

Cultural Dimensions of Business in Mexico--Important or Not?
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Introduction

With the passing of the North American Free Trade Agreement, the United States formally recognized Mexico as a country of great economic importance. In doing so, the United States opened the door to increased interdependence with Mexico; it already is our second largest trading partner. The Mexican economy has made significant progress in the past decade and has moved to deregulate its economy in an effort to increase efficiency and ease of trade (Newman 3). Though present political developments have sent the economy into temporary decline, Mexico continues to be important to the United States's economy. A fifty percent devaluation in currency and a national debt crisis have made conducting business in Mexico more difficult and risky, thus the importance of communication and cooperation has increased.

If U.S. business is to continue to grow and progress in this increasingly difficult economy, U.S. business people will need to recognize that cultural understanding often times has as much importance in international negotiations as do technical skill and company products. The cultural dimensions of business between the United States and Mexico have begun to play a larger role in negotiations, though many U.S. businesspeople have failed to recognize it. The cultural dimensions of business between Mexico and the United States have been largely ignored, and what academic work has been done on the subject has been largely antidotal. If both the U.S. and Mexican businesspeople are aware of the cultural differences in the other and how these differences are perceived, both will improve their intercultural communication skills and more successfully integrate their company strategies, personnel management, and marketing efforts into the foreign environment, thereby reaping economic dividends. Therefore, in this paper, the cultural dimensions of business between Mexico and the United States will be explored and defined via a literature review; in addition, a survey comparing the importance placed by U.S. and Mexican businesspeople on various cultural factors and culture in general will be explained.

Culture: Definitions and Importance

Why should culture play such an important part in business negotiations? What is culture? Culture has been defined as "a configuration of learned behaviors and results of behavior whose component parts are shared and transmitted by members of a particular society" (Kale 18). Another definition states that "(c)ulture is a learned, shared, interrelated set of symbols whose meanings provide a set of orientations for members of a society"(Kale 18). These definitions, however, are somewhat more technical than necessary, and the general definition of culture as the "attitudes, beliefs, and values of a society" or "customs, laws, and traditions of society" is better suited to the study of culture in relation to business (Hawrysh 28). Therefore culture as a set of attitudes, beliefs, customs and values of a society affects everything that happens in a society. These cultural factors become intermingled with the history of a nation or group. Cultural activities and viewpoints often come from historical events, while these same cultural attitudes tend to shape the course of history of a nation. Culture is something that is learned from our environment; furthermore, similar environments breed similar experiences and hence similar behaviors (Hawrysh 28).

Culture includes a wide range of factors that influence communication and development of relationships between people from the same country as well as from different countries. Many of the less noticeable manifestations of culture are ignored which hinder communication. Culture affects everything from body language to the development of norms and ideas. Attitudes and values are developed via acculturation about wealth, material gain, achievement, and openness to change (Daniels 95). Perceptions of time and position are also learned. Religion is yet another learned behavior modifier; additionally, most religions teach certain precepts and claim all other religions not in congruence with these beliefs to be wrong (Evans). Other cultural manifestations consist of views on etiquette, manners and social skills. Culture determines everything from the concept of time to the way certain tones of voice and body language are interpreted. Both in the form of actual thoughts communicated as well as perceptions of the meanings, culture affects the communication process. Culture therefore

affects the strategy or process in which business is conducted as it affects the bargaining process (Daniels 28).

In recent years, businesspeople and cultural anthropologists alike have begun to take notice of the cultural dimensions of business and how these are manifested everywhere, from the board room to the plant floor. Initially, the United States noticed cultural differences and misunderstandings hindering negotiations with the Japanese, as the U. S. in the early 1980s became plagued by trade problems (Rosenburg). Gradually, U.S. businesses became aware of the cultural difference and the importance of awareness of such issues that existed in most all international business. An increasing amount of work is being done about the cultural dimensions of business in general, though most of the work continues to be about the Japanese as these differences are so blatant. Yet, the subtle differences that exist from culture to culture are beginning to receive attention from academia.

