mining is considered somewhat “dirty” and associated with “picking stones” instead of “leading executive meetings”. It is, therefore, considered not “smart, modern and exciting” enough. Furthermore, the courses which have to be studied in order to work in the mining industry (e.g. geology, chemistry, mathematics, engineering) are not the ones usually preferred by Mexican upper-class children. Indeed, these subjects are often not even offered in Mexico’s elite universities, because of a lack of demand. The upper-class children usually prefer to study law, management and international relations, which is considered somewhat more “elegant“, “cosmopolitan“, “exciting” and more “international”. They prefer jobs in which they believe that they can present themselves in front of an audience, talk, receive media attention and develop a “pop-star” fame and celebrity status. Therefore, in mining industry social ascent is more common than in the “hip” industries where upper-class children usually successfully compete for the top-management positions.

16.2.1. Exceptions: When Foreign MNEs are no Vehicle of Social Ascent

But there seems to be one exception: foreign MNEs seem to be vehicles of social ascent only when they are set up and in the first years led by expatriate top managers. When they are led by Mexican managers (or when the enterprise became the subsidiary of a foreign MNE simply by being taken over, being bought by a foreign MNE), the Mexican

top managers bring their Mexican management and organizational style to the enterprise and disseminate it throughout the subsidiaries.

During the interviews, it became rather clear that while foreign multinational enterprises led by expatriates often employ managers from outside the enterprise² and therefore provide promotion prospects for lower- and middle-class people without social connections and capital, most Mexican-led subsidiaries of foreign MNEs prefer to recruit new managers from inside the enterprise. Candidates should have worked in the enterprise for many years already and should have built up reciprocal networks in order to have a chance to become top executives. Family members are often preferred over non-family members. It is very uncommon to recruit a top manager from outside the enterprise, because Mexican top managers usually do not trust persons whom they do not know well and, therefore, there is no “market for top managers” in Mexico as it exists in the USA and other countries. The Mexican managing director of the subsidiary of a US American MNE explained the strict “in-house” recruitment of top managers:

“Interviewer: And when you have to hire a new senior manager who will come here and sit here next to you and you will have to work together with him, what kind of person are you looking for?”

Top manager: First, we try to make our own people grow and advance within [name of the enterprise for which the top manager works]. Most of our top managers and directors, have grown within [name of the company], they began to work at lower levels [in our company]. That’s the first rule we try to follow, we try to develop our own people. And our own people in our organization continue to grow, it gives motivation to the new people who are coming in, starting to work in our company, because they see there are opportunities to grow within the company and because we are not necessarily going to get an outsider for a position that could also be taken by a person who has grown and developed within [name of the company]. When for some reason we do not see any other choice, then we bring [employ] an outsider to fill an executive position, which only happens in a minimum of the cases. You could say that 90% of our managers have been made and developed within our company and they have worked for more than 20 years in the company. [...] only two of the directors of the company come from outside, have less than two years in the company, but everyone else has more than 20 years with the company. What kind of people are we looking for? Back to the same, the relationship with people is the most important part of an organization.” (Informant 9, 0:23).³

²It is very common among Canadian and less the case among German MNEs.

³“(23:05)—Y cuando tienes que emplear a un nuevo alto directivo que venga a sentarse aquí, ¿Qué tipo de persona buscas? ¿Cómo tiene que ser esa persona?”

16.3. The Link between the Socialization and the Values of Top Managers

Which kind of socialization leads to the formation of responsible leaders whose decisions and actions are guided by values which are beneficial for the organization they lead as well as for the environment and society where the organization acts and leaves its impact?

While most elite universities around the world state that their mission is to educate and form the next generation of responsible leaders the world needs, the truth is that nobody actually seems to know how to do that successfully, at least not in a scientifically proven way. Nohria and Khurana give some impressive examples of this paradox:

“Harvard Business School’s formal mission statement is ‘to educate leaders who make a difference in the world.’ Dartmouth’s Tuck School of Business defines its primary educational goal as preparing ‘students for leadership positions in the world’s foremost organizations.’ Stanford’s business school aims to ‘develop innovate, principled, and insightful leaders who change the world’, and MIT’s Sloan School of Management aims to ‘develop principled, innovative leaders who improve the world’ [...]. Yet, the reality is still that research on leadership is at best at the periphery rather than the center of most schools that profess to educate the leaders of the future” (Nohria and Khurana, 2013: 4-5).

R= Primero: tratamos de que la gente avance y crezca dentro de “Interceramic”, la mayor parte de los directivos que tenemos, sean gerentes o sean directores, han salido y han crecido en Interceramic, han empezado en niveles más bajos en “Interceramic”, esa es la primera regla que tratamos de seguir, tratamos de desarrollar a nuestra gente y que nuestra propia gente siga creciendo en nuestra organización, eso le da motivación a la gente nueva que está entrando por que ve que hay posibilidades de crecer dentro de la empresa y no necesariamente va a llegar una persona de afuera a ocupar un puesto que pudiera ocupar una persona que ha crecido y se ha desarrollado en “Interceramic”, cuando por alguna razón no vemos dentro de las alternativas que tenemos que alguien llegue a ocupar un puesto directivo, traemos gente de fuera, que son los casos mínimos, te podría decir que de los directivos que tenemos, el 90% se han hecho y tiene más de 20 años en la empresa, sola mente un par de directivos, es más, solamente 2 de los directivos de la empresa vienen de fuera, tienen menos de 2 años, pero todos los demás tienen más de 20 años en la empresa.

¿Qué buscamos en la gente? Obviamente buscamos que tengan la capacidad, pero lo más importante es que sepan trabajar en equipo, que tengan todas las características y las capacidades de un alto directivo, que tengan exposición a diferentes culturas, que conozcan bien su área, que se hayan desarrollado y tengan experiencia en esa área, pero muy importante, el trabajo con la gente y el trabajo en equipo, por qué de nada te sirve traer un genio que no sabe trabajar con la gente, que no sabe trabajar en equipo, el trabajo en equipo es esencial, volvemos a lo mismo, la relación con la gente es la parte más importante de una organización.” “

The authors make it absolutely clear that the current state of research and the efforts to further investigate and understand the issue are highly unsatisfying:

“Do we really understand what it takes to develop better leaders? What advice can scholars give leaders who are entrusted with the challenges of leading organizations and ensuring their continued viability and prosperity? Our view [...] is that the current state of scholarly research on leadership does not allow us to answer the questions with confidence. Indeed, despite leadership being central to the mission and purpose of most institutions of higher education, there is little serious scholarship and research on leadership in these same schools” (Nohria and Khurana, 2013: 3-4).

There are some obvious, but nonetheless important points: only if leaders are aware of the problems and needs of their subordinates, their families and communities as well as of the natural environment, they can act in a responsible way. As long as they are not aware and conscious of the problems, they will most likely ignore them. This seems to be the case rather often: top managers are not aware of how their actions and decisions impact the life of their subordinates, their families, communities and the natural environment. Indeed, a considerable part of the top managers barely see the rank-and-file workers and the sites of operations. But, of course, the knowledge and awareness of the problems does not automatically motivate, trigger and lead to responsible actions, decisions and behavior in general. There need to be deeply incorporated values within the top manager’s personal core and mindset, which then guide his actions and decisions in a way that he cares about his employees, their communities and the natural environment. And here, at this point, research becomes difficult as the personality is formed through a complex interaction between genetic predispositions and socialization. I recognize the importance of the genetic side, but I cannot really take it into account because I am not an expert on this field and acquiring the necessary knowledge and skills would take several years at least.

Research in socializational studies suggests that the basic values and attitudes of individuals are already formed during early childhood, during the interaction between the child and the parents. Secondary and tertiary socialization (peer groups and schools) have further significant effects, but will not completely change, but build upon the primary socialization (Hurrelmann et al., 2008; Mühler, 2008; Trommdorff, 1999).

16.3.1. Which Socialization Makes Elites Become Socially Responsible?

It seems that when elites live in environments which are primarily characterized by poverty and when they have direct contact with the poor population in these areas, they are more likely to develop empathy with the people around them, at least when compared to those elites who have never known the lives and problems of the people from the lower classes. In order to develop empathy with somebody, one first needs to know the life, problems, needs and struggles of that person. Camp gives an impressive example:

“Even bishops who came from wealthy families and who were identified as conservative early in their careers were often changed by their direct observations and experiences with poverty. For instance, Sergio Méndez Arceo, Mexico’s leading progressive bishop in the 1960s and 1970s, was the product of a wealthy family. Jose Rovalo Azcué is another example. Raised in a middle-class family, he was educated in the 1940s by the society of the Brothers of Marry in a depressingly poor barrio located behind the Basilica of the Virgin of Guadalupe on the outskirts of Mexico City. He believes the residents’ social problems ‘strongly marked me. I consider these years a true gift of God in modeling me as a priest’ ” (Camp, 2002: 122).

Possibly, it can be beneficial for society as a whole when the elites live among the poor for some time. In this way, they may get a better understanding of the problems of the broad population and perhaps even develop a bit of empathy for the poor. Unfortunately, most Mexican elites live in almost hermetically locked and closed groups and life-worlds which are completely isolated and separated from the middle and lower classes. There is no feeling or idea of belonging together. During the interviews with some conservative upper-class members, I noted that while they had very little friends among the lower classes and very little knowledge about them, their view on the lower classes was shockingly pessimistic, hostile and sometimes aggressive, constantly claiming that the lower classes are poor because they do not want to work.

16.3.2. Empirical Findings Concerning the Socialization of Top Managers and Consequent Effects

For the interviewed top managers the issue is rather straight forward: you are born as a leader or you are not, and you have the values you have, either because of the education

your family has given you or by genetic predisposition (or a mix of both) and that will not change later in life.

The employees' perspective is that while some managers genuinely care for them and show interest in learning about the employees' situation, problems and needs, others do not, but they cannot clearly explain why some managers act in one way while others act in other ways.

Even the employees who have worked in the same subsidiary for the same managers for more than 20 years, have rarely observed a change in attitude. Over the years, the top managers learn which management styles are the most effective ones in Mexico, and they may, therefore, change their strategy, but, according to the interviewed employees, their attitudes and values barely change over the time. They essentially leave with the same attitude with which they had originally arrived many years earlier. Some care for the workers and for the environment while others do not.

When the firm policy changes, some managers may change their actions in order to comply and keep their jobs, but that does not come with a change of values and attitude, at least not according to the interviewed workers.

What happens quite frequently is that workers adopt the values and attitudes of their managers, but workers have rarely observed that their superior managers have changed in any way.

This supports the theory that values firmly build up at a certain point of time in the early life of an individual and that they will rarely change later in life. Exceptions seem to be possible in situations of profound crisis, disorientation and habitus breakdown when the original attitudes and values do not function anymore and the experiences are so intensive and harsh that even later in life these occurrences can have a value- and attitude-changing impact on an individual.

Interestingly, several top managers mentioned that when they look for a new colleague, they precisely and thoroughly try to examine the personality, values and attitudes of the applicants, even asking them very personal questions about the most happy and saddest moments in their lives. They want to know them precisely. They look for a candidate who has similar personality traits, values and attitudes as they themselves have. They seem to believe that you cannot change the personality, values and attitude of a person and, therefore, you need to select the right candidate immediately, because you cannot teach and change characters, values and attitudes at a later stage of life.