Specific cultural dimensions identified by Terpstra and David as playing an important role in international business consist of kinship, individualist versus collectivist orientations, competition versus cooperation in relationships, and systems of rank (Terpstra). More general aspects of culture are also discussed; for example, in Katherine Glover's article "Do's and Taboos," she discusses the need for familiarity with local business practices as well as the social customs and etiquette of a country to avoid weakening one's position in the market. She states that "(S)ome of the cultural distinctions that U.S. firms most often face include differences in business styles, attitudes towards development of business relationships, attitudes toward gift-giving customs, greetings, significance of colors and numbers, and customs regarding titles (Glover). Other authors have included attitudes toward punctuality, differences in negotiating styles, and significance of gestures in this list of common factors (Business America 26). As has been stated before, business is not just business in many parts of the world, and according to Roger Axtell, author of the book Do's and Taboos of Hosting International Visitors, "(S)ocializing, friendships, etiquette, grace, patience, and protocol are integral parts of business."

Why place any importance on cultural factors influencing business? The answer to the question is the question itself. The United States seldom places much importance on culture and tends to place all importance on technical skill. However, simply because the U.S. views business a certain way does not mean it is a world-wide phenomenon. The United States has developed the unfortunate stereotype in the world community as being culturally insensitive and boorish. However, as the world continues to move toward the concept of the "global village" good businesspeople have to dispel this image of cultural indifference by learning to understand and accept the different cultural factors influencing their host country. According to Candace Bancroft McKinnis and Arthur A. Natella, Jr., in their book Business in Mexico: Managerial Behavior, Protocol, and Etiquette: "Business is conducted by people and it succeeds to the degree that people succeed in their relations and negotiations with one another. To the degree that they can come to agreement on the principles and practices that make up their individual endeavors they will be successful (17)." This point is reiterated by research findings which have shown that failures in overseas business settings are frequently the result of failure to understand and adapt to the thoughts and actions of the foreign nationals rather than from technical incompetence (Tung, 1981). Thus, a greater knowledge of such factors may not only allow the businessperson an additional amount of influence, but may as well simply allow the continuation of the negotiations.

Though one of our closest neighbors, the importance of understanding culture and history is every bit as important in Mexico as it is elsewhere in the world. Though the United States and Mexico share a common history, that same history is viewed very differently by each nation, and though the cultural differences may not seem as blatantly obvious, they still exist due to this different viewpoint and historical influences.

The importance placed on various cultural factors by U.S. and Mexican businesspeople alike will be explored, but first a general history of the two nations and the general demographics of each will be given.

Demographics

Mexico and the United States differ significantly both demographically and economically, as well as culturally. While the United States is an aging nation, Mexico is a very young nation with 36.5% of its population under the age of fifteen. In comparison, only 21.7% of the United States is between the ages of 0-14, and 16.9% of the U.S. population is over the age of 60. Only 5.7% of the Mexican population falls into this category. Additionally, while the U.S. is fairly evenly dispersed between the ages of 15 and 59, Mexico has a heavy concentration of its population under the age of 35 (World Almanac 789). In sheer size of population, the countries differ as well. The United States is considerably larger with 256, 561, 239 estimated inhabitants compared to Mexico's 92, 380, 000 (pp. 789, 822).

The ethnic make-up of the two countries differs as well. While 60% of Mexican citizens are Mestizo, which is a mixture of Indian and Caucasian, and 29% are pure Indian, only 9% are Caucasian which is the ethnic group that makes up more than 75.3 % of the U.S. population. The U.S. population additionally is composed of 9.3% Hispanic, 3.2% Asian or Pacific Islanders, 12.4% Black, and Native American Indian 0.8 %. The extent and types of religious convictions in the two countries differ, too. Mexicans are 97% Catholic, while only a little more than a quarter of the U.S. population claim to be Catholic. More than 50 % of the U.S. population are Protestant, 2% Jewish, and 10% claim to have no religious convictions whatsoever (Countries of the World 907). Thus the ethnic and religious compositions within the two countries differ significantly, with Mexico being the more homogeneous of the two as a whole.

Economic Statistics

Yet another difference between the two countries is the size of the economies. The 1992 report on world economies by the International Monetary Fund states the amounts of imports to Mexico at US\$ 48,160,000,000 worth of goods while the U.S. imports US\$ 553,923,000,000. In addition, Mexico exports \$27,618,000,000 (U.S.) in goods compared \$448,164,000,000 in exports for the U.S. (Estadísticas Financieras Internacionales).

The U.S. per capita GDP is \$22, 470, while Mexico per capita GDP is \$3, 200 (World Almanac 789, 822). These data show that the United States has an economy significantly larger than Mexico: per capita GDP is almost seven times greater in the U.S. than Mexico, the amount of imports alone in the United States are more than ten times greater than imports in Mexico, and the exports of the U.S. are twenty times greater than that of Mexico. However, Mexico is an important trading partner of the United States, as it has recently become the second most traded-with country in U.S. foreign trade, second only behind Canada. In addition, with the exception of Brazil, Mexico is the largest economy in Latin America and is the largest Spanish speaking economy in the Americas.