There was one, possibly highly relevant, exception:

one top manager who leads the Mexican subsidiary of a US American MNE (Informant 5) mentioned that when his superior from the headquarters visited the operation in Mexico and coincidentally saw that the rank and file workers were living in little corrugated iron cottages, he took his Mexican colleague (that is, my interviewee) aside and told him “I don’t want our people to live in that way. We will do something about it”. Then he organized funds for setting up a housing project, so that the employees could live in proper houses with running water, electricity, sanitary facilities, etc. Here, the interesting point is that the top manager from the headquarters already had all the information readily available when he was still in the USA, he knew or could have known about the wages and living conditions of the workers, but when he arrived in Mexico and saw it all with his own eyes, the direct and immediate impressions moved and changed something within him. There seems to be a crucial emotional perception difference between reading reports in an office in the USA, and seeing everything directly with one’s own eyes and being right in the middle of the situation in Mexico. It seems that being close and directly exposed to the problem, so that it cannot be ignored anymore, causes a sense of urgency and the problem seems to be more severe.

In short: when problems are perceived with one’s own senses, they appear to be more real. And the closer one is located to the problems, the greater is the perceived urgency and motivation to solve them. Of course, after a while there may also be a habituation effect: one gets used to see people living below the poverty line and the perceived urgency to solve the problem may decrease or even vanish completely.

The problem is that today top managers from the headquarters often act like drone pilots: they either stay in the headquarters in the home country, or when they travel to the host country, they stay in comfortable hotels and have barely any contact with the rank-and-file workers and other persons who are affected by their decisions. Therefore, they are not really aware of the problems. So, we may conclude that exposing top managers to the impact of their decisions, e.g. to the living conditions of their employees and the environment in which the subsidiary is active, may foster awareness and responsible management decisions.

16.4. Social Relations and Milieu Formation among Top Managers

On the regional level, Mexican top managers (not the foreign ones) form one unified group, they live in one common social milieu, but on the national level this is less so

the case, because the regional differences are relatively large, and they have reservations about each other. The business elites from Monterrey, Chihuahua and other major Northern Mexican cities, for example, do not really sympathize with the business elites from Mexico City whom they pejoratively call “chilangos”. And the business elites from southern Mexico (e.g. Chiapas) who have usually darker skin colors, are often not accepted as equals by the business elites from northern Mexico who have mostly lighter skin colors and are taller. While Monterrey and Mexico City are both major industrial centers of the country, the difference is that Mexico City is the political center of the country at the same time, while Monterrey is far away. This explains the different development paths the business elites from these two different economic centers took during the time of rapid economic development from ca. 1940 to 1968:

“Industry became polarized around Mexico City, [...] and Monterrey. The different styles of Mexico City entrepreneurs as opposed to entrepreneurial groups in the provinces, particularly in Monterrey, became more apparent. In Mexico City it was easier to maintain formal and informal contacts with representatives of the political system and with the banking and financial institutions. This was convenient for business, but it made them more dependent on the administration and on political power in general. The Monterrey industrialists, on the other hand, considered themselves rugged individualists and developed an attitude of independence and even defiance of government” (Lomnitz and Lizaur, 1987: 43).

While the northern Mexican business elite is rather distanced from the political elite, their counterparts in central Mexico (above all, Mexico City and Puebla) are deeply inter-connected and, indeed, have merged in many cases, making it difficult to draw the line between business and political elite families. Many entrepreneurs from central Mexico were politicians previously, and they started their first business with the money they somehow got their hands on during their political career (Lomnitz and Lizaur, 1987).

Concerning the enormous differences, separation and reluctant communication and interaction between business elites from northern Mexico (e.g. Chihuahua and Nuevo Leon) and southern Mexico (e.g. Chiapas and Oaxaca), several causes seem to be at work: first, the physical distance between northern and southern Mexico (more than 3000 kilometers) is huge, especially for a country where air traveling was uncommon for much longer time than in highly industrialized countries. Therefore, they do not see each other very often and they do not spend much time together, but this habit of spending a lot of enjoyable time together (Mexicans have a word for it which cannot be translated into

English, it is “convivir”) is crucial in Mexican culture, and without spending extensive quality time together on a regular basis, no common social milieu can be founded and built up. In addition, they have different leisure activities: while the northern Mexican business elites like spending their free time on their ranches, riding horses and quad-bikes and inviting friends to barbecue, in Puebla (which is located in central Mexico), elites like to meet at the bullfights and in Mexico City they meet at art galleries, charity events and philanthropic organizations and, most famously, they meet in the Club de Industriales. It is impressive how big the differences between the different Mexican regions actually are in many different aspects (culturally, socially, economically and naturally): while northern Mexico is similar to Texas with its broad highways, huge SUV trucks, fast-food chains, relatively high salaries, cowboy culture and direct, straight-forward and sometimes raw attitudes, southern Mexico is much more influenced by indigenous culture, small roads, low salaries, colonial cities with small houses, art work, craftsmanship, shining colors, sensibility, quietness and rain forest. And in the middle, Mexico City is, of course, a world of its own, it is the urban center of the vanguard that distinguishes itself by practicing an extravagant lifestyle often influenced by their own interpretation of European trends. One quotation from an interview with a northern Mexican business elite describes this differences clearly and vividly:

“Top manager: We [the northern Mexican business elites] are more “dry” [the Spanish word is “seco”, when this word is used to describe the personality of somebody it means that the person is less emotional, less complicated, more functional, does not talk much and does not care about appearances] than the ones in the south of Mexico, even the food we eat is much more simple, we like being simple people, we like saying the things the way they are. In D.F. [D.F. stands for Distrito Federal, essentially meaning Mexico City] it is really difficult to make the people say what they really think. That’s really a problem. Here it’s different. Therefore, we don’t like doing business with “chilangos” [a pejoratively term used to describe people from Mexico City]. If I can choose, I prefer to avoid having to deal with chilangos [. . .].

Interviewer: It called my attention that here [in Chihuahua] none of the directors wears a tie, everybody dresses more casual, in contrast, in Mexico City, the majority of the top managers wear suits, ties and black leather shoes. Top manager: I’m happy with my blue jeans, here [in Chihuahua] we are less formal. Interviewer: I noticed that in Puebla and in Mexico City, if you do not wear a complete suit, the people do not appreciate it. They consider it to be disrespectful. It is not adequate. It means that you are not taking the meeting seriously. Dressing up is a way to show your respect. If you arrive

at a meeting without the jacket of the suit because it is so hot that you decided to leave the suit's jacket at home, it is interpreted as disrespectful behavior. For them it is a way to communicate that you think "You are not important enough for me to put on a complete suit". Top manager: Here [in the north of Mexico], we are more simple. We care less about what other people think. That's also because here in Chihuahua [one of the largest states in the north of Mexico] there is lots of land and very few people. Many people who live in the country-side hardly ever see other people. So they don't care what other people think of them, because they don't see other people anyways. So why care? In Mexico City it's the opposite, more than 20 million people living extremely closely packed together. I don't like that. Another thing is that although we are proud to give hospitality, when a new person comes to live here, it takes a long time until we accept that person as part of the group here. We prefer to spend time with the people we know for our whole life. When somebody new comes, it takes us a long time to assimilate him [and to accept him and to integrate him into the group]. We are less mobile and flexible here. The culture has not changed much. A few days ago, I talked to somebody about how in the USA the business world has changed the family core, the family core is much smaller and the families are very mobile, they move a lot because business life requires it. But in Spain, the families have maintained more influence on their businesses and the family core has continued to be important. And here [in Chihuahua] it is difficult to make us move. We go abroad to study, I have studied abroad for 8 years, but we always return. For us, the family business has the highest priority, because it's yours! We make big efforts for the family and for the family business. We don't leave when times get tough and difficult. Some employees from outside may leave when the enterprise is in a problematic situation, but we don't leave. We stay with our family business and we work through it." (Informant 6, 1:54).⁴

⁴R=Somos más secos que los del sur, hasta la comida es mucho más sencilla, aquí nos jactamos de ser gente sencilla, de ser muy francos, de decir las cosas como son, en el D. F. para que te digan lo que están pensando es un problema, aquí no nos gusta hacer negocios con "Chilangos" en general, en particular, si me das a elegir, prefiero evitarlo [...].

–Me llama mucho la atención que aquí, ninguno de los directores lleva traje, todos visten casual, en el D. F. la mayoría anda de traje, corbata, zapatos negros. . .

R= Yo soy feliz con mis pantalones de mezclilla, aquí somos más informales, aunque si hay algunos de traje.

–En Puebla y en el D. F., si no traes la chaqueta del traje por que hace calor, la gente te ve mal. . .

R= Aquí somos más sencillos, no nos importa lo que piensa la gente. Tambien es porque aqui en Chihuahua hay mucha tierra y poca gente. La gente que vive en el campo casi nunca ve otra gente. Por eso no les importa lo que diga la gente. En el D.F. es diferente, allá más de 20 millones de personas vive juntos en una ciudad. A mi no me gusta. Hay otra cosa : pero aunque nos jactamos de ser muy hospitalarios, para que una persona llegue y pueda ser parte de la sociedad, es más

16.5. The Interaction between “Native” and “Foreign” Managers in Mexico

As we have already seen, the percentage of expatriates is relatively low when put in a relation with the number of foreign subsidiaries located in Mexico. But, of course, there are foreign business elites in Mexico, just not as many as one may expect when looking at the number of subsidiaries of foreign MNEs in Mexico and when taking into account that the Mexican government has signed more bi- and multilateral free-trade agreements than any other national government worldwide. This leads to several questions:

do the business elites from different home countries integrate into Mexican society and build up social relations with Mexican business elites? Do they form one unified social milieu? Do their attitudes, lifestyles and distinction practices harmonize and fit together, or do they stay separated?

Most interviewees were very clear on that question: Although the subsidiaries of foreign multinational enterprises form an important part of the Mexican economy, the Mexican and the foreign business elites usually do not mix or socialize.

They do not form one unified, common social milieu together, but usually co-exist without any relevant common activity or communication. The foreign business elites remain “foreign”. One may speak of two business elite groups (although it is not clear whether the foreign business elites actually do form any common social group at all because they are very diverse and dispersed all over the country) and two economies: one “native” Mexican economy which serves the national, domestic markets, and one “foreign” economy which produces for the world markets and exports the majority of what it produces. This “dual-economy” produces a “dual-elite”.