Not only do the actual sizes of the economies differ, but the composition of the two differ as well. In the United States, the labor force is employed in 29% services; 27% agriculture, forestry, hunting and fishing; 16% manufacturing; 6% construction; 5% merchandising; 5% mining and quarrying (Countries of the World 907). In Mexico, the labor force is composed of 31% services; 24% agriculture; 19% manufacturing; and 14% communications.

Of Mexico's exports in 1993, 80% were manufacturing while petroleum and derivatives composed 14%, and agriculture composed 5%. The composition of Mexico's imports in 1993 were: intermediate goods 71%, capital goods 17%, consumer goods 12% (Countries of the World 907). Additionally, the United States composes 62% of the total amount of foreign investment interest in Mexico (Newman 17).

Methodology

An intense literature review was performed in order to obtain background information, as well as to develop the survey. This search included scholarly journals, business magazines, and books intended to aid businesspeople with their international work. In addition, books about the general state of relations between the U.S. and Mexico were reviewed, and a small amount of participant-observation was used to develop the survey as well.

All firms in the sample, both U.S. and Mexican, were engaged in manufacturing activities. In selecting which businesses to survey in Mexico, the American Chamber of Commerce was contacted for a list of such businesses as were various state offices, of which the California state office provided a significant amount of assistance. Different FAX directories were consulted as well. All of the surveys to Mexican firms were Faxed, as the mail system would have been too slow and unreliable for such purposes. Two hundred surveys were Faxed as well as a cover sheet explaining the purpose of the study, and forty-one were received. Although the sample size was small, a twenty percent response rate was obtained.

In selecting which companies to contact from the United States, Dun's Regional Business Directory was utilized, and the sample companies were divided into border and non-border states. Of the eight hundred U.S. companies contacted, seventeen were returned "address not known," thus changing the sample size to 783. Of the 783, ninety-four responses were received--sixty-eight from non-border states and twenty-six from border states, with a resulting response rate of 12% from the U.S. businesses contacted. Though the response rate and sample size from both countries are not large enough to be truly scientific in nature, they most likely represent the norm of responses, which is believed to provide an adequate source of information on which to draw conclusions.

A copy of the actual surveys mailed to the U.S. firms, as well as the ones faxed to the Mexican firms is included in the Appendix. In order to increase the response rate, the Mexican survey was in Spanish. The results were then compiled into tables comparing the importance placed on the various cultural factors by percentages. The result patterns of border and non-border states were compared as well. Thus, with the results in percent form, comparisons can be more easily made.

Survey: Factors defined and results given

Of the many cultural factors considered important to conducting business in a foreign country, as well as factors considered important to a culture in general, fifteen dimensions were chosen to be presented in the study.

The factors included were:

- The willingness to go to lunches and dinners.
- Providing small gifts for wives and children of Mexican customers--future and present
- Willingness to engage in social talk before discussing business.
- Having previously lived or traveled in Mexico.
- Having been referred to or introduced to a Mexican businessperson by a mutual acquaintance.
- Manners, etiquette, and politeness.
- Wearing appropriate business attire.
- Willingness and ability to speak Spanish.
- Willingness to be flexible about meeting times, dates, and deadlines.
- Using correct forms of greetings, names, and titles.
- Friendliness.
- Knowledge of Mexico's business climate and conditions.
- Willingness to visit Mexico's historical and cultural sites.
- Knowledge of Mexico's history and culture.
- Enthusiasm.

Each of these factors was believed by the author to influence business, both domestically and internationally. The importance, however, placed on each will vary among cultures and personalities.

For example, willingness to go to lunches and dinners is more important in conducting business in Mexico than it is in the United States. Such social occasions allow the Mexican

business person to explore the up-bringing of their potential business associate and their manners and etiquette, as well. In addition, such times allow business associates time to develop all important relationships.

Gifts may not be particularly important, but they are yet another show of good breeding if done appropriately. Gifts can be a show of friendship and respect which are important elements of conducting business in Mexico. Jessup and Jessup suggest presenting the gifts at the least expected time (Jessup 250).