The causes are manifold:

difícil aquí, por lo mismo que somos más secos, estamos más a gusto con la gente que conocemos de toda la vida, llega alguien nuevo y nos tardamos mucho en asimilarlo. No somos gente muy móviles, no ha cambiado la cultura, hace poco comentaba con una persona que el mundo corporativo de Estados Unidos, reformo la forma de vida de la familia, de que el núcleo familiar fuera más pequeño, que fuera muy móvil, porque el mundo corporativo así lo requería. Pero si te vas a España, la familia ha tenido más influencia sobre las empresas, la empresa familiar ha tenido más auge que en Estados Unidos y el núcleo familiar en España se ha mantenido más que en Estados Unidos, para que nosotros nos movamos es más difícil. Ha habido una campaña muy activa de ir y educarse en otro lado, pero regresar a tu tierra a trabajar. Yo estudié 8 años fuera y volví. El reto para nosotros es el de tener las oportunidades, la empresa familiar siempre tiene un desempeño superior a la empresa corporativa, porque es tuyo, si se ponen mal las cosas tú no te vas, el director de una empresa corporativa sí, lo sientes tuyo y lo trabajas, y eso se lo irradas a tu equipo de trabajo. Nosotros estamos haciendo un esfuerzo muy importante en trabajar con las familias, no tan solo con los empleados. “

one cause is that Mexican and foreign top managers have very different ideas about what top management actually is. Mexican top managers usually believe that a significant part of their work consists of creating, maintaining and fostering social relations with other business elites and with officials and politicians, which is indeed crucial for being successful in Mexico. Although this may be hard to understand for European observers, it is a very rational behavior when you take into account that good interpersonal relations facilitate almost everything in Mexican society. Therefore, they spend a lot of their time socializing with other elites, officials and politicians. They eat together, attend many social events and Mexican fiestas together and sometimes go to table-dance bars together, as several interviewees mentioned during the interviews. They have highly qualified employees to do the other tasks which are usually associated with top management. Often, the CEOs and presidents have got into their powerful elite positions because they are the sons of the owners of the enterprise. They fulfill a more symbolic function, representing the enterprise at official events, shaking hands, and, of course, maintaining trustful relations with the families of other business elites.

In contrast, US American, European and Asian top managers believe that their job as top managers consists in taking strategic decisions, negotiating, motivating employees, organizing, innovating, increasing efficiency, communicating into all directions, traveling through the whole world in order to attend meetings and inspect subsidiaries and, of course, obtaining and processing as much information as possible in the shortest time possible. They often mentioned how many hours they work per week. 70 work hours seem to be the norm. Therefore, they feel that they do not have enough free time to “convivir” (socialize) for many hours and even complete days during fiestas and the other important events in Mexican society. Furthermore, they might have ethical reservation about attending a table-dance performance with their Mexican peers. Indeed, some multinational enterprises have codes of conduct which do not allow visits to table-dance bars for business meetings. But through these activities trust between business partners is commonly built up in Mexico. As institutions are weak in Mexico, most people rely on personal relations.

Furthermore, as the foreign subsidiaries often compete on world markets, they have to be more competitive, and the top managers have less time for leisure activities. In contrast, many of the largest Mexican enterprises have monopolized domestic markets or at least have made informal agreements with other enterprises on how to divide the markets and, therefore, have to fear less competition and can take more free time for leisure activities.

An additional cause for the separation between native and foreign business elites might be that some of the most important business elite organizations in Mexico, e.g. the Consejo Mexicano de Hombres de Negocios (1962) [the Mexican Council of Businessmen, CMHN] are closed for foreigners. They do only accept Mexican business elites who have lived in Mexico for most of their lives. In this way, they exclude foreign business elites and avoid that one common social milieu with similar attitudes and values develops. Furthermore, access is only granted by recommendations of members of the group, so you can only get in, if you have already very strong social relations with the members of the club.

16.6. Examining the Differences between Foreign Top Managers from Different Home Countries

16.6.1. US American Top Managers in Mexico

US American top managers often mentioned that they feel like being in hostile territory when they are in Mexico. They used the expression “behind enemy lines”. They and their partners who have come with them, fear the violence in Mexico which is so present in the mass media. They live behind fences and only leave their gated communities when it is absolutely necessary. They do not know whom they can trust and therefore do not socialize. The wives of US American expatriate top managers are often not happy with their stay in Mexico, because they consider it dangerous and usually stay most time in the house, not interacting with anybody outside the home. This often causes further conflicts and marital problems which eventually lead to the US-top managers leaving Mexico again, as one top manager of a US American enterprise mentioned several times during one interview. (Informant 13).

16.6.2. Chinese Top Managers in Mexico

Chinese top managers usually shut themselves completely off in Mexico. Within the walls which surround their operations everything is Chinese. They even bring the cooks from China. They do the necessary communication with the outside world in Mexico by employing translators and interpreters. Their attitude seems to be “unnatural” for Mexicans and is far away and mostly incompatible with the relaxed and emotional attitude of Mexican business elites who often hug their friends and value physical contact.

In the resource extraction industry, the preferred way of the Chinese top managers to do business is to buy the territory and the necessary concessions, build a wall around it, and to stay in there. They contract professionals to do the communication and negotiations with the outside world.

16.6.3. German Top Managers in Mexico

Many German top managers have married Mexican women and have children with them, but still, they live in their own “German communities” in several cities, send their children to German schools (most notable the Colegio Humboldt) and maintain their “Germanness” or “German identity”. Sometimes, they seem to exaggerate their “German culture” by overemphasizing their “German virtues” like punctuality, making and sticking to plans, working in a very precise and dedicated way, talk less, control emotions, being serious, etc. This “playing up their Germanness” is a distinction strategy which aims to separate them from Mexicans. Especially after having lived in Mexico for several years, German expatriates become increasingly serious with their “own German culture” and cannot stand any longer the unpunctuality and unreliability they experience during their stay. (Informant 15).

Germans are usually considered to be “cold”, deadhearted, numb and insensitive because they do not show their feelings as open as Mexicans do and they smile less often. This difference further complicates the creation of trustful and close social relations between Mexican and foreign business elites. Moreover, it is common in Mexico that a trustful and close social relation with a person is created by introducing that person to one’s family. But German expatriates are often not interested in getting to know the family. They do not see the point in spending so much time with the wider family of their Mexican peers and business partners. They consider it a waste of time to get to know up to 50 or even a hundred persons which are somehow related to the family of their business partner.

Another reason is that Germans (especially those who grew up in the north of Germany) are not used to the sharp, immediately visible and sometimes brutal and cruel social distinction practices which are so common in Mexico. It makes them feel strange, irritated and vexed, because they do not want to be part of what they consider a “feudal society”. Although considerable social distinction and inequality does exist in Germany, too, it is less visible and people actually try to hide it because Germans like to see their own country as a “middle-class society” (although empirical reality is quite different). It is common that rich Germans hide their wealth (e.g. in the inside of their houses)

and do not tell anyone that they are multi-millionaires. In Mexico, the opposite is true. In certain milieus of Mexican society, the sense of being rich is to show it and to enjoy the admiration and envy of the spectators. Therefore, they spend much more money on cars, smartphones, jewelry and other immediately visible status symbols than their German peers, which causes further alienation. Mexico is in a certain way a “street-corner society” as life happens outside in the streets because it is warm and sunny and everyone sees everybody. People observe each other in the streets much more than people in Germany do (where it is cold most of the year and people, therefore, do not spend much time in the streets). The streets and street corners in Mexico are catwalks on which people present themselves. But most Germans do not understand that. They are not aware of the meaning of the street corner and therefore simply ask themselves annoyed what all the fuss is all about.

These two very different distinction practices are not compatible and do not harmonize well together. Most rich Germans believe and justify their wealth and high social status by saying "We are all the same, but those who study and work the hardest, are also a bit more successful and, therefore, earn a bit more money".

Mexican business elites take great pride in telling that their family is of European (mostly Spanish) origin and that they have been wealthy for a very long time already and that due to their excellent connections with political and business elites their future is assured. In contrast, in most parts of German society it is considered embarrassing to brag about the achievements of one's parents. It is interpreted as “hiding behind one's family instead of achieving something oneself”. Parents in Germany often teach their children: “You cannot be proud of something you have not achieved yourself by studying and working hard. The only thing that really counts is what you have achieved yourself.”

This difference between Mexican and German top managers is also expressed in the way they decorate their offices and in the way they dress. A photo of the office of a Mexican top manager and a photo of the office of a German Top manager in Mexico may illustrate the difference. During several interviews with Mexican business elites, the interviewees called their daughters, who were in the office, too, and told them “Listen to our interview. You can learn a lot from it”. This seems to be quite common in Mexico. In contrast, I have never seen that the daughters of German top managers were present in the offices of their fathers.

It is very apparent that the office of the Mexican top manager is decorated with expensive items, like the large, dark, wooden desk, the big leather executive arm chair, the special and artificial “natural stone wall” in the back of the office, the small sailing boat models



Figure 16.3.: Office of Mexican CEO

and the two Apple computers with big screens, one iPhone and one MacBook. In general, the impression is that the office is full of “noble things”. And in the background, several photos of the expensive “15 year fiesta” (“Fiesta de Quince Años”) of his daughter and some photos of other family members can be seen.

In contrast, the office of the German CEO only looks functional, it is almost empty. The whole room looks like it is from Ikea: functional, modest, standard and relatively cheap middle-class furniture without any form of adornment, ornament or decoration. A round table is situated in the middle and everybody sits on the same kind of chairs which do only fulfill the purpose of sitting, without representing anything. There are very large windows going from the ceiling to the floor, everybody can look into the room. Indeed, the German top manager told me that he wanted these big windows to be there to signal transparency, because “everybody should be able to see what the boss is doing. I have nothing to hide. I’m just another employee.”

The German top manager wears the standard shirt of his enterprise, just like all the other employees. It is similar to a uniform – and represents uniformity. None of his three children is present in the office or near it, because they all have their own lives separated from him. There are no photos of any family member in the room. Professional and private life are clearly separated.



Figure 16.4.: Office of German CEO

16.6.4. Summary

It seems that the foreign business elites who stay most foreign are US American and Chinese, while Canadians and South American integrate more into Mexican society, form social relations and participate in community activities. Europeans are somewhere in between.

It is very common that German top managers marry Mexican women whom they got to know during their stay in Mexico. But German top managers do not want to spend as much time with their wives' families as is expected in Mexican culture. This causes constant conflicts: the German top managers want to work and succeed in their careers, while their Mexican wives want them to spend more time with the Mexican family. Here, two different cultures clash, because in German society families simply spend much less time together.

17. Conclusion

In this chapter, the new and innovative contribution of this study will be summarized, conclusions will be developed and the implications for IB and sociological theories as well as for further research will be discussed.

17.1. The Leadership Styles of Top Managers in Mexico

1. The “empathetic” or “supportive” leadership style:

This style was sometimes called the “benevolent father” or “paternalistic” leadership style in some previous, older studies on business elites in Mexico. However, I have come to the conclusion that “empathetic” or “supportive” leadership style is a more precise description, because Mexico’s culture and society have moved on in the last years and it is now less authoritarian and “machista” than it was a few years ago. Furthermore, the interviewed top managers themselves have used the term “empathetic” or “supportive” when describing their own leadership style. It is a style deeply influenced by what is called “social intelligence” in the recent management and leadership literature. It is a way of feeling what the employees need to make the best of their own skills and talents and to develop their best performance. It means understanding the employee not just as being composed of “two hands” but as a complex human system with several needs and wishes, which need to be addressed in order to allow them to develop their full potential. Furthermore, attention is focused on how the social system the employees are embedded in – not just the system in which they work, but also their families and social communities – is supported and/or designed by the managers in a way that is beneficial for their personal development and motivation to work. Here, the central question is: What can the top manager do to create an inspiring, innovative and motivating work environment and atmosphere?

2. The aggressive “macho” leadership style:

Instead of focusing on how to give the employees the support they need to reach their best performance, this leadership style primarily uses aggressive intimidation and pressure to make the employees work faster. The question how to achieve this goal, that is, how to improve the performance of the employees, is completely delegated to the employees themselves. The managers focus on forcing performance out of the employees and are not interested in understanding how the inner human system within the employees, and the environments and systems in which they live, function and how they can be supported and improved. This leadership style can often be found in traditional, old and mature industries where there are hardly any disruptive innovations, like construction and cement production.