According to Jessup and Jessup, in their book Doing Business in Mexico, understanding the importance of social talk is a crucial part of conducting business in Mexico. Speaking of family for at least fifteen minutes is their suggestion. They state that such conversation is evidence of good upbringing and values (Jessup 128). Some other topics acceptable for social occasions include world news, general business climate, and mutual friends.

Having lived or traveled in Mexico gives the U.S. businessperson an advantage in that they have experienced the culture first hand. In addition, such travel allows for good small talk in social situations. Having previously lived in Mexico, the U.S. businessperson has an even more in depth understanding of the culture and the pace of life. Hopefully, they will have assimilated some of the mannerisms important to good communication in Mexico.

A personal referral or introduction offers the same advantages in Mexico as it does world-wide. Such introduction, however, may carry even more weight in Mexico. This allows the businessperson to make face-to-face contact from the start (Frank 66). A personal referral, in addition, can assist the U.S. counterpart to identify the person with real authority, as authority in Mexico "tends to reside more in the person than in the position (67)." However, bringing up referrals must be done with tact which is all important in all areas of business.

Webster's definition of etiquette is "the conduct or procedure required by good breeding or prescribed by authority to be observed in social or official life." Simple politeness is a good beginning as social and business decorum are prerequisites to respect in Mexico, according to Jessup and Jessup. According to McKinnis and Natella in their book, Business in Mexico:

Managerial Behavior, Protocol, and Etiquette, Mexicans appreciate the expression of politeness and cordiality, and U.S. businesspeople should not forget the importance of the simple words "Hello," "thank you," and "please." Manners, etiquette, and politeness can be expressed through language, actions, and reactions.

Wearing appropriate business attire is important in both cultures. In the United States, appropriate business attire projects professionalism and competence. In Mexico, as well, a great difference exists between acceptable dress for the street and that for the office. "Grooming, hair, makeup, and fragrances are important symbols of one's station in life," according to McKinnis and Natella (89). For example, men wear suits, not sports coats, to work, and women executives wear suits in general, as well.

Willingness and ability to speak Spanish can create goodwill with the Mexican businessperson. In Thomas H. Becker's article "Taboos and How To's About Earning an Honest Peso," he suggests learning Spanish "within the reasonable limits of the discretionary time available... (20)" If Spanish is not spoken, he does remind the businessperson to be careful with their choice of vocabulary in that though many Mexicans speak English, they may not necessarily understand the "jargon", "sports speak", slang, and "sloppy pronunciation" which "create ambiguities that often make it difficult for English-speaking Mexicans to understand U.S. business executives (20)." Placing importance on a foreign language in general is touted by cultural anthropologist Gary P. Ferraro as enabling the "international businessperson to understand the communication patterns within their proper cultural context as well as increase general rapport with foreign business counterparts" (Ferraro 43). He believes that companies that insist on staying "monolingual" put their corporate health and longevity at risk. In addition, he states that it is "generally held that it is impossible to understand a culture without taking into account its language...(47)" An example of the importance of language to a culture is the existence of *doble sentido* or double meaning in Spanish. *Doble sentido* is very common among the Mexicans and much of their humor is composed of this play on words. Thus, the willingness

to try to speak Spanish is definitely appreciated, and the actual ability to speak the language is a certain advantage.

Flexibility may be particularly important in negotiating with the Mexicans in view of their different perception of time. The "manana syndrome" has become the buzz word describing the Mexican sense of time. Additionally, the word *ahorita* describes their varying perception of time. This very Mexican word literally means right now; however, it can mean everything to this instant to five minutes from now to never. The United States is a very time conscious society as evident by our language, as well. For example, familiar phrases in the U.S. are "(T)ime is money" and "(D)o not waste my time." These differences in the perception of time can be used to understand the way in which the two cultures view life. Flexibility allows both cultures to work together to develop suitable time tables without misunderstandings and disagreements.

Greeting, in addition, can be a point of confusion from culture to culture. Something as simple as a handshake can be misunderstood. Some traditional forms of greeting in Mexico include a hug, a kiss, or a handshake. Though one kiss on the cheek is the form of greeting between women most of the time, a kiss on the cheek to an older woman from a man takes a more familiar relationship, and the woman should make the first move. Men who are on very familiar terms may greet one another with a hug. These conditions and statements are generalities and are by no means rules to greeting. The best way to know the proper form of greeting is to simply be aware of one's surrounding and if nothing else, be prepared with an outstretched hand.

According to the article, "Understand and Heed Cultural Differences" published by Business America, "(M)any nationalities value the personal relationship more than most Americans do in business. In these countries, long-term relationships based on trust are necessary for doing business. Mexico is one of these countries, and thus nurturing a relationship and being friendly can be a very profitable venture (26). Other articles have dubbed this developing a "bank of goodwill" for possible future transactions (Burr 62). Another saying regarding the importance of

developing a relationship include such tips as: "Socialize first, work later. Convey your humanity, sincerity, loyalty, and friendship (Sergey 64)."

Knowledge of Mexico's business climate and conditions is yet another important aspect of doing business in Mexico. In J. Eduardo Aguilar Gomez's article, "Mexican Corporate Culture," he describes the Mexican corporate culture as a culture "...based on a value system that stems from historical socioeconomic development. It is related to technology, politics, specific companies, education/training, and worldwide trends in economics (Gomez 8)." He describes the corporate culture depending on the company from everything to the old, traditional nepotism on one end to, on the other end, having "the most sophisticated managerial methods and styles (8)." Mexican companies can be one or the other or a mixture of both; however, again the importance of research is emphasized.

History and culture, according to David N. Burr in his article, "Nuances of Negotiating Overseas," suggest that thorough research of a country's history and traditions be performed before negotiations take place. He suggests reading about the history and customs of the country and discussing the country and its customs with other people who have visited it or worked there (62). Insufficient knowledge of the host country is cited by Sergey Frank in an article about global marketing as one of the primary pitfalls in international negotiations. This includes knowledge of the history, culture, government, status of business, and image of foreigners (50). Willingness to visit Mexico's historical and cultural sites shows respect for the country and shows their willingness to learn new things.

Enthusiasm translates into success in all countries. Enthusiasm can overcome cultural barriers by putting the host at ease, as it shows the U.S. businessperson's excitement for the country and the prospect of business. This is especially important in Mexico given the large amount of nationalist feelings.

Results

Table 1 provides the percentages of Mexican and U.S. businesspeople that identified whether the various cultural factors were perceived as "not important", "somewhat important", or "very

important." Table 2 provides the same information but makes a comparison between the answers from border and non-border companies.

Mexican businesspeople placed surprising less importance on willingness to go to lunches and dinners as well as gift-giving, than U.S. businesspeople did. In the categories referrals, having previously lived or traveled in Mexico, and manners and etiquette, both Mexican businesspeople and their U.S. counterpart generally placed the same amount of importance on certain factors. Manners, etiquette, and politeness were resoundingly found important to both sides. In general, knowing the culture of the country is necessary to follow the codes of conduct and guidelines for etiquette. Additionally, appropriate business attire is important to both countries; however, U.S. businesspeople tend to place a little more importance on this aspect. This is a direct manifestation of the U.S. idea of professionalism.

Table 1: Mexico and U.S. responses

CULTURAL FACTORS	Not Important		Somewhat Important		Very Important	
	U.S.	Mexico	U.S.	Mexico	U.S.	Mexico
**Willingness to go to lunches and dinners	3	39	34	49	63	10
**Providing small gifts for wives and children of customers and potential customers	40	71	46	24	11	2
**Willingness to engage in social talk before discussing business	2	7	26	61	70	27
**Having previously lived or traveled in Mexico	21	37	41	36	38	27
**Having been referred to or introduced to Mexican businessperson by a mutual acquaintance	11	29	47	41	42	29
**Manners, etiquette, and politeness	0	5	16	15	84	80
**Wearing appropriate business attire	3	5	35	34	62	59
**Willingness and ability to speak Spanish	8	12	47	46	45	41
**Willingness to be flexible about meeting times, dates, and deadlines	2	7	30	39	68	46
**Using correct forms of greetings, names, and titles	4	24	32	29	64	44
**Friendliness	2	5	31	37	63	59
**Knowledge of Mexico's business climate and conditions	0	2	16	27	77	68
**Willingness to visit Mexico's historical and cultural sites	34	63	49	34	16	2
**Knowledge of Mexico's history and culture	9	34	71	56	20	10
**Enthusiasm	0	5	28	27	56	68

*note: All responses are given in percentage form, and they may not add to 100% in that not all businesses responded to all questions.