3. The participatory leadership style:

This leadership style can often be found in the most modern MNEs that work in rapidly changing industries in which disruptive innovations are common and survival in the markets requires rapidly responding actors and enterprises. Here, the managers train and educate the employees to use all their intelligence and observatory skills to detect changes and problems and to create and apply solutions and continuous improvements as fast as possible. The top management only needs to be asked for permission when decisions and changes are of fundamental importance. The aim of this style is to bring the points of decisions (that is, the meetings where the crucial decisions are discussed and taken) as close as possible to the points of action (that is, e.g. production lines and sales) in order to make the enterprise become a “self-learning structure”, a quasi-organic system, in which communication flows as fast as possible “from the hands to the brain”. Decisions are taken and implemented as a response to new information and changed environments and circumstances as fast as possible (“from the brain to the hands”) so that the enterprise can adapt to and survive in a technologically, culturally and politically changing world, and does not die out like dinosaurs. In a way, one may summarize this style by saying that it trains and educates the rank-and-file workers to do the managers’ job, too, in addition to their manual production work. The workers have information, observation and experiences which the top managers do not have or which they receive much later, and therefore the workers may be better and faster at taking certain decisions, but obviously not all of them. This approach believes in the advantages and opportunities of flat hierarchical structures.

17.2. Distinction Practices of Top Managers

The preferred distinction strategies and practices of Mexican business elites are:

1. Mexican business elites, and the Mexican upper-class in general, often aim to appear as "European" or as "US-American" as possible (the business elites of Lebanese origin being an exception). Keeping up appearances is of greatest importance in Mexico, specially in conservative cities and regions like Puebla. Among white Mexican elites it is rather common that they see themselves as Europeans who have nothing to do with the mestizo and indigenous population. When asking them about the indigenous origins of Mexican culture, it is like asking a Swiss manager what he thinks about the cultural origins of the people in Zimbabwe: they believe that they have nothing to do with it, are not interested in this topic and prefer to ignore it. Talking with them about Mexican society has been similar to talking to foreign tourists because Mexican business elites usually create a huge distance between them and the rest of Mexican society. When asked about what they think about social inequality and poverty in Mexico, most interviewed business elites usually answered "that they have nothing to do with that. They do not consider it to be their problem, arguing that the only way to reduce social inequality and poverty is to create jobs, not to redistribute wealth". They usually continued arguing that they are against the redistribution of wealth because they are convinced that the middle and lower classes would spend the money immediately anyway and would therefore stay poor. Their central line of reasoning and thought is that the reason why the poor are poor is that they have "the wrong attitude. The business elites believe that they are fundamentally different from the mestizo middle class and the, mostly indigenous, lower class.
2. During more than 300 years of colonial rule, members of the Mexican upper class were either foreigners or the Mexican-born children of foreigners. This tradition has left its marks in Mexican culture and is visible in many different dimensions of social distinction practices: in terms of material status symbols, educational titles and marriage partners, Mexicans often prefer foreign products, titles and partners (that is: US-American and European, not Guatemalan). This is particularly true to the Mexican upper class: educational titles from prestigious US-American or European universities are very highly valued. This value orientation is shared not only by the business, but also by the political and academic elite. They want their children to study in Europe or in the USA.

3. They do almost everything to put their children into important positions. But their children often participate in the so-called “Junior” activities of extreme parties, excess and playing with luxury items, instead of studying and working. Many top managers complained about their own children but nonetheless give them the most important positions within their enterprises. And they continue paying for everything their children want to have. There is no culture of constraint. They want their children to have “a good life” and therefore pay them large amounts of money. Even if the children have not finished their licenciatura degree (similar to a Bachelor’s degree) by the age of 30, their business elite father will still put them into an extremely important position within their enterprises, such as CEO. As one rather successful top manager put it: “My children had the opportunities to become everything, and they have become nothing. “ He had paid his children all the university courses they wanted to study in the USA and Europe and they have not finished any of them.
4. Driving huge SUVs (although in extremely violent regions where kidnappings are common, many business elites have switched cars and now drive more modest vehicles, which do not signal wealth so strongly and which draw less attention).
5. Living in large gated communities in order to increase privacy and security and have a physical barrier between them and the rest of society. Often, gated communities are created in this way: the neighborhood decides to close the street, to build fences and walls and to employ a provide security company to guard the entrance. By setting up gated communities, they privatize public spaces owned by the state without paying for it, which is an illegal land grab.
6. They believe that they have “the right attitude”, while arguing that mestizos and indigenous people lack work ethics and do not know how to lead an enterprise.
7. Some business elites, above all those who are influenced by Evangelical religions which are widespread in the north of Mexico, believe that they are the chosen ones (“I’m a son of god”), feel sacredly superior and are very aggressive when they talk about Catholics and indigenous people.
8. Educational titles are less important. Most consider a “Licenciatura” (the Mexican equivalent of a Bachelor’s degree) to be perfectly adequate. In contrast, ca. 50% of the CEOs of the largest German enterprises have doctoral degrees and most of the other half usually has a “Diplom” or a “Magister” degree (the German equivalents of

a Master's degree). German elites feel that they are lacking and missing something without these titles, while Mexican elites often tend to consider acquiring them to be a "waste of time".

17.3. How Top Managers from Different Cultures Interact: Conflicts, Identity Protection, Miscommunication and the Struggle for Recognition

A central part of this research project was to study from a comparative perspective how top managers from different cultures interact when they meet in Mexico. The problems, conflicts and misunderstandings which arise most frequently when "native" and "foreign" top managers interact in Mexico have been explored and analyzed extensively. While many anecdotes exist and some studies have touched this issue incidentally (Davila, 2004; Davila and Elvira, 2005; Pieper, 1990), the present study has investigated this research object in more depth. Furthermore, as Mexican society has been changing rapidly, previously published, older studies concerning this issue describe a culture which has changed so much that the old descriptions are not precise and adequate enough when the aim is to understand present day Mexico. In addition, some scholars have studied Mexico without ever having been there. While it is possible to study Mexico by analyzing large quantities of data in an office in Europe, extensive qualitative fieldwork in Mexico is likely to produce much richer, more comprehensive and multi-layered impressions, observations and other kinds of data which are much closer to what is happening 'on the ground'. Discussing the issue extensively with many different native and foreign top managers, as well as with their employees has created a deeper understanding of complex intercultural interactions, different views and interpretations of "the others" which arise and sometimes clash when foreign MNEs set up subsidiaries in Mexico.

One central finding is that the problems foreign top managers face in Mexico depend to a significant degree on the reputation of their country of origin ("home country") in Mexico. While Mexicans warmly welcome expatriates from some countries, and are willing and eager to learn from them and to adopt their practices, attitudes and values, they strongly reject others, sabotage their management work, are not willing to truly

cooperate and only share information reluctantly. Using their typical “high-context-culture” (Hall, 1976) non-verbal communication methods, they secretly and subliminally and team up against the foreign top managers who are considered occupying foreign intruders. In a way, it is a revenge for the racism which Mexicans (managers and workers alike) suffer when they work abroad, above all, in the USA.

According to the majority of the interviewees most Mexicans reject what they perceive as US American managerial styles which they often characterized by using the term “unwillingness to learn our language and to learn about our culture, foreign rule, domination, humiliation, arrogance, lack of modesty and intercultural sensitivity“ during the interviews. In contrast, they highly appreciate and adapt to other cultures, e.g. what they perceived as Japanese or German organizational culture and managerial styles. One reason why the reputations of countries like Japan and Germany are excellent in Mexico, is that these countries are technologically highly developed, but have never waged war against Mexico It is a form of soft power: “the ability of a country to hold international sway not by brandishing hard (military) power but by getting others to want what it wants. It is the value of being attractive culturally, commercially, gastronomically, ideologically, or indeed linguistically” (Economist, 2015).

Applied to the field of International Business, the implication is that, when a nation and its culture are highly appreciated in the host countries, then it is easier for the MNEs to build up smooth and efficient operations in the host countries as the host country nationals (e.g. workers, managers, state officials, journalists as well as the communities, neighborhoods, etc.), are more willing to cooperate and to accept and take over the management styles, organizational forms and other expressions and parts of the MNE’s home-country’s culture. From the start, there is a welcoming and optimistic attitude toward the MNE by the host country nationals, as the home country of the MNE and its culture are highly appreciated and admired as an example to follow. The host country nationals are willing to learn and adapt to the MNE’s practices, because they admire the host country’s culture of the MNE. And, of course, there is a self-fulfilling prophecy taking place, too, as the warm welcome which the expatriates receive by the host country nationals, is often replied and reciprocated by an equally warm greeting by the expatriate managers towards the host country nationals. This is often the beginning of a trustful relation which is the basis for efficient teamwork.

These findings are consistent with Sargent and Matthews’ research results who investigated, among other issues, the Japanese subsidiaries and the implementation of Japanese management techniques in Mexico:

“Overall, we found that there was considerable conflict between Mexican nationals and expatriate managers in the firms we studied. Mexican managers frequently stated that this conflict was due to the lack of Spanish-language skills on the part of expatriates and to the imposition of a North American managerial style on the Mexican subordinates. Because, at least in parts, of this conflict, U.S. MNCs were replacing their expatriate employees with host country nationals. At the same time that Mexican managers were resisting the cultural imposition represented by U.S. expatriates, they were wholeheartedly attempting to change company culture to support their efforts to adopt JMTs [Japanese Management techniques]” (Sargent and Matthews, 1998: 75).

These tensions and conflicts between US American managers on the one hand and Mexican managers and workers on the other hand are likely to increase and to turn more severe during the presidency of Donald Trump, as the president has injured Mexican pride and the Mexican identity. This will make it harder for US American MNEs to set up efficient operations in Mexico and to make the subsidiaries work smoothly. It will become more difficult and delicate to cooperate with Mexican managers and workers because the insults have increased mistrust and a feeling of having been humiliated which is likely to deteriorate the trust between Mexicans and US Americans. The US American president is not doing the US American enterprises a favor because many of them have already set up large subsidiaries in Mexico and, therefore, need to interact with Mexicans. There is some evidence that Trump’s insults which have injured the Mexican identity and pride are already triggering a nationalist backlash by Mexicans which is likely to intensify in the following years (Camín, 2017). This new development is particularly tragic as the reputation of the USA had improved significantly within the last 20 years due to the many new business opportunities the US American MNEs offered to young Mexicans by setting up subsidiaries in Mexico and creating attractive jobs (Economist, 2017; Guajardo, 2017).

17.4. Conflicts between Managers and Workers within the Subsidiaries of Foreign MNEs in Mexico

During the fieldwork in Mexico, it became clear that the main source of discontent among the local host country workers was not their salary, but a perceived lack of social recognition. The interviewed workers complained most often about not being socially

recognized as a human being by their superior expatriate managers. All interviewees agreed that Mexican culture is highly emotional and personal. There is no clear separation between the professional and the private life. The most present and dominant organizational concept in Mexican culture, and which Mexicans know best, is the organizational concept of the family, and they intuitively apply it to the enterprise in which they are employed and aim to build up friendship ties with their superiors. This is the normal way to organize work in Mexican culture.

This Mexican approach and interpretation of a work relation, the way they build up trust and confidence (which is the basis for building a successful high-performance team) is the opposite of the German habit of separating professional and private life. This is very apparent in the old German saying “Dienst ist Dienst und Schnaps ist Schnaps” (“Duty is duty and booze is booze”) which means that you should not mix business with pleasure, because professional life and private life are two different pairs of shoes. They should have nothing to do with each other, and they should not be mixed. You may disagree strongly with one of your colleagues on a professional level, while maintaining an excellent friendship relation on a personal and private level. Or you may work together with a colleague very well, practicing excellent communication and teamwork, but you do not have any relation in private life: no common activities, no friendship and no social gatherings. When it comes to work relations, Germans often follow the rule “Don’t let emotions get into the way!” and believe that there should be “rationality instead of emotions”, while for Mexicans, when there are no emotions, there is no social relation. Not showing emotions is similar to not speaking and not listening in Mexican culture. It does not work for a trustful social relation. Now, when German expatriates go to Mexico they will have to adapt to the Mexican way of maintaining work relations, if they want to be successful, although it may seem awkward, time-consuming and less efficient to the Germans. When arriving in Mexico, a substantial number of Germans have problems adapting to the Mexican way, which then causes conflicts and misunderstandings. Several Mexican employees of German subsidiaries have complained that there is a lack of empathy. They reported that they feel that their German superiors do not see them as humans. They see their Mexican employees more as a tool or a machine within the production process.

One reason why Mexicans feel the need to reaffirm the harmony in social relations much more often than Northern Europeans is probably caused by a further characteristic of Mexican culture: according to most interviewees conflicts and annoyance are usually not addressed and mentioned openly, so when Mexicans are annoyed or when there is a

problem they simply keep quiet. Therefore, when somebody else is quiet they usually assume that the other person is annoyed or that there is a lingering subliminal conflict.

At the bottom of this phenomenon there may be a certain unsureness and fear of conflicts and disharmony. Openly expressing disagreement in a calm way is a great sign of confidence and trust because it means that the person who expresses his or her dissent believes that the boss will not punish or repress him or her for saying what he or she really thinks. Based on these explanations of Mexican culture, we may develop one practical recommendation for foreign top managers whose task it is to manage a Mexican subsidiary: in order to make Mexican employees cooperate with you, you first need to win their hearts and affection. You need to find out what is it that is bothering them, because they will most probably not say it themselves, because they fear that you will not understand and that you will punish them for saying it. Therefore, you first need to take the time that is necessary to win their confidence and trust and then, in a second step, carefully ask what it is that bothers them. Often they simply do not feel valued and appreciated enough and would like to be invited to more social gatherings. Or they are afraid that their superiors do not like them because the top managers never smile and do not ask them how they are and how they feel. According to one Mexican top manager: if you are not willing to invest the necessary time and effort to explore the emotions and needs of your Mexican colleagues and employees, you will never be able to form a high-performance team with them.

One may conclude that in Mexican culture, non-verbal communication and symbols play a much bigger role in interpersonal work relations than it is the case in Northern European countries or in the USA. It is a “high-context culture” (Chua and Gudykunst, 1987; Gudykunst, 1983; Hall, 1976). It is not so much about what you say, but how you say it. If you say something without smiling, people may interpret it as an aggressive attack. If the tone of your voice is not relaxed, Mexicans may conclude that you are angry at them, if you praise somebody or something without enthusiasm in your voice (a high-pitched note needs to be audible in the voice in order to show that it is meant serious), then Mexicans will usually think that you are not meaning it. They may assume that you are not seriously feeling what you say. It only takes a very subliminal signal or symbol to make Mexicans think that the social relation is damaged and that there is a conflict.

17.5. The Scope of Action and Room for Maneuver of the Top Managers of Foreign MNEs

Concerning the social and environmental performance, the scope of action and room for maneuver of the foreign MNEs' top managers seems to be rather large, as these aspects of their work are less strictly defined and controlled than the economic, profit-oriented goals. As these aspects underlie less monitoring and scrutiny by the board of directors, stockholders, etc. and are less tightly regulated, watched and enforced by the Mexican state (if they are controlled at all), it really depends on the values and objectives of the top managers whether the subsidiary makes an effort to deliver excellent social and environmental performances or not. While top managers who do not meet the economic, profit-oriented aims are most likely to be replaced by others who do, in the case of the social and environmental performance, top managers may have an excellent or terrible record, but in both cases are likely to keep their jobs as social and environmental aims are often neither clearly defined, nor are the results thoroughly monitored and checked – if they are taken into account at all. So, this is an area in which it really depends on the profound values top managers have deeply incorporated during their socialization and which lead and guide their decisions and management work in general. Applying the interactional theory of “role-taking” and “role-making” (Blumer, 1986; Mead, 2015), one may say that when it comes to the economic aspects of the top managers' role, there is much more role-taking than role-making, as they are told exactly what they are supposed to do and what happens if they do not fulfill the expectations. In contrast, when it comes to social and environmental aspects, there is much more role-making, the top managers themselves define, that is, make their own role, as there are no precise aims, expectations and rules which are as strict and as clearly defined as it is the case regarding the economic aspects. Therefore, top managers are more likely to show who they are and what their values really are, when it comes to managing the social and environmental aspects of the subsidiary's performance.

Perhaps the clearest example of the impact top managers can have on the subsidiary they lead was this one: in a subsidiary of a German MNE located in Monterrey in northern Mexico the workers usually worked for eight hours per day, which is typical for German enterprises. The work processes were organized in a rather efficient way so that the subsidiary was able to keep up with the most competitive enterprises in the industry, although in Mexican enterprises it is fairly common that the employees work for much longer every day, usually 12 hours per day and only having one day off per week.

Then, Monterrey went through a very difficult period in which organized crime and violence increased drastically due to the increasingly brutal activity of drug cartels. The wife of the CEO of the top-management team was almost robbed in the street and subsequently most German top managers and their families decided to leave Mexico as they considered it to be too dangerous. They were replaced by Mexican top managers who started running the subsidiary the Mexican way: suddenly the employees had to work between 12 and sometimes up to 14 hours per day, although the formal contracts were not changed. All the formal rules and contracts stayed the same, but suddenly the workers were expected to stay at the subsidiary as long as the managers wanted them to stay. One employee reported that the work culture and environment changed towards more hierarchical structures and the power distance between the managers and workers increased enormously. Furthermore, the atmosphere changed. There were less open discussions throughout the different organizational hierarchical levels on how to improve the production process. This example shows how large and significant the impact of the top managers on the subsidiary they lead can be. It shows that the top managers can impact the work culture and processes enormously, but it is often overlooked or at least underestimated because the economic performance may stay the same.

17.6. The Link between Socialization and Values

Linking the type of socialization top managers have experienced during their lives, with the values and types of management styles which they apply today during their work, has proved to be too complicated as too many factors would have to be considered, because all of them somehow and to different degrees influence this profoundly complex process.

One may carefully develop the hypothesis that the more the top managers are integrated into the community where the subsidiary they lead is active, and the more they know and are aware of the needs of their employees and their employees' families and communities, the more likely they are to develop empathy and to actively search for sustainable long-term solutions which are beneficial for the employees and their communities. So, these top managers are more likely to practice real social and environmental responsibility driven by and based upon profoundly incorporated values and empathy.

But then, there are also top managers who have grown up in exactly these communities and who come from humble lower-class origins, but who forcefully aim to distinguish themselves from their roots, that is, their communities of origin. They aggressively

pursue a short-sighted, very conservative and purely profit-oriented management style, which uses brute force to get results and which does not protect neither the employees nor the environment. These top managers have internalized the “get rich or die trying” philosophy of life and often dream of leaving Mexico, which they consider a “dirty hole”, and to become successful US American citizens by marrying a white-skinned blond woman. This offers the additional “advantage” that their children will have brighter skin-colors than themselves, which is the crucial indicator of social status in conservative milieus of Mexican society (Nutini, 2004, 2009; Nutini and Isaac, 2010). Instead of empathy, they detest the Mexican communities from which they originally came. Their hate and rage is very present in their actions and management decisions. These Mexican managers are particularly fascinated by European and US American status symbols.

More research is needed to deepen the understanding of how socialization affects the values and management styles of top managers. While there is surely a correlation, we may conclude that there is no simple, straight-forward link between a certain type of socialization of top managers and the values which later form the basis of their management styles, priorities and decisions.

17.7. Similarities between the Viewpoints of Top Managers and the Customers of Their Enterprises

A further discovery is the correlation between the top managers’ and their customers’ political viewpoints. The top managers usually defend and take over the viewpoints of the classes and social milieus they serve, that is, to which they sell their products. They defend the markets they serve: the top managers who lead enterprises which serve the established upper class by selling luxury products to them, tend to have conservative viewpoints, defending the privileges of their customers. There is a certain logic behind this attitude as higher taxes for the upper class would reduce their purchasing power which would decrease their ability to buy luxury products.

The top managers who lead enterprises serving the middle class usually support parties, policies and viewpoints which aim to expand and strengthen the middle class, which, again, makes a lot of sense, as a growing middle class means a growing market and demand for the products their enterprises produce.

Finally, the top managers of enterprises that serve the lower classes often support government programs which enable the poor to buy the products they need. Again, these top managers defend their markets and clients.

A further cause for this correlation may be that top managers, just as any other group, are more likely to develop empathy with the people they know (Davis, 1994; Goleman, 2007; Hoffman, 2001). And as they know their customers, they are more likely to develop empathy for the social class from which their customers derive, than for a different class or milieu they know nothing about.

While there are some studies which show that it is beneficial when salesmen have similar dress codes to their clients and people generally tend to like and trust other persons more when they are similar to themselves, or are at least perceived to be similar (Bahns et al., 2011; Farmer et al., 2013; McPherson et al., 2001), there has been no study yet which links the political viewpoints of top managers to the viewpoints and needs of their customers.

17.8. The Interaction between Foreign MNEs and Mexican Drug Cartels

In their excellent quantitative study, Ashby and Ramos (2013) have shown empirically that there is a correlation between the rise of inward FDI in the natural resource extraction industry and the rise of drug cartel activities, but the authors could not explain why this correlation exists and how it is exactly working on the ground, on the micro level. The present study has found the answer to the question by interviewing the top managers who are involved in this interaction between drug cartels and foreign resource extraction MNEs (above all, precious metal mining MNEs). The drug cartels “milk” the foreign MNEs: they pressure them to pay extortion fees which are then re-invested into the “business” of the drug cartels, which enables the drug cartels to expand their operations, by employing more hit-men (“sicarios”), buying more weapons and bribing more policemen, soldiers, judges and politicians. The more natural resource seeking MNEs set up operations in regions of Mexico where the state is largely absent and the drug cartels have taken over the state and demand payment of “taxes” to them, the more opportunities exist for drug cartels to press “protection money”, which finally results in increased drug cartel activities.