Speaking Spanish received less importance from the Mexicans than from their U.S. counterparts. However, this could be explained by the general importance U.S. businesspeople place on control. Not speaking the native language of a country puts the U.S. businessperson at a disadvantage and makes control more difficult. Flexibility, as would be expected, is considered a very important factor among U.S. businesspeople when conducting business in Mexico. The importance of such a trait can be contributed to the varying perception of time between the two countries. As the U.S. is a more hurried and harried society, dealing with the Mexican's nonchalant perception of time can be disconcerting and a great deal of flexibility is considered necessary. The U.S. additionally places more importance on using correct forms of greetings, names, and titles. However, in practice, U.S. businesspeople often tend to become too familiar too soon. Both countries placed considerable importance on friendliness.

Knowledge of the business climate and conditions receive the same amount of weight from both sides. Neither sides placed much importance on the willingness to visit Mexico's historical and cultural sites; however, both sides put a reasonable amount of importance on a general knowledge of such factors. In addition, both sides placed a reasonable amount of importance on enthusiasm, but Mexico placed more importance on such factors. This could be contributed to the present feeling of despair in Mexico toward the economy, and enthusiasm breeds hope for the future of the relationship.

Table 2 indicates the response rates of respondents in border and non-border states. The border states were expected to show more sensitivity to the various cultural factors than their non-border colleagues, but the survey showed that the non-border states perceived the factors, in general, to be "very important" more than the border states. The border states only placed more importance on six items in the survey in comparison to the non-border states' responses, and

four of which received significantly more attention. The factors that the border states placed significantly more emphasis on were "willingness to go to lunch and dinner", "willingness to engage in social talk before discussing business", "willingness and ability to speak

Table 2: Border and Non-Border responses

CULTURAL FACTORS	Not Important		Somewhat Important		Very Important	
	Border	Non-Border	Border	Non-border	Border	Non-Border
**Willingness to go to lunches and dinners	0	3	31	35	69	60
**Providing small gifts for wives and children of customers and potential customers	31	44	61	40	8	12
**Willingness to engage in social talk before discussing business	0	3	15	29	85	65
**Having previously lived or traveled in Mexico	23	21	38	43	38	38
**Having been referred to or introduced to Mexican businessperson by a mutual acquaintance	12	10	27	49	29	41
**Manners, etiquette, and politeness	0	0	19	15	81	85
**Wearing appropriate business attire	3	3	35	35	62	62
**Willingness and ability to speak Spanish	8	9	46	47	46	44
**Willingness to be flexible about meeting times, dates, and deadlines	0	3	23	35	77	65
**Using correct forms of greetings, names, and titles	4	4	31	32	65	63
**Friendliness	0	3	42	26	58	71
**Knowledge of Mexico's business climate and conditions	0	0	15	16	85	74
**Willingness to visit Mexico's historical and cultural sites	31	37	5	47	15	16
**Knowledge of Mexico's history and culture	4	17	77	69	19	21
**Enthusiasm	0	0	38	24	62	74

Spanish", and "knowledge of Mexico's business climate and conditions". A striking similarity of the factors is that three of the four deal with communication and the formation of relationships. Perhaps these factors were perceived as important because the *frontera* or border is considered a buffer between the two cultures, as exchange of ideas and people occur daily. The intercultural exchanges of the border move slowly throughout the country, and provide an area of shared culture and language for the two nations. Thus the rise of Spanglish and the chicano movement.

As Mexico and the United States continue to exchange products and ideas, the border will provide a background for these exchanges.

The non-border states placed more importance on protocol. Two of the factors they placed significantly more importance on were "having been referred to or introduced to a Mexican businessperson by a mutual acquaintance" and "friendliness". They additionally placed more importance on "enthusiasm"; however, this factor was perceived as "very important" by the majority of businesspeople, border and non-border, as well as, Mexican. However, over fifty percent of the factors were given the same amount of importance by the non-border states as the border states.

The survey included a portion to rate the importance of culture in general in comparison to other normal business factors such as price, quality, and more conventional business factors.

The results are presented in Table 3 below.