17.9. The Impact of Foreign MNEs on Mexican Society and Culture

A central contribution of this study is to have explored the impact of foreign MNEs and their top managers on Mexican society by applying a micro perspective which focuses on how the top managers influence their environment and how the lives of individual Mexican employees, as well as their families and communities change, when they start working for a foreign MNE. The study has shown that in a city like Puebla, where several German MNEs have set up operations, even the families which are not in any way affiliated with these subsidiaries and have no relatives who work within them, motivate their own children to study German and engineering because they have observed in their neighborhood that this is the way up, the way to a better life and social ascent. How do values and institutions change, what is the impact of foreign MNEs and which role do top managers play in this process? In the case of Mexico, we may conclude that values and attitudes change when some individuals adopt new values they have observed and experienced during their work in the foreign subsidiaries and prove that these new and different values and attitudes are the more successful ones. Their families and neighbors observe the new values and attitudes and adopt them, too, as they hope that it will bring them similar success and social ascent. Furthermore, the employees often actively teach their own families these new values and attitudes. When these “newly converted” individuals, who have just recently started to practice the new values and attitudes, become successful, too, this development gains momentum and even more individuals from the community will try to copy this recipe for success. Mexicans observe each other precisely and rapidly copy new strategies of social ascent. Later, the growing number of individuals who have adopted new values and attitudes create new institutions and organizational forms as soon as they are numerous enough to form the majority and realize their ideas. First, in their families and neighborhood and later on a broader level. These new institutions and organizational forms grow and develop out of the new values and attitudes almost as a logical consequence. Using a metaphor, one may say that the new values and attitudes are like a new kind of soil which makes new plants, that is, new institutions and organizational forms, more likely to flourish. This process may even reach the national, macro level, eventually, but of course, clashes and conflicts with those who stick to the old values, attitudes, institutions and organizational forms can often not be avoided. It can be a conflictual process and this is what is happening in Mexico at the moment.

A further impact foreign MNEs have on Mexican society is that they change the social structure and strict stratification system because the expatriate managers who select and recruit the Mexican employees, are neither interested nor understand the complex social hierarchies of Mexican society. The expatriates focus primarily on performance and skills and have no family in Mexico, therefore, they give the jobs to the applicants who seem to be best suited to do the job well. This opens up huge opportunities for highly-educated middle-class Mexicans who have hardly any chance to get a well-paid job in a Mexican enterprise as they lack the necessary social capital, that is, family connections and friendships with influential Mexican entrepreneurs, managers and politicians. Foreign MNEs seem to be more meritocratic than Mexican enterprises, which are often family enterprises and prefer to employ family members and friends as they mistrust applicants from outside the family and friendship circle.

While Caprar (2008) has discovered, explored and described similar developments concerning the impact of foreign MNEs on society and culture in Romania, in the case of Mexico, no study had been published previously on this issue.

Another effect of foreign MNEs which was observed during the fieldwork is that, in Puebla as well as in Wolfsburg (Germany) a Mexican-German community has developed as German engineers who are sent to the subsidiaries in Puebla often marry and have children with Mexican women. Some of them move to Wolfsburg, where VW's headquarters is located, while others stay in Puebla. In both cities, small German-Mexican city districts exist. A new Mexican-German population is developing, which is still, admittedly, relatively small when compared to the entire population, but it is a further impact of MNEs which has not received much attention to date. One may assume that in other cities, where many US American MNEs have set up operations, similar effects can be expected. In some regions of northern Mexico (Chihuahua, Monterrey, etc.), it seems that a very large part of the population (possibly up to 50%) has worked in foreign MNEs at least once in their lives, resulting in a significant social and cultural impact. Many Mexican-US American couples have formed during this process, making northern Mexico a region that is very different from the rest of the country.

17.9.1. When and under Which Circumstances Does the Habitus Change?

During the fieldwork, it became apparent that the habitus of the local Mexican workers who work for the foreign MNEs changes much more drastically than the habitus of the

expatriate managers who are sent from the home countries to manage the subsidiaries in Mexico. The cause is probably that as the local Mexican workers are in a less powerful position, they have to change their behavior and practices much more than the expatriate managers. Both sides need to adapt to each other in order to cooperate successfully, but not to the same degree, and that makes the decisive difference. While both, workers and managers, mentioned during the interview that the subsidiaries' culture is a mix of Mexican and foreign culture, it is not 50% Mexican culture and 50% foreign culture, but the dominant culture is definitely the foreign culture. Essentially, foreign practices are enforced in the subsidiaries with a little bit of Mexican adornment. This means, that Mexican workers need to give up more of their "old" Mexican practices, and learn much more new foreign practices than the expatriates need to do. By changing their behavior and practices, their habitus changes eventually, too. That explains why Mexican workers' habitus changes much more than the expatriates' managers habitus, although they both work in a subsidiary with a culture they both describe as "a mix of both cultures".

17.10. Limitations and Implications for Further Research

This research project aimed to cover a wide array of issues associated with top managers of foreign MNEs in Mexico in order to discover the greater connections between different phenomena and the wider context in which they are embedded. While this approach had the advantage of creating a very broad picture of the object of research, the disadvantage was that it was difficult to investigate all aspects in depth as it was exceeding the resources, capacities and time of the researcher. I have learned that focusing on a smaller research object can make the whole research project more manageable. But, of course, the trade-off is clear: the likeliness of discovering larger connections and correlations would be drastically reduced. One would see less of the bigger picture.

In order to be able to dig deeper and to achieve a more multi-layered and comprehensive understanding of the research object, I decided to apply methods and theories from several different scientific disciplines, above all, sociology, international business studies, cultural studies, anthropology and history. While this approach, indeed, made a more profound understanding of the research object possible, it has the disadvantage that it is very time-consuming because of the vast and ever growing quantities of literature which have to be reviewed. As more and more studies are published every year all over the world, it is difficult to achieve a good overview. While one may be able to get a good overview concerning the relevant literature published in English and German, there are still some very important papers which have only been published in Spanish, French and Portuguese to date. Furthermore, being an expert in several different scientific disciplines is a true challenge, if not impossible, as every discipline has developed its own culture (“Fachkultur”), its own way of thinking and its own terminology. Indeed, the same terms (e.g. “institution, norms, organization”, etc.) are often defined in very different ways across the different disciplines, which may cause further miscommunication and misunderstandings.

In addition, even within one and the same discipline, different cultures have developed and terms are used in different ways. While US American, Mexican and German researchers have all done research on elites in Mexico, they apply different approaches and have different mindsets which make some over-emphasize certain aspects, while neglecting or ignoring others. This makes comparisons difficult.

A further issue was that it took much longer than expected to get access to the business elites, and when they finally agreed to be interviewed, not all answered the interview

questions in depth and extensively. Therefore, I focused the analysis of the data on the interviews which provided the richest data.

I do firmly believe that foreign scholars who aim at understanding Mexican society and foreign managers sent to Mexico in order to manage a subsidiary will be well prepared to do so successfully after having read this thesis. It provides the crucial in-depth knowledge about Mexican society which enables them to work, interact, organize and move things smoothly and efficiently in Mexico. Having said that, the problems of generalizability always exists within qualitative research. As regional differences are large and Mexican society is in a process of change, it is difficult to say to what degree the research results can be generalized and for what time. It would be great to take the research and understanding of Mexican culture to the next level by applying additional quantitative methods in order to investigate the degree to which the research results presented in this thesis can be generalized. When doing so, it is advisable to study Mexico as if it was several different countries, separating the north from the center and the south, in order to get a clearer picture of the real 'landscape'. When studying Mexico without taking into account the regional differences, the danger exists that the research project produces results by forming arithmetic averages, with data collected in northern Mexican being mixed with data gathered in southern Mexican culture (which is profoundly different indeed) which finally results in a description of a culture which cannot be found in any of Mexico's regions at all. It would be like mixing data about the culture of Norway with data about the culture of Italy and then say that the result adequately describes "European culture". Needless to say that this Norwegian-Italian cultural mix does not exist anywhere in Europe. One may argue that the geographical and cultural distances between northern and southern Mexico are similar to the ones between different European countries.¹ Hofstede's study is a starting point, but it is by no means perfect and sometimes even misleading, as has been shown in the previous chapter.

A further issue which is typical for elite research and occurred during the fieldwork for this study, too, was that as it is extremely challenging to get access to elites in order to conduct in-depth interviews, one needs to take what one can get. Therefore, I interviewed all the elite I could get access to. I had previously planned to focus solely on the automotive MNEs which have set up subsidiaries in Mexico, but as it was only possible to access two automotive MNEs and to conduct in-depth interviews with their

¹To make things even more complicated (but that is simply the way the social world is, when it is studied precisely) one may point to the fact that cultural differences between northern Italy (e.g. Bolzano or Milan) is very different from the culture of southern Italy (e.g. Sicily).

leading top managers, I decided to widen and broaden the base and to target elites from other MNEs, too. In this way I got access to important empirical data which contributed to a more comprehensive understanding of the research object, although I am aware that my original research design was different and that the methodologically “cleanest” way of doing the fieldwork would have been to stick to one industry, even if only very little empirical data can be collected.

The common problems encountered when studying a moving object which is transforming itself rapidly, were present during the research, too: as is the case in many emerging market countries, society and culture in Mexico are changing rapidly. Indeed, the current violent social conflicts can be interpreted as a consequence of this change in which a new culture with new values clashes with the old social hierarchy and structures. Mexican society is currently in the process of transition to a pluralistic democracy and liberal market economy and it is highly uncertain which groups and which values will finally prevail. The rise of liberalism is just as possible as the return of the dictatorship. Therefore, the research results of this study describe and analyze Mexican culture at the present point in time, but it is possible that in 20 years’ time Mexican society and culture may have already changed significantly, just like it has changed over the last 20 years. Therefore, it is important to take into account that the results presented in this study have a date of expiry, we just do not know when they will expire as the future societal, economic and cultural developments are not determined, but full of open possibilities and the result of highly complex interactions of a large number of factors with intended as well as unintended effects and consequences which cannot be foreseen completely. And, of course, there is the possibility of individual human agency which also can make a difference. I am not able to predict which groups and which institutions will prevail in Mexico in the coming years.

17.11. The Missing Link between the Socialization and the Values of Top Managers

Linking the type of socialization top managers have experienced during their lives, with the values and types of management styles which they apply now during their work, has proved to be too complicated as too many factors would have to be considered, as they all somehow and to different degrees influence this profoundly complex process. Indeed, most top managers are not even completely aware of how and why they have developed certain attitudes, values, world-views and management styles, so asking them

is of limited use. More research is needed to deepen the understanding of how socialization affects the values and management styles of top managers. While there is surely a correlation, we may conclude that there is no simple, straight-forward link between the socialization of top managers and the values which later form the basis of their management styles, priorities and decisions.

17.12. The Problem Concerning the Historical Perspective

Several scholars explain certain aspects of the current Mexican culture by pointing to similar attitudes, world-views and value orientations which were already present during pre-colonial times. The meaning and importance Mexicans attach to beauty and the aesthetic aspect of everything, for example, is explained by pointing out that bright colors, carefully crafted forms and artworks were already highly valued and indeed highly developed in the pre-Hispanic societies located in the region which is today called Mexico (Russell, 2010). Indeed, Mexicans themselves often favor such explanation when talking about the peculiarities of their own culture (Martinez and Dorfman, 1998). But history does not work that straight forward: some continuities last, while others are interrupted, change or disappear completely. It is a science of its own (Guldi and Armitage, 2014; Jordan, 2013; Kolmer, 2008). Taking history seriously, one would have to explain why some continuities and some characteristics of the pre-colonial culture have survived, while others have not and are mostly forgotten today. As I am not an expert in history and because I lacked the time and resources to become one, I decided to reduce the historical perspective on the post-colonial time. I am aware that a lot more research could be done on this fascinating aspect of culture: deeply ingrained attitudes and mindsets which do last over several centuries, are usually the ones the people themselves are not aware of. They simply practice these attitudes and mindsets because they appear to be natural to them. As they are not conscious and aware of them, they cannot even imagine doing these things in a different way, and that may be the central reason why they do not change. One can only consciously change the things one is aware of.