Table 3

A. United States and Mexico: their responses to the importance

Placed on cultural factors	<u>Mexico</u>	<u>United States</u>
Much more important	5%	10%
More important	15%	17%
About as important	41%	45%
Less important	24%	25%
Much less important	12%	3%

B. Break down on border and non-border responses

Importance placed on cultural factors	<u>Border</u>	<u>Non-border</u>
Much more important	8%	10%
More important	30%	13%
About as important	38%	47%
Less important	23%	25%
Much less important	4%	4%

In part A of Table 3, the United States is shown to consider cultural factors a little more important than Mexican businesspeople. In general, though, both the U.S. and Mexico considered culture to be of at least as much importance as price, quality, and other such factors. Over fifty percent of the respondents both in the U.S. and Mexico found culture to be at least

"about as important" as these other more traditional factors. Shockingly, twelve percent of the Mexican respondents considered cultural factors to be "much less important" in comparison to the three percent of the U.S. respondents who perceived such. These results, in general, show an increasing sensitivity on the part of the United States to cultural factors; they, additionally, demonstrate a congruence between the importance placed on culture between the U.S. and Mexico respectively.

In part B of Table 3, the border states had more responses stating they believed culture to be "more important" or "much more important" than their nonborder counterparts. However, over seventy percent of the respondents in both groups responded that they perceived culture to be at least "as important" as the more traditional factors considered in business relations. Thus, yet again the United States shows its increased sensitivity and awareness of culture and its importance.

Conclusions

The results indicate that the United States businessperson places a significant amount of importance on various cultural factors when doing business with Mexico. Such finding suggest that the U.S. businessperon has increasingly heightened his or her awareness of culture and its implications to the business world. The U.S. businessperson and the Mexican businessperson were shown to place about the same amount of importance on culture, in general, as well as similar amounts of importance on the majority of the factors listed in the survey. The non-border states tended to place more importance on specific cultural factors listed than culture in general when compared to traditional business factors. With the border states, the opposite held true, and they placed more importance on culture in general when compared to more traditional factors such as price, quality, and ease of distribution than they placed on individual factors listed.

The results suggests several theories. Perhaps the difference in the two cultures has been exaggerated, and companies need not worry about the implications of various cultural factors because Mexicans do not always place utmost importance on them. This theory, however,

would be ludicrous and would indicate a halt to progress on cultural understanding if not a regression. How, then, can such results be explained? Two factors become evident: the problem distinguishing between real and ideal actions in regards to cultural sensitivity and the current disaster in the Mexican economy.

Ideal and reality have yet to have come together in many negotiations. The survey, as with all surveys, could be biased in that the people responding answer what they think is correct and not what actually happens in the company. For example, one Mexican respondent relayed an experience he had had with a U.S. businessman. The U.S. businessman mailed a joint venture document in English and, additionally, mailed the company prospectus in English. Both documents contained significant amounts of U.S. slang and jargon which cannot be translated. In addition, when he called the Mexican man at home, he called him by a nickname, not his title, his last name, or even his correct first name. This U.S. company was claiming to be an international exporter, yet had seemingly no knowledge of the Mexican culture, the Spanish language, or common protocol. In response to this actions, the Mexican business man allowed the U.S. man to wait impatiently at his hotel for five hours before going to meet him. He then told him "no" he was not interested in the proposition. Thus though these U.S. businessmen considered themselves international businessmen, they had not taken the time to study the culture and the codes of conduct that should be followed. So although U.S. businesspeople ideally would have a grasp on the Mexican culture and its need for politeness and abhorrence for telling someone no right away, in reality these men did not follow proper codes of conduct, did not address him properly, and did not recognize when they were being told no. Therefore, the real does not always mirror the ideal.

The difference in the importance placed on culture by each of the two countries could also be influenced by the current economy crisis in Mexico. Mexican businesspeople perhaps are putting less importance on culture factors than they would under ordinary circumstances. One Mexican businessman included a letter along with his survey. He stated that cultural factors were indeed important in initiating business negotiations; however, in the current economic

crisis he believed that any U.S. businessperson providing financial and moral support would be remembered when the crisis was over and that they would be *amigos para siempre* or friends for always. The U.S. businesses unwilling to take a chance would be forgotten. Thus, at this time, he believed Mexican business people would place less importance than normal on cultural factors in search of a trusting and supportive associate. Therefore, the economic crisis has perhaps affected more than business statistics but perceptions as well.

Thus, as the paper indicates, culture should not be forgotten, but presently Mexican businesspeople are more forgiving of cultural transgressions. With current economic conditions, Mexico and the United States will need to continue supporting one another. The survey indicated that indeed culture is a factor of business and must be considered, but it also indicated an increased awareness on the part of U.S. businesspeople. Therefore, if the current trend continues, relations between the United States and Mexico will improve, and both will reap the benefits.