Further research is needed to explore these areas in more detail and to dig deeper. I lacked the time to do so, as the research project already took much longer than I had originally planned.

Furthermore, triangulation is needed to verify and increase the validity of the research re-

sults. Here, a problem is that, as data sources and data banks are scarce, more resources and researchers are necessary to collect more empirical data with different methods and analyzing them with different theoretical approaches.

Investigator-triangulation, involving other researchers in the fieldwork and in the analysis of the empirical data, theory-triangulation, applying other theoretical viewpoints and approaches, and methodological-triangulation, applying other research methods, could altogether greatly increase the validity of the research results and the confidence and depth we can achieve in our overall understanding of the research object

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Appendix

- Questionnaire for interviewing top-managers
- Questionnaire for interviewing Mexican employees of foreign multinational enterprises
- Questionnaire for interviewing families, friends and acquaintances of Mexican employees working at foreign multinational enterprises

- Letter to managers of multinational enterprises (English)
- Letter to managers of multinational enterprises (Spanish)
- Letter to employees of multinational enterprises (English)
- Letter to employees of multinational enterprises (Spanish)

Questionnaires

Questionnaire for Interviewing Top-Managers

Questions related to the current work and position of the interviewed manager and his/her personal history of work for the current enterprise

1. For how many years have you been working for this company?
2. Why did you choose to apply for the job you are doing right now at this particular enterprise?
3. Where did you hear about this job?
4. What is your exact position?
5. What does your work consist of?
6. How does one of your usual work days look like? Starting in the morning
7. How many hours do you usually work on an average work-day and per week?
8. Do you usually work on weekends?
9. Where did you work before you started to work for this company?
10. Why do you think they chose and employed you to become manager and not one of your competitors?

Questions related to the Job and work experience of the interviewed manager

11. What do you particularly like about your job?
12. What do you not like about your job?
13. Where and how did you learn the skills, knowledge and capacities that you need today to do your job well?
14. What have been the greatest challenges and problems associated with your job?
15. What did you do to solve these problems and challenges?

16. What do you think, has the job changed you, your way of thinking, your world view, your lifestyle in any way?
17. Since you have started working for this enterprise, have you done any major, fundamental changes concerning the structure and/or processes of the enterprise? If so, what have you changed exactly?
18. In general, what would you say, does the work of the top-managers of the largest enterprises consist mainly of fulfilling tasks that the enterprise which result from its structure, and the associated expectations and pressures, or is it more about making fundamental changes to the structure and organization of the company? Are Top-Manager rather passive “task-fulfillers” or active “change-makers”?
19. How satisfied are you with your Job on a scale from 1 to 10, where “1“ stands for “not satisfied at all“ and “10“ stands for “absolutely satisfied“.

Questions concerning the values, habitus and personality of the interviewed manager

20. How would you describe your own management-style? Which kind of management style do you use?
21. When you are doing your job, what is of particular importance for you? To what do you attach particular importance?
22. Which values and goals do you have in mind when your are doing your job, what do you want to achieve?
23. Are there any general values or anything else that you teach your employees?
24. If so, what do you teach your employees?
25. When you are taking decisions that are relevant for the company and its employees, what does matter most for you?
26. Do you think it makes a significant difference whether you are doing the job or whether somebody else is doing it? If so, what difference does it make?
27. What distinguishes you from other managers?
28. What do you do in a different way when you compare yourself with other Managers?

Questions concerning the education and socialization of the interviewed managers

29. Did you study at a university?
30. If so, at which university did you study?
31. Which subject did you study?
32. What is your highest educational achievement?
33. Which schools (preparatory, secondary and elementary school) did you attend?
34. Where did you grow up?
35. Where were you born?
36. What do you think, which persons have influenced your world view, your values and your way of thinking and working most in your life?
37. In what way did they influence you?
38. What was the impact of this influence?
39. Did you grow up with your parents?
40. If no, with whom did you grow up? Who educated you?
41. How would you describe the values and culture of your family?
42. Did these values and culture influence you?
43. What do these values mean to you?
44. How would you describe your own character?
45. What is the job of your father? Or what was the last job of your father? Did he work in the same business as you do today?
46. What is the highest educational achievement of your father?
47. Does your mother do a paid job? If so, what is the job of your mother? Or what was the last job of your mother?
48. What is the highest educational achievement of your mother?

49. Do you want your children to work in the same business as you do today?
50. In which schools and do you want your children to study?
51. In which part of the city do you live?

Questions investigating the social networks, groups and milieus within the Mexican business elite

52. How often do you meet with other top-managers (that work for other enterprises)?
53. Do you have developed friendship ties with other top-managers?
54. In General, what would you say, do the top-managers and owners of the largest Mexican enterprises often meet and do they form one social group with a common culture, close friendship ties and mutual help ties?
55. Or are there several different social groups/social milieus with different lifestyles and values within the Mexican business elite?
56. Or do the members of the Mexican business elites not form any group and friendship ties at all?
57. How would you describe the culture of the different social milieus within the Mexican business elite? What are their life-styles, values, world-views and management-styles like?
58. Do the top-managers have similar values, judgments and political attitudes?

Question investigating which kinds of habitus-formations are preferred by the business elites

59. If you are looking for an applicant for a vacant top-management position that is similar to your current job, for which kind of person do you look for and which characteristics should the applicant have so that you give him the job? (This questions aims to investigate which kinds of habitus-formations are preferred by the business elites)

Questions concerning the International Business Management aspects of foreign multinational enterprises active in Mexico

Questions concerning the selection and recruitment of the Mexican employees of the subsidiary

60. Is there a specific profile you look for, when your company is hiring new Mexican employees?
61. How do you recruit and select your Mexican employees?
62. What selection criteria do you apply?
63. Which methods do you use in order to select new employees?
64. Is it easy or difficult to find good Mexican employees? Why?
65. What have been the greatest problems and conflicts you have experienced with the Mexican employees?
66. What have you done to solve these conflicts and problems?
67. Are there any significant differences between your Mexican employees and employees of other nationalities, e.g. employees from the home country of the MNE?
68. Do you think that the MNE has influenced and/or changed the attitude, behavior, lifestyle and way of thinking of its Mexican employees in any way? In other words: Does working for this MNE influence the Mexican workers in any way? If so, why and in which way does the company influence the Mexican employees?
69. Do the Mexican employees receive any kind of training? If so, what kind of training do they receive?
70. For how many years do the Mexican employees usually work for the MNE?
71. Do you know what the Mexican employees mostly do after having worked for the MNE for a couple of years?
72. What would you guess, how many Mexican employees start working for a local competitor after stopping to work for your MNE?
73. For what reasons do they usually stop working for the MNE? (e.g. retirement, dismissal, job change, etc.)

74. How satisfied are you with your Mexican employees on a scale from 1 to 10, where “1” stands for “not satisfied at all” and “10” stand for “absolutely satisfied”. And why?
75. In general, what do the Mexican employees learn through their work at your company?

Questions concerning the culture of the company

76. Would you say that your company has a particular culture?
77. If so, how would you describe the culture of your company?
78. To what degree do the Mexican employees adapt to and take over the culture of the company?
79. How important is it for you that your Mexican employees adapt and internalize the culture of the company?
80. Do you do anything in particular to make the Mexican employees adapt to the culture of the company? Are there any programs, events, trainings or rituals?
81. Are these rituals unique to this subsidiary or are they practiced in the whole enterprise in every subsidiary?
82. How successfully does the company socialize the Mexican employees into the culture of the company and how do they do it?
83. To what degree does this process of adaption go into the opposite direction? Has the subsidiary in any way adopted to the culture of its Mexican employees and/or the Mexican culture in general? Have your Mexican employees and the Mexican culture in general influenced and changed the culture of this subsidiary?
84. If so, in what way and to what extent did your company adapt to the culture of the host country (in this case Mexico)? What did the company change exactly?
85. In general, would you say that this subsidiary’s culture is a mix of the Mexican culture and the culture of the home country of the company or is it more Mexican or more influenced by the culture of the home country?

86. Is the culture of the company compatible with the culture of the host country or have there been any problems when these two cultures met? (e.g. when Mexican employees started working for company or when the company's managers negotiated with Mexican government officials or suppliers?)
87. If so, can you give some examples? What have you done to solve these problems?
88. How large have these problems been?

Question concerning the general impact of the subsidiary on Mexico

89. How would you describe the relation the management of the company has with the regional and national government? Is it a rather good relation characterized by mutual understanding and help or a difficult relation characterized by conflicts?
90. If the company is not happy with a policy or plan or decision taken by the government, do you do anything to reach an agreement with the government so that they change their policies so it fits better with the needs and interests of the company?
91. What do you think is the general impact of this subsidiary on the region it is located in (economic, social and environmental impact)?
92. Is there an environmental impact? If so, what is the environmental impact of the company on the region?

Questions aiming to get access to more interview-partners:

93. Do you know other active or retired top-manager who might be willing to be interviewed on the same topic?
94. If so, could you help me to establish contact with them?

Questionnaire for Interviewing the Mexican Employees of Foreign Multinational Enterprises

Questions concerning the the work biography and experience Mexican workers have made while working for a foreign MNE.

1. What is the name of the MNE you are working for at the moment?
2. Please tell me, how did it all start, how did it come that you started working for the foreign MNE?
3. Why did you choose to apply for the job you are doing now at the foreign MNE?
4. Why do you think did they choose you to work at the foreign MNEs plant?
5. What was the recruitment and selection process like?
6. What did the company's recruitment-managers appreciate and emphasize during the recruitment process?
7. Where did you work before?
8. For how long have you been working for the foreign MNE you are working for at the moment?
9. What was your first year of working for the foreign MNE like?
10. What was easy and what was difficult during the first year?
11. In general, how did you experience the years you have worked the MNE?
12. Has your health status changed in any way since you have started working for the foreign MNE?
13. If so, how has it changed?
14. In which part of the city do you live?
15. What do you do in your free time? Questions concerning the current work-situation and experience of the Mexican workers employed at the foreign MNE
16. What do you exactly do at your job? Please give some details.

17. What do you like about your job?
18. What do you not like about your job?
19. How do you feel you are treated by your boss during your work in the multinational enterprise? Do you feel respected? Do you feel humiliated?
20. What have you learned since you have started working for the MNE?
21. Do you have the possibility to work autonomously and take your own decisions or do you have to obey and take orders most of the time? Questions concerning the heterogeneous personalities, value orientations and leadership-styles of the managers and their impacts on the workers.
22. Does it make a difference who your boss is? Do different bosses treat you differently or is it all more or less the same?
23. How would you describe the different personalities, attitudes, ways to treat their employees and leadership styles of the different kinds of bosses you have experienced?
24. Do you think that your bosses want to teach you any values or anything that seems to be important for them? If so, what is it?
25. Have you received any kind of training since you have started working for the MNE?
26. What is your monthly income?
27. What kind of work-contract do you have? Is it a long-term contract with employment protection or a short-term contract?
28. Do you receive any additional benefits?
29. In general, how satisfied are you with your job at the foreign MNE on a scale from 1 to 10 where “1” stands for “absolutely not satisfied at all” and “10” stands for “absolutely satisfied”?
30. Why did you choose this number?
31. What do you think could be improved concerning the working conditions, your workplace in general, their rules and the way they organize everything?