APPENDIX

STUDY OF CULTURAL ASPECTS OF DOING BUSINESS IN MEXICO

PART I: Please indicate how important you believe each of the following cultural aspects of doing business in Mexico is by checking the appropriate box:

	Not Important	Somewhat Important	Very Important
1. My willingness to go to lunches and dinners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. My providing small gifts for wives and children of Mexican customers and potential customers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. My willingness to engage in social talk before discussing business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. My having previously lived or traveled in Mexico.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. My having been referred to or introduced to a Mexican businessman by a mutual acquaintance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. My manners, etiquette, and politeness.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. My wearing appropriate business attire.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. My willingness and ability to speak Spanish.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. My willingness to be flexible about meeting times, dates, and deadlines.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. My using correct forms of greetings, names, and titles.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. My friendliness.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. My knowledge of Mexico's business climate and conditions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. My willingness to visit Mexico's historical and cultural sites.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. My knowledge of Mexico's history and culture.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. My enthusiasm.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PART II: Please answer the following two questions:

1. In comparison to the quality of the products or services your company is offering or could offer to the Mexican market and the accompanying terms of sale available (price, delivery, credit, etc.), the above 15 cultural factors are, in general,

- much more important
 somewhat more important
 about as important
 somewhat less important
 much less important

2. Please indicate any additional cultural aspects of doing business in Mexico not included in the list on the first page which you feel are very important:

PART III: Please provide some information about your company:

1. Number of employees _____

2. To what extent is your company involved in doing business in Mexico?

- Currently not doing business in Mexico and do not expect to do so in the near future
 Currently not doing business in Mexico, but expect to do so in the near future
 Currently doing business in Mexico.
For how long? _____ years

THANKS FOR PARTICIPATING IN THE STUDY!

ENCUESTA DE LOS ASPECTOS CULTURALES PARA HACER NEGOCIOS CON MEXICO

Primer Parte: Favor de indicar la importancia que usted cree a cada uno de los siguientes aspectos culturales son importantes para hacer negocios con un Mexicano. Favor de marcar su selección en el lugar indicado.

	Ninguna Importancia	Algo Importante	Muy Importante
1. El querer salir a tomar el almuerzo o la cena.	_____	_____	_____
2. El obsequiar con pequeños regalos a las esposas o hijos del consumidor mexicano o posibles clientes	_____	_____	_____
3. El entablar conversaciones de tipo social antes de entrar a la discusión de los negocios	_____	_____	_____
4. El haber vivido o viajado en México	_____	_____	_____
5. El ser presentado o referido por un comerciante mexicano por medio de la amistad	_____	_____	_____
6. Forma de conducta y cortesía	_____	_____	_____
7. El vestir con la indumentaria apropiada para el mundo del negocio	_____	_____	_____
8. El querer y poder hablar en español	_____	_____	_____
9. El ser flexible al fijar la hora para las juntas, citas, y fechas terminales	_____	_____	_____
10. El uso correcto de formas tratamiento, nombres y títulos	_____	_____	_____
11. El ser amistoso	_____	_____	_____
12. El conocimiento del ambiente y condiciones del negocio mexicano	_____	_____	_____
13. El mostrar interés por visitar los sitios históricos y culturales mexicanos	_____	_____	_____
14. El tener conocimiento de la historia y cultura mexicanos	_____	_____	_____
15. El mostrar entusiasmo	_____	_____	_____

Segunda Parte: Favor de contestar las siguientes dos preguntas.

1. En comparación con la calidad de los productos o servicios que las empresas de EEUU ofrecen o podrían ofrecer al mercado mexicano y los terminos de la venta (precio, entrega, crédito, etc.), los factores de la Primera Parte de esta encuesta son, en general:

- mucho mas importante
- algo importantes
- comparativamente importantes
- menos importantes
- mucho menos importantes

2. Favor de indicar otros aspectos culturales que usted considera importantes al hacer negocio con México y que no forman parte de la lista pero que usted piensa que son MUY IMPORTANTES.

Tercera Parte: Favor de proveer la siguiente información sobre su empresa:

1. Número de empleados
2. Hasta que punto hace negocios su compañía con EEUU.
 - De momento no hacemos negocio con EEUU y no anticipamos en el futuro cercano
 - De momento no hacemos negocio con EEUU, pero esperamos hacerlo en el futuro cercano
 - De momento estamos comerciando con EEUU. Por cuántos años? _____

Le agradecemos su atención y expresamos nuestra gratitud por su amabilidad y tiempo para contestar esta encuesta. Muchas gracias.

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