Questions concerning the culture of the company

32. Was there anything that surprised you about the way they work and organize everything in the foreign MNE? The rules, the rewards and promotions, the wages?
33. Would you say that the MNE has a particular culture?
34. If so, how would you describe the culture of the company? Is it in any way different from the culture of a Mexican company?
35. Do they expect anything else from you in addition to doing your work?
36. What do they believe is particularly important and what not?
37. Was it easy or difficult to adjust to the culture and expectations of the company?
38. Do you think the work you are doing at the foreign MNE and its culture has changed you, your way of thinking and/or your life style in any way?
39. If so, why and how did it change?

Questions concerning the general, broader social, environmental and economic impact of the foreign MNE

40. What do you think is the social and cultural impact of the company? Does the activity of the company change the community and the region it is located in in any way? Please give some details and examples
41. What do you think is the environmental impact of the company, concerning the amounts of pollution and waste? Please give some details and examples.
42. What do you think is the economic impact of the company? Does the company produce additional jobs, or does it drive local competitors out of business? Please give some details and examples
43. Is there anything else that I should pay attention to in order to understand the impact of the MNE on its workers, the community, the region it is located in, the environment and the economy?
44. Do you know how I can find out more about the social, economic and environmental impact of the MNE on Mexico?
45. Do you know somebody who can give me further information on the topic?

Questionnaire for Interviewing Families, Friends and Acquaintances of Mexican Employees Working at Foreign Multinational Enterprises

1. What is the name of the MNE the person you know is working for?
2. What kind of social relation do you have with the person you know who is working for the foreign MNE? (friendship, family-tie, etc.)?
3. For how long have you known him/her?
4. Has he/she worked for any other company before he/she decided to apply and work for the foreign MNE?
5. Has he/she told you, what he/she does at the company? His/her work consist of what?
6. Do you know why he has decided to apply and work for the foreign MNE?
7. What do you think made the company hire him/her?
8. How was the first year? Was it easy or difficult for him/her to work for the foreign MNE, to meet the demands of the company and to adjust to its culture?
9. What does he/she like about his/her work at the foreign MNE?
10. What does he/she not like about his/her work at the foreign MNE?
11. Which conflicts and problems have occurred?
12. What has he done to solve the above mentioned conflicts and problems?
13. What do you think, how satisfied is he/she with his/her job at the foreign MNE on a scale from 1 to 10 where "1" stands for "not satisfied at all" and "10" for "absolutely satisfied".
14. Has his/her lifestyle, behavior, way of thinking or value-orientation changed in any way since he/she has started working for the foreign MNE?
15. If so, when why and how did that happen?

16. Based on what you have observed and on what he/she has told you, is working for the foreign MNE in any way different from working for a Mexican company?
17. If so, in what way is it different?
18. In general, would you say that working for the MNE has improved or worsened the life of him/her? And Why?
19. Has your life been affected since he/she has started working for the foreign MNE?
20. What do you think, what is the impact of the MNE on the community in which it is located and on Mexico in general?
21. Is there anything else that I should pay attention to in order to understand the impact of the MNE on its workers, the community, the region it is located in, the environment and the economy?
22. Do you know somebody who can give me further information on the topic?

Interview-Request Letters

- Letter to managers of multinational enterprises (English)
- Letter to managers of multinational enterprises (Spanish)
- Letter to employees of multinational enterprises (English)
- Letter to employees of multinational enterprises (Spanish)



**ZenTra – Zentrum für
Transnationale Studien**
der Universitäten
Bremen und Oldenburg

Eike Heinze, Schweizer Str.10, 28203 Bremen, Germany, Tel.: 5560744776

Research Project on Multinational Enterprises in Mexico

To Whom it May concern,
your enterprise has been selected to take part in a research project on the leading enterprises in Mexico managerial elites, the advantages and disadvantages of producing in Mexico and the solutions enterprises have applied to problems they have faced in Mexico.

The research project is organized by the Center of Transnational Studies.

We aim to investigate if and how the individual skills and personalities of the topW managers make a significant difference to the performance of the enterprise as a whole as well as to the learning process and motivation of its employees.

In order to investigate these issues we would like to interview some of your top1 managers as well as some of your employees. The interviews will be conducted in the language of your choice (Spanish, English or German).

All the information you provide will be treated in strict confidentiality. No data will be personally identified with you. Please feel free to contact me (tel + e-mail) in case of any queries you may have.

Your input is fundamental to the success of this research project. Your contribution through the interviews is therefore highly appreciated.

The research results will be made available to you and may help to improve the operations of your enterprise in Mexico.

Thank you very much for your assistance!

Yours sincerely

Eike Heinze, M.A.

Under the supervision of

Prof. Dr. Jean-Pascal Daloz (Universities of Oxford and Strasbourg)

Prof. Dr. Sarianna M. Lundan (University of Bremen)



**ZenTra – Zentrum für
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der Universitäten
Bremen und Oldenburg

Eike Heinze, Schweizer Str.10, 28203 Bremen, Germany, Tel.: 5560744776

Proyecto de investigación sobre empresas líderes en México

Estimados señoras y señores,
su empresa ha sido seleccionada para participar en un proyecto de investigación sobre las empresas líderes y las élites empresariales en México. El proyecto de investigación está organizado por el Centro de Estudios Transnacionales, además está financiada por el Servicio Alemán de Intercambio Académico (DAAD).

Nuestro objetivo es investigar si y cómo las habilidades individuales y las distintas personalidades de los ejecutivos (top-managers) generan una diferencia significativa en el rendimiento de la empresa en su conjunto, así como para el proceso de aprendizaje y la motivación de sus empleados.

Para investigar estas cuestiones nos gustaría entrevistar a algunos de sus ejecutivos. Las entrevistas se llevarán a cabo en el idioma de su elección (español, inglés o alemán).

Toda la información que proporcione será tratada con estricta confidencialidad. No dude en ponerse en contacto conmigo (teléfono + e-mail) en caso de cualquier pregunta, aclaración o comentario que pueda surgir.

Su aportación es fundamental para el éxito de este proyecto de investigación. Su contribución a través de las entrevistas es por lo tanto muy apreciada.

Los resultados de la investigación serán puestos a su disposición, esperando que en algún momento puedan ayudar a mejorar el funcionamiento de su institución.

Agradezco de antemano su atención y disposición para el desarrollo de este proyecto en lo que toca a su digna institución. Muchas gracias por su ayuda.

Atentamente,!

Eike Heinze, M.A.

Bajo la supervisión del

Prof. Dr. Jean-Pascal Daloz (Universities of Oxford and Strasbourg)

Prof. Dr. Sarianna M. Lundan (University of Bremen)



**ZenTra – Zentrum für
Transnationale Studien**
der Universitäten
Bremen und Oldenburg

Eike Heinze, Schweizer Str.10, 28203 Bremen, Germany, Tel.: 5560744776

Research Project on Multinational Enterprises in Mexico

To Whom it May concern,
your enterprise has been selected to take part in a research project on multinational enterprises in Mexico. The research project is organized by the Center for Transnational Studies.

We aim to investigate:

- The advantages and disadvantages of working for a multinational enterprise
- How the individual skills and personalities of the employees make a significant difference to the performance of the enterprise as a whole
- The impact of the multinational enterprise on the employees' lives

In order to investigate these issues we would like to interview some of your some of your employees. The interviews will be conducted in the language of your choice (Spanish, English or German).

All the information you provide will be treated in strict confidentiality. No data will be personally identified with you. Please feel free to contact me (tel + e-mail) in case of any queries you may have.

Your input is fundamental to the success of this research project. Your contribution through the interviews is therefore highly appreciated.

The research results will be made available to you and may help to improve the operations of your enterprise.

Thank you very much for your assistance!

Yours sincerely

Eike Heinze, M.A.

Under the supervision of

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Prof. Dr. Sarianna M. Lundan (University of Bremen)



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Proyecto de investigación sobre empresas multinacionales en México

Estimados señoras y señores,
su empresa ha sido seleccionada para participar en un proyecto de investigación empresas multinacionales en México. El proyecto de investigación está organizado por el Centro de Estudios Transnacionales; además está financiada por el Servicio Alemán de Intercambio Académico (DAAD).

Nuestro objetivo es investigar:

- cuáles son las ventajas y desventajas de trabajar en una empresa multinacional.
- cómo las habilidades individuales y las distintas personalidades de los empleados generan una diferencia significativa en el rendimiento de la empresa en su conjunto.
- Cuál el impacto de las empresas multinacionales en la vida de sus empleados.

Para investigar estas cuestiones nos gustaría entrevistar a algunos de sus empleados. Las entrevistas se llevarán a cabo en el idioma de su elección (español, inglés o alemán).

Toda la información que proporcione será tratada con estricta confidencialidad. No dude en ponerse en contacto conmigo (teléfono + e-mail) en caso de cualquier pregunta, aclaración o comentario que pueda surgir.

Su aportación es fundamental para el éxito de este proyecto de investigación. Su contribución a través de las entrevistas es por lo tanto muy apreciada.

Los resultados de la investigación serán puestos a su disposición, esperando que en algún momento puedan ayudar a mejorar el funcionamiento de su institución.

Agradezco de antemano su atención y disposición para el desarrollo de este proyecto en lo que toca a su digna institución. Muchas gracias por su ayuda.

Atentamente,!

Eike Heinze, M.A.

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Prof. Dr. Sarianna M. Lundan (University of Bremen)

Erklärung

gemäß Promotionsordnung Dr. rer. pol. vom
24.07.2014 der Universität Bremen

Hiermit erkläre ich, dass

- ich die Arbeit ohne unerlaubte Hilfe angefertigt habe,
- ich keine anderen als die von mir angegebenen Quellen und Hilfsmittel benutzt habe
und
- ich die den benutzten Werken wörtlich oder inhaltlich entnommenen Stellen als solche
kenntlich gemacht habe.
- Ich gestatte eine Überprüfung der Dissertation mit qualifizierter
Software im Rahmen der Untersuchung von Plagiatsvorwürfen.

Eike Heinze M.A.

Bremen, den 25.April 2017

Eike Heinze

Top-Managers of Foreign Multinational Enterprises in Mexico

Abstract

This study focuses on the top-managers who run the subsidiaries of foreign multinational enterprises (MNEs) in Mexico. While some of them are Mexican, others are foreigners who have been sent from the countries of origin of their enterprises. The thesis explores and compares the socialization, worldviews, values, identities and social distinction practices of these top-managers and investigates the intercultural interactions, identity, struggles and communication problems between Mexican and expatriate managers. In addition, the relationship and misunderstandings between foreign managers and local workers are taken into account. Furthermore, the impact of foreign multinational enterprises and foreign business elites on their local employees, their families and communities, and on Mexican society as a whole is examined. The question "Are foreign multinational enterprises and elites agents of cultural and institutional change and, if so, which impact do they have on Mexican society?" is addressed. Keywords: elites, top-managers, multinational enterprises, intercultural conflicts, communication, identities, institutional change, Mexican society